Thesis Paper
On
Accounting Activities of Luna Polymer Industry Ltd.

Submitted to:

Department of Business Administration
Sonargaon University
Dhaka

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Program: EMBA (Major in Accounting)
Semester: Summer2021
Submitted for the partial fulfillment of the degree of
Master of Business Administration



Sonargaon University (SU)
Dhaka- 1215
Date of Submission: September 22, 2021

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Letter of Transmittal

September 22, 2021
Farjana Yeasmin Chowdhury
Lecturer
Department of Business Administration
Sonargaon University (SU)

Subject: Submission of Thesis Paper on "Accounting activities of Luna Polymer Industry Limited"

Dear Madam,
With humble honor and respect, I am submitting my thesis paper on **"Accounting activities of Luna Polymer Industry Limited"**. I have completed the thesis paper as per partial accomplishment of the requirements for the MBA degree, this thesis paper has been carried out under the supervision of you.

This paper is an integral part of our academic courses in completion of the MBA program which has given me the opportunity to have an insight into the accounting activity of Luna Polymer industry Ltd. I hope this paper reflects on the contemporary issues on the accounting activity that are being Practiced by the organizations. I have tried my best to prepare this thesis paper with providing all of my efforts and to cover all aspects regarding the matter.

Consequently, I am transmitting this paper to your very concern. Hopefully, you will notice the paper informative approach as a hallmark of my hard work. In case of any future clarification or elaboration regarding this paper I would welcome the opportunity to consult with you to explore how my findings could best meet your needs.

Sincerely,

_____

Md. Amar Al Kashemi
ID: EMBA2002020009
Department of Business Administration
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Dhaka,Bangladesh

Certificate of Supervisor

This is to certify that the thesis paper "**Accounting activities of Luna Polymer Industry Limited**" has been prepared as a part of completion of the MBA program from Department of Business Administration, Sonargaon University (SU), carried out by Md Amar Al Kashemi, bearing ID: EMBA2002020009 under my supervision. The paper or the information will not be used for any other purposes.

……

Farjana Yeasmin Chowdhury
Lecturer
Department of Business Administration
Sonargaon University (SU)
Dhaka .

Student Declaration

I am Md. Amar Al Kashemi, a student of Master of Business Administration, ID: EMBA2002020009 from Sonargaon University would like to solemnly declare here that this thesis paper on "Accounting activities of Luna Polymer Industry Limited" has been authentically prepared by me. While preparing this paper, I didn't breach any copyright act internationally. I am further declaring that, I did not submit this paper anywhere for awarding any degree, diploma or certificate.

Sincerely Yours

Md. Amar Al Kashemi
ID: EMBA 2002020009
Program: EMBA
Major: Accounting
Semester: Summer 2021

Letter of Authorization

Certified that this thesis paper titled “Accounting activities of Luna Polymer Industry Limited” is the bona fide work of Md. Amar Al Kashemi, who carried out the research under my supervision. Certified further that to the best of my knowledge the work papered here in does not form part of any other project paper or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

……

Farjana Yeasmin Chowdhury
Lecturer
Department of Business Administration
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ACKNOWLEDGEMENT

I wish to extend my gratitude to all the people who helped me accomplish my paper title, “Accounting activities of Luna Polymer Industry Limited”. At the very beginning, I want to thank my faculty advisor and thesis paper supervisor in Sonargaon University, Mrs. Farjana Yeasmin Chowdhury, who has given me precious guidance from her busy schedule. I am very grateful for all her advice in order to make my paper more effective.

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EXECUTIVE SUMMARY

Luna Polymer industry Ltd is a house of quality plastic packing material supplier. The company import plastic raw material and manufacture wide varieties of plastic products and supply national, multinational pharmaceuticals, cosmetic & pesticides companies , mineral water bottles , bottles for edible oil companies, Different bottles, containers & jars for agrochemicals ,animal health , agro based &candy companies, industrial spare sports parts , household products etc..

This paper aims toward providing an overview on account management department of Luna Polymer Industry Ltd. While preparing this paper it has been tried to reveal the insights of the account management Department & performance analysis of the organization. A few recommendations and suggestions were also prescribed based on the observation and findings.

Finally I have made a SWOT analysis to figure out some of the finding regarding the performance of Luna Polymer Industry Ltd. Meanwhile I have included my suggestions and recommendations in order to eradicate the weaknesses of their department. Finally I have ended my paper through including references and sources that I have used to make this paper.

List of Acronyms

LPIL	Luna Polymer Industry Ltd
VAT	Value Added Tax
SCM	Supply Chain Management
HR	Human Resource Management
QCD	Quality Control Department
MBA	Masters of Business Administration
LC	Letter Of Credit
PI	Proforma Invoice
CS	Comparative Statement
MRR	Material Received Register
SME	Small Medium Enterprise
M&S	Marketing and sales
BPGMEA	Bangladesh Plastic Goods Manufacturer and Exporters Association
CD	Custom Duty
AT	Advance Tax
CC	Cash Credit
LTR	Loan Against Trust Receipt

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Chapter One

Introduction

1.1 Introduction:

In Bangladesh, the Plastics industry is one of the most successful regions of country's economy. Plastic has changed our everyday life. We are involved with plastic made products in various ways. Plastic plays an important part in our life from morning alarm clock to dinner food table, from coffee cup to desktop PC, from bus to airplane and so on. Plastics are used widely everywhere in our life. Plastic makes our life easier and better. Day by day people are becoming more and more dependent on the use of plastics because of the characteristics of plastic such as inert, durability, flexibility and versatility and so on. Below there are some main criteria of plastics:

- High heat combustion
- Plastics do not absorb much moisture
- Water content of the plastics is far lower than the water content in the biomass.
- Increasing availability in the local community.
- Plastics are not affected by insects or they do not undergo corrosion.
- Plastics are very cheap comparing with other products.

The plastic industry in Bangladesh is relatively new compared with the textile and leather industries. The plastic industry began its journey as a small industry in 1960`s. Since early 1990`s the plastic industry witnessed rapid growth due to introduction of free market economy. Now plastic industry contributes almost 1% of our GDP and provides employment for half a million people. The size of Domestic market is more than thousands billions USD. In Recent Statistics shows that there are about 3000 plastic factories in the country Out of them 1968 factories are small, 980 are medium and the rest 52 are large companies which deal internationally. Per capita consumption of plastics in Bangladesh is 5 kg per year. The plastic sector is also one of the thrust sectors in the Industrial Policy – 2010. Keeping these in mind, Government of Bangladesh has decided to prepare and publish Plastic Industry Development Policy 2020 to ensure steady target oriented growth of this sector

1.2 Development History of Plastic Industry of Bangladesh

Year	Technology & Products
1960	Small products such as toys, bangles and photo frame were made using handmade mould
1970	Automatic machines were installed to manufacture household utensils such as plastic jugs and plate
1980	Film blowing machines to manufacture plastic bags
1990	Molded plastic chairs and tables. Water tank made by rotation molding. Locally developed machines(shredder, Extruder, Pelletizer) for recycling plastic waste
2000	CNC machines are imported by Bangladesh to manufacture the mould locally.
2010	ASB 70DPS, ASB 50MB, 12 MB this types of modern machine used by large company.

1.3 Objective of the study:

Broad Objectives:

To understand the functional activities of how the Accounts department is conducted within the organization which changes the work activities and success?

Specific Objectives:

- To understand the function of Accounts department of LPIL
- This affiliation will help to get information from the activities of different Department which related with accounts department.

1.4 The Methodology of Paper:

Throughout the period I am working here as an Accounts & Admin officer of Accounts & Finance department and earned experience on that department. By working as a member of this department, I had opportunity to accumulate lot of information; to some extent I had excess to see company's voucher, ledger, audit paper and so forth. It is worth to mention that, the members of the office were very informative. Moreover, studying in university course, course text book and search engine was helpful to accumulate theoretical knowledge with practical.

1.5 Scope of the Paper:

The paper covers the organizational structure, background, functions and the performance of the Luna Polymer Industry Ltd. The scope of the study is just to acquaint with the operational scenario of the organization.

1.6 Limitations of the Paper:

The main limitation of this study is its overall collection of information because many crucial and relevant information were not disclosed due to them being subjected to confidentiality. This study has been constructed with all the available information which was possible to be disclosed.

Chapter Two

Organizational Profile

2.1 History:

Luna Polymer industry limited is a sister concern of Luna plastic industry limited. This is a private company established in 2008 and started operation from September 2011. Have a good Number of most modern machineries (like single NISSEI ASB Machines, Blow Molding Machines, Injection molding, stretch blow molding Machines etc.) to manufacture wide varieties of plastic products. Now the company manufacture Plastic container & other necessary products for pharmaceuticals, cosmetic & pesticides companies , mineral water bottles , bottles for edible oil companies, Different bottles, containers& jars for agrochemicals ,animal health , agro based & candy companies, industrial spare sports parts , household products etc.

The company has a skilled work force of about 1000 persons.

Company Profile:

Corporate Office:

Luna Polymer Industry Ltd.

Rupayan Trade Centre, Level – 6, Office # 4

114 Kazi Nazrul Islam Avenue, Banglamotor,

Dhaka -1000, Bangladesh

Phone: +88-02-5831 5286, 5831 5287, 5831 5308, 5831 5309

E-mail: lunapolymer@gmail.com

Factory:

Paragaon, Bhulta, Rupgonj, Narayangonj, Bangladesh.

2.2 Mission & Vision, Values:

2.2(1). Mission& Vision:

Our mission is to strive continuously to exceed customers' expectations for achieving unlimited excellence by providing greater value to our customers than our competitors.

A vision becomes tangible as a mission statement. This statement has some parts, those are listed below:

- Provide on time quality services.
- Concentrate on employee welfare.
- Friendly working environment through open communication & mutual respect.
- Encourage initiative, innovation and teamwork.
- Committed for cleaner and greener environment.
- Providing service generation to generation.

2.2(2). Our Value:

To treat our employees, recognizing them as assets of the company to honor and maintain high ethical standards.

1. Customers satisfaction: We live up to the expectations of a responsible Organization by contributing to the improvement in the Quality of life of our customers through outstanding product.

2. Employees: We respect each other as individual and encourage cross functional teamwork while providing Opportunities for career development.

3. Competitors: We respect our competitors and recognize their contribution to mixed value.

4. Community: We conduct our business by conforming to the ethics of our country and share the social responsibility of the less fortunate.

2.3 Valuable Customers:

We have more than 100 Customers which are national and multinational renowned company. Some of them are as follows:

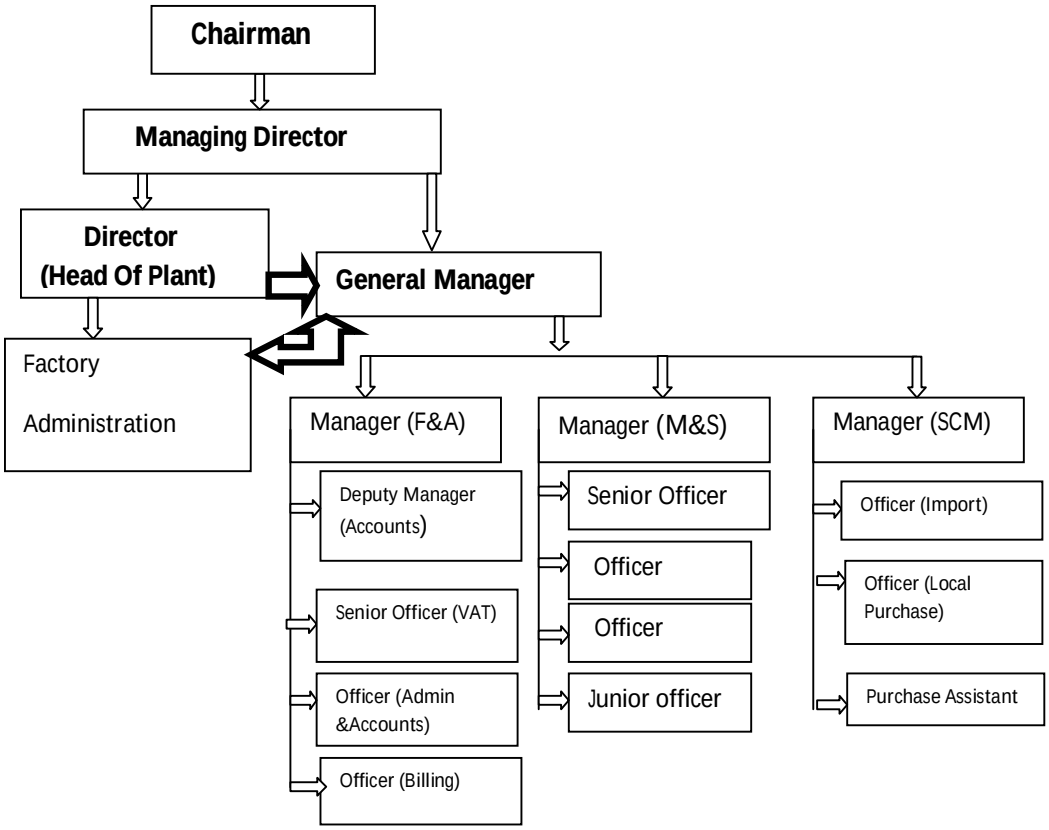
1. Advanced Chemicals Ltd. (ACI LTD)
2. ACI Formulation Ltd.
3. Auto Crop Care (Pvt.) Ltd.
4. Aranya Crop Care Ltd.
5. Asian Consumer Care Ltd.
6. Aristo Pharma Ltd.
7. Apex Pharma Ltd.
8. Aama Green Care Ltd
9. Beximco Pharmaceuticals Ltd.
10. BASF Bangladesh Ltd.
11. Bangladesh Edible oil Ltd.
12. Beacon Pharmaceuticals Ltd.
13. Brac Dairy & Food Projects Ltd.
14. Begin Health & Hygiene Ltd.
15. City Edible Oil Ltd.
16. Chens Crop Science Ltd.
17. Dysin Chem Ltd.
18. Eskayef Pharmaceuticals Ltd.
19. Essential Drugs Company Ltd.
20. Euro pharma Ltd.
21. Emami Bangladesh Ltd.
22. Ethical Drugs Ltd.
23. Golden Harvest Ice Cream Ltd
24. Golden Harvest Dairy Ltd
25. Gonoshastaya Pharmaceuticals Ltd.
26. Globe Pharmaceuticals Ltd.
27. General Pharmaceuticals Ltd.
28. Heychem Bangladesh Ltd.

29. Healthcare Pharmaceuticals Ltd.
30. Hashem Foods Ltd.
31. Jayson Pharmaceuticals Ltd.
32. Incepta Pharmaceuticals Ltd.
33. Kemiko Pharmaceuticals Ltd.
34. Kollol Industries Ltd.
35. MacDonald Bangladesh Ltd
36. Marico Bangladesh Ltd.
37. Navana Pharmaceuticals Ltd.
38. Naafco Ltd.
39. Nokon Ltd.
40. Opsonin Pharma Ltd.
41. Organic Nutrition Ltd
42. Perfetti Van Melle Bangladesh Ltd.
43. Popular Pharmaceuticals Ltd.
44. Proshika HRDC
45. Renata Ltd
46. Reckitt Benckiser (BD) Ltd
47. Shetu Pesticides Ltd.
48. Syngenta Bangladesh Ltd.
49. Square Phamaceuticals Ltd.
50. Sanofi Bangladesh Ltd, etc.

CHAPTER THREE

Operational Network Organogram

3.1ORGANIZATIONALSTRUCTURE:



3.2 Finance & Accounts:

In the finance & accounts department they are responsible for control cash flows operation. They are responsible for makes sure that, the operation running smoothly. Their general activities are describing below: Accounts division creates and maintains records of company transactions for both internal and external audiences. The Accounts unit may be considered a department by itself, for it has the following functional units - Sales Accounts, Payables, Cash Management, and General Ledger. The company accounts represent the financial statements. The investment in associate companies was accounted under the cost method. The carrying value of associate company investments is shown at cost and only dividend income received from associate companies is recognized as income.

3.2(1) Vat:

Vat is one of the major indirect taxes in Bangladesh. It is paid on the value that an individual or an organization adds to goods and services at each stage of their production and distribution. The tax eventually gets passed on to the consumers. Vat is payable to the government on the service revenue.

3.3 Marketing& Sales Department:

Marketing & Sales department is mostly responsible for increase sales and providing service. Besides, this department introduces promotional activity, arrange advertisement and achieve target sales and so on. Basically we produce various types of product which used as packing material of pharmaceutical, pesticides, edible oil and Candy companies. It's necessary to develop mould to fulfill their requirement. We develop mold from locally or import from China, Singapore and India based on Customer's requirement. Marketing department handle the whole activity of product & mould development under supervision of Hon'ble Managing Director and Hon'ble Director. Marketing department also submit bill, receive payment& communicate with customers. They also play the role of customer service representative.

3.4 Supply chain Management:

Supply chain management department are responsible for control all import transactions and opening of L/C operation and all Local Purchase. They are responsible for makes sure that, the operation running smoothly. Their general activities are describing below:

1. Receive Requisition from factory.
2. Stock Paper of Raw Material
3. Costing & Inventory

4. Purchase of product

5. L/C Opening & Select L/C opening Bank

6. Insurance

7. Warehouse

The store department confirms how many and what types of product or equipment does the company need or wants to purchase. After getting confirmation, the purchase department involved to buy product. And they try to follow up its related work. To get confirmation of purchase, then they goes to open L/C for foreign purchase. In that case they need requisition for that confirmation, how much product has in their hand. After getting requisition they starting their work.

First they select in which Bank (must be negotiated), they would like to open L/C. Then collect LCAF form from that Bank, fill up the form, attached relevant document (PI, Sales contract, insurance cover note) and submit to the Bank. At present we are working with following Bank:

1. Basic Bank Limited
2. Southeast Bank limited
3. Brac Bank Limited.
4. United Commercial Bank Ltd.

There are several insurance companies, which should be maintained in order to protect and purchase product and assets of the company. At present the following insurance coverage is in place in the company:

1. Union insurance company Ltd.
2. Bangladesh General Insurance Company Ltd.
3. Peoples insurance company Ltd.

The finance and accounts department should maintain the respective file of the policy and ensure regular premium payment and charge the same in general ledger as expenses.

3.4 (1) Warehouse (Inventory, Procurement &Distribution) :

• Provide daily stock report of Raw Material and finished product.

• Deliver product Based on Monthly/Quarterly lifting plan and regular forecasts.

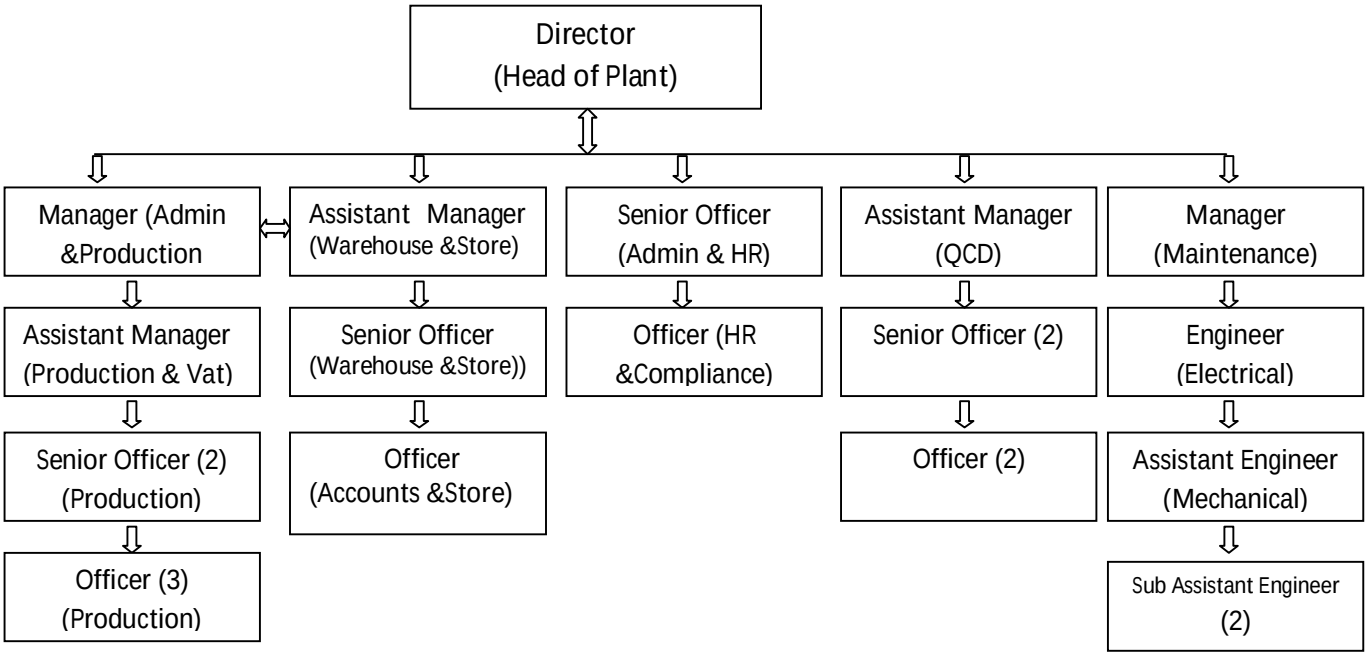
• Product-wise inventory available as required.

• Identification of idle stock & transfer to other locations or communicate with respective customers.

• Objective is to deliver the products through a system on regular basis with proper document.

3.5 Factory Administration Division:

Factory Administration plays a significant role so as to hold factories' day to day operation. They're accountable for distributing the wage of daily staff, maintenance and management of manufacturing plant premises, machineries manufacturing plant transportation, canteen, security of manufacturing plant and different body problems. All of the activity of factory administration controlled by our Honorable Director (Head of Plant). In our factory administration 22 employees working in different department by the supervision of Head of Plant. Factory administration structures are as follows:



3.6 SWOT Analysis:

Strength:

- **Reputation of the company**: We are renowned plastic packaging manufacturer of Bangladesh since 1978.When we started our journey we produced 103 types of household product along with packaging material for various pharmaceuticals and agro based company. But now we are producing only packaging material maintains strong compliance.
- **Excellent client service**: We think that client is our partner so we maintain a strong relationship with them. Our M&S team communicates with them regularly.
- **Good Infrastructure:** We have two six storied building. Each building has 80000sft production floor. We also have a small warehouse which is 6000sft but a warehouse of 20000sft is under construction.

Weakness:

- **Limited financial capacity**: we have two CC account which CC limit is 2.50 crore each, LTR Limit 2.00 Crore which is not enough.
- **Lack of experienced personnel**: In our country there have no training institute or educational institute for plastic industry. BPGMEA arrange some training session which is not available for all.
- **Lack of job commitment of the employee**: Actually the salary structure is not so good and has no gratuity or provident fund that's why employee search better opportunity and leave the job.
- **Customized software**: Enterprise Resources Planning (ERP) is very important software for day to day business operation. But till now it is not running.

Opportunity:

- **Quality Vs Price**: Clients become more concern regarding the quality of goods rather than price. Some clients are very concern about compliance issue which effect product price and clients also accept it.
- **Promotional activity**: Advertising, attending trade fair might be bright prospect.
- **Product sales by credit system**: We sales our product in credit system. Clients made payment after maturity period. Maturity period depends on companies work order and non discloser agreement such as 15 days to 60 days.

Threat:

- **Competitive market**: The market is becoming dreadfully competitive. A lots of company whose have similar product and services. The product price almost similar.
- **Tax on imported goods:** Tax on imported goods increasing continuously. Customs assessment on over invoice value which effect CD, AT.
- **Bank policy**: Changing bank policy into increase foreign reserve. Exchange rate fluctuation also effect product price. Foreign currency fluctuation and devaluation of the local currency also causes of product prices.
- **Government Policy**: Government is slow in decision making due to inefficient administration.

CHAPTER FOUR

Accounting activities of Luna Polymer Industry Limited

4.1 Introduction:

The essential characteristics of accounting are identification, measurement, and communication of financial information about economic entities to interested parties. Accounting is an information system which provides information regarding debt outstanding, sales increasing or decreasing, cash, asset, profit or loss and so forth. An efficient accounting system is beneficial for every enterprise.

Financial accounting is the process that culminates in the preparation of financial paper on the enterprise as a whole for the use by both internal and external parties. Users of those financial papers include investors, creditors, managers, unions and governments agencies. However, managerial accounting is the process of identifying, measuring analyzing, and communicating financial information needed by management plan, evaluate and control an organization's operations. Basically we maintain four manual ledger books, such as cash Book, Bank Book, Client/Party Ledger Book.

4.2 Accounting practice of Luna Polymer industry Limited:

As an employee of LPIL, We keep its daily transaction record by maintaining four books. Those books are Cash book, Bank book, Clients' ledger book, General ledger book.

4.2(1) Cash book:

In the cash book, the organization maintains their daily cash transactions. Any types of cash received like from client, withdrew from owns bank account, other organization.Cash receipts through company's money receipts. In corporate finance and accounts department each deposit must be entered into a collection register manually. After the entry the receipts are handed over to the concerned revenue section for posting to match against revenue. Collection register will generate cash collection paper. Afterwards, daily cash expenses are also recorded. Cash disbursement should be controlled strictly as this is a liquid asset.

Dr. **Cr.**

Date	Particular	Folio	Taka	Taka	Date	Particular	Folio	Taka	Taka
00/00/00	Balance/ Received from clients/bank withdraw/ Any income	Money receipt no.	XXXX	XXXX	00/00/00	Any Expense/ Bank Deposit/ Loan installment/ loan to any party	Voucher no. .	XXXX	XXXX

4.2(2) Bank Book:

Bank book is kept to record all transaction regarding bank. Organization is maintaining two types of bank account in the same bank. One of them is current account and other is Cash Credit (CC). Current account is to maintain small amount and frequent transaction whereas CC account is maintained for big amount transaction. Bank book play a vital role in bank reconciliation. Most of the time clients deposit in company's bank account. Often bank charged for online transaction or letter of credit purpose. In this circumstance bank book and bank statement from bank are the primary sources of data for bank reconciliation.

Dr. **Cr.**

Date	Particular	Folio	Taka	Taka	Date	Particular	Folio	Taka	Taka
00/00/00	Balance/ Received from clients/Cash Deposit/ Any income/ interest	Money receipt no /Cheque No	XXX	XXX	00/00/00	Cash withdraw/ Interest/ Charge/ Expense	Voucher no. .	XXXX	XXXX

4.2(3) Clients' ledger book:

Clients' ledger book is maintained to keep the record of clients' transaction history. If goods are sold on account to the clients, that recorded with the bill number. Clients' ledger book shows the number of clients, total due outstanding as well as a particular client's total due, total advance sales and so on.

Date	particulars	Folio Or Page no	Credit(Tk)	Debit(TK)	Balance(TK)
00/00/00	Bill No/Cash/Cheque/ Bank(EFTN,RTGS) Reject/Return	Money Receipt No	*******	*******	*******

4.2(4) General ledger book

General ledger book has huge number of accounts head. Most of those are expense of the organization. Usually conveyance, office maintenance, rent, bill, legal fees, entertainment advertisement, salary, tax account recorded in this ledger book. In addition, there is also sales account which is the control ledger, under this ledger cash sale and on account sales are maintained. Furthermore, purchase account is also a control ledger under which local purchase and Import purchase recorded by the organization.

Date	Particulars	Folio No	Dr.	Cr.	Balance
00/00/00	Cash/Bank	Voucher No	****	****	****

4.3 Money Receipt /Cheque/Cash register book

LPIL maintain Money Receipt /Cheque/Cash register book which has very significant role. This book record the information regarding cheque received from clients'. In this register book it is found the date of cheque received, client name, bank name and cheque number, amount of taka, drawing date, expired date. In addition, this book can inform account management department regarding total number of cheque, total amount in taka, number of cash cheque, expired cheque as well as invalid cheque.

Money Receipt:

Money receipt is used to acknowledge cash or cheque. Receipts are prepared in two copies, which are used for the following purposes:

• Customer copy

• Office Copy

4.4 Cash activities:

LPIL Accounts Department is responsible for receipts and disbursements of cash. Cash includes cash in hand, cash at bank, pay orders. We maintain two petty cash account one in corporate office; another is in factory Petty cash. Each petty cash account we handle Tk500000.00 (five lac only) only.

4.4(1) Cash receipts:

Cash payment is received through money receipt from different sources

- Cash sales
- Credit collection

All receipts either cash or cheque must be entered to the respective revenue centers individually. At the end of the month journal entries of accumulated figure is to be posted to the (G/L) accounts.

4.4(2) Accounts receivable:

Credit sales will be treated as accounts receivable and at month end journal entries receivable is to be posted to the (G/L) in order of revenue center.

4.4(3) Cash disbursement

Cash disbursement should be controlled strictly as this is a liquid asset. Basic control of cash disbursement should be as follows:

1. Management will approve all payment vouchers.
2. All payments especially vendor payment must be made through cheque.
3. No cheque should be prepared without the approval of payment vouchers.

Cash is generally disbursed for the major categories of accounts payable, recurring expenses, payroll. The procedures of cash disbursements are presented below:

4.4(4) Accounts payable:

1. An authorized individual, who indicated approval by initialing the invoice, should approve invoices for payment in writing after review.

2. Checks maybe generated manually.

3. Supporting documents referred to as voucher to as voucher are attached to the cheque for signing. The documents usually contain as:-

- Payment Approval Form and Voucher
- Invoice
- Purchase/Work order, CS.
- Paper (MRR with QC or Inspection Paper)

4. Money receipt should be received when payment is made.

5. Source tax should be deducted, if applicable, form the payment.

4.4(5) Recurring expenses

Recurring expenses are of different types. They may be one time in a month, occasionally and regular. The monthly ones are utilities bills and examples of regular type are conveyance, entertainment, etc. expenses in connection with business travel, training, promotional etc are occasional expenses in nature.

4.4(6) Payrolls

The salary of the staff should be paid on the basis of the employment agreement with the company. Staff Salary made by A/C Payee Cheque and wages of workers given cash.

4.4(7) Advances

There may require some unavoidable advance such as:

- Advance to vendor for specific product.
- Advance to employee on humanitarian ground.
- Advance against conveyance and transportation expenses.

Whatever the nature of advance this should be made available to the beneficiary after proper approval from the top management of the company. The department should take necessary steps to realize the advance as per understanding.

4.5 Voucher Forms

Voucher is the most basic document needed for recording financial transactions.

Elements of a voucher are:

- Name of the organization
- Number of voucher
- Nature of voucher
- Date of preparation
- Signature of those who originated checked and authorized.
- Bill/cash memo and other supporting documents as attachments.
- Heads of Account, Accounts code
- Amount in figures and words
- A brief narration about the transaction
- Recipient’s Signature.

LPIL has four types of vouchers:

- Debit voucher
- Credit voucher
- Journal voucher

4.5(1) Debit voucher

Debit voucher is prepared to record all cash and bank payments. This voucher is alternatively called payment voucher.

4.5(2) Credit Voucher

Credit voucher is used to record cash and bank receipts. It is alternatively called receipt voucher.

4.5(3) Journal voucher

All non-cash transactions are recorded in the books of accounts through journal vouchers.Iincome tax and other deductions from salary, expenses or income transfer from one project/department to another, depreciation on fixed assets etc. are recorded in the books of accounts through journal vouchers.

4.6 Financial Papers and Statements:

Financial papers contain a typical presentation of financial data. Sometimes for better clarity, these papers also include narrations. Statutory financial statements are prepared in accordance with accounting concepts, convention and other applicable standards.

4.6(1) Monthly paper:

Monthly paper shows the expenses and received money from any sources. Monthly paper made on the basis of cash book, bank book and general ledger book. Monthly paper is essential in the end of every month's financial meeting.

4.6(2) Financial statement:

Financial statements reflect the collection, tabulation, and the final summarization of the accounting date. Four statements are involved:

1. Balance sheet
2. Income statement
3. Statement of cash flows

Balance sheet shows the financial condition of the company at the end of the period whereas income statement measures the results of operation during the period. Then, the statement of cash follows papers the cash provided and used by operating, investigating and financial activities during the period.

4.7 Customized software:

There is customized software in the organization to maintain account. Though, I hardly found anyone to work with this software. The software is limited use only, to illustrate, it cannot record general ledger book's account head but it is useful for maintaining party bill only. As a result the software lost its importance. In contrast, I felt myself there are lack of professional person to operate this software otherwise the limitation of the software might be outweigh compared to the advantage of using this software. Recently our top management taken decision to use **Tally ERP** Software and it's started operation from 1st October 2021.

Chapter Five

Findings &Recommendations

5.1 Findings:

As like as other traditional organization, LPIL keeps transaction records in cash basis. Cash basis accounting is easier to maintain as well as easier to understand whereas cash basis accounting has a lot of limitations. By cash basis accounting, it is difficult to find out net income in a certain period of time, because, the determination of income on the cash basis rests upon the collection of revenue and the payment of expense. Furthermore, under the cash basis, the revenue recognition and the matching principle are overlooked. In nutshell, cash basis financial statements are not in obedience with generally accepted accounting principles. LPIL also maintain all its accounting system manually where we have no update software. All of we spent our most of the office time for maintaining manual ledger.

5.2 RECOMMENDATIONS:

Working in finance and accounting at Luna Polymer Industry Ltd, Corporate Office is a great experience for me. I have learnt many things throughout my service period. From my working experience I have some recommendations those are given below

1. LPIL have a very few employee at finance and accounting department whereas the work pressure is so high. So the department should increase their workforce and share the work together.
2. To increase the rate of work efficiency they need faster computer with user friendly operating system. There is an older version accounting software in the organization which is not beneficial and the software has limited use only.
3. The company should update or add modern software like **Tally ERP** or **Troyee** or any other modern accounting software which has a lot of update feature also so that it might save time, money, labor and execute an impact for the long run.
4. They should take to attempt practice accrual basis accounting system because IFRS does not allow cash basis accounting. Almost all renowned organization follows accrual basis accounting.
5. Improvement of compensation structure for staff and employees.

CHAPTER Six

Conclusion& Bibliography

6.1 CONCLUSION:

LPIL is a leading edge Plastic manufacturing company. This was an added challenge to all the accounting staffs as the listing the accountability of the organization has gained a higher reach. The Accounts department took the challenge and proved their spirit by the timely publication of Monthly or Yearly Financial Papers. Each and every section in the department deserves to be complemented. In this paper, I have tried my level best to identify management accounting technique and procedures used by LPIL. What and how LPIL use accounting information for decision making and external financial papering along with describing the procedure and systems of using accounting information. In this paper, I imply our acquired knowledge from accounting course and try to comply with the techniques procedure and systems followed by the company.

6.2 Bibliography

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