



Internship Report
On
**“Export Risk Management of MS Knit
Design Ltd.”**

Supervised By

Dr. S M Sohel Rana

Assistant Professor & Associate Head
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University.

Prepared By

Md. Nayem Khan

ID: 151-11-4477

Program: BBA

Major in Finance

Faculty of Business & Entrepreneurship
Daffodil International University

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Letter of Transmittal

Date: 16 March, 2019

Dr. S M Sohel Rana
Assistant Professor & Associate Head
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University.

Subject: Submission of Internship Report on “Export Risk Management of MS Knit Design Ltd”

Dear Sir,

It is a great pleasure to submit my internship report on the internship titled “**Export Risk Management of MS Knit Design Ltd**” This report was assigned by me during my study period in MS Knit Design Ltd..”

I gave my best effort in preparation of this report. Any shortcomings or flaw may arise as I am new or beginner for this kind of job. I will wholeheartedly welcome any clarification and suggestion about any view and conception disseminated in my report.

I would like to thank you for your kind-hearted cooperation in preparing my report.

Sincerely yours,

Md. Nayem Khan

ID: 151-11-4477

Program: BBA

Major in Finance

Faculty of Business & Entrepreneurship

Daffodil International University

Declaration

I hereby declare that the internship report entitled “**Export Risk Management of MS Knit Design Ltd**” submitted in partial fulfillment of the requirement for the degree of Bachelor of Business Administration (BBA) at Daffodil International University.

I also confirm that this report is uniquely prepared by me after the completion of 3 months’ internship at MS Knit Design Ltd..

Md. Nayem Khan

ID: 151-11-4477

Program: BBA

Major in Finance

Faculty of Business & Entrepreneurship

Daffodil International University

Certificate of Approval

This is to endorse that this report entitled “**Export Risk Management of MS Knit Design Ltd**” submitted to Daffodil International University in association with the institution’s internship program is an authentic record of work done by “**Md. Nayem Khan**” under my supervision at the “**MS Knit Design Ltd.**”, HR Division (Head Office).

Supervisor

Dr. S M Sohel Rana
Assistant Professor & Associate Head
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University.

Acknowledgment

First & foremost of all, I would like to convey my heartiest gratitude and total devotion to Almighty God for blessings me with the ability, strength, patience as well as keeping me active in performing my thesis report tasks successfully.

A special debt is due to my respectable teacher, **Dr. S M Sohel Rana**, Assistant Professor & Associate Head, Department of Business Administration, Faculty of Business & Economics who has been my academic supervisor for the course of BBA. He was kind enough to allocate her valuable time to provide me with her humble guidance, motivation thoughts, ample & applicable directions for the successful preparation of this report.

I am also extremely grateful to the all officials of MS Knit Design Ltd. Hamayetpur, Savar are working who have sacrificed their valuable time in providing me necessary information and made detailed explanation that have contributed to the planning of this report and internship study. In addition, I gladly acknowledge the valuable cooperation and assistance I have received from the staffs of the MS Knit Design Ltd.. It will be really injustice if I do not thanks to them because without their cooperation we cannot do anything.

I am also grateful to my Family for their continuous all sorts of supports throughout the preparing report.

Executive Summary

This study is the result of my internship program ran for the past three months placed at the MS Knit Design Ltd. Hamayetpur, Savar is one of the reputed organization in Bangladesh. It has already developed reputation among the users. Therefore, the branch has all level of employees of the company. Since my internship program guided to understand the level of job satisfaction, I had to gain the practical area of responsibilities and of accountabilities of the employee so that I could cooperate with them to assess their views about and relations with the organization. I tried best to ask the staffs of the MS Knit Design Ltd. Hamayetpur, Savar directly and indirectly to gather my information.

However, I had a good access to the company publications. My task was designed to understand the level of job satisfaction of the employee of the MS Knit Design Ltd. Hamayetpur, Savar. To prepare this report I used primary and secondary data. The objectives of the report were understood level of job satisfaction of the employees of the MS Knit Design Ltd. Hamayetpur, Savar. So, the research was designed to achieve it. From the previous studies on this subject I have practically and empirically learnt that job satisfaction largely depends on the number of interrelated components such as workplace, salary, training, lack of gender discrimination, neutral promotion policies. Despite differences in opinions made by the employees of the organization on what the study was conducted, what the study finds is that they are highly satisfied in their job.

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Chapter-1

Introduction

1.1 Introduction:

Globalization has hit the populace of the world. Bangladesh originated creating export processing zones in 1978 to attract foreign capital to earn foreign dollars. In 1993, the export processing zone authority was set up on a blanket ban on trade union activity. This is clearly the most attractive feature for investors, on top of tax disruptions and other reasons on offer. The EPZs now employ 70,000 workers, mostly in the garment manufacturing industries. National labor laws do not apply in the EPZs, leaving BEPZA in full control over work situations, wages and benefits.

The condition in the garment industry at large is even poorer. The country's top export earner employs 1.5 million workers under settings of super-abuse. The majority are young women from rural areas who have migrated to the urban centers in search of work. The workshops are more like prisons than factories, with no fixed hours, regular disruptions or days off. Workers earn between 7 and 10 a month, for an average of 13 hours a day, up to 27 days per month. This comes to an hourly rate of two or three cents. The middle-class media reports that the industry currently owes 300,000 in back pay, a staggering amount considering the stingy wages.

Garment industries in Bangladesh are a very sharp industry in Bangladesh. The total demand for our garments can be satisfied by the domestic-made clothes and so also this sector is doing very well in the sense of exporting. The main helpings of our exports come from the garment industry. Even however the major portion of the government revenue comes from this sector but only a few people are rational about the present state of the workers of this sector.

As it is a very important issue of the country, so literati should watch around it. They have reproduced on it how the problem can be eliminated on this sector.

1.2 Background of Study:

Bachelor of Business administration (BBA) is an undergraduate program. The program is planned with an excellent arrangement of practical and theoretical aspects. After end of program of BBA, a sure time is reserved for internship. As a student of bachelor of business administration, Internship is an academic requirement. For internship each student is mandatory to work in a designated institution improve one's practical knowledge and experiences. After ending the internship make a report on the information of internship. As a mandatory requirement of BBA program, I was assigned to do my internship in MS Knit Design Ltd. factory (RMG Division) for an epoch of three months. This report has been prepared to achieve the partial requirement. While making this report, I had a great prospect to have in the depth knowledge of all the garments activities of MS Knit Design Ltd. factory (RMG Division).

1.3 Significance of the Study:

Internship report is required for fulfillment of BBA program. Which contains 3 credits of total academic courses. A student can gather practical knowledge about the real job field like as financial institute. After complete the internship period a student must be make report on his/her experience about the job. He tries to reflect his internship experiences on report. By this internship program students can recognize contacts and networking. Contacts may help to become a job in everyday life. This is, Student can train and prepare themselves for job market. Therefore, it is observable that the importance of internship is clearly acceptable as the fundamental requirement of BBA student.

1.4 Scope of the Study:

The report is mainly confined to the "Export Risk management in RMG".

Now direction to conduct study on this central issue, the following features come within the distance of the study.

- Overview Of MS Knit Design Ltd. factory
- Export Risk Management in RMG

1.5 Objective of the Study:

The broad objective of this study is to analysis the export risk management of MS Knit Design Ltd. factory.

Specific Objective:

- To know the export risk of Bangladesh garments in global market.
- To identify possible intimidations to the Bangladesh garments in the worldwide market in near future.
- To analyze the Ratio position of the company.

1.6 Limitation of the Study:

Objective of the useful direction program is to have practical exposure for the students. My permanants status was for only three months, which was somehow not sufficient enough to grater adequate skill of such vast industry business. After working whole day in the office it was very much difficult and also impossible to study again the theoretical aspects of industry. Finally as the office renovation activities was going on so the physical working condition was not healthy enough that we thought it would be. Some other limitations are:

- The limitation of substantiation some agreements were made, so there may because of be some personal mistake of the report.
- Preparing internship report is really troublesome.
- Twelve weeks of time is not enough for the study.
- Collection of data was not smooth
- Much personal information was not disclosed by respective personal of the department.
- The import export data of the country is not much available over the internet, Secondary source of information was not sufficient fir the completion of the report.

Chapter-2

Literature Review

2.1 Problem Definition:

Export risk is a position which stands disapproving position on fact. Every company or individual can't recognize without any risk. Risk is the possibility that a real return on an investment will be lower than the expected return.

2.2 Literature Review:

The security condition garments industry in Bangladesh is wickedest situation in the world. The RMG sector of Bangladesh are so dangerous for some reason such as fast delay of building without permission, additional floor and machinery extra in the beyond capacity. One of the chief problem of RMG sector in the facing export related risk. Political, Country, Currency, Mismanagement, Insurance gap, Cargo theft etc. Those types are export risks are facing in the RMG sector in Bangladesh. Of the various features, the problem of the export situation of readymade garments has received the greatest devotion.

A study by the Md. Salim Uddin and Mohammed Abu (2007) how to applicable the underwrite the social economic. Another study on the Ahmed N. (2009) in supportable in the export readymade garments for Bangladesh. An another study on the related topic in Muhammad (2011) Readymade Garments industry in Bangladesh. Garments are the country biggest export creation up about three residences of total export, and the industry the symbol of the country's subtleties in the world economic.

Dr Grew Gajesky and Alex (2005) discourse about Bangladeshi export craft practice and there outcome there competitiveness of the garments industry. They are thought, a wide body of indication suggests that improved open a trade and bigger export competitiveness contribute to developed rate of economic growth. Export competitiveness depends in part on taxes and other managements export trade practice, in addition to on the effectiveness on port on the transpiration association between the port and the export production.

A study by Munir and Salim looks at the garments export for the Bangladesh, and they are identified that geographic export threat from Bangladesh in (1998). In (1998) flood are big effects on Bangladeshi product are export in global market.

Nridha Kosak are told about the readymade garments industry in Bangladesh, the garments worker in Bangladesh has been usually executed from a part of political, social and economic activities such as the institutional veil. The important change in readymade garments in Bangladesh, stakeholders should be attention the industry a human and sustainable option.

Sharma (2000) are telling about export growth has been much faster than GDP over the past years. Export supply is the positive related to the local relative price of export and upper local demand decreased export supply. Foreign investment is statically no impact on export performance.

Nuruzzaman and Haque (2009) discuss about the garments industry in Bangladesh the important supplier and feature readymade garments in the international market. They are tell garments industry in Bangladesh in very important part in the national economy, and the industry faced challenged and it is phasing out of quota system facilities and new provisions of WTO.

In this Particular study we will focus on the contribution on garments sectors contribute in the effect in Bangladeshi economic. It will also focus and highlight that improves to efficiency of export risk of readymade garments products.



Chapter – 3

Methodology

3. Methodology:

In this study, the data were collected from the primary sources. However, besides primary data the secondary data were also compiled for the best result. To make this report the vital evidence collected from both primary and secondary source. Ratio analysis is done here for identifying the performance of specific sector. Here Ratio analysis shows us both the numerical and detailed information about company's performance. Ratio was calculated for a long term basis to showcase it in a form of trend analysis to identify areas where performance has improved or deteriorated over time. Ratio Analysis was the first step in financial analysis, to obtain a quick indication of a firm's performance and to identify areas which need to be investigated further. To elaborate and critically identify the return on equity the DuPont analysis is done. DuPont analysis analyzed changes over the time and matching them to changes in return on equity. By doing so, we can determine whether operating efficiency, asset use efficiency or leverage is most responsible for return on equity variations. The value chain analysis is a strategy tool used to analyze firm's internal activities. Its aims to recognize, which activities are the most valuable to the firm and which sector can be improved to provide competitive advantage. By looking into internal activities, the analysis identifies where a firm's competitive advantages or disadvantages are.

Primary Sources

- Direct conversation with the respective officers.
- Direct Observation.

Secondary Sources

- Different papers provided by the concerned officers of the organization.
- Relevant books, research paper, journals and web researches.
- Website.

3.1 Experimental Details:

The last give an increasing number of large programm, which has presented a large number of export risk in time of management. The main comfortable of the report embrace identified an export risk, risk management structure than analyze the export risk management. Than the calculating the liquidity, profitability, debt equity ratio because of to know the present scenario of the company.

Any export risk management process must be the particular surroundings of the report and the company responsibility it. The report explains a complete or general export risk management process to be responsibility by the company with the top level of risk management development. As a final assessment export risk management are methodology explained here, and the results are presented.

It has been begin in this report that there is some export risk factor in the readymade garments industry in Bangladesh. The main determination in the resolve of or control the identification on export risk in order increasing company's profitability. All the parties are answerable for operating a factory of straight for relative to each other. But all the parties are not answerable for all risk. If all these risk can be control in different skill and guideline than it will create a positive view in readymade garments sector of Bangladesh to the buyer and company. All the opportunities and strength must apply to control the threat and weakness in order to make a positive view readymade garments industry in Bangladesh.

Bangladesh need to focus on improving the working environment in factories and other social issued related the garments industry. The RMG sector in Bangladesh has been opposite pressure in international buyers for agreement with their coeds on conducts.

Chapter -4

Company Profile & Overview of RMG

4.1 Introduction to MS Knit Design Ltd. factory:

Head Office	: 133-134, Hemayetpur, Savar, Dhaka
E-Mail	: info@m/s,knitdesign.com
Company Established	: 1997
Production	: 1.2 Million pcs
Main Product	: Woven Shirts (Men's/ Ladies/ Boys & Girls) T- Shirt, Polo Shirt, Sweat Shirt, Tank Top, Boxer Shorts, Jogging Suit, Pajama Sets & Brief (Men's & Ladies) etc.
Main Market	: USA, Canada & Europe, Japan
Total Line	: 20
No Of Worker	: 4290 Persons
Factory Type	: 100% Export Oriented, Knitting Fabric Dyeing and Finishing, Cutting Printing and Embroidery Sewing and Readymade garments
Manufacturing Area	: 2,05,000Sft.
Warehouse Area	: 34,000 Sft./3,158 sqm
Day Off	: Friday



4.2 Mission of the Company:

MS Knit Design Ltd. is faithful to venture out into the changing and challenging international market as a leading enterprise in the world apparel industry by satisfying its valued customers.

4.3 Vision of the Company:

- To function as one of the best apparel sources in the international market,
- To fulfill the valued customers, meeting their expectation by providing quality products & services on time, and offering them the best value in terms of quality, price, environmental and other ethical practices,
- To meet submission standards to promise an ideal work environment and find optimum level of efficiency,
- To sustain the technology led knowledge in the industry,
- To support development ensuring fair and equal prospects for all,
- To continue increasing nurturing capability in skill looking for wins terms.

4.4 Utility:

The resolve-constructed factory locations of MS Knit Design Ltd. factory are independent with all of the necessary utilities like a water treatment plant to clean the water it takes to use in the dyeing plant. It has caged gas-burn power plants to ensure continuous power supply for 24 hours a day to all of its manufacture units. Its 85-cubic-meter-an-hour size effluent conduct plant of most current technology cleanses dyeing wastes chemically as well as geographically and dehydrates muck which MS Knit Design Ltd. sets off in most environment-friendly routine.

4.5 Overview of the MS Knit Design Ltd. factory:

MS Knit Design Ltd. is a one-stop source for overseas buyers to buy their high quality knit and woven garments from Bangladesh. The journey of MS Knit Design Ltd. factory 21 years ago. When this business was very tough but yet our exports continued to increase. We exported for the first time in 1997; it was worth 1.3 million US dollars. In 2015, it increased and reaches to 209 million dollars .Beyond business activities; however, MS Knit Design Ltd.

factory dedicates a portion of its margin for social welfare. It runs an educational institution and an orphanage. Every year, with the help of foreign surgeons, it organizes free plastic surgery and eye camps for the underprivileged people in the country.

Ethical: MS Knit Design Ltd. RMG Division is sentient of the ethical standards that have to be preserved. It guarantees that employment is easily is chosen, there is freedom of association, and the right to collective bargaining. Their working conditions are safe and clean .It guaranted that child labor is banned, wages are paid on time and accurately, and working hours are within limit. MS Knit Design Ltd. does not believed in discrimination and harsh treatment of employees.

Environmental: MS Knit Design Ltd. RMG Division feels that ithas the responsibility to ensure the environment remains unpolluted. Inthat regard, it invest on equipment and motivates its staff to remain aware of safeguarding the environment through best possible practice.

These Include:

1. Spending heavily environment friendly equipment which requires less energy to operate and product less heat, noise and carbon emission.
2. Storing wastages regularly and dumping in designated areas and recycling according.
3. Taking care of medical disposals in the same manner and ensuring that it remains consistent.



4.6 Overview of RMG (Ready Made Garments) industry in Bangladesh:

Bangladesh has been the one of the major largest export craft country of RMG and Apparel in the international market. This industry happening in Bangladesh at the late 1970 extended deeply in the 1980 and grew in the 1990s. The speedy development of this industry was possible then of the use of less difficult technology, cheap labor, easy to operate sewing machineries. The sector donates pointedly to the GDP. It similarly arrange for employment to around 4.6 million Bangladeshis. An awesome number of workers in this zone are women. This has pretentious the common status of many women coming from low income families.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is the only recognized trade body which embodies the export leaning garment manufacturers and exporters of the country. Because of the 70's political confusion in Sri Lanka and price hike in other Asian countries, garment buyers in the worldwide markets traveled the possible of the newly instinctive Bangladesh. Opportunely, with entrepreneur's capacity and exertions, the timely policy support from the government, in addition to the cheap labor of the work force, RMG industry might prosper impressively and the buyers got poise in it. Now the growth rate of this industry is, on an average, 20% per annum. Through a massive supply of cost-effective labor force, country's economic factors are in favor of increase in this fairly low capital and high labor exhaustive industry. Opening in late 70 as a small nontraditional sector of export, RMG arisen as a promising export earning sector of the country by the year 1983. At that time Bangladesh lacked a protective trade body, non-government in nature, free from traditional administration, to help the sector to boost up the country's foreign exchange earnings. Entrepreneurs and the government in the post-independence years felt and emphasized the urgent need to develop nontraditional items of export for helping the struggling economy. As a result, the year of 1977 marked the birth of Bangladesh Garment Manufacturers and Exporters' Association (BGMEA). Subsequently its humble beginning with individual nineteen (19) garments manufacturers and exporters, BGMEA has developed into a strong and active body.

Today BGMEA conceitedly announces registered membership of more than 2700 garment industrialists and exporters. Of the overall 2700 units, around 1932 garment factories are

situated in Dhaka while about 155 and 415 factories are situated in Naryanganj and Chittagong individually. These 2700 garment factories having around 2 million workers is making 73% of the country's total external currency. Around 15 million people are straight reliant on this sector for their living. The development of Freight Transport, Bank, Insurance, etc. in the country is the ability of the garment industry.



Table: 1 Important Distributed Releted to RMG Industry

Year	Distributed
1970-1980	Early dated of growth
1982-1985	Boom Days
1985	Quota restriction
1990	Developed Significantly
1993	Child Labour & its Solution
2003	Withdraw Canadian Quota
2005	Out of Quota Restriction
2006	Strikes by Garments Labour
2007-2008	Growth rate Stable
2008-2015	Continuous Growth

Source: BGMEA & Export Promotion Bauru Bangladesh

Table: 2 Employment & Membership in RMG Industry Bangladesh

Year	Number Of Factory	Employment (Millions)
2001	3480	1.8
2002	3618	1.8
2003	3760	2
2004	3957	2
2005	4107	2
2006	4220	2.2
2007	4490	2.4
2008	4743	2.8
2009	4925	3.5
2010	4063	3.6
2011	5150	3.6
2012	5700	4
2013	5876	4
2015	4222	4
2016	4296	4

Source: BGMEA Directory, 2015

Table 3: Economical glossary of RMG industry in Bangladesh

Factors	Contributions
Employment in garment industry	Around 4 million workers (2015)
Garment % of GDP	12% (2014)
Garment % of export	80% (2013)
Value garment export	20 billion USD (2013) (15 billion EUR)
Percentage of the world market for garment	Bangladesh is the second largest garment supplier of the global market, after China.
Minimum wage	5,300 taka (2014)
Living wage design by Asia Floor Wage	25,687 taka (2013)

Source: Export Promotion Bureau Compiled by BGMEA

Chapter – 5

Theoretical Aspect

5.1 Introduction:

Now pleasing an assessment to export, there are many facets that want to be evaluated by the national exporter before a final conclusion is reached. At a distance from assessing the market potential of the target countries, there is also a need for the Bangladeshi company to evaluate the different types of risks associated by exporting to specific zones. In this setting the company desires to implement in-house risk management systems which could deal with the levels of corporate risks associated by both the local and international export markets.

In order to know risks and instrument risk management strategies, the following sections plan the areas of export risk that want to be assessed so that a system could be put into place to moderate. Not accepting risks proper mechanisms to minimise corporate risk can have a harmful effect on the total performance and profitability of the company.



amfori BSCI আচরণ বিধি (কোড অফ কন্ডাক্ট)

আমাদের এই উদ্যোগটি amfori BSCI কোড অফ কন্ডাক্ট দ্বারা প্রকাশিত সকল শ্রম নীতি মেনে চলতে সম্মত

amfori BSCI নীতি সমূহ



সংগঠনের স্বাধীনতা এবং অভিমত প্রকাশের অধিকার

শ্রমিকদের ইউনিয়ন অথবা অন্যান্য সমিতি গঠন করার এবং একত্রিত অভিমত প্রকাশের অধিকারকে গুরুত্ব দেয়া হয়



ন্যায্য পারিশ্রমিক

শ্রমিকদের ন্যায্য পারিশ্রমিক পাওয়ার অধিকারকে প্রাধান্য দেয়া হয়



পেশাগত স্বাস্থ্য ও নিরাপত্তা

একটি সুস্থ এবং নিরাপদ কাজের পরিবেশ নিশ্চিত করে, কর্মস্থলে ঝুঁকির পরিমাপ নির্ধারণ করে তাকে কমানার সকল প্রচেষ্টা করা হয়



তরুণ কর্মীদের জন্য বিশেষ নিরাপত্তা

অপ্রাপ্তবয়স্ক শ্রমিকদের জন্য বিশেষ নিরাপত্তার ব্যবস্থা করা হয়



দামত্ব শ্রম সম্পূর্ণ ভাবে নিষিদ্ধ

কোন প্রকারের বাধ্য বশ্যতা, পাচার অথবা অস্বাভাবিক শ্রমকে প্ররম দেয়া হয় না



ব্যবসায়িক নৈতিকতা

যেকোনো প্রকারের দুর্নীতি, চাঁদাবাজি, আত্মসাৎ অথবা ঘুষ আদান প্রদান একেবারে প্ররম দেয়া হয় না



সমান অধিকার

সকল শ্রমিক কে সমান সুযোগ প্রদান করা হয় এবং শ্রমিকদের মাঝে কোন রকমের বৈষম্য প্ররম দেয়া হয় না



যথাযোগ্য কাজের সময়

শ্রমিকদের কাজের সময় সংক্রান্ত আইন মেনে চলা হয়



শিশু শ্রম সম্পূর্ণ ভাবে নিষিদ্ধ

আইনি সর্বনিম্ন বয়সের নিচে কোনো কর্মীকে চাকরিতে নিয়োগ করা হয় না



অনিশ্চিত চাকরি নিয়োগ সম্পূর্ণ ভাবে নিষিদ্ধ

সকল শ্রমিককে আইন অনুযায়ী নথিভুক্ত চুক্তির ভিত্তিতে চাকরিতে নিয়োগ করা হয়



পরিবেশ সংরক্ষণ

পরিবেশের যেকোনো রকমের ক্ষতি এড়ানোর জন্য প্রয়োজনীয় সকল ব্যবস্থা নেয়া হয়

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কোডের নিয়ম পালন করা

আমরা আইন এবং amfori BSCI কোড দারা শ্রমিকদের অধিকার সংরক্ষণ করতে বাধ্য।



শ্রমিকদের অংশগ্রহণ এবং নিরাপত্তা

শ্রমিকদেরকে তাদের অধিকার ও দায়িত্ব সম্পর্কে অবগত রাখা হয়।



সাপ্লাই চেইন ব্যবস্থাপনা এবং ক্যাসকেড এফেক্ট

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অভিযোগ সংগ্রহের পদ্ধতি (গ্রিভেন্স মেকানিজম)

সকল কর্মচারীর থেকে অভিযোগ ও পরামর্শ সংগ্রহের জন্য যথাযথ ব্যবস্থা প্রদান করা হয়

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Trade with purpose

5.2 Risks Associated By Exporting:

Happening the environment of responsibility foreign trade, Exporter who is exporting or who are arrangement to export are subject of different types and ranges of risk than they would involvement in the local market. Global trade is affected by, but not narrow to, a kind of risks that need to be addressed and which include,

- Currency Exchange Risk
- Transport Risk
- Legal Risk
- Political Risk
- Country Risk
- Social and Environmental Risk
- Transfer Risk
- Financing and Credit Risk

Currency Exchange Risk:

This revelations the Bangladeshi company to receiving a lower amount of payment if the currency amount receivable on payment is lower than the amount planned when entering the export contract. For example, if the exporter established the deal in BD TAKA and the value decreases against the Euro ,and Dollar the exporter will end up receiving less Euros for the products sold than originally expected. This retires because the exchange rates vary over time, and there is a time lag between arriving into a contract and receiving the payment. How does the Producer anage currency exchange risk through foreign exchange risk management techniques including hedging and buying the foreign currency onward or entering a futures contract. The Producer should contact their bank's Foreign Desk office and take more information on currency exchange management.

Transport Risk:

Everywhere the goods are taken, swiped or spoiled while in transit. How can it be eased commercial marine insurance policies will insure the goods touching carriage risks. These protect the Exporter from losses from warehouse to warehouse as well as general loss or harm. Moreover, insurance helps to decrease the level of damage that a Exporter may

possibly have to incur during the carriage of his products. Thorough evidence can be obtained by consulting with a freight forwarder or an insurance agency.

Legal Risk:

Modifications in national laws can occur in external countries, which may have a power in ranges such as import processes, taxation, work practices, currency industries, property rights, and the protection of academic property, agency and other related subjects. Obtaining advice from valued legal specialists in the target countries disturbed is, therefore, important in order to know the legal debts for the Bangladeshi company, before it is started to export its goods to the objective country.

Political Risk:

Political risk is a type of risk challenged by investors, corporations, and governments that political judgments, events, will knowingly distress the profitability of a business actor or the expected rate of a given economic action.

For Example, If one exported products to a foreign nations, and that nation elects new government that enacts protectionist trafis, this will negatively impacts the export business.

Social and Environmental Risk:

We have to export of products on the sea or other way of exporting that time we have faced some social problem which is one kind of social risk of export. Risk that rises when an issuer issues policies focused within positive geographic areas, such as the risk of focused their analysis in hurricane or earthquake level states. For example, a company export shirt in the bye of bengal carries a geographic risk that a hurricane will destroy its infrastructure.

Transfer Risk:

Occurs when a revolution in government guidelines prevents or restricts the Exporter's ability to receive payments or exchange foreign currency. It rises from the fact that many countries regulate transfer of currency and exchange of foreign currency receipts. Unforeseen controlling changes may happen between entering and peaceful a contract. How can it be mitigated export credit insurance supports can cover the Exporter beside transfer risk. The Exporter could use Without Alternative Export Finance to chain the benefits of postshipment finance and export credit insurance for 100% of the transaction amount.

Credit and Financing Risk:

This involves that risks happen that, a customer will evasion on payment, or the customer's business may flop, or there is political or commercial instability. For a company to shelter itself against payment evasion it is practical, at least originally, to use payment methods which can provide some level of safety unchangeable letters of credit. Exporters bank would be bright to provide guidance on payment options and their comparative advantages. Banks can also advise how a company could protect itself by changing in the currency fluctuations as international trading disclosures the Exporter to foreign exchange risk.



5.3 Secondary Risk associated by exporting:

- Mismanagement Risk
- Insurance gap Risk
- Other area of Risk
- Cargo theft Risk

Mismanagement Risk:

This tells to governments who may pursue erroneous fiscal policies if a situation occurs where a country's policies

- Consumes an growth in its money supply inflation will happen which can affect the Exporter in terms of higher local costs, trouble in planning, currency depreciation.
- Goes a fiscal deficit before the following could happen and effect the Exporter:
 - Upper interest rates may need to be applied which would create developed stealing costs in the target country.
 - Collapse could be manufactured, which would lesser demand for products in target market.

Insurance Gap Risk:

Insurance gap risk that multi or two sided or private insurance cover may not be available or one partly available due to the country, political risk of a particular export county life high. Leaves an insurance gap that can't be protected except by the Exporter himself. Here is likely to take out insurance cover from numerous sources that will cover different features of the deal, in its place of trying to protect a single insurance deal.

Other area of Risk

These could contain the following

- War and civil condition making overall distresses in getting products to market.
- Labour discontent making higher costs, work strikes.

Cargo theft Risk:

Cargo theft risk growing area of risk anywhere the price of insurance cover is growing, because the rate of theft is also rising quickly. This weakness is not because security efforts have become careless it's because of greater volume. We are carriage more to meet consumer wants therefore, cargo thieves have more risks to steal from us.

সেকশন	ঝুঁকিসমূহ	ঝুঁকির প্রভাব	ঝুঁকি প্রতিরোধ গৃহীত পদক্ষেপ
উৎপাদন বিভাগ	নিম্নমানের পণ্য তৈরি করা।	ক্রেতা কর্তৃক পণ্য গ্রহণের অস্বীকৃতি ও ক্রেতা কর্তৃক পণ্যের নতুন কার্ভায়েশ না পাওয়া।	ক্রেতার চাহিদা মোতাবেক জনস্বত মান সম্পন্ন পণ্য তৈরির ব্যাপারে গ্রাহকস্বীকৃতি নির্দেশনা ও তদারকির জন্য কোয়ালিটি ও উৎপাদন বিভাগে বিভিন্ন পদে কর্মকর্তা নিয়োগ করা হয়েছে।
	অতিরিক্ত কাচামাল অপচয়	কোম্পানী আর্থিকভাবে ক্ষতিগ্রস্ত হওয়ার সম্ভাবনা থাকে।	গ্রাহকস্বীকৃতি মাপসুল গ্রহণের কোম্পানী এনও নীতিমালা অনুসরণ করে গ্রহণ করতে হবে। অতিরিক্ত কাচামালের গ্রাহকস্বীকৃতি মাপসুল কাচামালের ব্যাখ্যা প্রদান পূর্বে ও উৎপাদন কর্তৃক অস্বীকৃতি করে অতিরিক্ত কাচামাল গ্রহণ করতে হবে।
	অতিরিক্ত ক্ষয়ক্ষতি নিয়োগ করা।	গ্রাহকস্বীকৃতির অতিরিক্ত পোক নিয়োগের মাধ্যমে কাজ করলে কোম্পানীর আর্থিকভাবে ক্ষতিগ্রস্ত হয়।	গ্রাহকস্বীকৃতির ক্ষয়ক্ষতি নিয়োগের ক্ষেত্রে যথাযথ নীতিমালা অনুসরণ করতে হবে। এছাড়া ক্ষয়ক্ষতি ও নিয়োগ প্রতিরোধ বাসাই করার জন্য কারখানার আইই (ইন্ডাস্ট্রিয়াল ইঞ্জিনিয়ারিং) বিভাগের কর্মকর্তা নিয়োগ করতে হবে।
	শ্রমিকের দক্ষতা ও অদক্ষতা তদারকি না করা।	আশানুরূপ মানের পণ্য না পাওয়া এবং কোম্পানীর সময় ও অতিরিক্ত অর্থ ব্যয় হওয়া	শ্রমিকের দক্ষতা ও অদক্ষতা তদারকির জন্য কোয়ালিটি ও উৎপাদন বিভাগে বিভিন্ন পদে কর্মকর্তা নিয়োগ করা হয়েছে।
	শ্রমিকদের সাথে অশোভন আচরণ।	শ্রমিক অনশ্রমে ও উৎপাদন কার্যক্রম ব্যাহত হওয়া।	কারখানার সকল পদে কর্মকর্তাদের প্রতি বিশেষ নির্দেশনা প্রদান করা আছে যে কোন অবস্থাতেই অস্বীকৃতির প্রতি অশোভন আচরণ করা যাবে না।
	অবৈধ সুবিধা বিনিময় পেট পাশ	কোম্পানীর আর্থিক ক্ষতির সম্ভাবনা থাকে।	মানব সম্পদ ও প্রশাসন বিভাগকে নিরাপত্তা বিভাগকে তদারকি ও পরিচালনা করার

5.4 Risk Management:

Calculating and evaluation of financial risks together with the identification of procedures to avoid or minimize their impact. Risk management therefore, wanted for the following reasons,

- It's good business and management practice.
- It assists the exporter to clearly define insurance needs in every company.
- It affords better information for decision making progress in the company.
- It's and minimises risk and permit the expansion of a rising export customer base.

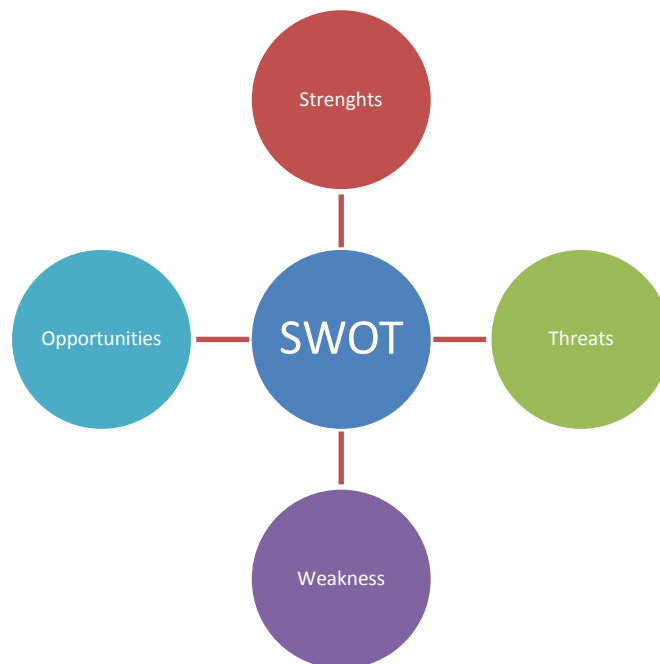
- It allows a more effective & efficient allocation of corporate assets.
- It affords better outcomes from missions and programmes that are fulfill.



Chapter- 6

Finding & Analysis

6.1 SWOT Analysis of MS Knit Design Ltd. factory:



Strength:

- Usages of new equipment
- Sufficient Production Capacity
- Very understanding management
- No subcontracting for printing, embroidery, and washing
- Internet connectivity wireless network 24 hour high speed contact

Weakness:

- Lack of automatic and new equipment
- Interest rate are also embrace in weakness of the company
- Late Delivery of Sample
- Carrier time crate many problem there
- MS Knit Design Ltd. does not harvest raw materials and they are import worldwide market

Opportunities:

- Now some foreign country are interested about MS Knit Design Ltd. factory
- Competitors are not that much strange like MS Knit Design Ltd. factory
- Some USA television channel publications the company ad
- Update and installations are new equipment will better company product quality and production capacity

Threats:

- Increase competitors in local markets
- Lack of electricity can make for the business
- Developing market of India and China
- Political unrest is a notable threat to the smooth function of MS Knit Design Ltd. factory
- Unexpected price hike of fabrics and accessories on international market to a very difficult so loss the business

6.2 Analyzing Liquidity Ratio on MS Knit Design Ltd. factory:

Current Ratio

The Current Ratio Direct the relationship between the organization Current assets and its Current liabilities. Organizations use Current ratio to quantify the organization ability to meet short term obligation.

Current Ratio = Current Assets/Current Liabilities

(Amount in Millions)

Year	2012	2013	2014	2015	2016
Current Assets	63.23	96.6	87.90	98.17	93.02
Current Liabilities	27.94	28.52	23.13	34.5	29.48
Current Ratio	2.26	3.38	3.79	2.85	3.16

Graphical Presentation

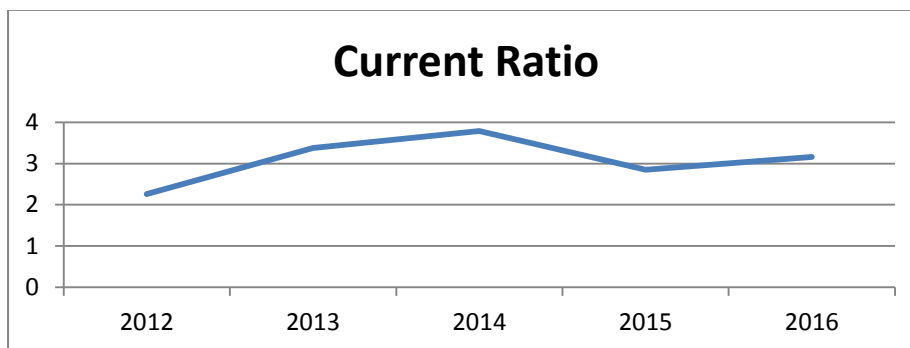


Figure 4.1

Interpretation:

The above diagram displays that the current ratio was increased from 2.26 times in 2012 to 3.79 times in 2014, but after that it was decreased to 3.16 in 2016.

Quick Ratio

Quick Ratio is quantity of how well an organization can meet its short term financial liabilities. Acid test ratio is also identified as a quick ratio.

Quick Ratio or Acid Test Ratio = Current assets - Inventory/ Current liabilities

(Amount in Millions)

Year	2012	2013	2014	2015	2016
Current Assets	63.23	96.6	87.90	98.17	93.02
Inventory	6.82	7.15	8.94	5.51	4.55
Current Liabilities	27.94	28.52	23.13	34.5	29.48
Quick Ratio	2.02	3.14	3.41	2.69	3.01

Graphical Presentation

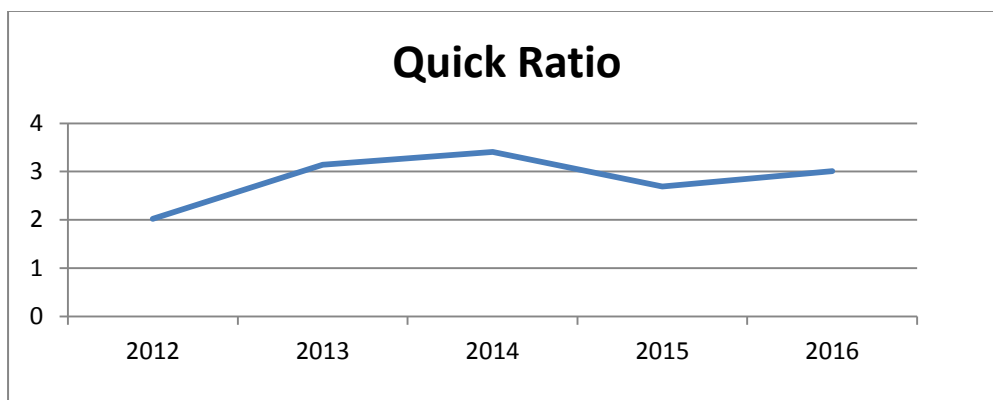


Figure 4.2

Interpretation:

The above diagram displays that the quick ratio was increase from 2.02 times in 2012 to 3.41 times in 2014, but after that it was decreases to 3.01 times in 2016.

Net Working Capital

Working Capital is a financial measurement of the operating liquidity available to a business it is also known as net working capital ratio.

Net Working Ratio = Total Current assets - Total Current liabilities

(Amount in Millions)

Year	2012	2013	2014	2015	2016
Current Assets	63.23	96.6	87.90	98.17	93.02
Current Liabilities	27.94	28.52	23.13	34.5	29.48
Net Working Capital	35.29	68.8	66.77	63.67	63.54

Graphical Presentation

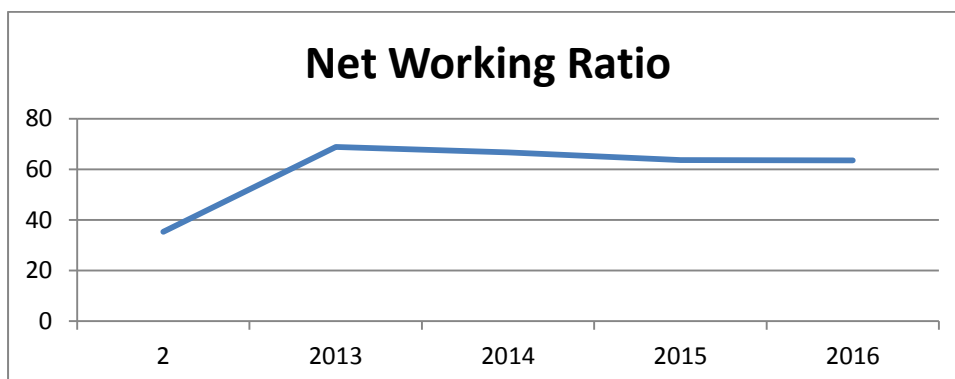


Figure 4.3

Interpretation:

The graph displays that the net working capital of the company has fluctuated over years. It was increased from 35.29 million in 2012 to 68.8 million in 2013, but after that it was decreased to 63.54 million in 2016. The company should be concerned about managing the capital properly.

6.3 Analyzing Activities Ratio on MS Knit Design Ltd. factory:

Total Asset Turnover Ratio

Total Assets Turnover Ratio evaluates the efficiency of managing all of the Organization Assets.

Total Asset Turnover = Sales / Total Asset

(Amount in Millions)

Year	2012	2013	2014	2015	2016
Sales	169.056	173.056	179.129	225.250	133.095
Total Assets	102.494	147.249	129.68	143.209	110.936
Total Assets Turnover	1.66	1.18	1.40	1.57	1.20

Graphical Presentation

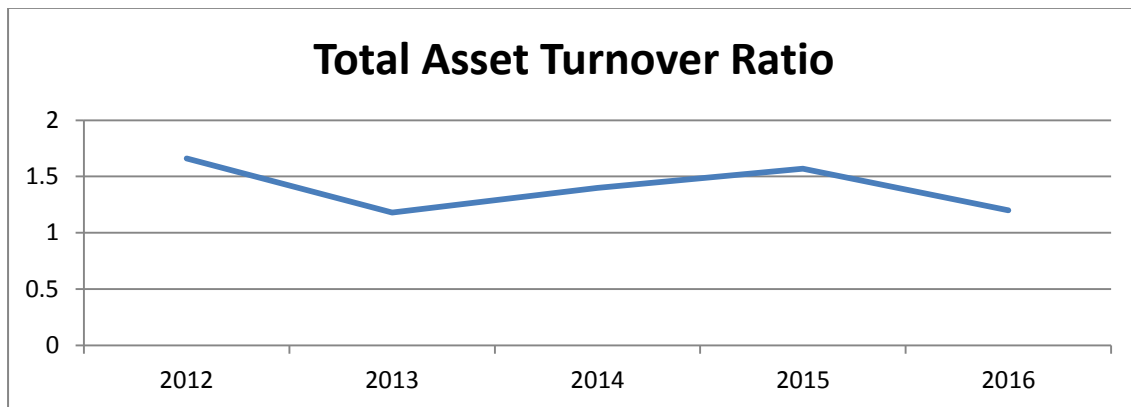


Figure 4.4

Interpretation:

Graph displays that, total asset turnover of the company was fluctuated and decrease over year from 1.66 in 2012 to 1.20 in 2016, which was a bad sign of company performance.

Inventory Turnover Ratio

Inventory turnover is a quantity of the number of times inventory is sold or used in a time period such as year. Low inventory turnover ratios specify an organization is carrying too much inventory. This could propose poor inventory management or low sales, high inventory turnover ratios may specifies an organization enjoying solid sales or working just in time inventory methods.

Inventory Turnover ratio = Cost of Goods sold for the Year / Average Inventory

(Amount in Millions)

Year	2012	2013	2014	2015	2016
COGS	147.16	141.79	154.28	195.95	125.50
Average Inventory	40.17	38.67	43.87	46.74	33.55
Inventory Turnover Ratio	3.66	3.67	3.52	4.19	3.75

Graphical Presentation

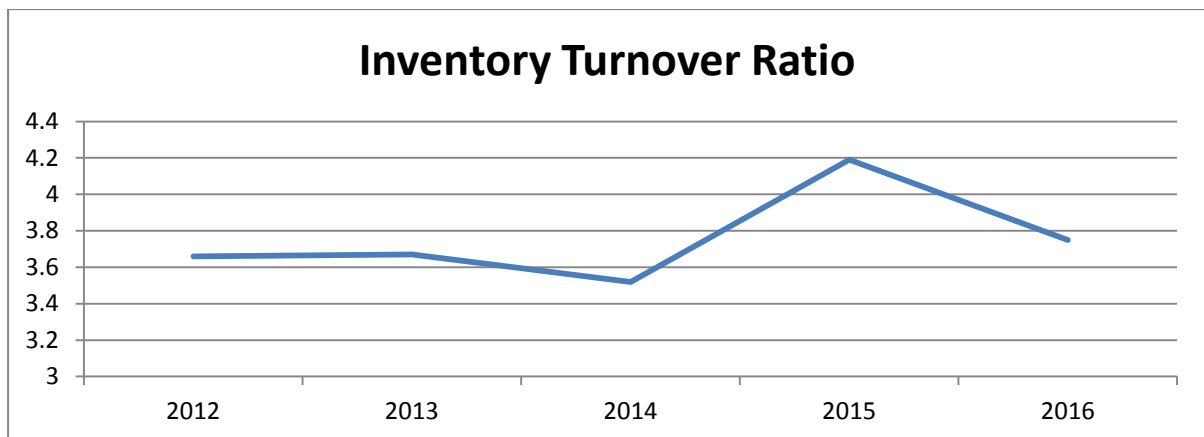


Figure 4.5

Interpretation:

The inventory turnover ratio of the company was fluctuated over years. It was increased from 3.66 times in 2012 to 4.19 times in 2015, but after that it was decreased to 3.75 times in 2016. This specifies that the company is carrying too much inventory.

Average Collection Period

The average quantity of time needed collected accounts receivable. The average collection period is useful in calculating credit and collection policies.

$$\text{Average Collection Period} = \text{AC receivable} / (\text{Annual sales}/360)$$

(Amount in Millions)

Year	2012	2013	2014	2015	2016
AC receivable	4.99	5.15	5.58	6.15	4.25
Sales per day	0.47	0.483	0.49	0.63	0.314
Average Collection Period	10.62	10.63	11.22	9.84	13.55

Graphical Presentation:

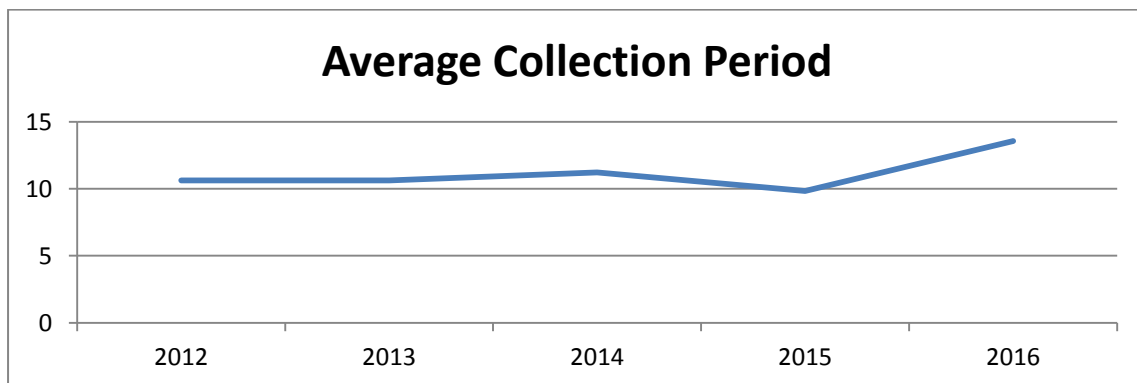


Figure 4.6

Interpretation:

Graph displays that collection period of the company was fluctuated and increased over the year from 10.62 days in 2012 to 13.55 day in which was a bad sing of company performance.

6.4 Analyzing Debt Ratio on MS Knit Design Ltd. factory:

Debt Ratio

Debt ratio quantity the preparation of the total assets provided the company's Creditors.

$$\text{Debt Ratio} = (\text{Total Debt} / \text{Total Assets}) \times 100$$

(Amount in Millions)

Year	2012	2013	2014	2015	2016
Total Debt	49.16	83.67	63.87	76.74	44.53
Total Assets	102.494	147.249	129.68	143.209	110.936
Debt Ratio	47.96	56.82	49.25	53.58	40.29

Graphical Presentation:

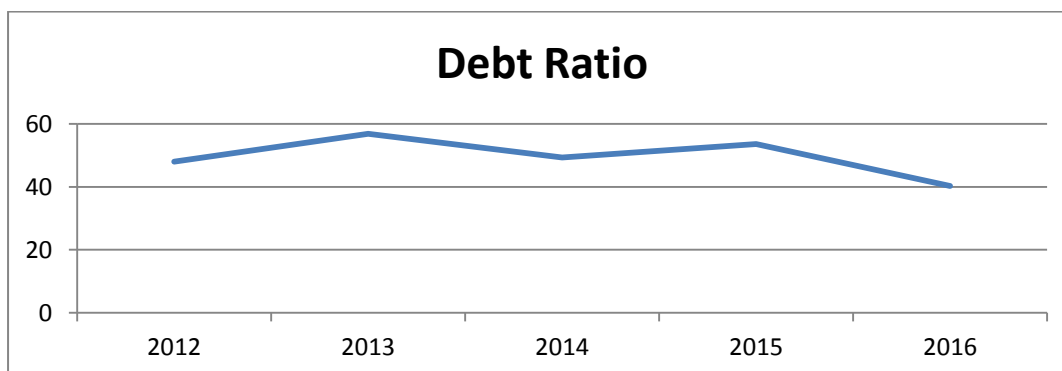


Figure 4.7

Interpretation:

The graph displays that debt ratio of the company was fluctuated and decreased over the year from 47.96 % in 2012 to 40.29 % 2016 which indicated a lower degree of thankfulness of the company.

Debt Equity Ratio

The debt equity ratio specifies the relationship between the long term funds provides by the creditors and these organization owner.

$$\text{Debt Equity Ratio} = (\text{Total debt} / \text{Total equity}) \times 100$$

(Amount in Millions)

Year	2012	2013	2014	2015	2016
Total Debt	49.29	83.61	63.88	76.79	44.79
Total Equity	53.66	63.98	65.52	66.53	66.15
Debt Equity Ratio	91.86	130.68	97.50	115.42	67.70

Graphical Presentation:

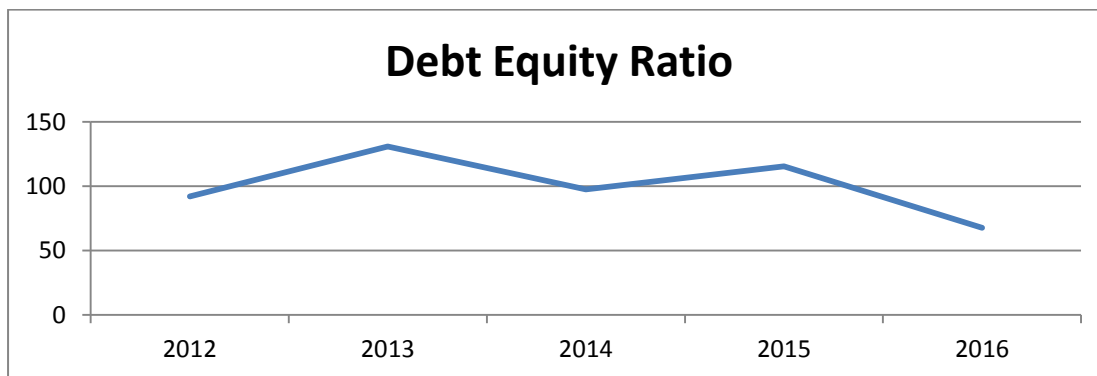


Figure 4.8

Interpretation:

Debt Equity ratio of the company has fluctuated and decreased over year of the analysis from 92 % in 2012 to 68 % in 2016. A lower degree of debt equity ratio specifies that lower creditors financing was used for business than investor financing.

6.5 Profitability Ratio:

Gross Profit Margin

Gross profit is the difference between sale and manufacturing cost of goods sold and gross profit compared with the sale. Gross profit margin ratio reflects the effectiveness with which management harvest each unit of product.

$$\text{Gross Profit Margin} = (\text{Gross Profit} / \text{Sales}) \times 100$$

(Amount in Millions)

Year	2012	2013	2014	2015	2016
Gross Profit	21.89	16.16	24.95	29.30	16.58
Sales	169.056	173.056	179.129	225.250	133.095
Gross Profit Margin	12.90%	9.29%	13.92%	13%	12.45

Graphical Presentation:

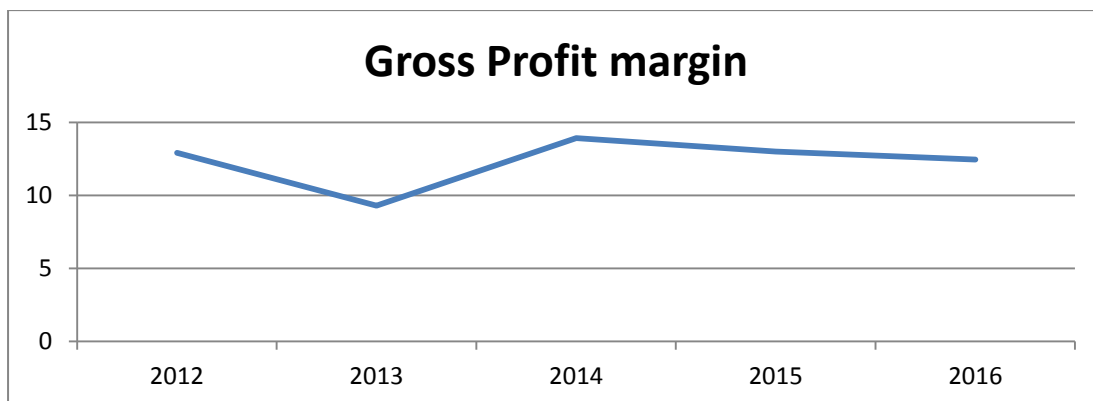


Figure 4.9

Interpretation:

Gross Profit Margin of the Company Was fluctuated over years. It was decreased from 12.90% in 2012 to 9.29% in 2013 but after that it was increased to 12.45% in 2016.

Net Profit Margin

The Ratio is also identified as net margin. The methods the relationship between net profit and sales of the company.

$$\text{Net Profit margin} = (\text{Net income} / \text{Net Sales}) \times 100$$

(Amount in Millions)

Year	2012	2013	2014	2015	2016
Net income	10.71	10.99	11.47	17.45	6.96
Net Sales	169.056	173.056	179.129	225.250	133.095
Net Profit margin	6.34%	6.35%	6.40%	7.74%	5.22%

Graphical Presentation:

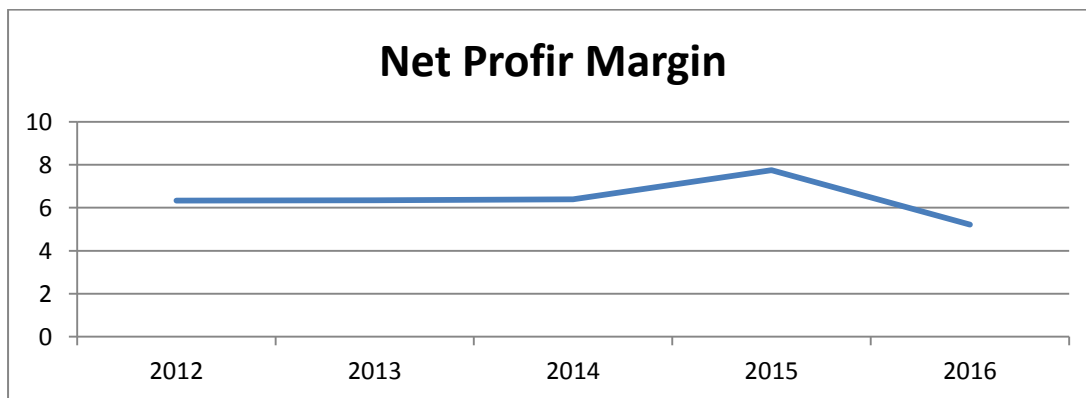


Figure 4.10

Net profit margin of the company was also fluctuated over years. It was increased to 6.34% in 2012 to 7.74% in 2015, which specifies in the company was that good enough in increasing operating profit remaining after taking all the cost and expenses. However, in 2016 it was decreased to 5.22%.

Return on Asset (ROA)

ROA is called the company return on assets, it methods the overall effectiveness of management in generating profits with its available asset.

$$(\text{ROA}) = (\text{Net profit after tax} / \text{Total Tax}) \times 100$$

(Amount in Millions)

Year	2012	2013	2014	2015	2016
Net Profit after tax	10.71	10.99	11.47	17.45	6.96
Total Assets	102.494	147.249	129.68	143.209	110.936
ROA	10.45%	7.46%	8.85%	12.18%	6.27%

Graphical Presentation:

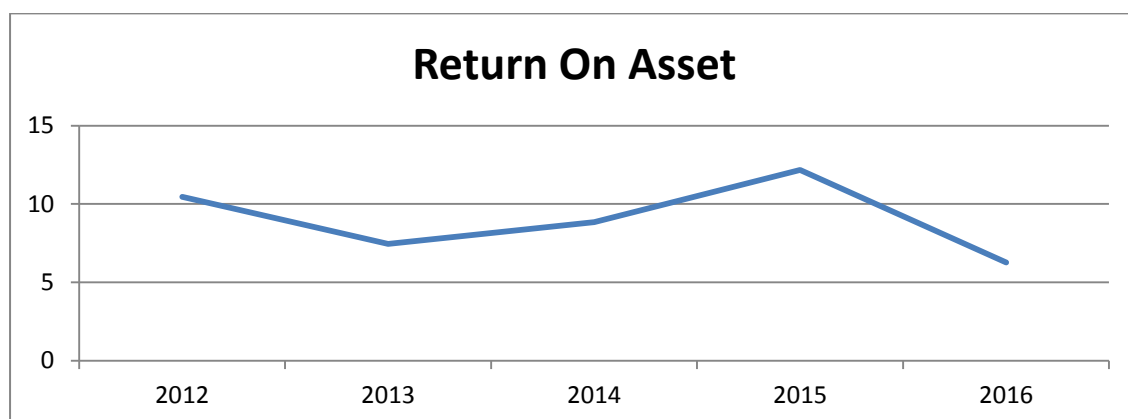


Figure 4.11

Interpretation:

ROA the company was fluctuated and increased from 10.45% in 2012 to 12.19% in 2015, which specified that the company management was efficient enough in generating profit by using its assets. However in 2016 it was decrease to 6.72%, which specifies a bad performance.

Return on Equity (ROE)

Return on equity is a ratio that Methods Corporation's profitability by revealing how much a fit a company generates with the money shareholder has invested. The ratio displays the profit earning ability of the company in equity share capital.

$$\text{ROE} = (\text{Net income} / \text{Shareholder equity}) \times 100$$

(Amount in Millions)

Year	2012	2013	2014	2015	2016
Net Income	10.71	10.99	11.47	17.45	6.96
Shareholder's Equity	53.66	63.98	65.52	66.53	66.15
Return on equity	19.96%	17.17%	17.51%	26.24%	10.52%

Graphical presentation:

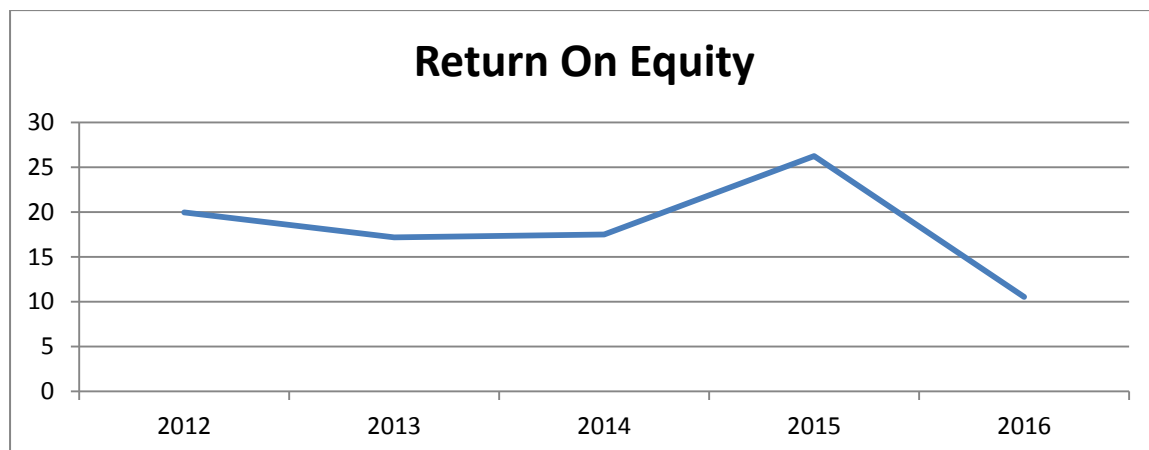


Figure 4.12

Interpretation:

ROE of the company was fluctuated and increased over the year from 19.96% in 2012 to 26.24% in 2015, which specifies that the company management was efficient enough in generating profit by using its equity capital. However, in 2016 it was decrease to 10.52%, which specifies a bad performance of the company.

6.6 Export Performance Analysis of MS Knit Design Ltd. factory:

Total export of RMG Sector during 2011-2012 to 19089.73 million USD and 78.55 % share, and it increase in Fiscal Year 2015-2016 to 28094.16 million USD and 82.01 % share. Total export on MS Knit Design Ltd. factory in 2012 to 148 million USD and it increase in 2016 to 250 million USD.

The table below to display the total exports earning and the share of RMG item during Fiscal year 2011-2012 to 2015-2016.

Fiscal Year	Export Earning (Million)	% Share	Export in MS (Million)	% Share Contribute
2011-2012	19089.73	78.55 %	148	0.78 %
2012-2013	21515.73	79.61 %	160	0.74 %
2013-2014	24491.88	81.13 %	190	0.78 %
2014-2015	25491.40	81.67 %	209	0.82%
2015-2016	28094.16	82.01 %	250	0.89%

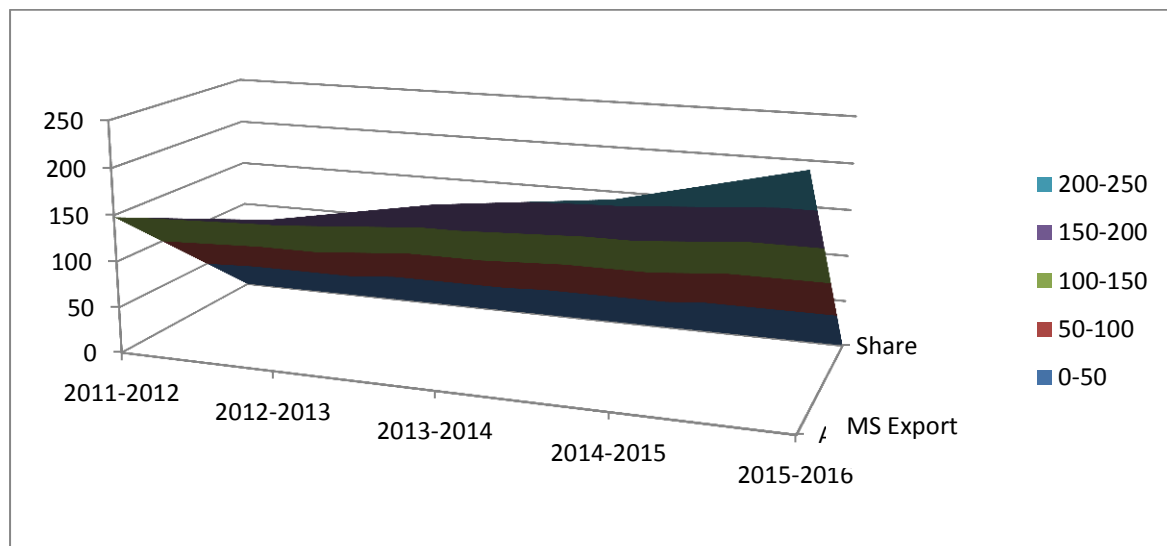


Figure 4.13

In the graph show that contribution of MS Knit Design Ltd. factory based on export in 0.78% in 2011-2012, in next fiscal year it was decreased in 0.74 %. However, last three fiscal year it was increased in 0.74 % to 0.89 %.

6.7 DuPont Analysis of MS Knit Design Ltd. factory:

ROE into 3 parts, industry can more easily to know change in there ROE. Profit margin are increased, every sale are more money to an industry bottom line, asset turnover increased an industry would general more sale as asset owned, financial leveraged would also increase in ROE, using more financing on debt are payments on high interest.

$$\text{ROE} = (\text{Net income/Sales} \times \text{Sales/ Total assets} \times \text{Total Assets/Shareholder Equity})$$

$$= \text{Net Income/ Shareholder Equity}$$

(Amount on Million)

Year	2012	2013	2014	2015	2016
Net Income	10.71	10.99	11.47	17.45	6.96
Shareholder Equity	53.66	63.98	65.52	66.53	66.15
ROE	19.96%	17.17%	17.51%	26.24%	10.52%

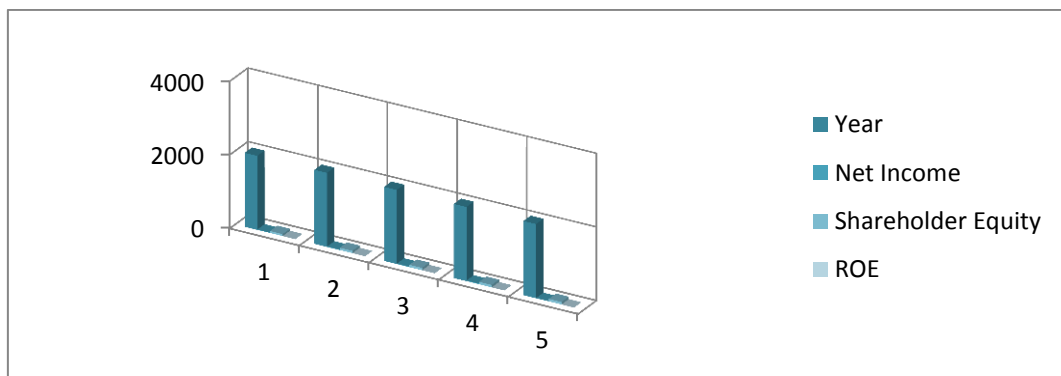


Figure 6.14

Results: Basically, Roe between 15%- 20% are the considerable accepted. So the table display that 2012-2014 year is the accepted condition, But 2015 it was highly increased in the company, and 2016 it was decreased.

6.8 Value of Chain Analysis:

Value of chain analysis is a very important framework to identify company weakness and strength on any company. Garments and provides the products and services of the foreign buyer, so I have analyzing the company value of chain analysis on MS Knit Design Ltd. factory.

Value Chain Analysis on MS Knit Design Ltd. factory:

Inbound logistics	MS Knit Design Ltd. factory usefulness succeeding order
Outbound logistics	Productivity of product and service and MS Knit Design Ltd. factory
Operation	Productivity to associate to the key competitors
Marketing and Sale	Market research to classify the customer need & segments. Innovation, promotion, & ad in MS Knit Design Ltd. factory
Customer	Customer input & development of helpfulness to customer service
Technology department	Successful activity of MS Knit Design Ltd. factory & quality of working joining between people
Human Research	Capability of requerment, promoting, training of level of employee of MS Knit Design Ltd. factory
Procurement	Procurement of raw material of MS Knit Design Ltd. factory, a lower cost of & expansion of another source of MS Knit Design Ltd. for inputs to minimize to requirement of individual supplier
Fire infrastructure	Timely & correct information for management a classes & competitive environment of MS Knit Design Ltd. factory.

6.9 Major Findings on the Study:

- From the report, I have realized that harms to garments export can be separated two part Main problems and Minor problems.
- Main Problem: Amongst the major harms connections such as regular climates or political instability are touching the export of garments product individually.
- Minor Problem: Amongst the minor harms inefficiency of manufacture process observation the garments factory is most remarkable.
- Lowly Quality Product doses most individually as main problem in exporting product, as the minor problematic shortage as backward linkage industry interrupt garments factories extremely.
- The liquidity position of the organization was fluctuated over the years. The decreased ratio in 2015 was due to economic decline and unwanted specifics in RMG sectors.
- MS Knit Design Ltd. factory should try to increase its Profitability by minimizing its operating cost, increased sale by giving discount on some product.
- The total revenue by the company was decreasing because of economic recession some export default.
- There are no formal program in any company require skill to the root and entry level employee to the company.

Chapter-7

Recommendations &

Conclusion

7.1 Recommendation:

Compared with the general local business, product exports are facing biggest risk. How to decrease the risk Export Company is the thought that must be confronted with the topic.

- Company need to power the risk management of trade financing. Export companies are normally export the product are essential to buying raw material in advance and continued to invest capital in production, because accurate management of trade fund will affect the Company operating cash flow and production process.
- Export Companies obligation recognizes risk based on system anticipation mechanism. The first step to all the employed know the risk so that the really aware how the risk anticipation required.
- List would-be risk is the agreement can also be the way to improve risk management. The difficulty needs to be discourse with customers regarding which part of risk should be taken by different parties when make the agreement. Company doesn't need to take all accountable after risk has occurred. This can be risk manage before risk, and there should be away to evade risk after it has happening which its communicating with the customer.
- Calculating standard for exported product supplier. Exporter development and choice affect whether the modern company to take advantage of quality service of supplier. It will reach maintainable development and company. Therefore, improve the RMG Product evaluating Criteria and choice the good export business management of the vital effort.
- The company management should be more efficient in utilizing the company assets to generate mare sale and speeding up the process of converting of inventory and accounts receivables into cash.

7.2 Conclusion:

MS Knit Design Ltd. factory already established brand name of Readymade Garments Industry. Now they have lots of foreign buyers and demanding there Garments in increase day by day. Bangladesh is a biggest exporter country in the world, the advantage is export trade is clear. Export trade risk is mostly refers to social, political, currency exchange, Legal, Transfort, Transfer, and Credit and Financing Risk. Political environment such as whether the mark country political situation unchanging. Social environment such as export trade culture characteristics habit and worth. Exchange Currency Risk is an unavoidable risk in export trade revenue and cost. Secondary risk is own extended need to be efficiency control and anticipation measure to be taken. Overall secondary export risk is mismanagement risk, insurance gap risk, cargo theft risk, and other area of risk. Company need to be fully conscious of these risk and recognized effective risk management for implementation. Accounting ratio calculates for a number of year shows the trend of the change of position. The trend is upward or downward or static. The ascertainment of trend help us is making estimates for the future. For small to big business organization ratio analysis helps a great deal in decision making process.

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