

**A Report on**  
**Financial Performance Analysis of MOMEN REAL ESTATES LTD.**

**Submitted By:**

Md. Sohel Arafat Rana

ID: 171-11-5380

Department of Business Administration

Daffodil International University

**Supervised By:**

Dr. Sayedul Anam

Assistant Professor

Department of Business Administration

Daffodil International University

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## LETTER OF TRANSMITTAL

January 09, 2021

To

Dr. Sayedul Anam

Assistant Professor

Department of Business Administration

Daffodil International University

Subject: Submission of Internship report on **“Financial Performance Analysis of MOMEN REAL ESTATES LTD.”**

Dear Sir,

Assalamulaikum and thanks a lot for giving me the chance to prepare my internship report as it is the requirement for the end of my journey of BBA program. As per your permission I choose “Financial Performance Analysis of Momen Real Estate Ltd.” as my topic of internship, as I worked on the same subject in the company. It was really a great experience for me to prepare this report. And it was the platform to implement both of my theoretical and practical knowledge what I achieved in my university life and internship period. Now I am able to analyze the financial performance of any company.

I hope that you would be kind enough to grant my internship report and consider my mistakes and limitation. I am hopeful that this report will make you happy and also will get some valuable information.

Sincerely Yours,

Md. Sohel Arafat Rana

ID: 171-11-5380

Program: BBA

Daffodil International University

## DECLARATION

I, Md. Sohel Arafat Rana, hereby declare that, I have prepared this report with my own effort under the supervision of Dr. Sayedul Anam, Assistant Professor, Department of Business Administration, Daffodil International University. I didn't take help from others to prepare this report. I am also declaring that this report has not been used any other place for getting any degree or any other purposes. I am also ensuring that I will submit this report only to Daffodil International University not in other place.

I am also conforming that I prepare this report only to fulfil my academic requirements, not for any other objectives.



.....  
Md. Sohel Arafat Rana

ID: 171-11-5380

Program: BBA

Major: Finance

Department of Business Administration

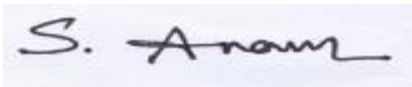
Faculty of Business & Entrepreneurship

Daffodil International University

## CERTIFICATE OF SUPERVISOR

This is to certify that Md. Sohel Arafat Rana, BBA Program, and ID: 171-11-5380 is a regular student of daffodil International University under the program of bachelor in business administration. He has successfully completed his internship report on “**Financial Performance Analysis of Momen Real Estates Ltd**” for the award of degree of BBA under my supervision.

The report is an authentic work on the topic to the best of my knowledge and his commitment. The report has not been submitted anywhere for awarding any degree. He is to permit to submit the report and I wish his best achievement and success.



.....  
Dr. Sayedul Anam  
Assistant Professor  
Department of Business Administration  
Faculty of Business and Entrepreneurship  
Daffodil International University

## ACKNOWLEDGEMENT

First of all, I want to show my greetings to almighty Allah for all of his blessing and giving me the ability to complete this report successfully. I am also thankful from the bottom of my heart to my beloved supervisor Dr. Sayedul Anam, Assistant Professor, Department of Business Administration, Daffodil International University. He was really cooperative and also motivated me to complete the report smoothly. His guidance, direction and cooperation really help me to complete the report successfully. I'm feeling privilege to get him as my supervisor.

I also obliged to Mr. Emon Ahasan, Assistant Manager, Finance & Accounts, Accfintax bd for all of his support and coordination as my internship coordinator. Also I would like to show my love and respect to all of my friends of Daffodil International University for their contentions support during my studentship.

Last of all I would like to thank my parents and all of my family member for their unconditional support and contentions love.

## EXECUTIVESUMMARY

This report has been prepared for the requirement of Internship of Bachelor of Business Administration of Daffodil International University. In this report I mainly focus on my working experience what I achieve from Accfintax bd as I am working there as an intern. This report will give us a clear idea of financial position of Momen Real Estate ltd as the client of Accfintax bd. mainly the first chapter contains the report origin, Introduction, Objectives, Methodology and limitation of both Accfintax bd and Momen Real Estate ltd during preparing this report.

The main objectives of this report is to evaluate the financial condition of Momen Real Estate ltd that is important of making financial decision and also will show the overview of credit position of the company. I try to show all the activities of both companies in chapter two what I observed as an employee working at that company. In chapter three I present the process how the companies are running their operation.

In chapter four I have shown analysis of financial ratio of different aspects and in this terms I used data of five years from 2015 to 2019. I have used genuine raw data of Momen Real Estate Ltd. with the legal permission from the authority. Mainly I collect data from the audit report of the company. This analysis shows the real condition of the company and it proves company is doing well. In chapter five I try to present my real life observation of auditing project site. I have visited almost twelve projects of Momen Real Estate Ltd. and it was really a fantastic experience of mine. It was based on fixed assets and Inventory and I counted all of materials both fixed assets and inventory with the auditor team. I showed some the problems whatever we found and also try to give some recommendation on that terms.

## TABLE OF CONTENTS

Sl No	Particulars	Page No.
	Letter of Transmittal	ii
	Declaration	iii
	Certificate of Supervisor	iv
	Acknowledgement	v
	Executive Summery	vi
<b>Chapter# 1</b>		
1.1	Introduction	02
1.2	Objective	02-03
1.3	Methodology	04
1.4	Findings	04
1.5	Recommendation	04
1.6	Limitation	04
<b>Chapter# 2</b>		
2.1	To Analyze the Activities of the Company	06-09
<b>Chapter# 3</b>		
3.1	To Analyze the Operation process of the Company	11-15
<b>Chapter# 4</b>		
4.1	To Analysis Financial Performance of the Company from 2015 to 2019	17-28
<b>Chapter# 5</b>		
5.1	Observation on Auditing Fixed Assets and Recommendation	29-31
5.2	Observation on Auditing Inventory Recommendation	32
	Conclusion	33
	Reference	34

## **CHAPTER# 1**

### **Introduction**



## 1.1 Introduction:

This is the report prepared for the studies of Accfintax bd and one of its client Momen Real Estate ltd. The main focus of this report is to show how financial projection help a firm to make decision also how a firm can easily evaluate the financial possession of all assets and liabilities. And it really help a firm effectively increase its profit margin.

Accfintax bd is an independent professional service provider which mainly operates its operation with distinctive local strength and understanding in Accounting, Finance, Tax, VAT, and Business Process Outsourcing (BPO). And Momen Real Estste ltd. Is one of the clients of Accfintax bd.

Momen Real Estate ltd. is one of the leading real estate companies of Bangladesh.

The company started its operation to develop real estate sector of Bangladesh since 1986. That time the company successfully completed some projects with the company name was M.R.S properties as a family private company in 1995. The company changed its name as Momen Real Estate ltd. in 2001. The MD of the company is an architecture and other directors are from banking, marketing and finance background with vast experience. Also the company have very decent and architecture and business professional who have very sound knowledge to operate the business. The Company have already completed some projects very successfully. Also have very prestigious running projects in Banani, Uttara, Mohakhali DOHS and Mirpur Cantonment area. The company has successfully completed all of its previous projects in time – a hallmark of the company.

The company is growing very rapidly that makes it one of the leading real estate firm of Bangladesh.

## 1.2 Objectives:

**General:** The primary objectives of this report is to fulfill the requirement of Bachelor of Business Administration under the faculty of Business & Economic, Daffodil International University.

### Specific:

1. To allocate the operations of the company.
2. To analyze the activities of the company
3. To find out the core competencies of the company.
4. To evaluate the financial performance of the company from 2015 to 2020.
5. To analyze the internal controlling of the company
6. To find out the major problems of the company.
7. To provide some recommendation based on the problems.

### 1.3 Methodology:

The process that has been use in this report mainly base on physical observation, survey and real life work experience in terms of collecting data as well as the presentation and analysis process has been done by using worldwide acceptable financial formula. The sources of data are given below:

#### Primary source:

1. Real life work with the mainstream team.
2. Collection from the employees and executives.
3. Direct observation of project.

#### Secondary sources:

1. Clients.
2. Data files.
3. Audit Report.
4. Daily work note.
5. Online sources.

I mainly use secondary data for preparing this report. In most cases the primary data is very sophisticated to use, so I focused on the secondary data. But in some cases I use primary data because without that it is not possible to complete the report. The employees of the company cannot provide most of the internal data as per security purposes so I use all data with the permission of the manager of the company.

### 1.4 Findings:

1. The company operates its finances and accounts department by professional Consultancy firm.
2. The company give more priority on internal audit
3. In every month, the company audit inventory of its raw material and they also audit once in five month of their fixed assets.
5. Try to operate the business on financial projection.
6. Accrual basis accounting is used by the company.

### 1.5 Recommendation:

1. Their internal finance and accounting department is not enough matured.
2. Need to be maintain fixed assets properly.
3. Transfer of its material from one project to another project is not organized.
4. Project ledger should be updated regularly.
5. Inventory management should be more updated.

### 1.6 Limitation:

Limitation is the obstacles or restrictions that a recharger may face in terms of collecting data. It need to be focused more to reduce the scope of limitation. I also faced problem to collect data. As an employee of I was very liable to maintain the security of very secret data. I try to use accurate data but in some cases I use secondary data what I got permission from the manager. Another problem is the proper coordination from the company personnel. So every time I had to face problem to get permission to use information in my report. I think everyone has to face the same problem to run research work. So I take everything very normally to complete the report with using the accurate data.

## **CHAPTER# 2**

### **To Analyze the Activities of the Company**

## 2.1 The activities of the company:

Momen Real Estste ltd. is one the leading firms of Bangladesh working on the field of real estate. The company successfully completed almost thirteen projects. Also twelve projects are running with some projects are almost ready to hand over.

Running Projects are:

1. Momen's Ashis: This is a newly started project. The project work has started this year. And projected time period to handover time period two years.  
Project Address: House No. 185, Road-02, New DOHS Mohakhali, Dhaka-1206.
2. Momen's Nasrin Ashrif: The project is in mid-level. Heavy construction work is almost done. It will be possible to deliver the project in time.  
Project Address: House No. 209, Lane.12, Lake Road,New DOHS Mohakhali, Dhaka-1206.
3. Memory by Momen: The project is almost complete. Soon the project will be handover to the client.  
Project Address: House No. 190, Lane No. 02, New DOHS, Mohakhali, Dhaka-1206.
4. Momen's Ferdaus: Some activities are yet to be completed. Like: Electric and printing work are running that will be complete soon.  
Project Address: House No. 147, Road No. 04, New DOHS, Mohakhali, Dhaka-1206.
5. Momen's Shaptarsi: The construction activities is running. The project will be completed on time as per site engineer assumption.  
Project Address: House No.18, Road No. 10, Sector-1, Uttara, Dhaka-1230
6. Momen's Sabur Villa: Almost complete project with some tinny activities are running.  
Project Address: House-B/119, Road-07, DOHS Mohakhali, Dhaka-1206.
7. Momen's Anwara East Lake: It's a very newly started project. The pilling has been completed and planning to start the work of raising pillar.  
Project Address: House-250, Road-18, New DOHS, Mohakhali, Dhaka-1206.
8. Momen's Rosa's Roses: This is also a newly started project. The project work is running in full swing.  
Project Address: Plot No. 246, Road No.18, New DOHS, Mohakhali, Dhaka-1206.
9. Momen's Minu Mustafiz Loft: It is the biggest project of the company. The project is being used modern technologies and materials.  
Project Address: House-10, Road-01, Cantonment R/A. Dhaka.

10. Momen's Nilanjana: This is also a big project and the project work is running very rapidly.

Project Address: House # 22, Road # 27, Sector#07, Uttara, Dhaka-1230.

11. Momen's Heights: The project has already completed and handover to the client.

Project Address: House # 157, Road # 12, Block # E, Bannani, Dhaka.

12. Momen's Monzoors: The project is also ready to deliver with some finishing activities is still running.

Project Address: House# 16/1, Road#2, Dhaka Cantonment, Dhaka-1206.

### Overview of some complete projects:

- Momen's Bangladesh
- Momen's MAA
- Momen's Khan Cottage
- Hussain's
- Momen's Lake Front
- Momen's RNZ Court
- Villa-De-Alam
- Mansion-De-Khan
- Momen's Roktokorobi
- Momen's Primrose Hill
- Momen's Sheikh Lodge
- Mansion De Zaman Momen's Jhumkalata
- Momen's Sonajhuri
- Momen's Baitur Rahmat
- Momen's Arcadia
- La Sierra
- Edinburgh
- Bella Vista
- Toree
- Subhan's
- Phoenix
- Momen's Kalma Manzil
- Momen's Alif

- Momen's Zn Oasis
- Momen's Shukhoneer
- Momen's Masuma Palace
- Momen's Kunjo Korobi
- Momen's Jui

These projects are the complete project and also the building block for Momen Real Estate Ltd. The Company successfully complete those project and handover to client on time. So, the company always show extra value to these project.

### Upcoming projects of omen Real Estate Ltd:

1. Momen's Monzoors  
Project Adress: Plot – 16/A, Road -2, Cantonment R/A, Dhaka-1206.
2. Momen's Shah  
Project Adress: House – 68, Road – 17, Block – E, Banani, Dhaka – 1213.
3. West Lake  
Project Adress: HOUSE – 32, ROAD NO – 19/A, BANANI R/A, DHAKA – 1213.
4. Momen's Apon Nibash  
Project Adress: House B-129, Road 21, New DOHS, Mohakhali, Dhaka-1206
5. Momen's Trevino  
Project Adress: Plot – 9/19, Iqbal Road,Block -A, Mohammadpur,Dhaka – 1207.
6. RMS RAHMAN'S  
Project Adress: Plot – 308, Road – 21, New DOHS, Mohakhali, Dhaka -1206.
7. Momen's ZeeK Villa  
Project Adress: Plot – 478, Road – 32, DOH S. Mohakhali, Dhaka-1206
8. Momen's South Breeze  
Project Adress: House – 1120 – 1121, Road -19, Block -I, Bashundhara, Dhaka.
9. Momen's Sayera Apartments  
Project Adress: Plot No. 7, Road No. 5, Block. F, Banani, Dhaka-1213.

These upcoming projects are also going to be one of the finest apartments I Bangladesh. Flat booking has already started for those projects. And also many of the flat has been already sold out.

## **CHAPTER# 3**

### **Overview of Fixed Assets and Inventory Materials**



### 3.1 The operation process of the company:

I have visited all of the running projects of Momen Real Estate Ltd. as an internal auditor. I mainly went there with the auditor team and audit for fixed assets and inventory Materials. It was really a fascinating experience for me. We have some observation of our visit. These are:-

1. Anwara East Lake: This project is almost complete, it will be handed over soon. Here we found some fixed assets in the ledger and physical counting as well. No major difference found in physical counting.
2. Momen's Rosas's Roses: We found very few fixed assets in this project after checking ledger, as it is almost complete project. We found 4 fire extinguisher in excess, in site fixed asset register it was eleven but physically we count fifteen fire extinguisher. However, we found 4 Net Shutter in side fixed asset register, but physically we could not found any Net Shutter.
3. Momen's Nasreen Ashraf: There were Mixture machine, Vibrator machine Diesel, Electric, Vibrator Nozzle, Fara, Jogan, Net Shutter, Column Shutter 2'' Ms Pipe, Moving Clump and so on. Almost most every item was match with the physical counting.
4. Memory by Momen: In this project we found some deficit items in between our physical counting and their site fixed assets register (Like weighing Scale, weighing Scale stand, Column Shutter). Junior Engineering claimed that those items were transferred to another project by using gate pass.
5. Momen's Sabur Villa: We found differences in Plain Sheet, Fara & full dram of this project. Sixteen (16) Plain Sheet found shortage. Few damage item we found in this project. 2'' Ms Pipe was transferred by MTO but ledger was not updated.
6. Momen's Manzoor's: Physically we found 2 Celling Fan & 1 stand Fan in excess. However, junior engineer claim that 2 Celling Fan & 1 stand Fan are transferred to 3ML project without gate pass & MTO & 117 pieces of I-Joist transferred to another project with gate pass but ledger was not updated at all.
7. Momen's Minu Mustafiz Loft: In this project we found mismatches in fogging machine, celling Fan, security tool & Tripol. Site engineer claimed that fogging machine were transferred to another project without gate pass, & 1 extra security tool made by side engineer. Another excess item Tripol & Fan are owned by contractor.

8. Momen's Ferdous: In physical counting, we found shortage in one set kicker and one Halogen Light, site engineer claimed that it was sent to servicing but there was no gate pass. Weighing Scale and stand were transferred to Momen's Apon Nibash.
9. Momen's Shaptarshi: There were no major dissimilarities in this project, found very few heavy weight fixed assets. We had found some light weight fixed assets & we reconciled with side fixed asset register & our physical Counting.
10. Momen's Nilanjona: In this Project we have found one piece of C.G.I Sheet & two pieces of Plain Sheet in excess. On the other hand Fogging Machine we found physically with no records in site ledger.
11. Momen's Ashish: we found total four vibrato Nozzle in excess. There were 3 piece 1\*1/2" Vibrator Nozzle & 1 piece 1" vibrator Nozzle. The quantity of material was not recorded in ledger but site engineer claimed that three pieces were receipt from maintenance department and this materials are in damage condition.
12. Momen's Apan Nibash: Physically we found 2 Jogan but in ledger we only found one jogan. No other major issues found in the project as the project are in pilling stage.

Purbachal Warehouse: In the central ware house we found huge mismatches in the time of physical counting. They received many item by gate Pass (i.e. C.G.I Props Plain sheet, Moving Clump), but ledger was not updated. 10" steel props 29 set & single lower part 150 (props) pieces found in excess. Steel threat chare (part of steel props) were excess 23 pieces.

Fixed Asset Categories:

Through a list of fixed assets provided by the MREL corporate office, we categorized them into 2 segments:

- Heavy weight fixed assets: these assets are sectors as the fixed asset that are heavy and have a high Historical cost value.
- Light weight fixed assets: these assets are sectored as light weight and low cost per asset.

The list of Heavy & light weight fixed machines have been mentioned below in the table so that it can be understood easily which assets fall into which categories.

List of Heavy weight fixed assets:

<b>Name of Assets</b>	<b>Name of Assets</b>
1.5 HP Motor	Solar Panel
Battery (12 volt)	Steel Table
Ceiling Fan	Vibrator Machine Diesel
Fencing Board	Vibrator Machine Electrical
File Cabinet (Steel)	Water Drum
Generator	Water Filter
Grinding Machine	Water Pump (Centrifugal)
Jogan	Water Pump (Submersible)
Mixture Machine	Water Pump (Jet)
Net Shutter	Water Tank
Pedestal Fan	Weighing Scale
Roof Hoist	Weighing Scale Stand
Shallow Machine	Welding Machine
Sign Board	Wooden Table

List of Light weight fixed assets:

<b>Name of Assets</b>	<b>Name of Assets</b>
10'-0" Props	LED Light
C.C Camera	Plain Sheet
Column Shutter	Security Table
Cylinder Mole	Security Tool
Drilling Machine	Slime Crone
Fara	Table Fan
Fogging Machine	Tin (CI Sheet)
Halogen Light	Moving Clump

Also I get introduced with the inventory materials of the real estate sector. We mainly did physical counting of inventory items. Some of the inventory items with mismatches are:

**Deficits:**

Items	UoM	Quantity as per ledger	Physical Quantity	Surplus/Deficit
1/2" Pvc pipe	Rft	200	160	(40)
3/4" Pvc Pipe	Rft	150	-	(150)
1" Pvc Pipe	Rft	300	260	(40)
1/2" Pvc Bend	Pcs	40	-	(40)
1*1/4" Pvc Bend	Pcs	90	63	(27)
1*1/4" Pvc Socket	Pcs	180	170	(10)
1" Pvc Circular box	Pcs	75	68	(7)
1.5 RE Cable	Coil	17.29	16	(1)
2.5 RM Cable	Coil	15.36	13	(2)
4 RM Cable	Coil	7.84	6.16	(2)
1 Gang Mk Box	Pcs	84	80	(4)
2 Gang Mk Box	Pcs	40	39	(1)
1.5" PPR Pipe	Rft	60	40	(20)
2" PPR Pipe	Rft	35	30	(5)
1/2"*3/4" PPR Plain R Elbow	Pcs	21	20	(1)
1/2"*3/4" PPR Plain R Socket	Pcs	4	2	(2)
1/2" PPR Plug	Pcs	162	0	(162)
1/2*3/4" Gi Elbow	Pcs	23	22	(1)
1*1/4" uPVC Pipe	Rft	130	90	(40)
1*1/2" uPVC Pipe	Rft	145	60	(85)
4" uPVC Side Door Tee	Pcs	12	10	(2)
1*1/2" uPVC Pipe	Rft	145	60	(85)
4" uPVC Side Door Tee	Pcs	12	10	(2)

Surplus:

Items	UoM	Quantity as per ledger	Physical Quantity	Surplus/Deficit
1" Pvc Bend	Pcs	362	521	159
3/4" Pvc Socket	Pcs	188	200	12
1*1/2" Pvc Socket	Pcs	80	86	6
1*1/4" PPR Plain Elbow	Pcs	8	11	3
1/2"*3/4" PPR Plain Tee	Pcs	5	6	1
3/4" PPR Plain Coupler Socket	Pcs	6	8	2
1.5" PPR Plain Socket	Pcs	6	7	1
3/4" Gi Pipe	Rft	145	160	15
1/2" Gi Socket	Pcs	10	13	3
2" uPVC Plain Tee	Pcs	7	8	1
2" uPVC Plain Tee	Pcs	7	8	1

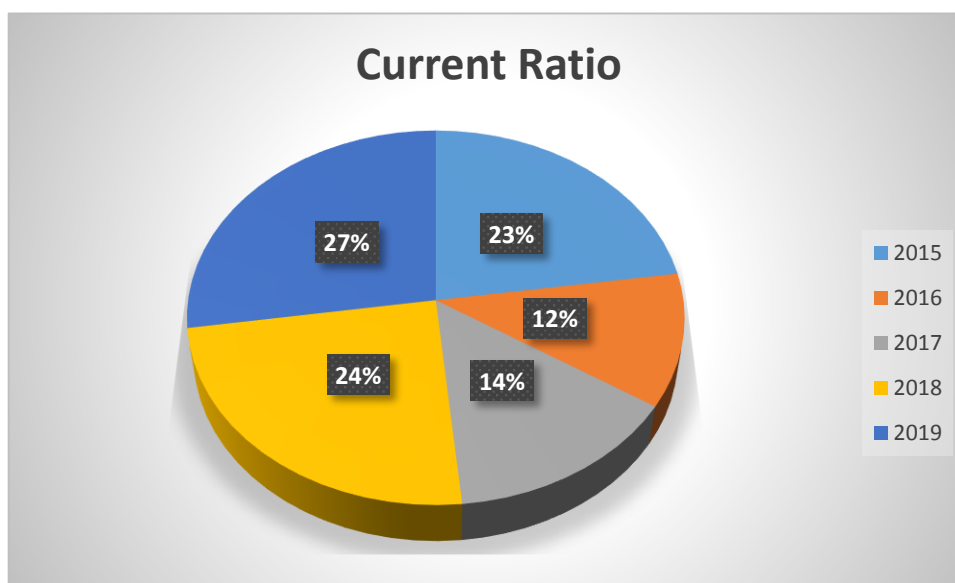
**CHAPTER# 4**  
**To Evaluate the Performance of the Company from 2015 to 2019**

### Current Ratio:

The amounts of Momen Real Estate Ltd. are in taka in Crore.

Current Ratio=Current Assets/Current Liabilities					
Year	2015	2016	2017	2018	2019
Current Assets	513	554	636	796	722
Current Liabilities	232	481	440	328	262
Solution	513/232	554/481	636/440	796/328	722/262
Current Ratio	2.28	1.15	1.44	2.43	2.75

### Graphical View:



### Interpretation:

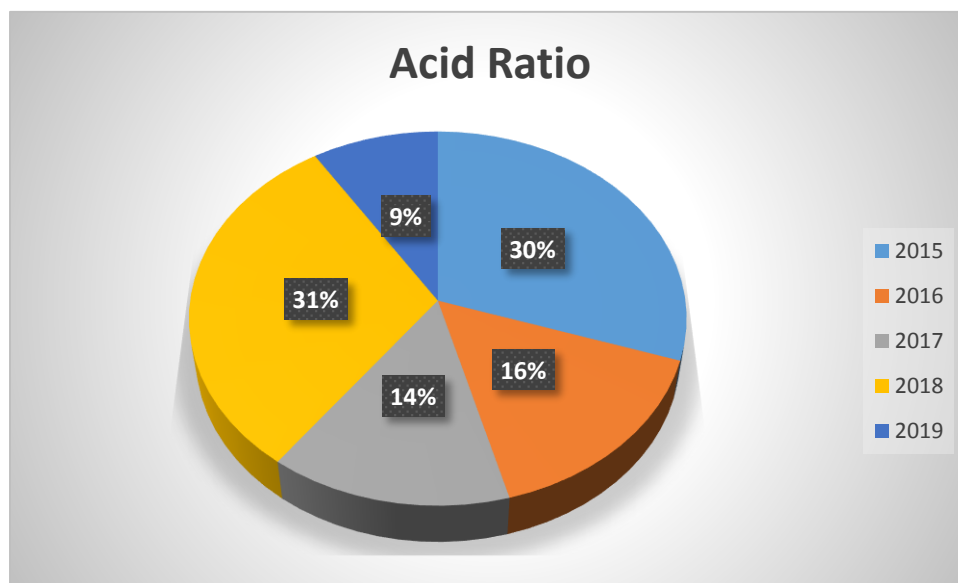
Current ratio indicates the ratio between current assets and current liabilities. Higher current ratio means current assets are more than current liabilities. And lower current ratio means lower current assets in hand to pay current liabilities.

In 2015, their current ratio is 2.28 that indicate against 1 taka current liabilities their current asset is 2.28 taka. From 2015 current ratio of Momen Real Estate Ltd. has decreased to 2016 later on from the next year It has started to increase. And at 2019 it reached ti the highest peak. Resulting in the company is always ready to pay it current liabilities.

### Acid Test Ratio:

Acid Test Ratio = Quick Assets/ Current Liabilities					
Year	2015	2016	2017	2018	2019
Quick Assets	353	320	322	434	203
Current Liabilities	211	367	401	254	402
Solution	353/211	320/367	322/401	434/254	203/402
Acid Test Ratio	1.67	0.87	0.80	1.71	0.50

### Graphical View:





### Interpretation:

Generally Acid test ratio is another name of quick ratio. And quick ratio shows how much current assets in hand after deducting inventories from the current assets and subtracted by current liabilities. The portion of current assets is mainly cash and cash at bank.

In 2015, their quick ratio is 1.6 that indicate against 1 taka current liabilities their quick asset is 1.6 taka. Quick ratio of Momen Real Estate Ltd. was in good condition at 2015. But it stated to decline till 2017. Then it reached to its highest peak at 2018. After that it again fall down at 2019. It shows the quick ratio is .50 at 2019. That means the company has .50 quick assets for per 1 taka current liabilities.

### Net Working Capital:

Net working capital= Current Assets-Current liabilities					
Year	2015	2016	2017	2018	2019
Current Assets	513	554	636	796	722
Current Liabilities	232	481	440	328	262
Solution	513-232	554-481	636-440	796-328	722-262
NWC	281	73	196	468	460

Graphical View:



Interpretation:

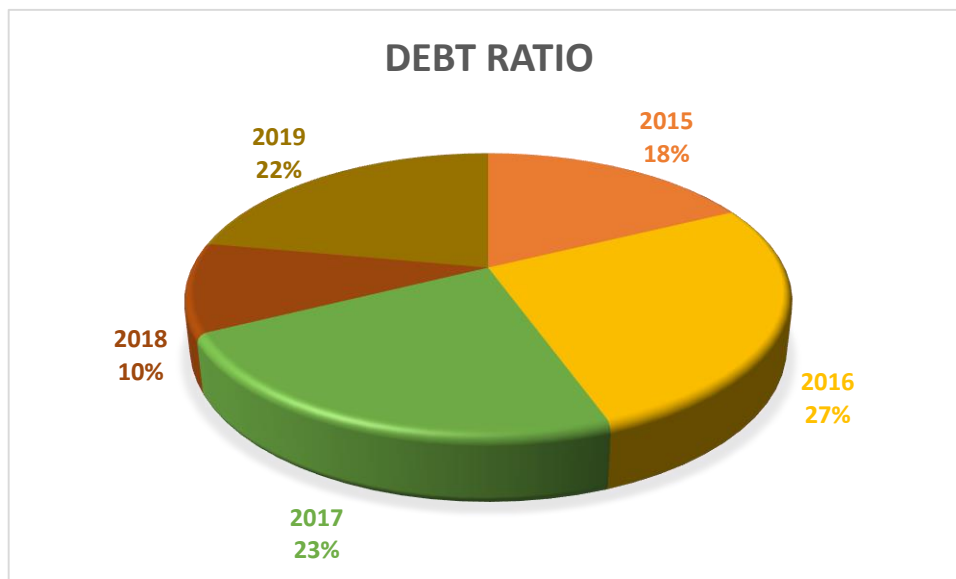
Net Working Capital is the actual portion of current assets after deducting the current liabilities from the current assets.

Net working capital was good at 2015 but it started to fall down at 2016. That time it was in a very bad condition but it again started to increase from 2017. And it reached the highest peak at 2018. So, the overall condition of the company was good in terms of working capital.

Debt Ratio:

Debt Ratio = Total Liabilities ÷ Total Assets					
Year	2015	2016	2017	2018	2019
Total Liabilities	432	681	640	328	662
Total Assets	913	954	1036	1196	1122
Solution	432/913	981/954	640/1036	328/1196	662/1122
Debt Ratio	.47	.71	.62	.27	.59

Graphical View:



Interpretation:

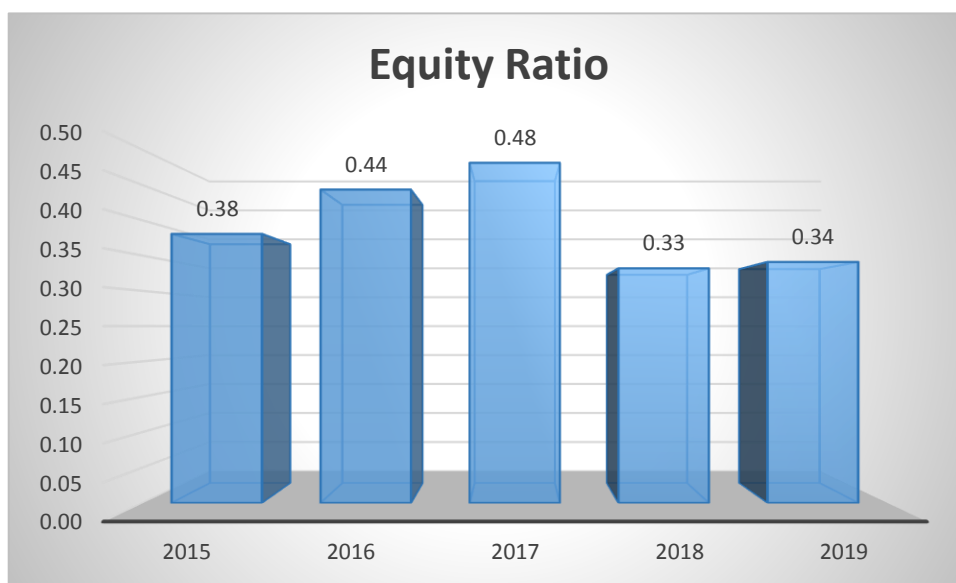
Debt ratio is one of the important ratios for the company to accelerate the profit margin. This ratio can define profit or loss of a company. So, the company need to maintain its debt tactically otherwise the company may fall in trouble.

At 2015 debt ratio of Momen Real Estate Ltd. was on average. Next year the ratio increased and reached in a good position. Later on it decreased dramatically. And at 2019 it again got back. Resulting in the debt ratio of the company was on average over the year.

Equity Ratio:

Equity Ratio = Total Equity/ Total Assets					
Year	2015	2016	2017	2018	2019
Total Equity	423	345	322	455	528
Total Assets	913	954	1036	1196	1122
Solution	423/913	345/954	322/1036	455/1196	528/1122
Equity Ratio	.46	.36	.31	.38	.47

Graphical View:



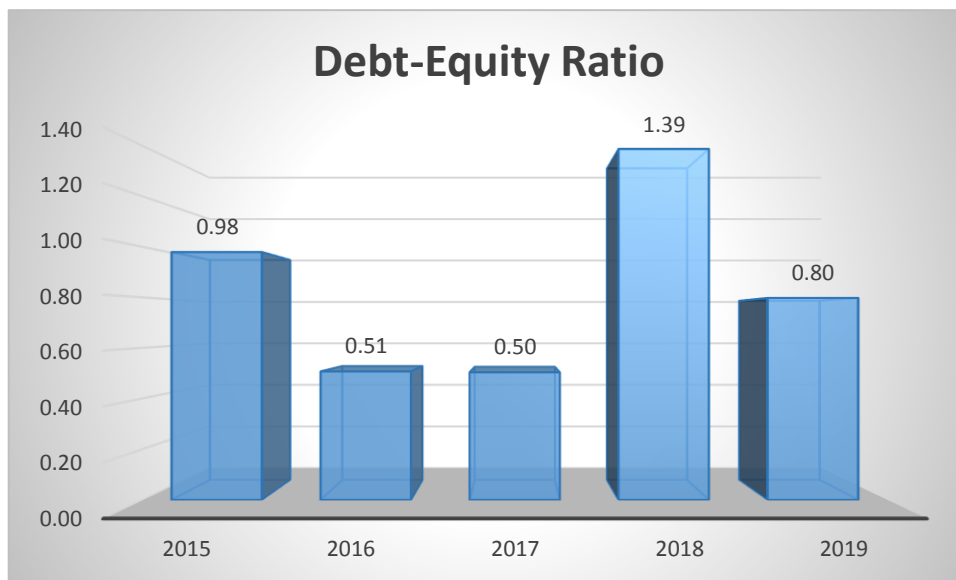
### Interpretation:

Equity ratio is the ratio between assets and equity. Equity holders are the investors of the company. The company has to maintain a matrix between equity and assets. As compare all of the year, it shows that Momen Real Estate Ltd. maintain equity very tactically.

### Debt-Equity Ratio:

Debt-Equity Ratio = Total Liability / Total Equity					
Year	2015	2016	2017	2018	2019
Total Liabilities	432	681	640	328	662
Total Equity	423	345	322	455	528
Solution	432/423	681/345	640/322	328/455	662/528
Debt-Equity Ratio	.98	.51	.50	1.39	.80

### Graphical View:



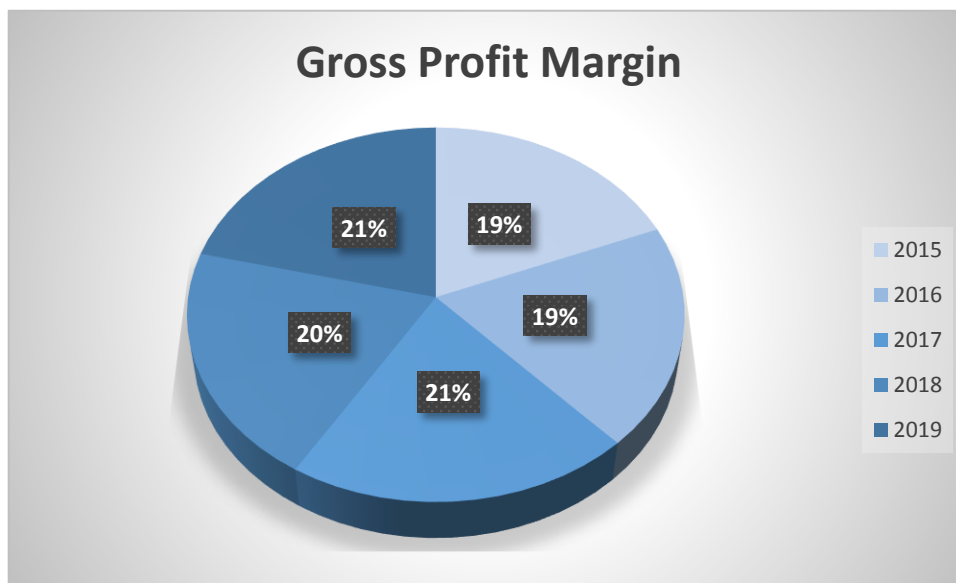
Interpretation:

Lower Debt-Equity ratio means lower risk and higher Debt-Equity ratio means the company is going to face higher risk. Also the company will face loss. Here the company's risk was at moderate level in 2015. And condition was very good over 2016 and 2017. But the company was in very high risk at 2018 as on the risk again decreased at 2019.

Gross Profit Margin:

Gross Profit Margin = (Revenue-Cost of goods sold)/Revenue					
Year	2015	2016	2017	2018	2019
Revenue - Cost of goods Sold	450	470	565	526	600
Revenue	800	820	915	876	950
Solution	450/800	470/820	565/915	526/876	600/950
Gross Profit Margin	.56	.57	.62	.60	.63

Graphical View:



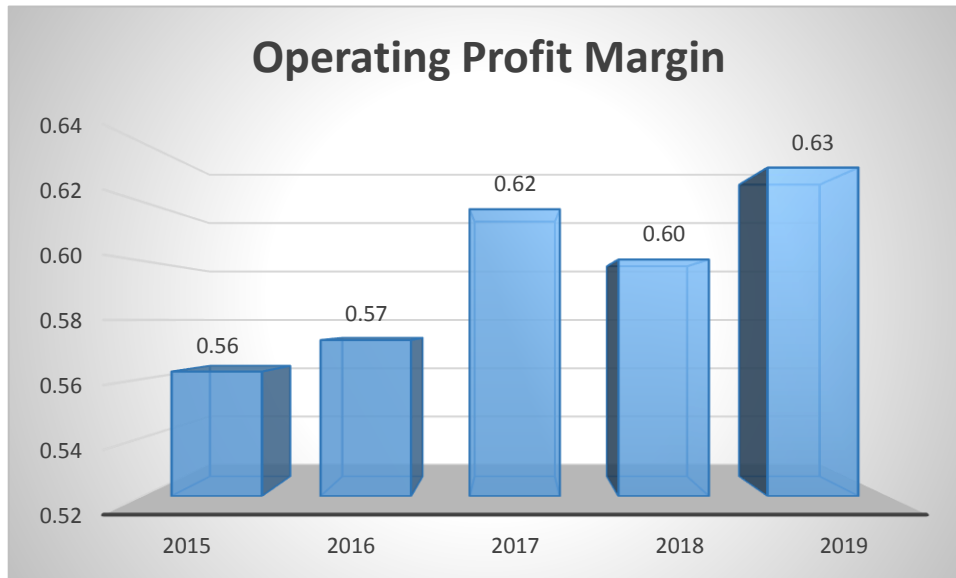
### Interpretation:

Mainly gross profit margin show probability of the company. Higher gross profit margin the cost of production is covered by the highest amount of profit. On the other hand lower gross profit margin means the disability of covering the production cost by the profit margin. Here the gross profit margin of the company is average. And the profit margin of the company is increasing. The increasing rate is not up to the mark but not bad at all.

### Operating Profit Margin:

Operating Profit Margin = Operating profit/ Revenue					
Year	2014	2015	2016	2017	2018
Operating profit	145	155	202	183	220
Revenue	800	820	915	876	950
Solution	145/800	155/820	202/915	183/876	220/950
Operating Profit Margin	.18	.19	.22	.21	.23

Graphical View:



Interpretation:

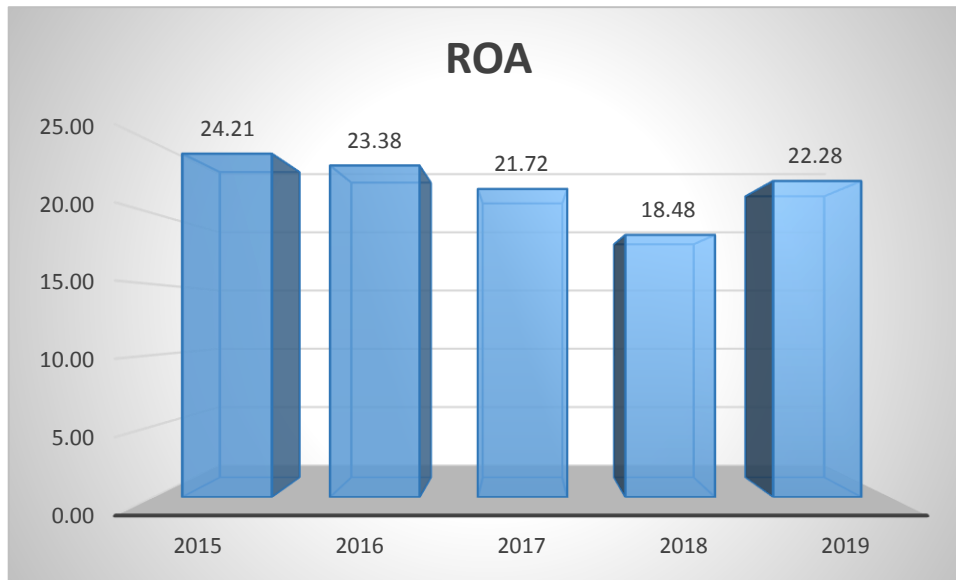
Higher operating profit means there is available revenue from the operation to cover the operating income. The increasing rate of operating profit margin is the omen of highest profitability. Here at 2015 operating profit margin was lower. But from the next month the margin started to grow up. And 2019 the margin reached its highest peak. So the overall condition of the company is good base on operating profit margin.



ROA:

ROA = Net Income/Total Assets*100					
Year	2015	2016	2017	2018	2019
Net income	221	223	225	221	250
Total Assets	913	954	1036	1196	1122
Solution	221/913	223/954	225/1036	221/1196	250/1122
ROA	24.21	23.38	21.72	18.48	22.28

Graphical View:



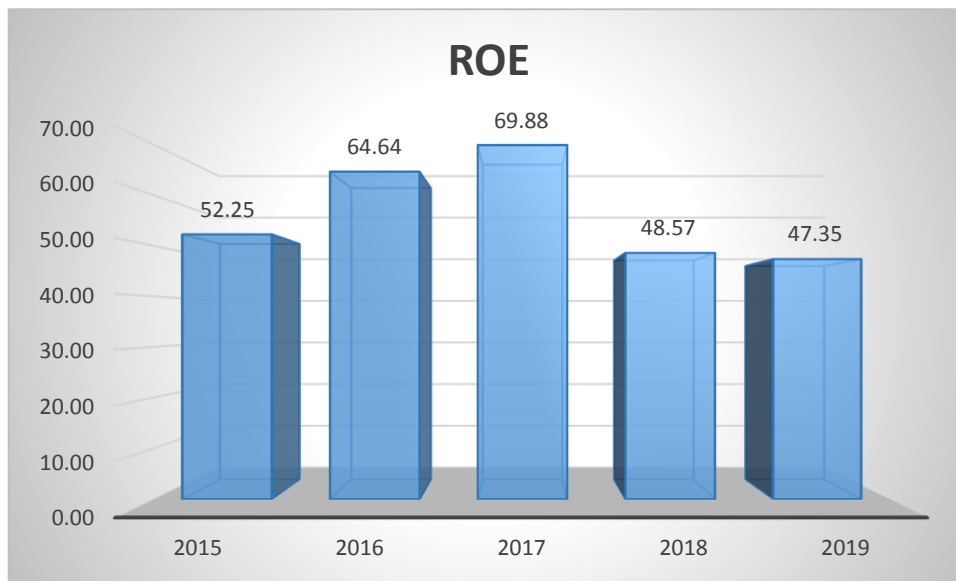
Interpretation:

Return on assets indicates the percentage of return on assets. More return means more benefit for the investors. Here ROA of Momen Real Estate Ltd. is not bad at all. And the fluctuation rate is low. So, the investors are going to get a very good return from their investment.

ROE:

ROE = Net Income/ Shareholder equity*100					
Year	2015	2016	2017	2018	2019
Net Income	221	223	225	221	250
Shareholder equity	423	345	322	455	525
Solution	221/423	223/345	225/322	221/455	250/525
ROE	52.25	64.64	69.88	48.57	47-35

Graphical View:



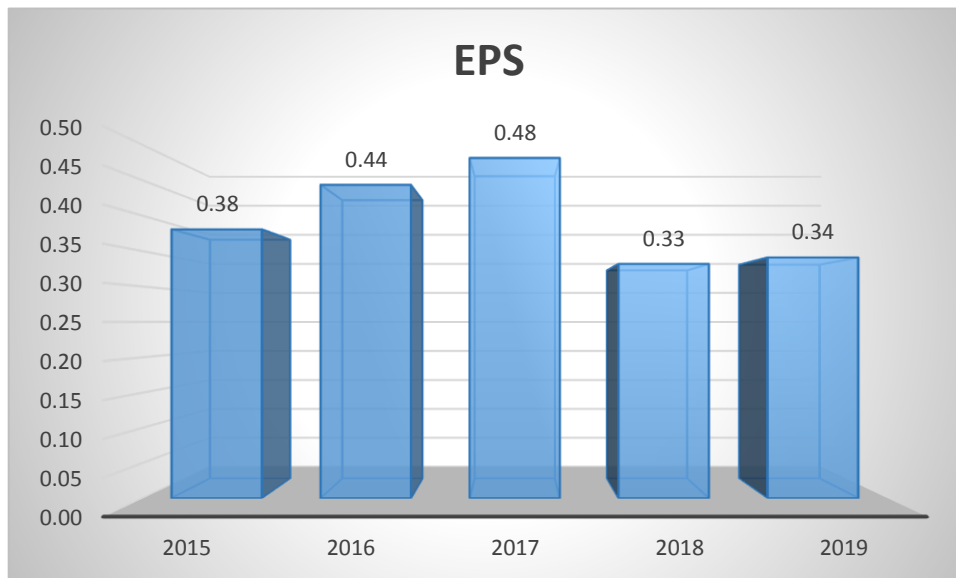
Interpretation:

Return on equity indicate the return or percentage of outcome that happen compare between net income and shareholder equity. Here the ratio shows a very good condition. So, the shareholders are going to get a good return in terms of their investment. And it reached its highest peak at 2017.

EPS:

EPS = Net profit/Number of equity share					
Year	2015	2016	2017	2018	2019
Net profit	161	153	155	151	180
Number of equity Share	423	345	322	455	528
Solution	161/423	153/345	155/322	151/455	180/528
EPS	.38	.44	.48	.33	.34

Graphical View:



Interpretation:

Earnings per share is the income per every piece of share that has been invested. When earning per share shows good that means the company is in profitable condition. On the other hand when earning per share shows down that means the company is in crisis. In this terms, earning per share of Momen Real Estate Ltd. is very good. So, the shareholder gain a very good amount of outcome from the company.

**CHAPTER# 5**  
**Problems Finding of the Company and Recommendation on Auditing**

Regarding my visit of Momen Real Estate Ltd. in different projects I observed some of the issues along with the recommendation. And it is based on real life experience gathering from auditing both on fixed assets and inventory.

### 5.1 Observations on Auditing of Fixed Assets and Recommendation:

#### During verification of Fixed Assets, I have observed the followings:

Quantity of stock deviations are higher in light weight settled resources, which is material in number.

Stock deviation in heavy weight fixed assets are low but material in values/amounts.

1. Moving Clump, 10'-0" Props, Plain Sheet & Tin (CGI Sheet) are very difficult to count as these are the most used & fast-moving fixed assets which were kept haphazardly.
2. In Momen's Ashish, Vibrator Nozzle has been received from maintenance department there were no record.
3. 10"-0" steel props are not recorded properly, in the central Ware house, we have found 23 set & 150 pcs single part in excess.
4. Central warehouse manager informs us they received some materials in excess from actual gate pass (i.e. I-Joist, Steel Props, Moving Column, thread chare)
5. Damage item are not managed properly we found many damage in central warehouse that did not kept separately.

#### Recommendation:

1. Without any gate pass fixed asset should not be transferred to another project, repairing, or central ware house whether this required in time to time.
2. Damage fixed asset items should record separately & store separately as well.
3. Any transfer of fixed assets should be recorded through MTO (material transfer order).
4. New Projects with many fixed assets should have CC Camera, so that any theft and pilferage can be monitored.

5. Records of light weight assets should be more carefully maintained.
6. Assets needs to be coded/tagged immediately.

## 5.2 Observation on Auditing of inventory and Recommendation:

Issue	Management Action Plan	Action Owner
<p>We found mismatch with physical quantity of inventory with that of the quantity items mentioned in the register books.</p> <p>There were both shortages and excess of physical items in compared to the items in the register book at each of the 03 (three) sites.</p> <p>The root causes are:</p> <ul style="list-style-type: none"> <li>• <b>Inventory items are not stored</b> with proper category, mismatch may occur lack of categorization.</li> <li>• <b>Shortage of Cement</b>, found in 3 (Three) Projects.</li> <li>• <b>Lack or no reconciliation of the Store Requisition Form (SRF)</b> with the inventory balance in the site inventory register or to the physical balance of inventory.</li> <li>• <b>Noncompliance with using provisional form</b> to record the daily issuance of inventory at site and reconciling back to the end of the day Store Requisition Form.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Each and every items of inventory</b> should be store with proper categorization.</li> <li>• <b>Daily Reconciliation</b> and reporting of the physical materials with the inventory ledger and the store requisition forms issued including the returns at the end of the day.</li> <li>• The head office staff needs to have oversight regarding the reconciliations being performed by Junior Engineers thereby ensuring dual control.</li> <li>• Junior Engineers need to maintain the provisional forms prior to issuance of store requisition forms.</li> <li>• Store Requisition Form (SRF) should be updated regular basis.</li> <li>• Labors should be enforced to fill up Provisional Form while issuing materials (e.g.: Cement, uPVC Pipes etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Head Office Staff – The governance team</li> <li>• Junior Engineers &amp; Site Engineers</li> <li>• Head Office Staff</li> <li>• Junior Engineers</li> <li>• Junior Engineers</li> <li>• Head Office Staff &amp; Junior Engineers</li> </ul>

## Conclusion:

Real Estate sector is one of the main sectors of any country. In the perspective of Bangladesh this sector is in growing level but I think there is a huge opportunity to do something on that sector. Real estate sector worked with one of the major fundamental needs that is accommodation. And if investors take a look and intend to invest on that sectors I think it will be one of the best choice for them. Because it can be one of the profitable field for the investor. Also our government have some responsibility to grow this sectors. The responsible authorities need to observant this sector regularly. So, the ordinary people of Bangladesh will get their own shelter on reasonable price.



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