



**Daffodil**  
*International*  
**University**

**An Internship Report  
On  
Financial Performance Analysis of Bangladesh Venture  
Capital**

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Submission Date: 24 October, 2019



## Letter of Transmittal

Date: 24/10/2019

**Shah-Noor Rahman**

Assistant Professor

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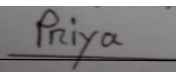
**Subject: Submission of Internship Report on “Financial Performance Analysis of Bangladesh Venture Capital”**

Dear Mam,

It is great pleasure for me to submit my internship report's on **“Financial Performance Analysis of Bangladesh Venture Capital”** that has been prepared as an essential part of my academic curriculum. As you know, I had completed my internship in the main office of Bangladesh Venture Capital Ltd where I got the chance to prepare my report properly on above topics. I have tried my best to complete this report worthy following the guideline provided by you & concerned organization.

I have belief that this internship program has increased both of my practical experience and theoretical knowledge to a great extent. I will be obliged to answer any question that may arise during the evaluation of this report. So, I therefore pray and hope that you would be kind enough to accept my internship report and oblige thereby.

Sincerely Yours,



**Mahmuda Rahman Priya**

**ID: 161-11-4971**

**Batch: 43th**

**BBA major in (Finance)**

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## Certificate of Approval

This is certify that Mahmuda Rahman Priya ID# 161-11-4971, BBA (Finance), is a regular student of Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University. She has successfully completed her report on “**Financial Performance Analysis of Bangladesh Venture Capital**” and has prepared this research under my direct supervision. I think that research paper is worthy of fulfilling the partial requirements of BBA program.

I have gone through the research report and found it a well written. She has completed the report by herself. I wish her every success in life.

**Shah-Noor Rahman**

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University, Bangladesh



## Acknowledgement

First, I keep in mind Almighty Allah for helping me to prepare this report successfully. I am grateful to the Bangladesh venture capital LTD authority that has assisted me by giving useful information from their portal. I shall have to put my heartrending respect and appreciation for the consideration and fellowship which is given to full filled my project work assigned report on the topics **“Financial Performance Analysis of Bangladesh Venture Capital”**

I express my profound thanks to **Shah-Noor Rahman**, Assistant Professor, Daffodil International University, Bangladesh, for being a co-operative and very accommodating advisor and providing me adequate direction in carrying out my internship report, as a part of the compulsory prerequisite for the Bachelor of Business Administration Undergraduate Program. I cordially thank all the official members of BVCL and my friends who directly or indirectly provided me to their assistance in this regard.

Finally, I would like to humble thanks all of my family members who gave me physical, psychological and economical supports to fulfilled my BBA Program.



## Executive Summary

This report will give us a clear idea about total activities and its financial performance of Bangladesh Venture Capital. Especially this report focuses what financial analysis is and how the liquidity and profitability analysis is used to evaluate the periodic financial success of a Bangladesh Venture Capital.

This report will provide an evaluation and analysis of the profitability, liquidity, performance and financial position of the Bangladesh Venture Capital Ltd using figures from the financial statements **for three years (2015-2018)**. In the analysis, financial ratios were used to gain a critical review of the specific areas of evaluation of the company's performance. The ratios were able to provide a clear concept of the overall performance of the company.

From the ratios we can say that the company has not been profitable mainly because of high expenditures. It doesn't display the ability of management to acquire deposits at a reasonable cost and invest them in profitable investments. The company has a healthy liquidity position which means that it can rely on its current assets to finance the current liabilities and does not have to commit to long term debts. Gross profit margin is very low That means the company did poor performance to managing its cost of sales. Given the nature of the business, it would have been interesting to evaluate the business by comparing with last year's results and also with the industry benchmark.



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### **Acronyms**

<b>Acronyms</b>	<b>Full Name</b>
BVCL	Bangladesh Venture Capital limited
EO	Executive Officer
ROI	Return on Investment
ROE	Return on Equity





# Chapter One

## Introduction



## **1.1 : Introduction:**

Bangladesh is one of the most populated country in the world with a large number of young population. If young people are prepared with necessary skills and workable choices, they can get a huge opportunity to transform their future. One of the major problem in overpopulated country is unemployment. Every year almost 2 million graduates enters the job market but they hardly get jobs unfortunately rest of the stay unemployed. It is really a big obstacle for Bangladesh government to create new employments for them without entrepreneurship development skills.

New entrepreneurs in Bangladesh cannot easily access the market to prove their ideas and innovations. They are facing lots of obstacle especially at their beginning stages. Our economy can play a vital role to push up entrepreneur activities for ample flow of risky capital. Generally, the angel investors and venture capital firms construct this section of risky capital for the new companies.

Report on A study on start-up business & financial performance analysis concept implementation has been completed for the course requirements of BBA degree under Daffodil International University. I have completed my internship under Bangladesh Venture Capital Ltd and I analysis of BVCL financial portfolio.

This report shows the financial performance analysis of Bangladesh Venture Capital for three years.



## **1.2 : Origin of the Report:**

In present world only, education cannot make a student's complete to become competitive with outstanding world. This internship program is an undivided part of the BBA program. Daffodil International University is one of the most renowned private University of Bangladesh. It has been designed its curriculum of the BBA course such a way that the international standard graduates will be provided. By this process, student gets the scope to work with the people of the organizations and learn about the activities, responsibility and corporate culture of that organization. This program fits a student to improvement their intellectual and analytical skills with academic knowledge.

This report is the outcome of a 90 days internship program in Bangladesh Venture Capital Ltd (BVCL).

And I analyze the financial portfolio of Bangladesh Venture Capital Ltd (BVCL). Bangladesh Venture Capital is the place where I could learn about the business and financial analysis practice. As an intern student, I have got the scope to work with this organization and achieve an idea about the real business strategy, financial activities, business model and leadership role.

When I work in Bangladesh Venture Capital Ltd (BVCL), I learn how to plan business model, business strategy and How to invest in right places and What should be the leadership role.



### **1.3: Objectives of the Report:**

The key objective of the study is to assess the Financial Performance of Bangladesh Venture Capital Ltd *from the period of 2015 to 2018* and evaluates its performance.

The other Objectives of this study are given below:

- *To assess the financial position and performance of Bangladesh Venture Capital Limited from the period of 2015 to 2018*
- To estimate the factors affecting performance of the Bangladesh Venture Capital.
- To calculate the financial ratios and identify the areas of concern.
- To measure the managerial efficiency of the firm as well as earning capacity of BVCL in future period.
- To suggest better ways for enhancing the performance of the BVCL.

### **1.4: Scope of the Report:**

The study gives a lot of learning about the financial performances of Bangladesh Venture Capital Ltd (BVCL). As I was working with Bangladesh Venture Capital Ltd, I got the scope to learn about various parts of financial statements. It builds on my observations and on the job knowledge during the internship time. This report shows the financial position through the ratio analysis. The biggest scope in this report I am presenting the most recent information about Bangladesh Venture Capital Ltd (BVCL).

### **1.5: Methodology of the Report:**

This report is made on the basis of my practical and also theoretical learning and as a project report. The report required a systemic policy from the choice of the topic. This report focuses on ratio analysis and to conduct, data sources are to be recognized and



Collected. All the method to be classified, analyzed, explained presented in a systemic manner and main points are to be formed out. Both primary and secondary data has been collected to complete the assign report.

### **1.6: Sources of Data:**

All the applicable data concerning this report are collected from the two sources, those are as follows:

#### **I. Primary Sources:**

- Face-to-face conversation with the respective officer of Bangladesh Venture Capital Ltd
- Personal Observations
- Face-to-face conversation with clients of Bangladesh Venture Capital Ltd

#### **II. Secondary Sources:**

- The Annual Report of the Bangladesh Venture Capital Ltd
- Operation manual books
- Website of Bangladesh Venture Capital Ltd

### **1.7: Limitation of the Report:**

I have faced some obstacles to making this report. These barriers or limitations, which are threated my work, those are as follows:

- ❖ Lack of Sufficient Information
- ❖ The time is not adequate to do a complete research
- ❖ In some cases, actual data cannot be gathered for non-availability of sources
- ❖ It is too tough to collect all the actual information from selected company because of their organizational secrecy.



## **Chapter Two**

# **The Organizational Profile of BVCL**



## 2.1: History of Bangladesh Venture Capital Ltd (BVCL)

Bangladesh is one of the most populated country in the world with a large number of young population. If young people are prepared with necessary skills and workable choices, they can get a huge opportunity to transform their future. One of the major problem in overpopulated country is unemployment. Every year almost 2 million graduates enters the job market but they hardly get jobs unfortunately rest of the stay unemployed. It is really a big obstacle for Bangladesh government to create new employments for them without entrepreneurship development.

New entrepreneurs in Bangladesh cannot easily access the market to prove their ideas and innovations. They are facing lots of obstacle especially at their beginning stages. Our economy can play a vital role to push up entrepreneur activities for ample flow of risky capital.

Venture Capital or Angel investment culture is only at primary stage in Bangladesh. Bangladesh Venture Capital LTD Company is founded in July, 2015. The company is basically service oriented. Bangladesh Venture Capital Ltd (BVCL) is providing the beginning stage funds for the new firms. Bangladesh Venture Capital Ltd wants to make an investment eco-system for the start-up firms in Bangladesh. It also wants to create a healthy economic culture for all stakeholders. BVCL wants to inspire entrepreneurs to come up with innovation and creation so that they contribute to the national economy.



(A) Some start-up companies of Bangladesh Venture Capital:

- I. G-ROBOTICS
- II. GREEN SHADE
- III. Digital Manush



(B) Some investment Companies of Bangladesh Venture Capital:

- I. AMAR Drinking Water
- II. OVAL Furniture
- III. APNARE.Com
- IV. SECURE You
- V. PRIMAX

## 2.2: Vision:

BVCL will be recognized as a model of investment culture in entrepreneurial ecosystem of Bangladesh and it transforming the funding landscape. BVCL with its portfolio companies will be a part of the knowledge based on economy of Bangladesh. Their aim is to maximize shareholder wealth and client's wealth and create a new pardon to the Bangladesh venture capital.





### **2.3: Mission:**

- They provide beginning stage equity funds as an alternative choice to the traditionally borrowed for the new firms.
- They help to the new firms rapid growth and help them to technically, effective, informative manner.
- They expect high returns from their clients.

### **2.4: Core Objective of BVCL:**

- To create a profitable business
- To provide the best service for their shareholder's and clients
- To create the opportunity to expand business
- To establish new line of business
- To minimize risk by sharing equity capital and management responsibility

### **2.5: Strategy:**

**The strategies are given below:**

- To review their startup's suitability for investments
- To develop their summary on critical to the investment process
- They select their investors carefully
- Make sure that they have good relationship with an experienced attorney



## **Chapter Three**

# **Financial Performance Analysis of Bangladesh Venture Capital**



### **3.1: Financial Performance Analysis:**

Financial Performance Analysis is the process that identifying the financial strengths and weaknesses of the company by rightly forming the relationship between the items of balance sheet and income statement. It also helps in short-term and long-term forecasting and firm's growth.

It helps to understanding the firm's position and performance. This analysis can be undertaken by the management of the company or by parties outside the namely, owners, creditors, investors.

### **3.2: Ratio Analysis:**

Ration analysis is an instrument that helps us to explain the financial statements in terms of the managing performance and financial position of a company.

- It constructs comparison for a significant explanation of the financial statements which will turn to plays a vital role in business planning method
- It comprises comparing the ratios with the similar firms and also analyzing the trend in the same firm over a period
- It is to much significant & most primary part of fundamental analysis method



There are various financial ratios usable which I am going to discuss the most broadly used classified into the following areas:

**Ratio Analysis of the Study:**

Profitability Ratio	Gross Profit Margin Net Profit Margin Return on Total Assets Return on Equity
Liquidity Ratio	Current Ratio Cash Ratio
Activity / Turnover Ratio	Asset Turnover Ratio Accounts Receivable Turnover
Solvency Ratio	Debt-Equity Ratio Debt Ratio

**3.3: Liquidity Ratio:**

It quantifies if the firm would be capable to meet its short term debt responsibilities when and as they fall due.

The liquidity ratios measure the capability of a company that meets the company's short-term responsibilities. This analysis reflects the short-term financial power of a firm. Analyzing of liquidity ratio is very much significant to knowing the liquidity position, movement of funds and the idle fund .The Current Ratio and Cash Ratio, current assets to current liabilities and cash and investments to short-term liabilities are used to assess the liquidity position of a company.



### 3.3.1 Current Ratio:

This measures the short-term solvency of the company using the balance sheet. It measures the firm's short-term solution. It suggests the capability of the firm to meet its current duties. If the ratio is too low, that time firm may fall in trouble to meets its short run obligations as their measure. If the ratio is too high that time the firm may have an over investment in current assets. Some originator considers 2:1 as a standard model for this ratio.

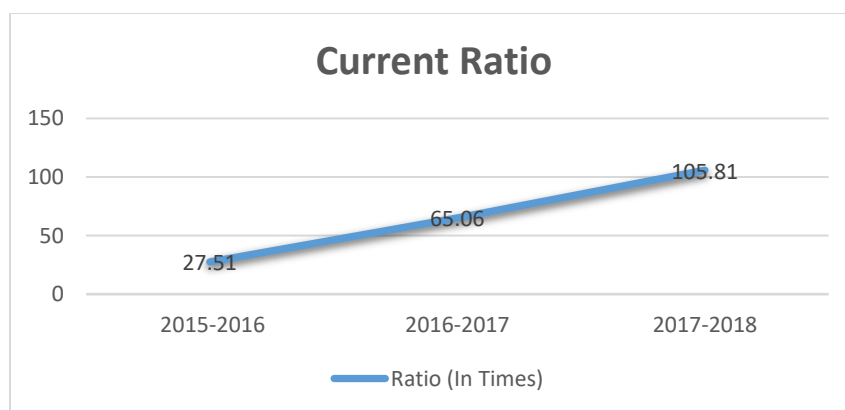
Current Ratio= Current Assets/Current Liability

Table 1: Current Ratio of Bangladesh Venture Capital

Year	Current Asset	Current Liability	Current Ratio
2016-2015	142,620,358	5,182,985	27.51
2017-2016	140,870,392	2,165,016	65.06
2018-2017	140,625,318	1,329,017	105.81

(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)

The change Ratio of Appliances shown in the graph below:



(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)



**Interpretation:** We know that if the current ratio is less than two, it may be hard for a company to pay its current liabilities. Here we see the current Ratio of BVCL 27.51:1 in 2015-2016, 65.06:1 in 2016-2017, and 105.81 in 2017-2018. This are above the standard norm, from the above statement the fluidity position of the BVCL is optimal because all the current ratio is not under the standard ratio 2:1.

### 3.3.2 Cash Ratio:

It takes into accounts as the most fluid short-term assets of a firm, which can be most easily used to payout existing responsibilities. Cash Ratio tells about the early fluidity situation of a firm. Occasionally, people will calculate the cash ratio by dividing the sum of a firm's cash and cash equivalents and its marketable securities by its current liabilities. Whichever method is used, the purpose of the cash flow ratio is measuring the company's short-term liquidity. If the ratio is too high, it means higher probability that a firm will be able to satisfy its current responsibilities.

Cash Ratio= Cash & Cash Equivalents/Current Liability

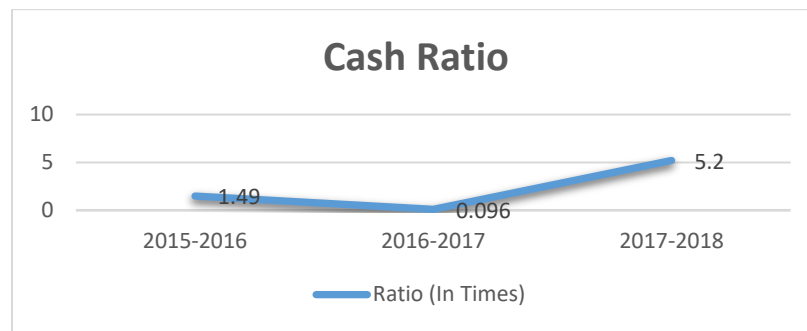
Table 2: Cash Ratio of Bangladesh Venture Capital

Year	Cash & Cash Equivalents	Current Liability	Cash Ratio
2016-2015	7,724,841	5,182,985	1.49
2017-2016	207,092	2,165,016	.096
2018-2017	6,916,833	1,329,017	5.20

(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)



The change Ratio of Appliances shown in the graph below:



(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)

**Interpretation:** The received model for cash ratio is 50% or 0.5:1. Here we see the Cash Ratio of BVCL 1.49:1 in 2015-2016 and 5.20 in 2017-2018. This are above the standard norms, from the above statement. A Higher cash ratio also means that the company is not using its cash effectively. We see Cash Ratio .096 in 2016-2017 which is threat for company, because company cannot pay its short-term liability properly.

### 3.4: Profitability Ratio:

It assesses firms operating progress - how well it used the obtainable resources in order to produce profit. Profitability ratios are a part that are used to evaluate a business's capacity to generate income relative to its connected expenses. For maximum of these ratios, having a higher value comparative to opposite's ratio means that the company is doing well. The analysis of the profitability ratio is significant for business owners, creditors, expected investors.



## In Relations to Sales

### 3.4.1 Gross Profit Margin:

Gross Profit Margin is a profitability ratio that measure how much of each dollar of revenue is left over after paying the cost of goods sold. The gross profit margin gleams the usefulness of pricing plans and of production proficiency. Some originators consider that the ranges from 20% to 30% as model for this ratio measurable standard. A higher gross profit margin ratio indicates the good management of a firm.

It is measure to show by how much gross profit exceed production cost.

Gross Profit Margin= Gross Profit/Net Sales\*100

Table 3: Gross Profit Margin of Bangladesh Venture Capital

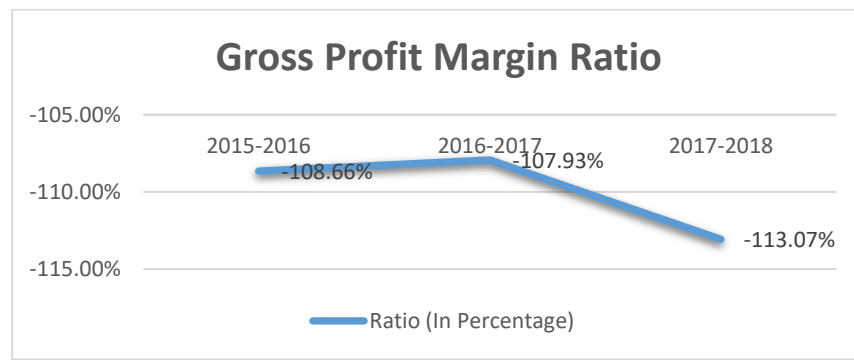
Year	Gross Profit	Net Sales	Gross Profit Margin Ratio
2016-2015	(4,370,337)	4,021,970	(108.66%)
2017-2016	(2,612,258)	2,420,405	(107.93%)
2018-2017	(5,715,311)	5,054,671	(113.07%)

(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)





The change Ratio of Appliances shown in the graph below:



(Source: Annual Reports of Bangladesh Venture Capital, 2015-2018)

**Interpretation:** Generally, the higher gross profit is good symbol for a firm. A high gross profit margin expresses that the firm did well in managing its cost of sales. On the other hand, A low margin indicates that the firm didn't good in managing its COGS. Here we see the current Ratio of BVCL (108.66%) in 2015-2016, (107.93%) in 2016-2017, and (113.07%) in 2017-2018. Which shows the negative profit margin ratio, That means company did poor performance to managing its cost of sales.

### 3.4.2 Net Profit Margin:

It indicates managements proficiency in industrial, administrations and selling the products and costs it incurs there.

Net Profit Margin also known as "Profit Margin" that used to count the percentage of profit a firm produces from its total income. It shows the overall profitability concern that is useful to the expected investors.



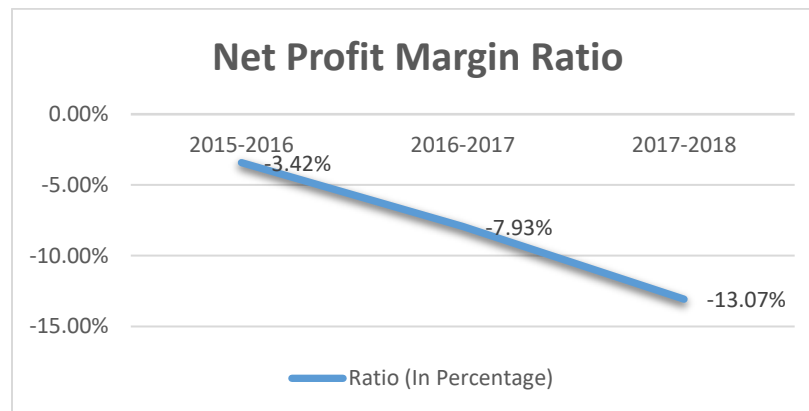
Net Profit Margin=Net Profits/Net Sales\*100

**Table 4: Net Profit Margin of Bangladesh Venture Capital**

Year	Net Profit	Net Sales	Net Profit Margin Ratio
2016-2015	(137,567)	4,021,970	(3.42%)
2017-2016	(191,853)	2,420,405	(7.93%)
2018-2017	(660,641)	5,054,670	(13.07%)

(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)

The change Ratio of Appliances shown in the graph below:



(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)

**Interpretation:** We see that the net profit margin of BVCL was decreasing from year to year. It is very bad for every company because net profit margin shows the overall profitability of a company. We can see that in 2015-2016 the net profit margin Ratio was (3.42%) in 2016-2017 it became (7.93%) and in 2017-2018 it became only (13.07%) which was not pleasant for BVCL. It create negative thinking in the customer’s mind.



## In Relations to Investments

### 3.4.3 Return on Total Asset (ROA):

It is a performance scales that calculates the proficiency of an investment.

Return on Assets ratio of a company gives a clear concept that how effectively a company is using its assets to produce gain. It displays the power of administration that a company how it earns credits at a fair cost and invest them in profitable investments. Some originators repute 10% to 12% rate of return on assets as the fair standard for a profitable firm.

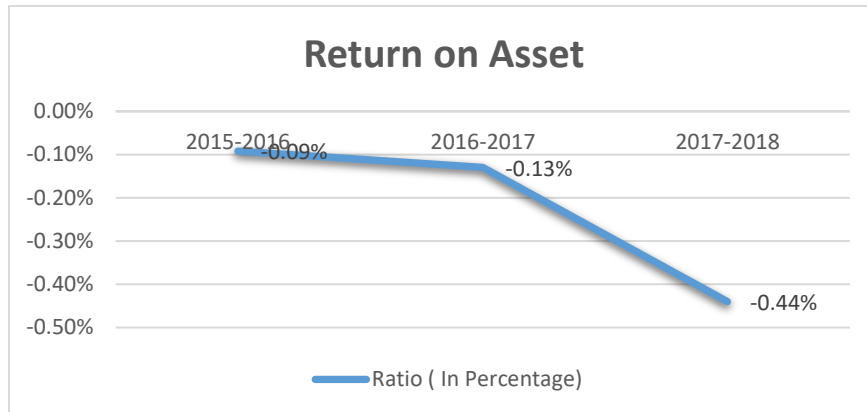
Return on Asset= Net Income/Total Assets\*100

Table 5: Return on Asset of Bangladesh Venture Capital

Year	Net Income	Total Asset	Return on Asset Ratio
2016-2015	(137,567)	153,376,944	(.089%)
2017-2016	(191,853)	150,167,122	(.13%)
2018-2017	(660,641)	148,670,482	(.44%)

(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)

The change of the return on total asset of BVCL is shown in the graph below:



(Source: Annual Reports of Bangladesh Venture Capital, 2015-2018)

**Interpretation:** ROA of BVCL was not a satisfactory position. We can see that in 2015-2016 the return on asset was (.09%) in 2016-2017 it became (.13%) and in 2017-2018 it became only (.44%) which was not pleasant for BVCL. These ratios are too low than standard norms, It create negative thinking in the customer's mind and this rate of return also threat for a company.

#### 3.4.4 Return on Equity (ROE):

It reveals the amount of income a company made that compared to its total amount of shareholder's equity.

Return on Equity is a ratio that assess a firm's gainfulness by exposing how much income a firm produces from the money which shareholders have invested. Generally, the higher rate of return is better for the owners. It also specify that how well a company managing its shareholder's capital to produce income.



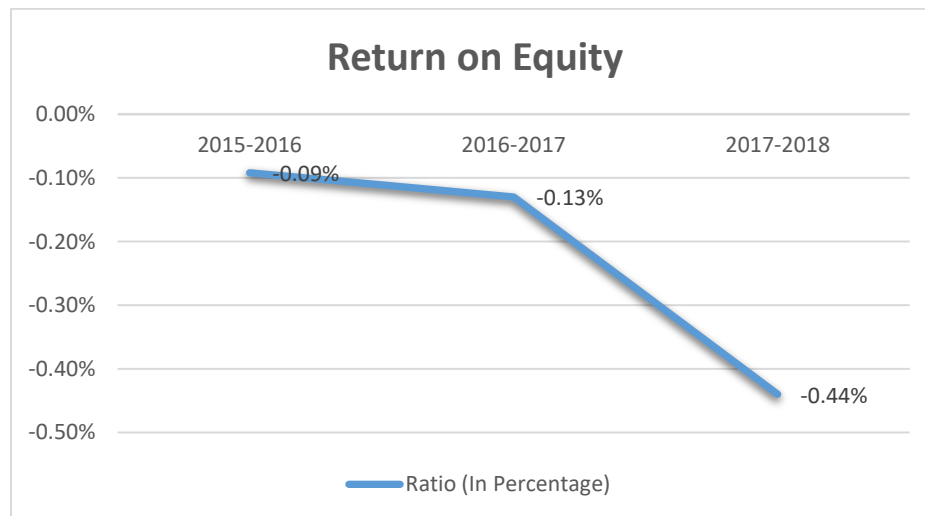
Return on Equity=Net Income/Share Holders Equity\*100

Table :6 Return on Equity of Bangladesh Venture Capital

Year	Net Income	Share-holders Equity	Return on Equity
2016-2015	(137,567)	148,193,959	(.092%)
2017-2016	(191,853)	148,002,106	(.13%)
2018-2017	(660,641)	147,341,465	(.44%)

(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)

The change Ratio of Appliances shown in the graph below:



(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)

**Interpretation:** From the table 6 and figure no 5 we see the ROE ratios of BVCL were (.092%), (.13%) and (.44%) respectively during the year 2015-2018. From these ratios,



it is noticed that there was heavy decreasing among those years. Here every year net income was negative, so that all the return on equity ratios were also negative. This is the sign of negative impact in business and company's profitability profit fall-down. Company is having a low ROE, the business is not very efficient in generating return.

### **3.5: Turnover Ratio:**

It specify that the firm's proficiency with respect to its asset management.

Turnover ratio is also known as efficiency ratios. This ratio indicates the proficiency in the speed and rapidity with which assets are converted into sales. The higher turnover ratio means that company use its asset more efficiently. Turnover is the fundamental mode for calculating the spread of efficient employment of assets by relating the assets to sales.

This ratio helps in determining the working efficiency of business.

#### **3.5.1 Asset Turnover Ratio:**

This Ratio compares the sales income of a firm to its total assets.

The asset turnover ratio is an means the capability that how proficiency company produce sales from its assets by comparing its net sales with average total assets. It computes net sales as a percentage of assets to show how many sales are produced



from every dollar of a firm’s assets. When Asset Turnover Ratio is less than 1, it means sales is less than your average assets.

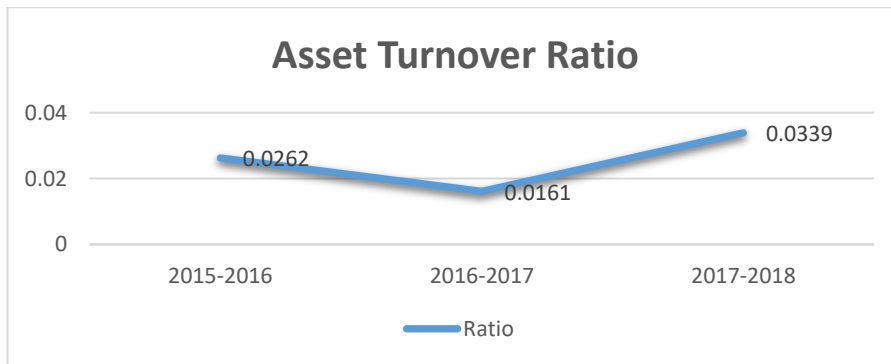
Asset Turnover Ratio=Sales Revenue/Total Asset

Table :7 Asset Turnover Ratio of Bangladesh Venture Capital

Year	Sales Revenue	Total Asset	Asset turnover Ratio
2016-2015	4,021,970	153,376,944	.0262
2017-2016	2,420,405	150,167,122	.0161
2018-2017	5,054,670	148,670,482	.0339

(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)

The change Ratio of Appliances shown in the graph below:



(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)

**Interpretation:** Higher asset turnover ratios means that a firm using its assets much practically. On the other hand, Lower ratios means that firm can’t using its assets practically and most of the time for management problems. From the table 6 and figure no 7 we see the Asset turnover ratios of BVCL were (.0262%), (.0161%) and (.0339%) respectively during the year 2015-2018. So, we can say that BVCL is not very practical with its use of assets.



### 3.5.2 Accounts Receivables Turnover:

Accounts receivable turnover is a turnover ratio that measures how many times a business can turn its accounts receivable into cash during a period.

A turnover indicates that every time a firm collects its average receivables. If a firm had \$3,000 of average receivables and collected \$6,000 of receivables during the year, the company collected two time of average receivables.

This ratio displays that how a company practically collecting its credit sales from its customers.

$\text{Accounts Receivables Turnover} = \text{Sales Revenue} / \text{Accounts Receivable}$ .

Table :8 Accounts Receivables Turnover Ratio of Bangladesh Venture Capital

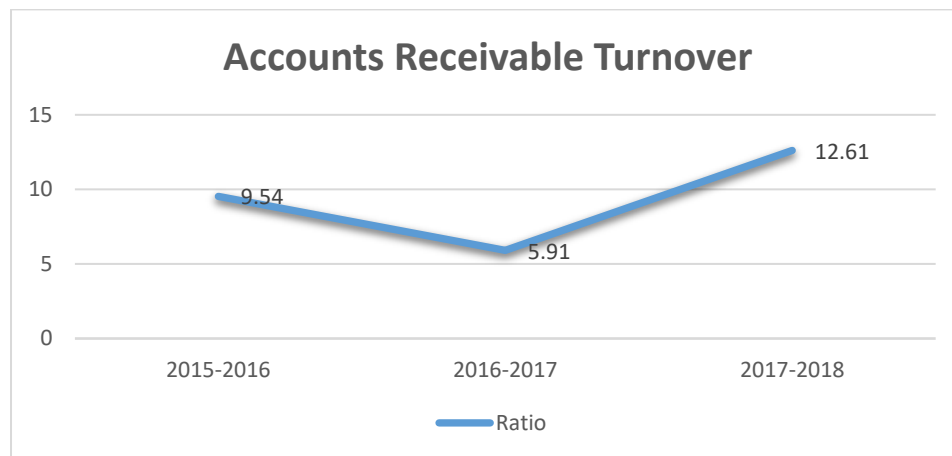
Year	Sales Revenue	Accounts Receivable	Account
2016-2015	4,021,970	421,778	9.54
2017-2016	2,420,405	409,412	5.91
2018-2017	5,054,670	400,740	12.61

(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)





The change Ratio of Appliances shown in the graph below:



(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)

**Interpretation:** Higher ratios means that a firm collecting its receivables much frequently throughout the year. We can see that in 2015-2016 the Accounts Receivable Turnover was 9.54 in 2016-2017 it became 5.91 and in 2017-2018 it became only 12.61 which was pleasant for BVCL. 12.61 is higher ratio than others that would be more favorable.

### 3.6: Debt Ratio:

The ratio that measures the limitation of a firm's leverage.

Debt ratio is also known as solvency ratio. It displays how much assets are in the firm that are capable or not to pay off all of its liabilities. Higher ratio indicates that the firm's assets are considered extremely leveraged and much dangerous for lenders.

This ratio helps investors to identify the overall firm's view to firm's ability to pay off the debt in future.



### 3.6.1 Debt-Equity Ratio:

It indicates the relative portion of the firm's equity & debt used to fund the assets. This is a ratio computed to measure the relative features of equity and debt that invested in the firm. This ratio is also called as the external-internal equity ratio. The standard model of this ratio is 2:1.

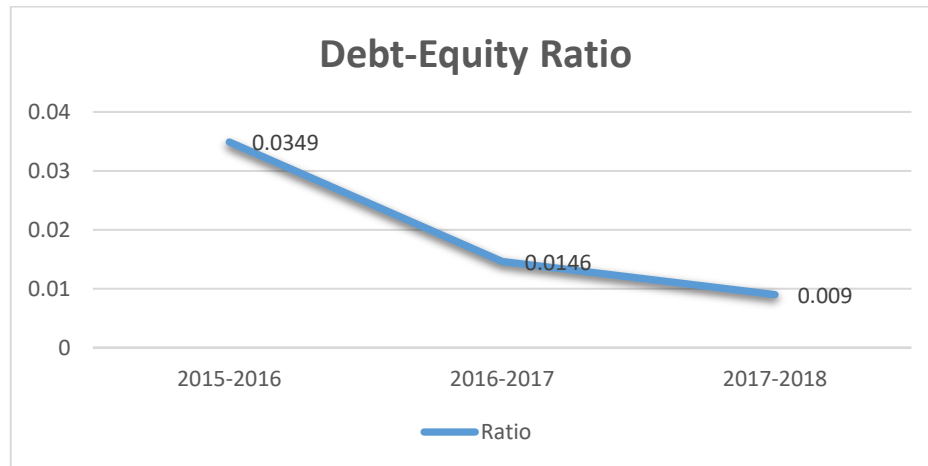
$$\text{Debt-Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Total Equity}}$$

**Table :9 Debt-Equity Ratio of Bangladesh Venture Capital**

Year	Total Liabilities	Total Equity	Debt-Equity Ratio
2016-2015	5,182,985	148,193,959	.0349
2017-2016	2,165,016	148,002,106	.0146
2018-2017	1,329,017	147,341,465	.0090

(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)

The change Ratio of Appliances shown in the graph below:



(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)



**Interpretation:** Debt equity ratio shows the firm’s debt against the equity. Debt boosts to minimize the firm’s non-operating cost.

Lower debt to equity ratio indicates more financially stable business. From the table 9 we see the Debt-Equity ratios of BVCL were (.0349), (.0146) and (.009) respectively during the year 2015-2018. Lower ratio means that BVCL company implies a more financially stable business.

### 3.6.2 Debt Ratio:

This ratio shows the amount of debt to the total amount of assets. The Higher ratio is more risky than lower ratio for firm’s operations.

Debt Ratio=Liabilities/Assets

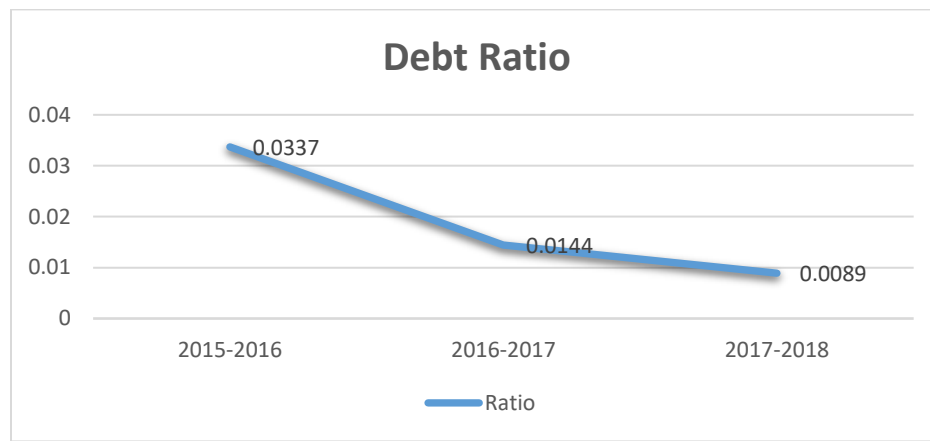
Table :10 Debt Ratio of Bangladesh Venture Capital

Year	Liabilities	Assets	Debt Ratio
2016-2015	5,182,985	153,376,944	.0337
2017-2016	2,165,016	150,167,122	.0144
2018-2017	1,329,017	148,670,482	.0089

(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)



The change Ratio of Appliances shown in the graph below:



(Source: Annual Reports of Bangladesh Venture Capital,2015-2018)

**Interpretation:** Every firms has its own standard norms for debt. A debt ratio of .5 is often considered to be less risky. From the table 10 we see the Debt-Equity ratios of BVCL were (.0337), (.0144) and (.0089) respectively during the year 2015-2018. We see, These are relatively low ratio and implies that BVCL will be able to pay back its loan.



# **Chapter Four**

## **Findings, Recommendations & Conclusion**



## 4.1: Findings of the Report

**Findings concerning different sights of overall & financial statement analysis are presented below:**

- Current Ratio in 2017-2018 was higher than 2015-2016, and 2016-2017. Though all the ratios are above the standard norm, that's mean liquidity position of the BVCL is satisfactory. If the ratio is more than two that also indicates the idle funds.
- Cash Ratio in 2017-2018 was higher than 2015-2016, and 2016-2017. The received model for cash ratio is 50%. The Cash Ratio of BVCL in 2015-2016 and 2017-2018, These are above the standard norms, and a Higher cash ratio also means that the firm is not utilizing its cash effectively.
- Gross Profit Margin in 2016-2017 was higher than 2015-2016, and 2017-2018. Here all the ratios are form in negative profit margin ratio, That means the company did poor performance to managing its cost of sales.
- Net Profit Margin in 2015-2016 was higher than 2016-2017, and 2017-2018. The ratio shows the overall profitability of the concern. Here all ratios are form in negative and that indicates the managements proficiency in industrial, administrations and selling the products are very poor.
- Return on Asset in 2015-2016 was higher than 2016-2017, and 2017-2018. Return on Assets ratio of a company gives a clear concept of how efficiently a company is using its assets to produce income. Here all the ratios are too low than standard norm, that means



It doesn't display the power of administration that a company how it earns credits at a fair cost and invest them in profitable investments.

- Return on Equity in 2015-2016 was higher than 2016-2017, and 2017-2018. All the return on equity ratios were negative. This is the sign of negative impact in business and company's profitability. Company is having a low ROE, the business is not very efficient in generating return.
- Asset Turnover Ratio in 2017-2018 was higher than 2015-2016, and 2016-2017. When Asset Turnover Ratio is less than 1, it means sales is less than your average assets. A higher ratio is more favorable. But, we get all Asset turnover ratio Lower than one. That means the company isn't using its assets efficiently and most likely have management or production problems.
- Accounts Receivable Turnover in 2017-2018 was higher than 2015-2016, and 2016-2017. Higher ratios means that a firm collecting its receivables much frequently throughout the year. And we should consider 2017-2018 turnover ratio is more favorable.
- Debt-Equity Ratio in 2015-2016 was higher than 2016-2017, and 2017-2018. Higher debt to equity ratio are considered more risky to creditors than lower ratio. We get all the ratio are comparatively low that generally implies a more financially stable business.
- Debt Ratio in 2015-2016 was higher than 2016-2017, and 2017-2018. We see, These are relatively low ratio and implies that BVCL will be able to pay back its loan.



## 4.2: Recommendations of the Report:

The problems of Bangladesh Venture Capital can be solved to certain extent. The following suggestion may be made in order to solve the problem.

- The liquidity position of the BVCL can be utilized in the better or other effective purpose, & should used the idle fund effectively.
- BVCL did well performance to managing its cost of sales, the effectiveness of pricing policy and of production should use efficiency.
- BVCL can be used the credit facilities provided by the creditors.
- The debt capital is not utilized successfully and efficiently. So, BVCL can extend its debt capital.
- Efforts should be taken to rise the overall efficiency in return out of capital employed by making used of the available resource effectively.
- The BVCL company can use its funds to make effective research and development system for more profits in the years to come.
- The BVCL company should use its assets efficiently and most likely have management or production problems.





### 4.3: Conclusion

Report on A study on start-up business & financial performance analysis concept implementation has been completed for the course requirements of BBA degree under Daffodil International University. I have completed my internship under Bangladesh Venture Capital Ltd and I analysis of BVCL financial portfolio.

As an intern student, I have got the scope to work with this organization and achieve an idea about the real business strategy, financial activities, business model and leadership role.

When I work in Bangladesh Venture Capital Ltd (BVCL), I learn how to plan business model, business strategy and How to invest in right places and What should be the leadership role.

### 4.4: Reference & Bibliography

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- <https://daffodil.family/> -
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- Everyday Working experience in Bangladesh Venture Capital Ltd (BVCL) with the executives.

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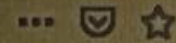
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