**Internship Report**

**On**

**“Financial Performance Evaluation of ACME Laboratories Limited”**



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**“Financial Performance Evaluation of ACME Laboratories Limited”**

A temporary job report introduced to the personnel of business organization in fractional satisfaction of the prerequisite for the level of Bachelors of Business Administration.

**Submitted To:**

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**Date of Submission:** 16th November 2019.

**Acknowledgement**

I wish to recognize vast elegance and significant thoughtfulness of the Almighty Allah, the preeminent leader of the universe who empowers us to make my fantasy in a reality.

My acknowledgement starts by expressing gratitude toward my honorable supervisor **Mohammad A. Ashraf** Associate Professor Department of economics, United International University, who has given me proposals for making this last temporary position report and furthermore gave me the configuration to setting up this last report. I might likewise want to express my true thankfulness to him for his entire hearted backing and direction. It was an incredible joy to set up the temporary position report on “Financial Performance Evaluation of ACME Laboratories Limited” under his watch.

I am likewise thankful to the administration of ACME Laboratories Limited for choosing me for the three months entry level position program. The accomplishment of the investigation rests me as well as on the commitment of all sort of worker of ACME Laboratories Limited. My genuine appreciation goes to my temporary position guide at ACME Laboratories Limited, **Md. Addul Hye,** (Deputy General Manager**,** Finance & Account Division of The ACME Laboratories Ltd.) for his very kind attention and assistance on the report.

I also grateful to Mr. Mahmud Hossain, (Sr.Executive) andMr. Ariful Islam (Jr. Officer)in Finance Departmentof the ACME Laboratories Ltd. They have been a colossal help in the background in giving important market data and friends methodologies and extraordinary help with assessing the market and giving data which gave an alternate element of basic leadership.

The functional experience I have accumulated will without a doubt help me in future to construct my vocation and I accept that this work experience has set me up for taking up new difficulties ahead in my profession. I have attempted my best to finish this entry level position in an effective way.

**Letter of Transmittal**

16th November 2019

Mohammad A. Ashraf

Associate Professor

School of Business & Economics

United International University

Subject: Submission of Internship Report

Dear Sir,

I have prepared my internship report on “Financial Performance Evaluation of ACME Laboratories Limited” under your benevolent supervision as a prerequisite for finishing the level of BBA program. I have attempted my best to set up this report with most extreme standard under your bearing.

I bent over backward to reveal the genuine bits of knowledge in this report. I trust and supplicate that my every exertion and work will satisfy your expectation.

Expressing gratitude toward you for your benevolent thought and supervision.

Sincerely yours,

Md. Shahriar Islam

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**Declaration**

I thusly pronounce that the entry level position report to be specific “Financial Performance Evaluation of ACME Laboratories Limited” has arranged by me after the consummation of investigation with ACME Laboratories Limited and an exhaustive investigation of the current exercises of ACME Laboratories Limited

I additionally proclaim that this report is genuinely arranged and sorted out by me and arranged for scholarly reason which is a piece of my BBA program.



…………………………….

Md. Shahriar Islam

ID: 111 142 284

Major in Finance

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Date: 16th November 2019

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**Executive Summary**

Entry level position program is the most noteworthy part for finishing of BBA program. In the wake of finishing the scholarly course I was put in The ACME Laboratories Ltd. to finish my temporary job program. The ACME Laboratories Ltd is a privatized pharmaceutical organization in Bangladesh, which assumes a more prominent job in Health and Vigor advancement. During the three months entry level position period I have considered Corporate Finance and Account Division in the Company. For the most part I have worked with the Accounting and Financial wing. With an incredible strategy, ACME Laboratories Ltd. has begun its activity. Guarantee Health, Vigor and Happiness for all by assembling moral prescriptions of the highest caliber at reasonable costs and extending in the neighborhood and worldwide market. At first, I contain report review for what reason will I make the report, objective, scope and impediment of the report, and technique of the report-how would I gathered essential and auxiliary information to build up the report. Also it incorporates hierarchical outline; that is-area of the association, organization profile, vision-strategic goal of the organization, organization structure, supervisory crew, workers of the organization, items and administrations of the association and so on. In addition, this report covers examination of by and large money related administration framework. Here I essentially attempted to give a few recommendations to the overseeing panel of the organization. These recommendations are the result of the report. Every one of the recommendations are mentioned concurring my objective fact I think this will push the power to accentuation barely for them and money related action the board frameworks for easily run the association viably of its crucial.

Chapter one

Introduction

**1.1 Origin of the report:**

The Pharmaceutical business is currently dynamic hi teach industry which is contributing in the nation's economy. This company is the second most elevated supporter of the national economy. Advancement of this part catches the worldwide market and the challenge in pharmaceutical industry is additionally expanded. For making due into the challenge separated from other significant elements, monetary administration is a wonderful part in this segment.

The Attachment " Financial Management in Pharmaceutical industry – An investigation of ACME laboratories Ltd.." is set up to satisfy the necessity of the entry level position Report of the BBA program, educated by **Mohammad A. Ashraf**, Associate Professor Dept. of Economics. The purpose for an Internship program is to provide commonsense work experience that is relater with the erudite information. As a feature of the program, I am profoundly pleased to get together with ACME Laboratories Limited. As an internee, I have a chosen point is "Financial Performance and Evaluation of ACME Laboratories Limited."

This temporary job is a direction to the whole working exercises of ACME Laboratories Limited. As I had worked there in money and Accounting Department, I had chosen a territory of concentrate where I can make detail research and present my comprehension in the report.

**1.2 Objective of the Report:**

Target of the investigation is for having a reasonable idea and some functional experience about monetary exercises, the board and execution of ACME research centers Ltd. This report is intended to find out about the general money related arrangement of ACME research facilities Ltd. Also, the examination looks to accomplish the accompanying destinations:

* To give a diagram of the money related administration routine with regards to ACME.
* To discover the ACME's Current circumstance of financial administration.
* To get a review of this current association's Business execution.
* Acquire information about ACME Laboratories Limited Business depiction.
* Finally dependent on some hypothetical and down to earth knowledge, we prescribe approaches to fix the issue territories.

The prime objective of the report is to analyze the **“Financial Performance Evaluation of ACME Laboratories Limited”.**

**1.3 Scope of this report:**

Extent of the report depended on yearly site, reports, working background; furthermore speak with the directors, administrators of the money and records dept. Investigating organization targets, circumstance, procedures and so on. The examination dependent on the accessible data and the uncovered as it were.

**1.4 Methodology of the Study:**

This report has been prepared subject to experience gathered during the hour of passage level position. For setting up this report, I have similarly taken information from different inside reports, site of The ACME Laboratories Limited and from various manual of the related subjects.

**Data Source:**

Pertinent information for this report has been gathered principally by direct examinations of various records, papers, and archives. The meetings were regulated by formal and casual dialog.

* Primary Sources: Among the essential sources, eye to eye discussion with the individual stuffs of the head office and from useful work experience is significant.
* Secondary Sources: The auxiliary wellsprings of data are Different course reading, official sites of the organization, and investigation of important reports, archives and various manuals.
* Statistical analysis: Gathered data was grouped and organized for further examination. Estimations were accomplished for the translation of the information for example Markdown factor, Averages and so on.

**Data Analysis Tools:**

Data/Information has been displayed in an account way; stream graphs are likewise used to give a reasonable and exact comprehension of the circumstance. Additionally, the accompanying programming has been utilized to break down the information:

**MS WORD** and **MA EXCEL** programming apparatuses are utilized for information examination.

**1.5 Instruments Used for analysis:**

**Ratio Analysis:**

The quantitative, (for example, proportion investigation) devices are utilized to break down the accumulated information and various sorts of PC programming are utilized for detailing the assembled data from the examination, for example, Microsoft Word, Microsoft Excel and Microsoft PowerPoint and so forth. Proportion can be characterized into four general gatherings-

* Debt ratio
* Liquidity ratio
* Profitability ratio
* Activity ratio

**1.6 Limitation of the Report:**

Regardless of every single earnest exertion, the examination contains various impediments, which was outside my ability to control. Significant restrictions of the investigation are:

* Because of the absence of data, I have made a few presumptions that may cause couple of blunders or individual slip-ups in the report.
* The ACME Laboratories Limited pursues an approach of not revealing all the data expected to set up my report for clear reason.
* Restrictions according to the hierarchical arrangements to uncover a portion of the inside data and money related information out in the open.
* Their site isn't as rich as we need to gather information that is the reason at some point happens to confront trouble at the hour of information accumulation.
* Not accessible information in on the web.

Chapter Two

**Company overview**

**2.1 Finance:**

Finance is the word used to portray both the cash assets accessible to person's business firms, government and the board of these cash assets. Finance is the art and science cash influences the life of each individual and each association.

**2.2 Financial Management:**

Financial management is concerned with the acquisition, financing and management of assets with some overall goal in mind.

**2.3 Financial sources:**

ACME Laboratories Ltd organize their budgetary collaborator in two different ways, one is interior source and another is outer source. In internal acquiring, the principle source is Retain income. For the outside help, ACME takes Bank Loan from different Commercial Bank and Leasing organization.

**2.4 Organogram of the Finance & Accounts Division:**

**Chairman**

**Managing Director**

**Chief Accountant**

**Sr. Asst. General Manager**

**Asst. General Manager**

**Sr. Manager**

**Manager**

**Asst. Manager**

**Sr. Executive**

**Executive**

**Officer**

**Jr. Officer**

**Figure -2.1:** Organ gram of the Finance and Accounts Division

**2.5 Inception of ACME Laboratories Ltd.:**

ACME Laboratories Limited is a principle Pharmaceutical Company set up in the year 1954. The association has a significant amassing place arranged at Dhamrai. The association produces various types of dosages' structures which fuse tablets, compartments, ampoules, oral liquids, dry powder vials, and powder for suspension, nasal Drops, eye drops, blend, implantation, etc. Since its introduction, ACME has been improved and eating items so as to satisfy the medicinal network's neglected interest.

The company represented considerable authority in worth included high innovation doses structure like supported discharge tablets, snappy mouth dissolving tablets, boundary covered deferred discharge tablets and so on. It has set up a cutting edge innovative work research center for the improvement of new propelled types of different medications and gadgets like poorly soluble drugs, dry powder inhalers, coated pellets, modified release products, taste masked preparation etc.

ACME immediately built up a skilled deals group, which advances the fortes all through the nation. The organization covers each and every edge of the rustic and urban zone of Bangladesh. Everywhere throughout the nation it has claim huge conveyance organize that is worked by 18 stops.

The organization works in a solitary industry fragment, it has its very own assembling offices .In home and on board definition, assembling and deals medications are the essential exercises of the organization. The abroad workplaces and partners of ACME are Srilanka, Myanmar and the fares outlets are Kenya, Nepal, Pakistan, Bhutan, Hong Kong, Iraq, Singapore, Taiwan, Thailand, Vietnam, Philippines, East Timor, Belize, and Ethiopia Etc.

**2.6 Corporate Mission:**

"Our comprehensive methodology is to guarantee Health, Vigor and Happiness for all by assembling moral medications and prescriptions of the highest caliber at reasonable costs and connecting even to the remotest territories by legitimate dispersion organize. We see ourselves as accomplices with specialists, our clients, our representatives and our condition."

**2.7 Corporate Vision:**

"To guarantee Health, Vigor and Happiness for all and is on a never-ending journey for greatness."

**2.8 Goal of the Company:**

The principle objective of the organization is to accomplish the most extreme piece of the overall industry along the entire nation inside exceptionally brief time by using great notorieties and giving better quality items.

**2.9 Corporate Profile:**

|  |  |
| --- | --- |
| **Nature of Business** | Ethical drugs & medicines and also veterinary product. |
| **Registration Number** | C-4745 of 1975-1976 |
| **Year of establishment**  | 1954 |
| **Incorporated as a Private Limited Company** | 17 March 1976 |
| **Commercially Operation** | 1983 |
| **Address of Head Office** | 1/4 Court de la ACME, Kallyanpur, Mirpur Road, Dhaka – 1207. Phone: 8118692-6, Fax: 88-02-9121153 |
| **Awarded ISO-9001 Certificate** | 2001 |
| **Awarded ANSI/ASQC Q9001 Certificate** | 2001 |

**2.10 Objectives of the Company:**

* To give quality items at reasonable cost and to be number one pharmaceutical organization.
* To surpass its anticipated deals more than 3,500 million taka by year 2015.

**2.11 Aspirations of ACME:**

* ACME needs to find, create and effectively advertise inventive items to fix infections, to straightforwardness enduring and to improve the personal satisfaction.
* It needs to be perceived for positively affecting individuals' lives with our items, addressing needs and in any event, outperforming outside desires.
* It endeavors to make manageable winning development. Positioning in the top quartile of the business and verifying long haul business achievement.
* It needs to manufacture notoriety for a demanding working environment in which individuals can understand their expert desire.
* ACME takes a stab at a spurring domain where the imagination and adequacy are empowered and where bleeding edge advances are applied.

**2.12 Division/Departments of ACME:**

ACME has exceptionally qualified proficient staffs for taking care of all the state of the organization. Presentations of different divisions are as per the following:

**Procurement Planning & Inventory Control** Division (PPIC)

**Finance and Accounts Division (F&A)**

**Marketing Service Division- Human & Herbal**

**Marketing Service Division- Veterinary**

**Distribution Department**

**Strategic Brand Management Department (SBMD)**

**Manufacturing Division**

**Medical Services Department (MSD)**

**2.13 Management of the company:**

**Board of Directors:**

1. Nagina Afzal Sinha---------------------------- Chairman
2. Mr. Mizanur Rahman Sinha ----------------- Managing Director
3. Mr. Dr. Jabilur Rahman Sinha -------------- Deputy Managing Director
4. Mrs. Jahanara Mizan Sinha ------------------ Director
5. Tanveer Rahman Sinha ---------------------- Director
6. Mrs. Parveen Akhtar Nasir ------------------- Director
7. Mr. Fahim Sinha------------------------------- Director
8. Mr. Motiur Rahman Sinha-------------------- Director
9. Ms. Sabrina Sinha------------------------------ Director

**2.14 Competitors:**

**a. Nationally**

* Square
* Baximco
* Incepta
* Renata
* International Drug

**b. Internationally**

The ACME Laboratories Ltd. has lot of universal contenders. Many countries where ACME exports have their very own nearby organizations delivering medicines and a large number of them are trading their medicines to different nations and Bangladesh too. Thus, everywhere throughout the world there are numerous pharmaceutical organizations included the global market. In the universal market the ACME Laboratories Ltd. is a little organization send out little amount of medicines in some nation on the planet. Top's primary objective area is South-East Asia.

**2.15 Customers:**

The business of the ACME laboratories ltd. isn’t retailer situated. As a pharmaceuticals organization the ACME laboratories ltd needs to manage Physicians, provincial therapeutic expert, and now and again retailer like scientists. A few establishments and medical clinics are additionally the clients of The ACME research centers Ltd. The doctors are taken as the prime clients here, in light of the fact that dominant part of interest for pharmaceuticals items is subject to the doctor's solution.

**2.16 Employees:**

Similarly, as solid roots give the establishment to a developing tree, an organization's development is bolstered by the quality of its workers.

ACME Laboratories individuals fabricate its prosperity. For ACME Laboratories, achievement implies that every single representative adds to extending its pool of understanding, every single day. To accomplish its motivation and crucial, Laboratories insists its incentive for trustworthiness, regard for individuals, advancement, execution and administration.

**2.17 Sales and Distribution channel around the country:**

ACME has 20 Sales and distribution center around the countrky. They are given bellow-

Rangpur, Bogra, Rajshahi, Jessore, Khulna, Barisal, Mymenshingh, Dhaka City – South, Dhaka City – North, Sylhet, Comilla, Chittagong, Chowmohani, Chakoria, Faridpur, Saver, Narayangonj, Dinajpur, Central Sales Center (CSC) and B.Baria Sales Center.

**2.18 Core Values:**

Corporation esteems are the measure for its reasoning and activities. It works together based on regular qualities. Achievement depends on desire to win, pro-activity, integrity customer focus, excellence and team spirit.

**2.19 ACME plant or works department:**

ACME departments are divided in various functional and service departments. They are given as bellow:

**A) Functional Department includes:**

Assembling/creation division essentially isolated into two offices, Production-Human and Herbal and Production-Veterinary which incorporates different areas, for example, tablet, case, fluid, infusion (ampoule), infusion (vial), cream and balm, implantation, eye drops, Inhaler, Suppository and etc

**B) Service Departments are included:**

* Quality Assurance office which incorporates quality control, microbiology, quality affirmation and in procedure control area.
* Production arranging and Inventory Control department.
* Accounts and finance department.
* Human Resource department.

Chapter Three

Theoretical Aspect

**3.1 Theoretical Aspect:**

Money related execution examination of an association is fundamental to get a general view about an association. It all around involves explanation of bookkeeping report and comprehension of pay decree. How to dole out that capital that infers capital arranging included into this organization of record and it also deals with the financial specialists benefit approach? Cash related organization is the work done by an accounting and fund division of an association.

**3.2 Balance sheet:**

Balance sheet is a rundown of the money related adjusts of a sole ownership, a business organization or an organization. Resources, liabilities and possession value are recorded starting at a particular date, for example, the finish of its monetary year. An accounting report is regularly portrayed as a "depiction of an organization's monetary condition". Of the four essential fiscal summaries, the accounting report is the main articulation which applies to a solitary point in time of a business' schedule year. A standard organization accounting report has three sections: liabilities, resources and ownership equity.

**3.3 Income Statement:**

This is also referred as benefit and shortfall articulation, earning statement, working explanation or explanation of activities is an organization's budget report that demonstrates how the income is changed into the total compensation. It shows the incomes perceived for a particular period, and the expense and costs charged against these incomes, including benefits (e.g., devaluation and amortization of different resources) and taxes.

**3.4 Cash flow statement:**

In financial accounting, a cash flow statement, otherwise called articulation of incomes, is a fiscal report that shows how changes in balance accounts and income affect cash and cash equivalents, and breaks the analysis down to operating, investing, and financing activities. Essentially, the cash flow statement is concerned with the flow of cash in and out of the business. Basically, the income explanation is worried about the progression of money all through the business. The announcement catches both the current working outcomes and the going with changes in a critical position sheet. As a systematic apparatus, the announcement of incomes is helpful in deciding the momentary reasonability of an organization, especially its capacity to cover tabs. Global Accounting Standard 7 is the International accounting standard that manages income articulations.

**3.5 Changes Equity holder’s statement:**

The statement of proprietor's value is the second report of the financial statements. Its complete name is the statement of changes in the proprietors' value. This accounting report demonstrates every one of the progressions to the proprietor's value that have happened during the period. These progressions involve capital, drawings and the benefit for the period.

**3.6 Ratio Analysis:**

Ratio analysis includes techniques for computing and translating money related proportions to survey the company's exhibition and status. The basic inputs to ratio analysis are the firm’s income statement and balance sheet.

**3.7 Importance of ratio analysis:**

Ratio analysis of an association's budget report is important to investors, creditors, and the firm's own administration. Both present and imminent investors are keen on the firms's present and future degree of risk and return, which straightforwardly influenced share price. The organizations leasers are basically intrigued by the transient liquidity of the organization and its capacity to make intrigue and rule installments. An auxiliary worry of lender is the association's productivity; Management, similar to investors, is worried about all part of the company's financial with all part of the firm's financial circumstance.

**3.8 Cautions about Ratio Analysis:**

Before talking about ratios we ought to think about the accompanying alerts:

* A single ratio doesn't for the most part give adequate data from which to pass judgment on the general execution of the firm.
* Be sure that the financial statement for proportions being looked at is the equivalent.
* It is desirable over use reviewed financial for ratio analysis.
* Be sure that the information being analyzed have all been creating in a similar divider.

**3.9 Groups of financial Ratios:**

Financial ratios can be divided into four basic groups or categories:

1. Liquidity ratios
2. Activity ratio
3. Debt ratios &
4. Profitability ratios

Liquidity, activity and debt ratios fundamentally measure risk: profitability ratios measure returns, in the close to term, the significant classifications are liquidity and benefit. Since these give the data that is basic to the short-run activity of the firm. Obligation proportions are helpful essentially when the investigation is certain they will effectively whether the short run.

**3.10 Liquidity Ratios:**

The liquidity of a business firm is estimated by its capacity to fulfill its transient out of this world due. The three fundamental proportions of liquidity are:

* Current ratio = Current Assets / Current Liability
* Quick Ratio = Current Assets –Inventory / Total Current Liabilities

**Current Ratio:**

One of the simplest and habitually utilized of these liquidity ratios is the current ratio. Associations utilize current proportion to quantify the association's capacity to meet momentary commitments.

**Current Ratio = Current Asset/Current Liabilities**

**Standard ratio: 2:1**

**Quick Ratio:**

The quick ratio is a considerably more demanding measure than current ratio. This ratio demonstrates an association's capacity to meet current liabilities with its most liquid assets.

**Quick Ratio=** Current Assets –Inventory / Total Current Liabilities

**Standard ratio: 1:1**

**3.11 Activity Ratios:**

Movement proportions measure the speed with which records are changed over into deal or money. As to current records of liquidity are ordinarily inadequate because differentiations in the bit of an affiliation's present records can altogether influences its actual liquidity.

Various proportions are accessible for estimating the movement of the significant current records, which incorporates stock, money due, and creditor liability. The movement (productivity of use) of complete resources can likewise be surveyed.

**Inventory turnover:**

Ratio indicating how many times an organization's inventory is sold and replaced over a period.

**Inventory Turnover= Cost of goods sold / Inventory**

The days in the period would then be able to be isolated by the inventory turnover recipe to ascertain the days it takes to sell the stock close by or "inventory turnover days". This ratio ought to be looked at against industry averages. A high proportion suggests either solid deals or insufficient purchasing. High inventory levels are undesirable since they speak to a speculation with a pace of return of zero. It likewise opens the organization up to issue should costs start to fall.

**Average Collection Period:**

Average collection period is valuable in assessing credit and accumulation strategies. This ratio additionally refers the nature of account holders. It arrived at by isolating the normal daily sales into the AR balance:

**Average Collection Period=Accounts receivable/ (Credit sales/365)**

A short collection period suggests brief installment by debtors. It decreases the odds of terrible obligations. Correspondingly, a more drawn out accumulation period infers too liberal and inefficient credit collection performance. It is hard to give a standard accumulation time of borrowers.

**Average Payment Period:**

Normal installment period proportion are gives the ordinary solvency time frame acknowledged from the loan bosses that suggests it addresses the amount of days by the firm to pay its lenders. A high loan boss' turnover extent or a lower credit period extent implies that the leasers reward quickly. This situation overhauls the credit estimation of the association. Anyway, a positive proportion with this effect similarly shows that the business isn't abusing credit offices permitted by the loan bosses. It determined utilizing the accompanying recipe:

**Average Payment Period=Accounts payable/ Average purchase per day**

**Total Asset Turnover:**

The total asset turnover shows the proficiency with which the firm is able to use all its assets to generate sales.

**Total Asset Turnover = Sales/ Total Asset**

**Cash Conversion Cycle:**

The measure of time a company's assets are tied up; determined by subtracting the average payment period from the operating cycle.

**Cash Conversion Cycle (CCC) = Operating profit (OP) – Average Payment Period (APP)**

**3.12 Debt Ratios:**

The debt position of that demonstrates the measure of other people’s cash utilized in endeavoring to create benefits. As a rule, the more debt a firm uses in connection to its all-out resources, the greater its financial leverage, a term use to depict the amplification of hazard and return presented using fixed-cost financing, for example, debt and preferred stock.

**Debt Ratio:**

The obligation proportion assesses the degree of complete resources gave by the association's loan bosses. It also quantifies the risk since commitment contains a fixed obligation as interest and head reimbursement.

**Debt Ratio = Total Liabilities / Total Assets**

**Time Interest Earned Ratio:**

This ratio estimates the capacity to meet authoritative interest payment that implies how much the organization ready to pay interest from their income.

**Time Interest Earned Ratio=EBIT/ Interest**

**3.13 Profitability Ratios:**

These refers assess the bank's income regarding a given degree of sales, a specific degree of assets, the proprietor's investment, or without benefits, a firm could not attract outside capital. In addition, present proprietors and creditors would progress toward becoming worried about the organization's future and attempt to recover their funds. Owners, creditors, and management consider boosting benefits because of the extraordinary significance put on earnings in the marketplace.

**Gross profit margin:**

Measure the percentage of each sales Taka remaining after the firm has paid for its goods.

**Gross profit margin = Gross profit / sales**

**Operating Profit Margin:**

The OPM speaks to what frequently called the pure profits earned on each sales Taka. A high working profit margin is preferred. The working profit margin calculated as follows:

**Operating Profit Margin = Operating Profit / Sales**

**Net profit Margin:**

The net profit margin speaks to what frequently called the pure profits earned on each sales Taka, have deducted. The higher the net profit margin is better. The net profit margin calculated as follows:

**Net profit Margin = Net profit before Taxes / Sales**

**Return on Equity (ROE):**

The Return on Equity (ROE) measures the return earned on the owners.

**Return on Equity (ROE) =Net profit after Taxes / Stockholders Equity**

**Return on Asset (ROA):**

Return on asset (ROA), which is regularly called the organizations return on all out resources, **Return on Asset (ROA) = Net profit after Taxes / Total Assets.**

Chapter Four

Financial Performance

Of

The ACME Laboratories Limited

**4.1 Financial management performances:**

Return on asset (ROA), which regularly called the organizations return on absolute resources, measures the general viability of the executives in creating profits with its available assets. The higher ratio is better.

 Ratio analysis is one of the appropriate techniques for computing and translating budgetary proportions to survey the company's status and execution. Company's pay articulation and accounting report are the essential contributions to proportion examination. Money related proportions can be isolated into four fundamental gatherings or classifications however for estimating the monetary administration execution we utilize three proportions, those are,

1 Financial ratio Analysis:

* Liquidity ratios
* Financial leverage ratios &
* Profitability ratios

Money related utilized proportions essentially measure hazard; benefit proportions measure return, liquidity and productivity these two are most significant in light of the fact that the data that it gives is basic to the short-run activity of the firm.

The ratio Calculation of ACME

* **Liquidity Ratios**

The liquidity of ACME can refers by its capacity to fulfill its transient commitments as it come due. By this liquidity, we can know about the solvency of the company's general money related position.

**1. Current Ratio:**

Current ratio measures the company’s current debt paying ability.

**Current Ratio= Current Assets / Current Liabilities**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year | Current assets (Tk) | ÷ | Current Liabilities (Tk) | = | Current Ratio (:1) |
| 2010 | 2,688,889,318 | **÷** | 2,867,774,433 | **=** | **0.94** |
| 2011 | 3,669,103,044 | **÷** | 3,494,549,388 | **=** | **1.05** |
| 2012 | 5,738,665,873 | **÷** | 5,491,180,418 | **=** | **1.05** |
| 2013 | 7,889,442,833 | **÷** | 5,927,783,411 | **=** | **1.33** |
| 2014 | 6,635,062,802 | **÷** | 8,429,729,474 | **=** | **0.79** |
| 2015 | 7,198,984,638 | **÷** | 6,982,261,142 | **=** | **1.03** |
| 2016 | 11,603,359,057 | **÷** | 8,566,790,380 | **=** | **1.35** |
| 2017 | 11,671,330,040 | **÷** | 9,315,041,707 | **=** | **1.25** |

**Table 1: Current Ratio**

Source: ACME (2010-2017)

**Graphical Presentation:**

**Figure-1: Current Ratio**

**Interpretation:**

From the above diagram and outline we can undoubtedly say that the current ratio of the organization has expanded steadily till 2013. Just in 2014 it diminished a tad yet again it began expanding steadily. It is a positive sign for The ACME Laboratories Ltd. Generally a 2:1 Current ratio is the Rule of thumb for assembling organizations. While Acme Laboratories Ltd has current proportion under 1 or close to 1. It implies that it doesn't keep adequate Current resources for compensation up its liabilities. Top has been following an Aggressive Approach as opposed to following a Conservative or Moderate Approach. If there should be an occurrence of The ACME Laboratories Ltd., we saw that current ratio of the organization was in every case short of what one aside from in year 2013.

**2. Quick Ratio:**

Quick ratio refers organization's immediate debt paying ability. By this proportion, can conceivable to ratio of how well this ACME can meet its short-term financial liabilities.

**Quick Ratio= (Current Assets – inventory) / Current Liabilities**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Year | Current assets (Tk) | - | Inventory (Tk) | ÷ | Current Liabilities (Tk) | = | Quick Ratio (:1) |
| 2010 | 2,688,889,318 | **-** | 811,183,318 | **÷** | 2,867,774,433 | **=** | **0.65** |
| 2011 | 3,669,103,044 | **-** | 1,271,611,575 | **÷** | 3,494,549,388 | **=** | **0.64** |
| 2012 | 5,738,665,873 | **-** | 1,781,058,76o | **÷** | 5,491,180,418 | **=** | **0.66** |
| 2013 | 7,889,442,833 | **-** | 1,889,442,833 | **÷** | 5,927,783,411 | **=** | **0.98** |
| 2014 | 6,635,062,802 | **-** | 2,223,003,434 | **÷** | 8,429,729,474 | **=** | **0.49** |
| 2015 | 7,198,984,638 | **-** | 2,484,869,763 | **÷** | 6,982,261,142 | **=** | **0.63** |
| 2016 | 11,603,359,057 | **-** | 2,907,608,895 | **÷** | 8,566,790,380 | **=** | **1.02** |
| 2017 | 11,671,330,040 | **-** | 2,749,539,322 | **÷** | 9,315,041,707 | **=** | **0.96** |

**Table 2: Quick Ratio**

Source: ACME (2010-2017)

**Graphical Presentation:**

**Figure 2: Quick ratio**

**Interpretation:**

From the diagram it tends to be seen that, the quick ratio was expanding from 2010 to 2017. Normally a 1:1 Quick ratio is the Rule of standard for assembling organizations. Though, the Acme Laboratories Ltd has quick ratio under 1. It implies that it doesn't keep adequate Current assets or the Acme Laboratories Ltd's inventory can't be effectively changed over into money to pay up its liabilities. So The ACME Laboratories Ltd increment its stock expense. The ACME Laboratories Ltd should build its speedy proportion pretty much one or more prominent than one.

**Comparison:**

Contrast with different year’s summit is holding adequate measure of quick ratio in 2016. Despite the fact that in 2017 is less contrast with 2016 yet the holding sum is increment contrast with past.

* **ACTIVITY RATIOS**

Activity ratios refer the speed of gathering, deals. With respect to current records proportions of liquidity are commonly lacking on the grounds that the creation of a company's current account can fundamentally influences its genuine liquidity. Various ratios are help to quantify in the action of the significant current records; account receivable, those are stock and account payable.

**1. Inventory turnover ratio:**

Inventory turnover ratio estimates how productively organization is changing over its stock into finished goods.

 **Inventory turnover ratio = Cost of goods sold / Inventor**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Years | Cost of goods sold(Tk) | ÷ | Inventory (Tk) | = | Inventory turnover ratio(Times) |
| 2010 | 3,649,626,560 | **÷** | 811,183,318 | **=** | **4** |
| 2011 | 4,540,790,741 | **÷** | 1,271,611,575 | **=** | **3** |
| 2012 | 5,697,479,102 | **÷** | 1,781,058,760 | **=** | **3** |
| 2013 | 5,721,020,810 | **÷** | 1,889,442,833 | **=** | **3** |
| 2014 | 6,237,792,554 | **÷** | 2,223,003,434 | **=** | **3** |
| 2015 | 7,194,997,972 | **÷** | 2,484,869,763 | **=** | **3** |
| 2016 | 7,770,610,089 | **÷** | 2,749,539,322 | **=** | **3** |
| 2017 | 8,039,829,556 | **÷** | 2,907,608,895 | **=** | **3** |

**Table 3: Inventory turnover ratio**

Source: ACME (2010-2017)

**Graphical Presentation:**

**Figure 3: Inventory turnover ratio**

**Interpretation:**

Acme can convert its inventory 3 times in 2010-2017 into finished goods.

**Comparison:**

 Acme can convert its inventory same times in 2010-2017 into finished goods.

**2. Average Collection Period :**

ACP estimates how rapidly or effectively organization can change over its record receivable into cash.

Average Collection Period=Accounts receivable/ (Credit sales/360)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Year | Accounts receivable (Tk) | ÷ | Sales (Tk) | ÷ | 360 days | = | ACP Days |
| 2010 | 166,006,224 |  | 5,557,237,718 |  | 360 | **=** | 11 |
| 2011 | 228,023,633 |  | 6,996,750,681 |  | 360 | **=** | 12 |
| 2012 | 393,373,660 |  | 8,838,091,913 |  | 360 | **=** | 16 |
| 2013 | 471,021,187 | **÷** | 8,973,319,332 | **÷** | 360 | **=** | 19 |
| 2014 | 644,867,067 | **÷** | 10,217,931,465 | **÷** | 360 | **=** | 23 |
| 2015 | 729,654,988 | **÷** | 11,496,413,631 | **÷** | 360 | **=** | 23 |
| 2016 | 891,843,015 | **÷** | 12,644,913,144 | **÷** | 360 | **=** | 25 |
| 2017 | 1,227,081,694 | **÷** | 13,576,322,298 | **÷** | 360 | **=** | 33 |

**Table 4: Average Collection Period**

 Source: ACME (2010-2017)

**Graphical Presentation:**

**Figure 4: Average collection Period**

**Interpretation:**

Basically, bring down a company's average collection period, the more productively it gathers its records receivable. Be that as it may, The ACME Laboratories Ltd Average Collection Period step by step builds step by step from 2010 to 2017.Because The ACME Laboratories Ltd accounts receivables increment in 2017 as far as 2010. So it isn't great sign for The ACME Laboratories Ltd. It should reduces conceivable as Average Collection Period by lessening accounts receivables.

* **DEBT RATIOS:**

The debt ratios show the cash of other individuals’ are being utilized to create benefits. All in all, when more obligation a firm uses to its all out resources, the more noteworthy its monetary influence, this utilization to depict the amplification of hazard and return presented using fixed-cost financing, for example, obligation and preferred stock.

**1. Debt Ratio:**

Debt ratio is measures ACME’s percentage of total assets is finance by external liabilities.

 **Debt ratio= Total Liabilities/Total Assets**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year | Total Liabilities (Tk) | ÷ | Total Asset (Tk) | = | Debt ratio (%) |
| 2010 | 3,027,968,746 | **÷** | 4,237,525,961 | **=** | **71.46 %** |
| 2011 | 3,985,982,015 | **÷** | 9,809,814,023 | **=** | **40.63 %** |
| 2012 | 6,122,907,363 | **÷** | 12,732,360,252 | **=** | **48.09%** |
| 2013 | 7,056,195,541 | **÷** | 16,573,644,043 | **=** | **42.60%** |
| 2014 | 11,487,407,902 | **÷** | 22,179,571,084 | **=** | **51.80%** |
| 2015 | 11887142349 | **÷** | 23,259,771,941 | **=** | **51.10%** |
| 2016 | 12525238649 | **÷** | 28,889,710,630 | **=** | **43.36%** |
| 2017 | 12990954383 | **÷** | 29947231509 | **=** | **43.38%** |

**Table 5: Debt Ratio**

Source: ACME (2010-2017)

**Graphical Presentation:**

**Figure 5: Debt Ratio.**

**Interpretation:**

This diagram demonstrates that, the debt ratio was diminishing from 2010 to 2011. The Debt ratio measures, the extent of complete resources gave by the company's creditors. The ratio never went past 71.46%. The organization kept up a proportion beneath 50.91% in a normal. That implies the ACME Laboratories Ltd now use lower obligation than past time. In the latest year the proportion declined pointedly from 71.46% to 40.63%. This isn't a result of diminishing in liabilities but since of a noteworthy increment in the Assets. The organization put a tremendous sum in Plant and Equipment.

**Comparison:**

We know whether the worth is less from 1.0 it is useful for the organization and from this we can see that ACME consistently is in less from 1.0.

**2. Time Interest Earned Ratio:**

Interest coverage ratio estimates the salary that can be utilized to meet the costs of intrigue and obligation administration.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year | EBIT (Tk) | ÷ | Interest (Tk) | = | Time Interest Earned Ratio (Times) |
| 2010 | 364,490,469 | **÷** | 258,500,940 | **=** | **1.41**  |
| 2011 | 583,748,346 | **÷** | 300,790,570 | **=** | **1.94**  |
| 2012 | 802,304,895 | **÷** | 526,938,749 | **=** | **1.52**  |
| 2013 | 810,707,935 | **÷** | 538,786,487 | **=** | **1.50**  |
| 2014 | 1,204,844,233 | **÷** | 776,911,190 | **=** | **1.55**  |
| 2015 | 1,349,430,061 | **÷** | 982,529,496 | **=** | **1.37**  |
| 2016 | 1,402,101,061 | **÷** | 1,115,687,099 | **=** | **1.26**  |
| 2017 | 2,035,550,457 | **÷** | 1,015,500,106 | **=** | **2.00**  |

**Table 6: Time Interest Earned Ratio**

Source: ACME (2010-2017)

**Ggraphical Presentation:**

**Figure 6: Time interest earned ratio.**

**Interpretation:**

From the chart it has been seen that time interest earned ratio of the ACME Laboratories Ltd had expanded after some time all through these eight years. Time interest earned ratio demonstrates the connection among EBIT and premium. The ratio was low in the year 2010. Presently time Interest earned ratio of the ACME Laboratories Ltd is fulfilling. Because, its normal income is 1.58 occasions which demonstrates that the ACME Laboratories are somewhat able to procure benefit to pay intrigue.

**Comparison:**

Compare to other years company is more efficient to pay off its interest expense from earning in 2017.

* **PROFITABILITY RATIOS:**

These measures assess ACME's income concerning a given degree of offers, a specific degree of advantages, the proprietor's investment, or offer worth. Without benefits impractical to pull in outside capital. In addition, present proprietors and lenders worried about the organization's future and the executives currently attempt to give close consideration regarding lift benefits.

1. **Return on Assets :**

Return on assets refers profitability of total assets.

**Return on Asset =Net Profit after tax/Total Asset**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year | Net Profit after tax (Tk) | ÷ | Total Asset (Tk) | = | ROA (%) |
| 2010 | 227,806,543 | **÷** | 4,237,525,961 | **=** | **5.38%** |
| 2011 | 343,757,733 | **÷** | 9,809,814,023 | **=** | **3.50%** |
| 2012 | 476,128,396 | **÷** | 12,732,360,252 | **=** | **3.73%** |
| 2013 | 505,695,794 | **÷** | 16,573,644,043 | **=** | **3.05%** |
| 2014 | 894,731,939 | **÷** | 22,179,571,084 | **=** | **4.03%** |
| 2015 | 921,917,143 | **÷** | 23,259,771,91 | **=** | **39.63%** |
| 2016 | 1,101,267,794 | **÷** | 28,889,710,630 | **=** | **3.81%** |
| 2017 | 1,397,849,938 | **÷** | 29,947,231,509 | **=** | **4.67%** |
|  |  |  |  |  |

**Table 7: ROA**

Source: ACME (2010-2017)

**Graphical Presentation:**

**Figure 7: ROA**

**Interpretation:**

From the diagram it has been seen that, The ACME Laboratories Ltd average Return on Asset (ROA) is 3.93% which shows that the organization isn't powerful in overseeing benefits with its accessible resources. In the latest year, the ROA of the organization expanded by .98%. Despite the fact that the Net pay in 2014 was very low than the Net pay in 2013, the extent of reduction in Assets were a lot of low. So it should attempt to improve its return on asset later on.

**Comparison:**

Contrast with other year's organization is increasingly proficient to use their asset for create net benefit in 2015.in this year organization buy gigantic resources of organization's motivation.

**2. Return on Equity (ROE):**

Return on equity refers profitability of shareholders equity.

**Return on Equity=Net Profit after Tax/ Shareholders equity**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year | Net Profit after tax | ÷ | Shareholders’ equity | = | ROE (%) |
| 2010 | 227,806,543 | **÷** | 1,209,557,215 | **=** | **18.83%** |
| 2011 | 343,757,733 | **÷** | 5,823,832,008 | **=** | **5.90%** |
| 2012 | 476,128,396 | **÷** | 6,609,452,889 | **=** | **7.20%** |
| 2013 | 505,695,794 | **÷** | 9,517,448,502 | **=** | **5.31%** |
| 2014 | 894,731,939 | **÷** | 10,692,163,182 | **=** | **8.36%** |
| 2015 | 9 21,917,143 | **÷** | 11,372,629,592 | **=** | **8.11%** |
| 2016 | 1101267794 | **÷** | 16364471981 | **=** | **6.73%** |
| 2017 | 1397849938 | **÷** | 16956277126 | **=** | **8.24%** |

**Table 5.8: Return on Equity**

Source: ACME (2010-2017)

**Graphical Presentation:**

**Figure 8: Return on Equity.**

**Interpretation:**

From the diagram it has seen that, The ACME Laboratories Ltd average Return on Equity (ROE) is 9.12% which demonstrate that the organization has in great thought in light of the fact that 15% TO 20% profit for Equity is viewed as useful for the assembling organization. Be that as it may, in 2013 the ACME research facilities fall in lower return on value which was beneath the normal profit for value.

**Comparison:**

In 2014 and 2017 company is more efficient to utilize their common equity to generate profit.

**3. Net Profit Margin:**

It shows that how well ACME can change over its deals into benefits. High net profit margin ratio is additionally better ready to endure.

**Net Profit Margin =Net Profit after Tax/ Sales**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year | Net Profit after tax | ÷ | Sales | = | NPM (%) |
| 2010 | 227,806,543 | **÷** | 5,557,237,718 | **=** | **4.10%** |
| 2011 | 343,757,733 | **÷** | 6,996,750,681 | **=** | **4.91 %** |
| 2012 | 476,128,396 | **÷** | 8,838,091,913 | **=** | **5.38%** |
| 2013 | 505,695,794 | **÷** | 8,973,319,332 | **=** | **5.63%** |
| 2014 | 894,731,939 | **÷** | 10,217,931,465 | **=** | **8.76%** |
| 2015 | 9 21,917,143 | **÷** | 11,496,413,631 | **=** | **8.01%** |
| 2016 | 1101267794 | **÷** | 12,644,913,144 | **=** | **8.71%** |
| 2017 | 1397849938 | **÷** | 13,576,322,298 | **=** | **10.30%** |

**Table 9: NPM**

Source: ACME (2010-2017)

**Graphical Presentation:**

**Figure 9: Net Profit Margin.**

**Interpretation:**

From the diagram it has seen that, The ACME Laboratories Ltd net profit margin was expanded 4.10% to 10.30% from 2010 to 2017. It demonstrates that the ACME Laboratories Ltd decrease all expense and costs by expanding deals volume. So it should attempt to keep up this pattern to expand its net revenue as conceivable as consistently. ACME’s net profit margin was 4.10% in 2010, 4.91% in 2011, 5.38% in 2012, 5.63% in 2013, 8.76% in 2014, 8.01% in 2015, 8.71% in 2016 and 10.30% in 2017.

**Comparison:**

In 2017 corporation is more efficient to utilize their asset to generate net profit.

**4.2 EPS (Earning per share):**

**EPS =Net Profit after Tax/ Outstanding Share**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
| EPS (Earning per share) Tk. | 4.19% | 5.65% | 5.70% | 6.55% | 6.61% |

**Table 10: EPS (Earning per share**

Source: ACME (2010-2017) Annual Report.

**Current Ratio**

**Current Ratio= Current Assets / Current Liabilities**

|  |  |  |  |
| --- | --- | --- | --- |
| Year | 2015 | 2016 | 2017 |
| Standard ratio | .48 | 2.16 | 1.96 |
| ACME’s ratio | 1.03 | 1.35 | 1.25 |

**Table 11: Current Ratio**

**Graphical Presentation:**

**Figure 11: Current Ratio**

**Interpretation:**

Acme holds on tk 1.03 in 2015, 1.35 in 2016 and 1.25 in 2017 against tk 1 of current liability and the standard was .48 in 2015, 2.16 in 2016 and 1.96 in 2017 against tk 1 of current liability.

**Comparison:**

Contrast with standard year's zenith is holding similarly less measure of current resource for compensation off its present liabilities and result is more prominent than 1.0 it demonstrates that the organization has adequate advantages for spread transient obligation commitments.

**Quick ratio:**

|  |  |  |
| --- | --- | --- |
| Year | Standard ratio | ACME’s ratio |
| 2015 | 1.01 | .63 |
| 2016 | 1.12 | 1.02 |
| 2017 | 1 | .96 |

**Table 12: Quick Ratio**

**Graphical Presentation:**

**Figure 12: Quick Ratio**

**Interpretation:**

Acme holds on tk .63 in 2015, 1.02 in 2016 and .96 in 2017 and standard holds tk 1.01 in 2015, 1.12 in 2016 and 1 in 2017 to pay off its immediate liability.

**Comparison:**

Here the company is not holding sufficient amount of quick asset in 2015-2017.

**Inventory turnover:**

|  |  |  |
| --- | --- | --- |
| Year | Standard ratio | ACME’s ratio |
| 2015 | 2.36 | 3 |
| 2016 | 2.4 | 2.83 |
| 2017 | 2.45 | 2.77 |

:

 **Table 13: Inventory turnover**

Source: ACME (2015-2017)

**Graphical Presentation:**

**Figure 13: Inventory turnover**

**Interpretation:** Company can convert its inventory 3 times in 2015, 2.83 times in 2016, 2.77 times in2017 and 2.36 times in 2015, 2.4 times in 2016, 2.45 times in2017 into finished goods.

**Net Profit Margin:**

|  |  |  |
| --- | --- | --- |
| Year | Standard ratio | ACME’s ratio |
| 2015 | 10.07% | 8.01% |
| 2016 | 7.31% | 8.71% |
| 2017 | 10.94% | 10.30% |

**Table 14: Net Profit Margin**

**Graphical Presentation:**

**Figure 14: Net profit Margin**

**Interpretation:** Company’s net profit margin 8.01% in 2015, 8.71% in 2016 and 10.30% in 2017 and standards net profit margin 10.07% in 2015, 7.31% in 2016 and 10.94% in 2017.

**Comparison:**

In this year company is comparatively more efficient to utilize their asset to generate net profit.

* **Total performance of ACME laboratories limited**

Contrast with standard year's ACME is holding similarly less measure of current asset for compensation off its present liabilities. Also not holding adequate measure of speedy resource and it can change over its stock contrast with the standard more occasions into completed products. Significant point is this association is similarly increasingly effective to use their advantage for produce net benefit,

Chapter Five

**Findings, Recommendation & Conclusion**

**5.1 Major Findings:**

* The ACME Laboratories Ltd. distributes their yearly report and brochures to the open since it is an open constrained organization.
* The ACME Laboratories Ltd. is currently adaptable on their credit arrangement, which supports their market share, & reduced bad debt for no real adverse choice.
* The ACME Laboratories Ltd. is proficiently working their every resources. Their fantastic cooperation and ability labor work extraordinary.
* The people groups of ACME Laboratories Ltd. are very co-operative.
* From the present ratio Analysis, it very well may be seen that The ACME Laboratories Ltd has a normal current ratio of 1.03which methods enough current assets are not kept to pay their momentary commitments. It is additionally a sign that The ACME Laboratories Ltd pursues Aggressive Approach instead of following a Conservative or Moderate Approach.
* From the Quick ratio Analysis, it very well may be seen that it does not keep adequate Current assets or the Acme Laboratories Ltd's stock cannot be effectively changed over into money to pay up its liabilities. Since they have just 0.68 average quick ratio.
* From the Inventory conversion period, it can be seen that The ACME Laboratories Ltd days' outstanding inventory is in a normal 102 days, which is very high. This is because they import a huge amount of inventory once at once.
* From examination, it has seen that, the ACME Laboratories Ltd average Cash Conversion Cycle is pretty much 91 days.
* From the Debt ratio Analysis, we have seen The ACME Laboratories Ltd the debt ratio was crisscrosses circumstance 2010 to 2014. It inferred that it is less reliant on influence to work its business.
* From the Gross Profit Margin Analysis we have seen The ACME Laboratories Ltd gross overall revenue marginally expanded. That implies it holds its market position.
* From the examination, we have seen The ACME Laboratories Ltd average Net profit margin is 5.75%. In any case, The ACME Laboratories ltd net profit margin increment bit by bit frames 2010 to 2014.
* The ACME Laboratories Ltd's Time premium earned ratio is very lower, they have normal just 1.58 tk. acquiring against 1-taka intrigue commitment, which is not great.

**5.2 Recommendation:**

It isn't unforeseen to have issues in any organization. There might be issues in working an association. In any case, there must be solutions for pursue. The accompanying honors can be proposed to take care of the previously mentioned issues:

* The ACME Laboratories Ltd. should place emphasis to held an organize the effective training and advancement programs for its new just as existing workers this will expand their exhibition and effectiveness level.
* The organization ought to unequivocally concentrate on giving new products to meet its client's desire and for extension financing.
* The ACME Laboratories Ltd. ought to have a legitimate rule for internee. That will help them to learn a lot at the initial stage of their career.
* The ACME Laboratories Ltd should build current ratio to pay their short-term obligations and should pursue Conservative or Moderate Approach instead of following an Aggressive Approach.
* The ACME Laboratories Ltd ought to decrease days' extraordinary stock than the firm would more be able to use their inventory.
* The ACME Laboratories Ltd total asset turnover ratio fluctuating and bit-by-bit reduce. So it should expand absolute resource turnover by expanded their business volume for taking care of with contenders.
* The ACME Laboratories Ltd normal Cash Conversion Cycle is pretty much 91 days, which is so high it ought to lessen money transformation cycle by expanding stock turnover ratio.
* The ACME Laboratories Ltd normal working overall revenue is 14.98%. So The ACME Laboratories Ltd should expand working overall revenue by expanding their net deals.
* The ACME Laboratories Ltd normal Net overall revenue is 5.75%. It should attempt to build the net revenue by diminishing expense to rival contenders.
* ROA of The ACME Laboratories Ltd is diminishing which is because of amassing of new resources. So they should have a go at improving by using their new plants and hardware in producing more benefits.
* The ACME Laboratories Ltd. Time premium earned ratio isn't acceptable they should expand their EBIT or pays off the obligation capital so as to easily fulfill the premium commitments.

**Conclusion:**

Bangladesh is set in such a one of a kind position, that it can acquire upset its pharmaceutical part if the nation could underwrite the open doors ideally. As indicated by the IMS report, the complete size of the drug store market of Bangladesh was assessed to be Tk. 55310 million out of 2012 with a yearly development pace of around 10 percent, Bangladesh pharmaceutical industry is presently making a beeline for independence in gathering the nearby request. One of the top producers of the business is The ACME Laboratories Limited.

ACME Laboratories is perhaps the best pharmaceutical organization in Bangladesh. There is sufficient degree and development for them to accomplish their central goal. Their costing framework will be modernized to a global standard sooner rather than later. Their present costing framework utilizing modified programming for costing reason for existing is truly outstanding in the nation. Simultaneously, ACME Managements attempts to improve their present costing framework all an opportunity to accomplish a world class standard associated with Acme's development and success. Consequently and to get hold of the under performance all sort of action related with costing needs be improved in a constant procedure. That is the reason; staff ought to be prepared by Acme's specialists. Costing framework assumes fundamental job inside the organization. On the off chance that costing framework is dynamic and thorough each office can be dynamic and productive and furthermore would procure development and flourishing for organization which will influence decidedly in our economy. Simultaneously, it could establish a connection and set a standard in the medication business and Acme's improvement will become imagined and play as a rousing direction.

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