Internship Report

on

An Analytical Study on Financial Statements of Cosmos Group

Submitted by:

Md. Almas Uddin

ID: BBA1803015031

Program: Bachelor of Business Administration

Major: Accounting

Submitted to:

Department of Business Administration

Sonargaon University (SU)

Submitted for the partial fulfillment of the degree of

Bachelor of Business Administration



Sonargaon University (SU)

147/I, Green Road, Tejgaon, Dhaka – 1215, Bangladesh.

Date of Submission: April 28, 2025

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Supervised by:

Naima Khan Tarin

Lecturer

Department of Business Administration

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Bachelor of Business Administration



Sonargaon University (SU)

147/I, Green Road, Tejgaon, Dhaka – 1215, Bangladesh

Date of Submission: April 28, 2025

Letter of Transmittal

Dated: 28.04.2025

Naima Khan Tarin
Lecturer
Department of Business Administration
Sonargaon University (SU)
147/1, Green Road, Tejgaon, Dhaka- 1215

Subject: Submission of Internship report on "An analytical study on Financial Statements of Cosmos Group.''

Dear Sir/Madam,

With humble honor and respect, I am submitting my internship report on an analytical Study on Financial Statements of Cosmos Group**.** As per partial accomplishment of the requirements for the BBA degree, I have completed internship from "Cosmos Group" As per partial accomplishment of the requirements for the BBA degree, this thesis has been carried out under the supervision of you.

Main focus of the study is to find out the Financial Factors of Cosmos Group, scopes for and the changes in this sector to cope up with the versatile industry.

In completing the report I tried my best to blend all my knowledge and imparted every available detail and also attempted to avoid unnecessary amplification of the report.

I humbly request you to accept this report for your kind evaluation.

_____

MD ALMAS UDDIN
ID # BBA1803015031
Major: Accounting
Department of Business Administration, Sonargaon University (SU)

Certificate of Supervisor

This is to certify that the thesis report **"An analytical study on Financial Statements of Cosmos Group."** has been prepared as a part of the completion of the BBA program from the Department of Business Administration, Sonargaon University (SU), carried out by Md Almas Uddin, bearing ID: BBA1803015031 under my supervision. The report or the information will not be used for any other purposes.

Naima Khan Tarin
Lecturer
Department of Business Administration
Sonargaon University (SU)

Declaration of Student

This is to notify you that, the thesis paper on **"An analytical study on Financial Statements of Cosmos Group.''** has been prepared as a part of my dissertation formalities. It is an obligatory part of my BBA program to submit a thesis paper. Moreover, my supervisor Naima Khan Tarin, Lecturer, Department of Business Administration, Sonargaon University (SU), inspired and instructed me. I am further declaring that I did not submit this report anywhere for awarding any degree or certificate.

Yours Sincerely

_____

MD ALMAS UDDIN
ID # BBA1803015031
Major: Accounting
Department of Business Administration, Sonargaon University (SU)

Letter of Authorization

Certified that this project report titled "**An analytical study on Financial Statement of Cosmos Group''** is the bona fide work of Md Almas Uddin, who carried out the internship report under my supervision. Certified further that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

Naima Khan Tarin
Lecturer
Department of Business Administration
Sonargaon University

Acknowledgement

In order to achieve professional experience to apply theoretical knowledge into practical field, I have chosen Cosmos Group for preparing internship report for BBA program. I have presented this report after finish my course work. First of all, I would like to express my deep gratitude to the almighty Allah for fruitfully preparing this internship report.

I express my deep sense of gratitude and heartily respect to Naima Khan Tarin, Lecturer of Sonargaon University. I have received all valuable suggestions and instructions from my honorable teacher (Supervisor) for completing this internship Report.

My pleasure turns blooming to offer thanks to Mr. Amanullah Khan, Chairman Cosmos Group, for allowing me to work his organizational area under his supervision.

Their delightful co-operation, benevolent patronage & intention helped me to prepare this report.

And last but not the least; I would like to thank all the personnel working at Cosmos Group. They made the environment congenial and favorable for me to understand the task. Without their assistance and co-operation, this report might not have seen the light of day.

Executive Summary

Cosmos Group activities range from media to mining, be it in Oil & Gas, Power, or renewable; Cosmos Group has been at the forefront of energy development of Bangladesh.

This report covers an overall idea on the position of Cosmos Group. The first part of this report deals with introduction that presents the Origin of the report, Background of the study, Objective of the report, Statement of the problems, Methodology of the study and Limitation of the study.

The second part of this report deals with the overview of Cosmos Group which contains history of Cosmos Group, Mission, Vision, value statement, Objective of Cosmos Group, Structure, Activities of CG, and Services of CG & its performance. The data used to furnish this report have been collected from the primary sources and secondary sources. Among primary and secondary sources most of the data have been collected from the secondary sources. The Study utilizes a case study approach, incorporating both qualitative and quantitative research method.

The third part of this report deals with the financial statement analysis of Cosmos Group, secondly ratio analysis of Cosmos Group and which express the position of CG.

After finishing last part, to identify strength and weakness of Cosmos Group and give some recommendations on the basis of the problems, to summarize the whole situation from my own observation.

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Chapter: 01

Introduction

1.1 Introduction

This internship report is submitted as a partial requirement for the Bachelor of Business Administration (BBA) degree under the Department of Business Administration on University. The title of this report is: **"An analytical study on Financial Statements of Cosmos Group.''**

The main objective of preparing this report is to gain hands-on experience in the field of financial management and apply the theoretical knowledge acquired during academic courses to real-world business scenarios. Through this internship, I have explored how financial statements are prepared, analyzed, and interpreted to assist management in making informed decisions.

As part of the BBA curriculum, all students are required to undergo an internship in a business organization relevant to their major field of study. This internship serves as a vital connection between academic learning and corporate experience, allowing students to develop their analytical, communication, and professional skills. It enables students to identify the gaps between theoretical education and practical implementation and enhances their ability to work in a professional environment.

During my internship, I was assigned to the Accounts Department of Cosmos Group, one of the well-established conglomerates in Bangladesh. I had the opportunity to work under the guidance of experienced professionals, which allowed me to gain a better understanding of financial documentation, internal control systems, and overall accounting procedures. My position as a Senior Executive helped me participate in key activities such as preparing trial balances, assisting in the preparation of income statements and balance sheets, as well as reviewing and reconciling financial data.

Choosing Cosmos Group for my internship report was a deliberate decision as I was able to observe and analyze various financial activities closely. This exposure has not only enriched my academic knowledge but also increased my confidence in working within the finance and accounting sector. Moreover, it gave me a deeper understanding of how large organizations manage their finances, control costs, and plan for sustainable financial growth.

This report presents a detailed analysis of the financial statements of Cosmos Group, including ratio analysis, trend evaluation, and financial performance review. The findings aim to reflect the financial health and operational efficiency of the company, along with practical insights gained during my internship.

1.2 Background of the study

No knowledge is fully complete unless it is fully supported by event on growth. Nobody in this competitive area will be successful until he does not link his study with practical orientation.

This realization is more pronounce in the study of financial Statement analysis where experiences cover on all elements of financial statements.

Cosmos Group's activities range from media to mining, be it in Oil & Gas, Power, or renewable; Cosmos Group has been at the forefront of energy development of Bangladesh.

To strengthen our leadership profile by providing the most efficient and cost effective services to our clients, be it in energy, mining, shipping, information technology media, or any endeavor to benefit our future.

Records have proven that Arab and Chinese traders plying the southern Silk Route, and trading at the port as early as the 9th century. The people of Chittagong are recognized for their enterprising, yet understated manner with regards to trade and commerce.

I have tried my best to use this opportunity to enrich my knowledge on the assigned topic. After observing thoroughly, I have completed this report on the basis of my finding and observing relating to the topic.

1.3 Objective of the study

The main objective of this report is to present and analyze the financial information contained in the financial statements of **Cosmos Group** and to assess the company's overall financial performance. The report aims to bridge academic knowledge with practical financial analysis, providing a clear picture of the organization's financial health and managerial effectiveness.

Specific Objectives:

The specific objectives of the study are as follows:

To collect and interpret information from the financial statements of Cosmos Group, including the balance sheet, income statement, and cash flow statement.

To identify key management and operational challenges that may impact the financial performance of the organization and to propose feasible solutions to these issues.

To evaluate the financial strength and capabilities of the company through financial ratio analysis and other relevant tools, in order to understand its profitability, liquidity, solvency, and efficiency.

To provide constructive recommendations based on the findings, aiming to support the company in overcoming identified challenges and improving its future financial performance.

1.4 Scope of the report

The primary focus of this study is the "Financial Statement Analysis of Cosmos Group (CG)." While the topic itself is fixed, the scope of the report has been broadened to present a well-

rounded understanding of the company's financial and organizational landscape. The study not only aims to analyze the financial statements of Cosmos Group but also covers various supporting elements such as the company's objectives, history, business operations, corporate governance practices, organizational structure, and strategic financial management. The report particularly emphasizes the financial performance of Cosmos Group, using ratio analysis and other analytical tools to interpret the data presented in the balance sheet, income statement, and cash flow statement. These financial statements are critical in assessing the company's operational health and sustainability over time. Ratios such as profitability, liquidity, solvency, and efficiency have been calculated and interpreted to measure how effectively the company is managing its resources. Moreover, the report seeks to link the company's financial performance with broader business decisions and market conditions. It identifies trends and patterns over recent years, highlighting areas of strength and weakness. By doing so, the report not only presents the current financial position but also provides insight into future financial prospects and potential risks that the organization may face. Additionally, this report reflects on the internal and external challenges encountered by Cosmos Group and how these factors have impacted their financial outcomes. It further explores the role of management in financial decision-making and how effective strategies have contributed to the overall growth of the company. This internship experience and subsequent report have provided me with the opportunity to apply theoretical knowledge to practical situations, enhancing my understanding of real-world accounting and financial reporting. It has also helped me gain a deeper appreciation for how companies like Cosmos Group function in today's competitive and dynamic business environment.

1.5 Methodology of the report

I have got all the relevant information from my working experience with Cosmos Group, their accounting software, some circular, various brochures, web site of Cosmos Group and such. The study utilizes a case study approach incorporation both qualitative and quantitative research methods.

1.5.1 Primary data:

The primary data of the proposed report will be gathered from Cosmos Group, 69/1, New Circular Road, Malibagh, Dhaka-1217.

- Practical desk work
- Face to face conversation with the officer
- Direct observations
- Face to face conversation with the client

1.5.2 Secondary data:

The secondary data of this report are collected from Cosmos Group published annual report and some others report from which I got idea about the way of writing a report.

Secondary Sources:

Secondary data are collected in the following ways:

- Data gathered within the organization itself
- Data gathered from relevant books
- Internet sources
- Annual reports
- Official documents
- Website of Cosmos Group.

1.6 Limitations of the report

Some of the limitations faced while preparing this report are mentioned here:

- The main limitation I have faced that Cosmos Group used a different accounting system from our academic learning. So, it was little difficult for me to find out the necessary figures for ratio analysis.
- Another limitation of this study is that there are no standard industry average ratios.
- Cosmos Group information is available to me. I have no information about full industry as this industry is new for our country. Cosmos Group operates business in various service sector of our country. So aggregately finding right competitor is so much difficult for this company. So, this report is prepared based on this company.
- The proposed report will cover the tools and techniques of financial management in the selected service companies.
- Information of this organization is publicly available and my appearance as a medium level employee to keep some information confidential which should not be disclosed to others.

As this organization has a large existence around the country. I could not explain the whole scenario, due to operating complexities and time constraints.

Chapter: 02

Literature review

Financial ratios serve as a method for assessing a company's financial condition, profit, and loss. Financial institutions have numerous stakeholders, such as owners, management, personnel, customers, suppliers, competitors, regulatory agencies, and academics, each with their perspectives on utilizing financial statement analysis for evaluations. Exploring financial ratios aids organizations in fostering innovation, promoting improvement, valuing urgency, and developing individuals who embrace challenges and transform them into opportunities.
Customers' purchasing decisions are influenced by various factors, with information-seeking being a key component. Commercial sources serve as the primary means of acquiring information (Kotler & Keller, 2012). Andrianto (2013) asserts that a strong brand enhances product appeal, leading customers to favor branded products due to perceived superiority and safety (Iswara and Jatra, 2017).

Marketing strategy is an approach utilized by organizations to connect with their target market, creating awareness and encouraging the purchase of specific products. This section reviews prior research on the topic to draw a comprehensive conclusion (Chartered Association of Business Schools, 2020).

Research by Khan & Dhar (2010) reveals that purchasing bundles is more common during sales discounts, especially for hedonic rather than utilitarian components. This finding underscores the effectiveness of promotions in influencing purchases, in line with the findings of Kivetz & Zheng (2017), who emphasize the significant impact of promotional programs on purchase decisions.
• The company is dedicated to implementing a welfare-oriented operational system that focuses on uplifting the economic status of the low-income population and generating employment opportunities.

The company is devoted to establishing an economic framework that promotes social justice and equitable wealth distribution. Its aim is to drive transformations underdeveloped rural regions, ensuring a balanced socio- economic advancement of the nation through micro- level initiatives.
Furthermore, the company actively engages in both economic and philanthropic endeavors.

Chapter: 03

Organizational Profile

3.1 Background of Cosmos Group

Records have proven that Arab and Chinese traders plying the southern Silk Route, and trading at the port as early as the 9th century. The people of Chittagong are recognized for their enterprising, yet understated manner with regards to trade and commerce. The instinct for business coupled with the desire to excel has been passed down through generations of the 'Chadtgaiya' entrepreneurial class.

Amanat Khan was a prominent member of Chittagong society. His philanthropic activities in the education sector appointed him as one of the first Indians as a member of the Legislative Assembly under the British, despite being of the independence-minded Swaraj Party.

He was the grandfather of the present group CEO of Cosmos, Enayetullah Khan. The thread laid down by the late Amanat Khan allowed the nascent Cosmos Group to expand.

Although the formal commencement of operations began in 1973 for Cosmos Group, it can be fairly said that its earliest roots of existence dates back to the early 20th century.

With its humble beginnings in the trading industry with shipping interests, the formation of Cosmos Group coincided with that of Bangladesh. In less than four decades, Cosmos has grown into a large conglomerate with a substantial presence in multiple sectors, namely Oil & Gas, mining, telecommunications, instrumentation, shipping & logistics, media, manufacturing and trading. As a rising Bangladeshi conglomerate, Cosmos Group is steadily leaving a gradually-expanding footprint globally.

In line with attaining a truly international outlook, personnel development remains an integral commitment to the group's corporate vision and positioning Cosmos as a heavyweight corporate organization.

At the heart of this vision is an unshakable faith in Technology for Empowerment (TFE); serving as an unprecedented force for delivering a level playing field in global commerce.

3.2 Mission & Vision of Cosmos Group

Mission

To strengthen our leadership profile by providing the most efficient and cost effective services to our clients, be it in energy, mining, shipping, information technology media, or any endeavor to benefit our future.

Vision

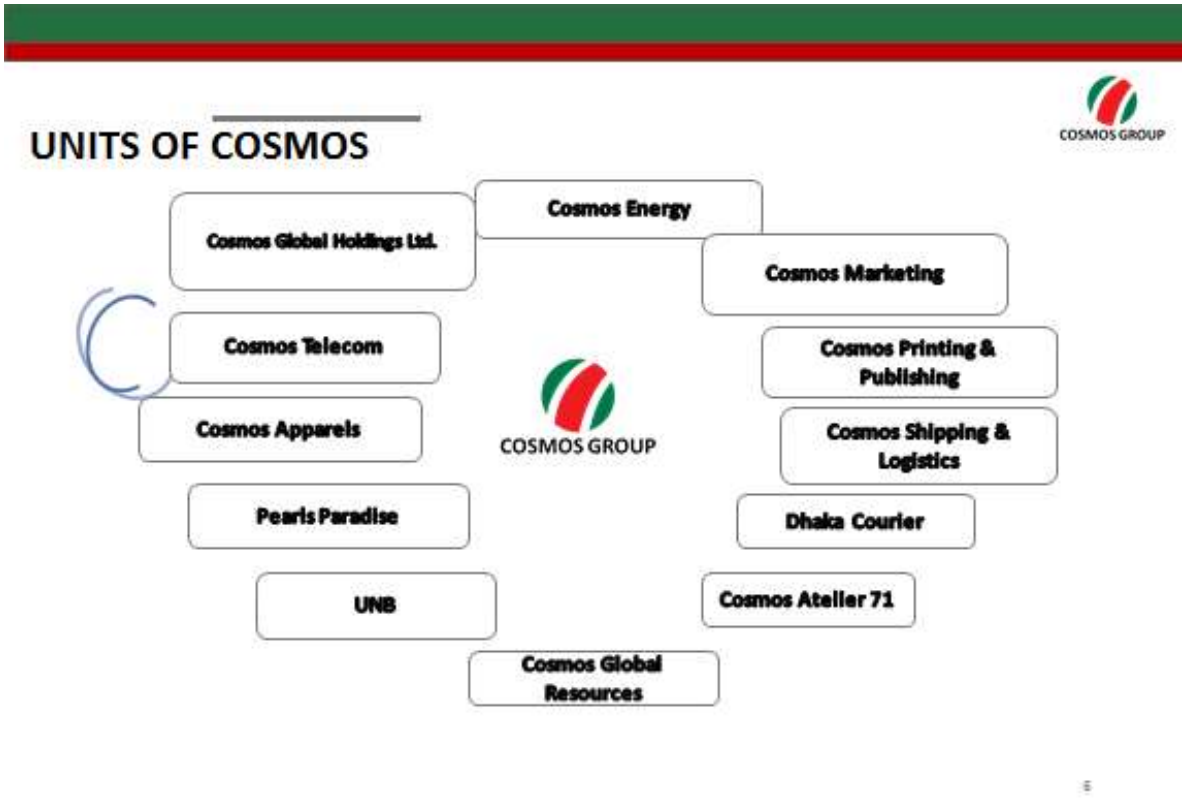
To be a respected organization through employee, customer and community care.

Code of Conduct

Records have proven that Arab and Chinese traders plying the southern Silk Route, and trading at the port as early as the 9th century. The people of Chittagong are recognized for their enterprising, yet understated manner with regards to trade and commerce.

3.3 Concerns of Cosmos Group

- Cosmos Energy Services
- United News of Bangladesh
- Cosmos Marketing Consultant
- Pearls Paradise
- Cosmos Printing and Publishing (CP&P)
- Cosmos Atelier71 Printmaking Studio
- Cosmos Foundation
- Cosmos Shipping & Logistics
- Dhaka Courier
- Cosmos Telecom
- Cosmos Technologies



3.4 Corporate Social Responsibility by Cosmos Group

Cosmos Group enshrines a deep-rooted commitment to supporting young talents for higher studies as part of our contribution to society. Cosmos-sponsored awards have been established in various branches of education, journalism, medicine, engineering and architecture, fine arts, law and business management.

Cosmos Group is a committed supporter of a variety of community activities in the media, health, charitable, and artistic fields. For example, the group pioneered the promotion of a very successful anti-tobacco movement in Bangladesh, especially through ADHUNIK, a recipient of the WHO gold medal for 1991-92 and 1992-93.

Cosmos has recently instituted a trust fund at the Asiatic Society of Bangladesh, to support the WildTeam of Bangladesh, the Noazesh Knowledge Centre, and the Bangla Mountaineering and Trekking club.

In recognition of the evolving nature of our firm, Cosmos Group is a firm believer in an organisation's social responsibility towards the community. We serve and aim to be a driver of social change in Bangladesh through the scope of its activities on a global level. The fruits of Cosmos' endeavors are evident throughout the social landscape, and they aim to further contribute by seeking direct opportunities to aid the citizens of Bangladesh.

3.4.1 Wild Team of Bangladesh (WTB)

Our mission is to protect the National Heritage of our land. WTB is a non-profit organization whose aim is to conserve country's biodiversity. Over the years the country has lost both land and water ecosystems; along with different life forms they contain. We are now at a point where many species of plants and animals are on the verge of extinction. It is this urgent need of saving the biodiversity that makes WTB obligatory.

WTB began its journey in 2003 and is run by trustees. With a dedicated team of scientists, field biologists, project managers, veterinarian, communication specialists, we are involved in different projects across the country. WTB's activities include Research and Monitoring, Institutional and Policy Development, Communication and Education, Wildlife-Human Conflict Mitigation and Legislation and Law enforcement.

WTB's projects are Sundarbans Tiger Project, Hoolock Gibbons, Bear, Community Conserved Areas (CCAs) and Human-Elephant Coexistence (HECx).Conservation of nature in Bangladesh is a great challenge requiring a plethora of skills, from ecologists and economists, to marketing and communications experts. Building a bigger network of supporters and partners is integral for success.

WTB's partners include the Bangladesh Forest Department, Zoological Society of London (ZSL), University of Minnesota and US Fish and Wildlife Service (USFWS).

3.4.2 Noazesh Knowledge Centre

The seed of this knowledge center was implanted in the minds of WT trustees by the late Dr. Noazesh Ahmed, an eminent photographer and also the founding vice chairman of WT.

Noazesh Ahmed was an internationally reputed agricultural scientist and a notable photographer. He was a plant geneticist by profession. He obtained a gold medal for his outstanding contribution to agricultural research and development. He was also an environmentalist. He had always vouched for the development and preservation of our environment.

The NKC is the first institution of its kind which is open to educators, researchers and students. In keeping with the spirit of the late Dr. Ahmed, NKC aims to be a first-rate data bank on the status, distribution and history of the country's natural resources.

3.4.3 Bangla Mountaineering and Trekking Club (BMTC)

Bangla Mountaineering and Trekking Club (BMTC) was instituted in 2003, creating awareness for trekking and prep training. It was founded by Mr. Enam Ul Haque, the first Bangladeshi to reach the North Pole and Antarctica.

BMTC has initiated significant expeditions, including a 60 km urban trek from Manikganj to Dhaka in 2005, an expedition on Chulu West Mountain, Nepal (Height: 21,049 ft.) in 2007, an expedition to the Frey and Mera Peaks of Himalayan range in 2008, and recently, a joint team of Nepali and Bangladeshi mountaineers successfully scaled the previously unclimbed Mt. Chekigo (6257m) on October 18, 2010. The expedition was sponsored by Cosmos, and the peak located in eastern Nepal has officially been named the Nepal-Bangladesh Friendship Peak.

3.4.4 UNB Connect – A Free Public Web Portal

Founded in 1988, United News of Bangladesh (UNB), is the first fully digitalized wire service in the private sector of South Asia. Associated Press of America (AP), the world's largest wire service, is UNB's principal partner in news exchange.

UNB has established a network of correspondents and reporters in all 64 districts, and around the world in strategic locations. In concert with the central newsroom at the Cosmos Centre, the UNB stable of journalists works fervently to supply news, featuring photographs to its subscribers. With accurate reporting and journalistic integrity, UNB is recognized as the nation's most dependable and credible source of news and information, serving some 20 million readers, listeners, and viewers in Bangladesh daily. Valuable news exchange partnerships have been established with leading international and national agencies.

UNB has set the benchmark as the fastest and most credible national news agency in Bangladesh. We remain committed to a policy of quality, reliability, innovation and leadership.

3.4.5 Cosmos Group Provide Financial Support to 'Assistance for Blind Children (ABC)'

Assistance for Blind Children (ABC) was founded on 2nd April 1978, with the motto, "A future for every blind child-give sight back to those who can recover it and dignity to those who cannot"; is dedicated to change the livelihood status of visually impaired children of Bangladesh.Cosmos Group is a regular donor of this organization. Mr. Enayetullah khan, GMD of Cosmos Group, is a Life Member of this organization. Cosmos Group has donated BDT. 300000 (approx) to this organization till now.

3.4.6 Mr. Enayet llah Khan, GMD of Cosmos Group, has written a book on the heritage of Bangladesh.

The name of the book is Bangladesh – Splendours of the Past which was published in 2001 and its 2nd edition has been published in 2014. This book tells about the Land and People of Bangladesh, about the Prehistory of Bangladesh, about the Two Ancient Cities of Bangladesh, about the Ancient Universities, about the Medieval Heritage, about the Terracotta Treasures and about the Sculptural Glories. The tales of superior achievements of our ancestors are beautifully portrayed in this book.

3.5 SWOT analysis of Cosmos Group
SWOT Analysis

The SWOT analysis provides a useful strategic guidance. A SWOT analysis (Strength, Weakness, Opportunities and Threats) allows in constricting balance sheet for the company. In the analysis one can bring together all the internal factors, influencing company's strength and weakness. Based on these factors we can identify external factors which can help to define opportunities and threats that a company faces due to competitive forces and trends in the business environment.

3.5.1 Strength

- CG has excellent service department.
- Brand name is the company's most important assets.
- The company always concern about to know, what is new and how can it overcome.
- Cosmos has large number of foreign principal.
- It has efficient management structure.
- CG has large skilled workforce.
- Cosmos has large team to communicate with foreign principal.
- Good reputation all over the Bangladesh.
- Wide distribution capability.
- Healthy financial position.
- Has moderate experience in the business field.
- Innovation capacity is excellent.

3.5.2 Weakness

- Cosmos does not have vast marketing program in abroad.
- It does not have own training department.
- It has low capacity to define the target market.
- In order to compete in market Cosmos rarely focus on competitor.
- Cosmos has higher employee turnover rate.

3.5.3 Opportunity

- Very few domestic companies compete in this industry. So there is big change to explore business activities.
- Digitalized the News Service to become no. 1 news agency.
- Price should be moderate and somewhat below the competitors price.
- It has UNB digital team to develop innovative things in News Agency.
- Government Officials (i.e. technical personnel of concerned department) provide free consultancy/advisory services of technical and technological matters at field level. Training and other assistance like booklet, leaflet etc. may also be available from them.
- Government is focusing on electrical development all over the country which will help cosmos to obtain new project.
- Government is focusing on wind power plant to make renewable energy in Bangladesh.
- Oil & Gas project of government are so much lucrative for investment.

3.5.4 Threats

- Competitors are becoming a big threat for the company.
- Low price of the competitors is another threat.
- Political Instability is another great threat for the company.
- Changing customers demand. Changing world economy rapidly.
- In the long run they may face some marketing problems which may arise due to growing up of increased number of such project units in the country.
- Some other projects may enter into the market with inferior quality building using low/below standard construction material and may create hazards in this sector.

Chapter: 04

Learning and Internship Responsibility

4.1 Learning from Cosmos Group

Cosmos Group is the great learning platform for their employee. I got the opportunity to work as an employee of CG which helped me lot to learn new things. My learning from Cosmos Group is;

1. **Time Management in office**

   Punctuality is one of the superior attribute of a good employee. Though I am not good at all to maintain this manner, but I tried to maintain my commitment when I take an appointment with customers. Sometimes managing time was got difficult when previous day's overloaded pressure make me late to reach home, then ultimately its impact on next working day. If we finish our day to day work then it becomes so easier. Through this internship period I became more efficient and learned to make the best use of time.

2. **Good Communication Skill**

   Communicating with people in a good manner is the most important quality of an employee. As I was Mid-level staff I had to talk with lots of people like bank, customers and colleagues. In Cosmos I had also a very good relation with everyone.

3. **Positive Attitude**

   Positive attitude is the most important key factor of job performance. Positive attitude can attract customer. While convincing someone one might give positive response, another might give negative response. But as a marketer we have to handle the situation in a positive manner. Moreover, in the office I always tried to work in a positive way, showed interest in work and focused on what are the customer's needs and wants.

4. **Good team work**

   Working in a team sometime it makes the work easier and sometimes it become so hard to work. I really like teamwork because I felt confident when work in group.

5. **Stress management skill**

   Managing all the work under pressure is part of job. Whatever the situation is we can't show our problem or stress to our office and have to complete the work properly.

6. **Multiple task management skill**

   As I am working in Accounts and Audit Department, I have to accounts related task and audit related task also. Sometime I have to deal with Tax related issue. I learned from Cosmos how to deal with every task easily.

4.2 Responsibilities as an employee of Cosmos Group

I am working in Cosmos Group as a Senior Executive in Accounts and Audit Department. As an employee of mid-level staff of Cosmos Group my responsibilities are;

- Prepare financial statements of individual company's
- Recording expenses in software
- Advance adjustment against appropriate transaction.
- Fixed asset management
- Assisting supervisor as per his requirements
- Inter-company loan Reconciliation
- Price Verification of procurement
- Checking Authentication of Requisition
- Checking Voucher recording process
- Physical cash counting
- Compliance checking of transaction whether transaction incurred in accordance with internal control system.
- Checking Bank reconciliation whether bank reconcile properly.
- Physical inventory counting
- Monthly salary statement verification.
- Balance sheet item verification whether elements of financial statement classifications are presented appropriately.
- Suggest accounts department to record transaction in software appropriately.
- Suggesting appropriate head to record transaction.

Chapter: 05

Financial Statement of Cosmos Group

5.1 Financial Statement of Cosmos Group

Cosmos Group
69/1, New Circular Road, Malibagh, Dhaka-1217
Statement of Financial Position

Particulars	Amount in Taka 2024	Amount in Taka 2023	Amount in Taka 2022
Fixed Assets	**32,80,74,945**	**26,14,47,709**	**22,98,89,938**
Computer Equipment	1,74,17,150	1,65,98,959	1,36,47,687
Electrical Equipment	22,25,066	24,33,790	22,85,457
Vehicle	22,41,82,746	20,47,74,171	18,27,57,514
Office Equipment	3,77,15,983	1,29,15,014	85,83,205
Land and Building	2,52,66,000	52,66,000	52,66,000
Furniture and Fixtures	1,15,78,053	99,72,873	84,73,173
Machineries	23,54,602	23,54,602	18,44,602
Research Vessal	64,00,000	64,00,000	64,00,000
Office Decorations	9,35,345	7,32,300	6,32,300
Accumulated Depreciation	**(6,81,19,299)**	**(5,01,97,483)**	**(3,29,27,914)**
Investments Mozzaria Ltd.	1,77,00,000	1,77,00,000	1,77,00,000
Current Assets	**1,14,43,38,811**	**88,12,26,323**	**58,18,56,276**
Advance, Deposits & Pre-Payment	6,06,75,155	4,94,64,457	4,28,36,029
Trade and Other Receivables	8,77,68,145	11,32,13,076	9,13,25,713

FDR and Other Deposits	6,30,38,934	8,70,88,934	4,46,60,998
Short Term Loan Payment	89,02,63,913	59,77,79,953	37,25,65,548
Closing Stock	1,85,97,670	1,95,31,346	2,03,41,173
Painting Purchase	1,00,53,568	74,37,805	57,92,175
Bank Guarantee	43,01,721	51,06,721	15,24,721
Cash and Cash Equivalents	96,39,705	16,04,031	28,09,919
Total Assets	**1,42,19,94,457**	**1,11,01,76,549**	**79,65,18,300**
Equity and Liabilities			
Equity	**89,85,08,663**	**74,99,89,001**	**54,99,83,037**
Paid-Up Capital	18,80,28,858	18,80,28,858	13,80,28,858
Retained Earnings	52,37,58,968	37,52,39,306	22,52,33,342
Reserves	18,67,20,837	18,67,20,837	18,67,20,837
Non-Current Liabilities	**3,20,76,746**	**3,15,20,746**	**3,08,55,746**
Non-Current Liabilities	3,20,76,746	3,15,20,746	3,08,55,746
Current Liabilities	**49,14,09,048**	**32,86,66,802**	**21,56,79,516**
Trade and Other Payables	1,97,81,672	1,98,02,432	1,96,57,432
Short Term Loan	43,66,03,657	27,49,66,545	15,96,60,684
Liabilities for Expenses	79,03,185	79,03,185	1,35,23,023
Vat Payable	1,70,23,945	1,58,93,071	1,27,28,643
Other Liabilities	1,00,96,589	1,01,01,568	1,01,09,735

Total Equity and Liabilities	**1,42,19,94,457**	**1,11,01,76,549**	**79,65,18,300**

Cosmos Group
69/1, New Circular Road, Malibagh, Dhaka-1217
Profit & Loss Accounts

Particulars	**Amount in Taka 2024**	**Amount in Taka 2023**	**Amount in Taka 2022**
Income	**78,26,02,047**	**61,91,37,915**	**49,79,39,604**
Agency Commission	46,49,53,568	41,77,28,441	36,47,55,207
Other Operating income	7,73,83,481	6,79,04,611	5,37,11,489
Non-Operating Income	24,02,64,999	13,35,04,863	7,94,72,908
Expenses	**55,22,21,869**	**38,71,61,475**	**37,61,94,852**
Salaries & Allowances	12,41,43,294	8,68,47,478	7,84,32,799
Director's Remuneration	4,87,62,047	3,97,86,002	3,12,80,153
Business Commission	4,98,64,229	3,17,77,330	2,77,18,883
Membership and License Renewal Fees	28,45,452	19,20,559	16,29,638
Audit & Legal Consultancy Fees	19,64,210	24,99,350	14,13,425
Travelling & Conveyance	2,76,64,089	2,29,60,791	1,90,50,161
Vehicle Running Expenses	1,45,54,354	1,57,89,462	2,04,87,769
Printing & Stationery	56,45,559	31,23,047	22,90,910
Office Maintenance	73,77,379	65,67,670	46,97,623
Postage & Courier Services (C &F)	1,82,26,548	1,41,74,952	54,51,083
Tender & Documentation	12,61,396	14,77,288	8,81,518
Repairs & Maintenance	61,97,886	63,53,150	68,55,402
Internet & Mobile Expenses	36,14,645	30,81,049	34,10,601
Other Operating Expenses	46,47,429	33,47,154	39,06,006
Reimbursement Expenses	4,87,49,507	1,94,94,250	1,09,02,352
Catering & Logistic Expenses	3,08,84,832	2,98,87,412	1,77,18,906
Utility Expenses	44,42,886	42,01,162	33,06,752
Books Printing Cost	59,48,330	37,50,275	24,35,000
Non-Operating Expenses	2,08,64,066	1,10,97,685	1,23,01,850
Courier Magazine Printing Cost	27,63,000	30,77,000	35,93,000
Service Charges to AP	42,29,780	26,53,860	33,21,280
Project Expenses	9,48,47,046	5,35,60,694	10,02,38,215

Bank Charge	15,30,924	10,35,781	11,28,900
Depreciation Expense	2,11,92,981	1,86,98,074	1,37,42,626
Profit from operations	**23,03,80,179**	**23,19,76,440**	**12,17,44,752**
Finance Cost	18,88,391	11,98,035	12,87,216
Profit Before Tax	**22,84,91,788**	**23,07,78,406**	**12,04,57,536**
Income tax	7,99,72,126	8,07,72,442	4,21,60,138
Profit After Tax	**14,85,19,662**	**15,00,05,964**	**7,82,97,398**

5.2 Trend Analysis of Financial Statement

Cosmos Group

69/1, New Circular Road, Malibagh, Dhaka-1217

Profit & Loss Accounts

Particulars	**Change %**	**Amount in Taka 2024**	**Change %**	**Amount in Taka 2023**	**Amount in Taka 2022**
Income	26%	**78,26,02,047**	24%	**61,91,37,915**	**49,79,39,604**
Agency Commission	11%	46,49,53,568	15%	41,77,28,441	36,47,55,207
Other Operating income	14%	7,73,83,481	26%	6,79,04,611	5,37,11,489
Non-Operating Income	80%	24,02,64,999	68%	13,35,04,863	7,94,72,908
Expenses	**43%**	**55,22,21,869**	**3%**	**38,71,61,475**	**37,61,94,852**
Salaries & Allowances	43%	12,41,43,294	11%	8,68,47,478	7,84,32,799
Director's Remuneration	23%	4,87,62,047	27%	3,97,86,002	3,12,80,153
Business Commission	57%	4,98,64,229	15%	3,17,77,330	2,77,18,883
Membership and License Renewal Fees	48%	28,45,452	18%	19,20,559	16,29,638
Audit & Legal Consultancy Fees	-21%	19,64,210	77%	24,99,350	14,13,425
Travelling & Conveyance	20%	2,76,64,089	21%	2,29,60,791	1,90,50,161
Vehicle Running Expenses	-8%	1,45,54,354	-23%	1,57,89,462	2,04,87,769
Printing & Stationery	81%	56,45,559	36%	31,23,047	22,90,910
Office Maintenance	12%	73,77,379	40%	65,67,670	46,97,623
Postage & Courier Services (C &F)	29%	1,82,26,548	160%	1,41,74,952	54,51,083
Tender & Documentation	-15%	12,61,396	68%	14,77,288	8,81,518
Repairs & Maintenance	-2%	61,97,886	-7%	63,53,150	68,55,402

Internet & Mobile Expenses	17%	36,14,645	-10%	30,81,049	34,10,601
Other Operating Expenses	39%	46,47,429	-14%	33,47,154	39,06,006
Reimbursement Expenses	150%	4,87,49,507	79%	1,94,94,250	1,09,02,352
Catering & Logistic Expenses	3%	3,08,84,832	69%	2,98,87,412	1,77,18,906
Utility Expenses	6%	44,42,886	27%	42,01,162	33,06,752
Books Printing Cost	59%	59,48,330	54%	37,50,275	24,35,000
Non-Operating Expenses	88%	2,08,64,066	-10%	1,10,97,685	1,23,01,850
Courier Magazine Printing Cost	-10%	27,63,000	-14%	30,77,000	35,93,000
Service Charges to AP	59%	42,29,780	-20%	26,53,860	33,21,280
Project Expenses	77%	9,48,47,046	-47%	5,35,60,694	10,02,38,215
Bank Charge	48%	15,30,924	-8%	10,35,781	11,28,900
Depreciation Expense	13%	2,11,92,981	36%	1,86,98,074	1,37,42,626
Profit from operations	-1%	**23,03,80,179**	91%	**23,19,76,440**	**12,17,44,752**
Finance Cost	58%	18,88,391	-7%	11,98,035	12,87,216
Profit Before Tax	-1%	**22,84,91,788**	92%	**23,07,78,406**	**12,04,57,536**
Income tax	-1%	7,99,72,126	92%	8,07,72,442	4,21,60,138
Profit After Tax	-1%	**14,85,19,662**	92%	**15,00,05,964**	**7,82,97,398**

Income analysis: Cosmos Group (CG) is growing company. Its total income is increasing constantly. The trend analysis indicates that company's total income is increasing every year. Total income of 2023 is increased by 24% from 2022 and 2024 total income increased by 26%. On the other hand Non-operating income is significant for CG, where Non-Operating income is 31%, 22% and 16% of total income for the year end 2024, 2023 and 2022 respectively. On the other hand Agency Commission and Other Operating income growth rate is reducing, where Agency Commission increased by 15% at 2023 from 2022 but 11% increased at 2024. And Non-Operating income is increasing every year. CG should continue to focus on income growth rate.

Expenses: Total Expenses is increasing with pace of Income. Expenses increased by 3% & 43% in 2023 & 2024 respectively. Expense highly increased by 43% in 2024 compare previous year increasing rate, where only 3%. If we deeply analyze the reason behind high difference we will find few expenses category where expenses incurred most. Like Salaries and allowances, Business commission, Membership renewal fees, reimbursement expenses, and project expenses most increasing items from previous year. On the other hand few expenses reduced significantly like- Audit & Legal Consultancy Fees, Tender & Documentation and Courier Magazine Printing Cost etc. Significant increasing and reducing both are bad for companies; it's indicating bad performance of management.

Profit from Operations: Profit from operations is not increasing with previous level. Whereas in previous year 2023 profit increased by 91% but in 2024 profit trend decreased from 2023 only 1%.

Finance Cost: Finance cost significantly increased by 58% in 2024 whereas in 2023 finance cost reduced by 7%.

Profit after Tax: Profit after tax increased by 92% at 2023 from previous year, but in 2024 profit after tax growth rate reduced from previous year. Though net profit growth rate is reduced in 2024 from previous year Net profit is not significantly changed from 2023.

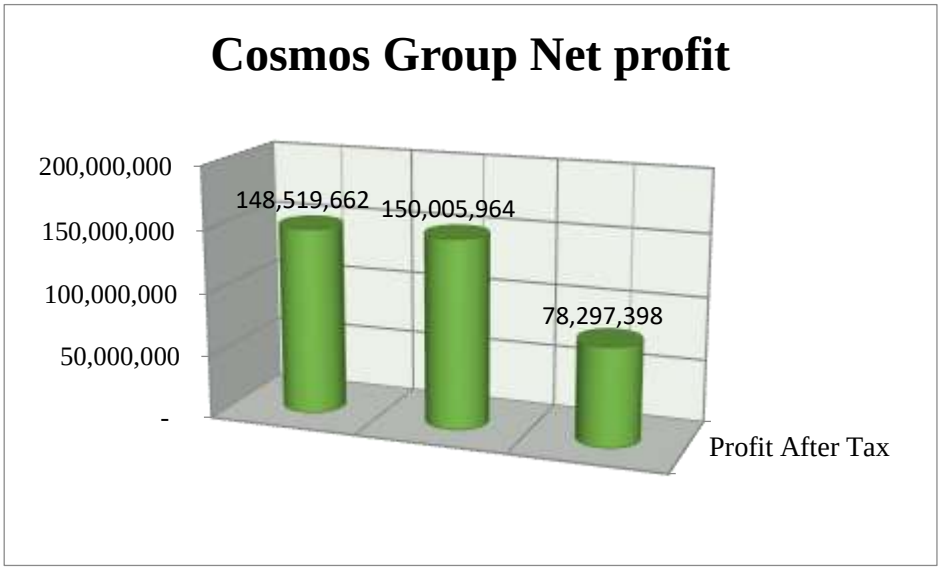


Chart: Net Profit Growth

Financial Position Trend Analysis:

Cosmos Group
69/1, New Circular Road, Malibagh, Dhaka-1217
Statement of Financial Position

Particulars	Change %	Amount in Taka 2024	Change %	Amount in Taka 2023	Amount in Taka 2022
Fixed Assets	**25%**	**32,80,74,945**	**14%**	**26,14,47,709**	**22,98,89,938**
Computer Equipment	5%	1,74,17,150	22%	1,65,98,959	1,36,47,687
Electrical Equipment	-9%	22,25,066	6%	24,33,790	22,85,457
Vehicle	9%	22,41,82,746	12%	20,47,74,171	18,27,57,514
Office Equipment	192%	3,77,15,983	50%	1,29,15,014	85,83,205
Land and Building	380%	2,52,66,000	0%	52,66,000	52,66,000
Furniture and Fixtures	16%	1,15,78,053	18%	99,72,873	84,73,173
Machineries	0%	23,54,602	28%	23,54,602	18,44,602

Research Vessel	0%	64,00,000	0%	64,00,000	64,00,000
Office Decorations	28%	9,35,345	16%	7,32,300	6,32,300
Accumulated Depreciation	36%	**(6,81,19,299)**	52%	**(5,01,97,483)**	**(3,29,27,914)**
Investments Mozzaria Ltd.	0%	1,77,00,000	0%	1,77,00,000	1,77,00,000
Current Assets	30%	**1,14,43,38,811**	51%	**88,12,26,323**	**58,18,56,276**
Advance, Deposits & Pre-Payment	23%	6,06,75,155	15%	4,94,64,457	4,28,36,029
Trade and Other Receivables	-22%	8,77,68,145	24%	11,32,13,076	9,13,25,713
FDR and Other Deposits	-28%	6,30,38,934	95%	8,70,88,934	4,46,60,998
Short Term Loan	49%	89,02,63,913	60%	59,77,79,953	37,25,65,548
Closing Stock	-5%	1,85,97,670	-4%	1,95,31,346	2,03,41,173
Painting Purchase	35%	1,00,53,568	28%	74,37,805	57,92,175
Bank Guarantee	-16%	43,01,721	235%	51,06,721	15,24,721
Cash and Cash Equivalents	501%	96,39,705	-43%	16,04,031	28,09,919
Total Assets	28%	**1,42,19,94,457**	39%	**1,11,01,76,549**	**79,65,18,300**
Equity and Liabilities					
Equity	20%	**89,85,08,663**	36%	**74,99,89,001**	**54,99,83,037**
Paid-Up Capital	0%	18,80,28,858	36%	18,80,28,858	13,80,28,858
Retained Earnings	40%	52,37,58,968	67%	37,52,39,306	22,52,33,342
Reserves	0%	18,67,20,837	0%	18,67,20,837	18,67,20,837
Non-Current Liabilities	2%	**3,20,76,746**	2%	**3,15,20,746**	**3,08,55,746**
Non-Current Liabilities	2%	3,20,76,746	2%	3,15,20,746	3,08,55,746
Current Liabilities	50%	**49,14,09,048**	52%	**32,86,66,802**	**21,56,79,516**
Trade and Other Payables	0%	1,97,81,672	1%	1,98,02,432	1,96,57,432
Short Term Loan	59%	43,66,03,657	72%	27,49,66,545	15,96,60,684
Liabilities for Expenses	0%	79,03,185	-42%	79,03,185	1,35,23,023
Vat Payable	7%	1,70,23,945	25%	1,58,93,071	1,27,28,643
Other Liabilities	0%	1,00,96,589	0%	1,01,01,568	1,01,09,735
Total Equity and Liabilities	28%	**1,42,19,94,457**	39%	**1,11,01,76,549**	**79,65,18,300**

Current Asset: Current Asset Growth rate is 51% & 30% at 2023 and 2024 respectively. Growth rate pace is not consistent with same level. As we see Current Asset 2023 growth rate was 51% but in 2024 growth rate reduced to 30%. The reason for decrease total current asset is decrease of trade and other receivable, FDR and other Deposit, Bank Deposit significantly.

On the other hand Cash and Cash Equivalents increased 501% which impact significantly in total current asset.

Fixed Asset: Fixed Asset increased 14% & 25% at 2023 and 2024 respectively. The growth rate of fixed asset is increasing in last two years. It is good for CG as Asset value indicate the company's actual value. More fixed asset will bring more financial benefit for long term purpose. In 2024 Cosmos invest in land and buildings and Office Equipment that's why Land and buildings and Office equipment increased 380% and 192% respectively.

Investments Mozzaria Ltd.: CG invested in Mozzaria Ltd which is a big Chinese restaurant. Mozzaria Ltd was liquidated in recent years. But CG didn't give proper entry to eliminate the asset. That's why Mozzaria Ltd. investment still in CG's financial position without changing the value. I gave suggestion to management to eliminate the investment amount from financial position. And they have agreed with me to eliminate the investment amount from financial position.

Equity: CG's equity growth is 20% & 36% at 2024 and 2023 respectively. Equity increased as profit retention added in retained earnings in financial position. The retained earnings increased in financial position 67% & 40% at 2023 and 2024 respectively.

Long-Term Liabilities: Long term liability increased in same level 2% at 2024 & 2023. So there is no significant changed in Non-Current liabilities.

Current Liabilities: Current Liability increased by 50% & 52% at 2024 and 2023 respectively. The increasing growth rate is similar in both years. Current Liabilities is increasing which is not good for company. On the other hand it is good for company that company's working capital requirement become lower. And working capital cycle days reduce as payable days increase for not payment.

5.3 Financial Capability of Cosmos Group

Cosmos Group contains strong financial backup by its Long-Term Investment. CG has short term investment to maintain any short term cash shortage. CG financial capability is strong to go for diversification and other long term investment. CG is doing profit every year. Cash flow is good. And current asset is good. Most of the ratio indicates that financial situation of CG is better. All of this analysis and other situation indicate that CG has no going concern threat.

Chapter: 06

Analytical Review

An Analytical Review of Financial Statement

6.1 Ration Analysis

Ratio analysis provides only a single snapshot, the analysis being for one given point or period in time. Financial ratios, calculated from the information of financial statement that are used to analyze a past financial performance. Financial ratios seldom provide answers rather they provide the basis for asking the right questions about a firm's financial performance. Financial ratios can be classified according to the information they provide. The following types of ratios frequently are used:

1. Liquidity ratios
2. Leverage ratios
3. Activity ratios
4. Profitability ratios

6.2 Liquidity ratios:

Liquidity ratios are the first ones to come in the picture. These ratios actually show the relationship of a firm's cash and other current assets to its current liquidities. The liquidities picture of 'CG' is shown below:

6.2.1 Crurent ratio:

$$\text{Formula} : \frac{\text{Current assets}}{\text{Current Liabilities}}$$

Year	Calculation	Ratio
2024	1,14,43,38,811/ 49,14,09,048	2.33
2023	88,12,26,323/ 32,86,66,802	2.68
2022	58,18,56,276/ 21,56,79,516	2.70

Analysis: CG Current ratio is above standard level. Current Ratio standard is 2:1. CG's Current ratio indicates that CG has strong financial capability to maintain business. On the other hand CG's current ratio is decreasing every year but the decreasing trend is too little. In last three years data shows that CG's current asset is greater than current liability. It has 2.33BDT current asset against 1BDT of current liability in 2024. And previous two years current ratio is higher than 2024. It indicates that CG has strong financial position. On the other hand it indicates too overtrading of business.

6.2.2 Quick Ratio:

$$\text{Formula} : \frac{\text{Current Assets - (Inventories + Painting purchase)}}{\text{Current Liabilities}}$$

Year	Calculation	Ratio
2024	1,11,56,87,573 / 49,14,09,048	2.27
2023	85,42,57,172 / 32,86,66,802	2.60
2022	55,57,22,928 / 21,56,79,516	2.58

Analysis: the Quick Ratio is above standard level which is 1:1. Quick ratio measures the immediate ability to meet its current debts. Quick Ratio of CG is near the current ratio of this company. It indicates that company's financial ability to meet short-term liability is very strong. CG has enough cash to meet its current liabilities. Quick ratio measures current asset without considering the stock or inventory of this company. In this aspect cosmos stock is gold and painting purchase from two separate companies. Cosmos Stock comes from only one single entity "Pearls Paradise (Pvt.) Ltd" and Painting purchase comes from another single entity "Cosmos Gallery". CG has another 11entity they have no physical stock or commodity that is why Cosmos Quick ratio is not so much differ from current asset.

LIQUIDITY RATIO

Year	2024	2023	2022
Current Ratio	2.33	2.68	2.70
Quick Ratio/Acid Test ratio	2.27	2.60	2.58

6.3 Leverage ratio

A leverage ratio is any one of several financial measurements that look at how much capital comes in the form of debt (loans) or assesses the ability of a company to meet its financial obligations. The leverage ratio category is important because companies rely on a mixture of equity and debt to finance their operations and knowing the amount of debt held by a company is useful in evaluating whether it can pay its debts off as they come due. Financial leverage ratios are used to judge a firm's ability to meet long-term obligations. The leverage ratios of 'CG' are shown below:

6.3.1 Debt Equity ratio:

$$\text{Formula: } \frac{\text{Long Term Debt}}{\text{Equity}} \text{ X } 100\%$$

Year	Calculation	Ratio
2024	3,20,76,746/ 89,85,08,663	3.57%
2023	3,15,20,746/ 74,99,89,001	4.20%
2022	3,08,55,746/ 54,99,83,037	5.61%

Interpretations: The Debt Equity ratio indicates that CG is a low gearing company. Gearing ratio of CG is decreasing every year. CG has only 3.57% debt against total equity of CG at 2024. Long term debt of CG is very low. It is indicates strong financial capability to meet up long term objective of companies.

6.3.2 Debt to total assets:

$$\textbf{Formula: } \frac{\text{Total Liabilities}}{\text{Total Assets}} \textbf{ X } 100\%$$

Year	Calculation	Ratio
2024	52,34,85,794/ 1,42,19,94,457	37%
2023	36,01,87,548/ 1,11,01,76,549	32%
2022	24,65,35,262/ 79,65,18,300	31%

Interpretations: Debt to total assets shows the proportion of total assets financed by debt. The debt ratio is increasing every year, it means that CG is going to debt reliable company if consistently increase debt portion on asset. Debt ratio of 2024 is 37% that means CG has financed 37% from loan on capital employed.

6.3.3 Equity ratio:

$$\textbf{Formula: } \frac{\text{Total Shareholder's Equity}}{\text{Total Assets}}$$

Year	Calculation	Ratio
2024	89,85,08,663/ 1,42,19,94,457	63%
2023	74,99,89,001/ 1,11,01,76,549	68%
2022	54,99,83,037/ 79,65,18,300	69%

Interpretations: The shareholder equity ratio shows how much of the company's assets are funded by equity shares. The equity ratio of CG is declining every year. It indicates that CG has funded by debt 69%, 68% and 63% at 2022, 2023 and 2024 respectively. There is another concern for CG that CG has funded by short term debt. Because CG debt equity ratio is very low such as: 3.57%, 4.2% & 5.61% at 2024, 2023 and 2022 respectively.

6.3.4 Interest ratio:

$$\text{Formula: } \frac{\text{EBIT}}{\text{Interest Expenses}}$$

Year	Calculation	Ratio
2024	23,03,80,179/ 18,88,391	122
2023	23,19,76,440/ 11,98,035	194
2022	12,17,44,752/ 12,87,216	95

Interpretations: The interest coverage ratio measures how many times a company can cover its current interest payment with its available earnings. In other words, it measures the margin of safety a company has for paying interest on its debt during a given period. The interest coverage ratio is used to determine how easily a company can pay their interest expenses on outstanding debt. CG overall interest ratio is better. As CG long term debt is too low that's why interest ratio or interest coverage ratio is good. CG has 122 times earnings to pay their current interest. So, we can tell that CG interest ratio and financial position is good.

Leverage Ratio

Year	2024	**2023**	**2022**
Debt Equity ratio	3.57%	4.20%	5.61%
Debt to total assets	37%	32%	31%
Equity ratio	63%	68%	69%
Time interest earned ratio	122	194	95

6.4 Activity Ratio

Activity ratios are used to measure how efficient the firm uses its resources to generate sales. Activity ratios are a category of financial ratios that measure a firm's ability to convert different accounts within its balance sheets into cash or sales. Activity ratios measure the relative efficiency of a firm based on its use of its assets, leverage, or other similar balance sheet items and are important in determining whether a company's management is doing a good enough job of generating revenues and cash from its resources. The level of a firm's investment in assets depends on many factors.

6.4.1 Inventory turnover days:

$$\text{Formula: } \frac{\text{Inventories}}{\text{Cost of Goods sold}} \text{ X 365 days}$$

Year	Calculation	Days
2024	1,85,97,670/ 49,67,100*365	1,367 Days
2023	1,95,31,346/ 57,74,679*365	1,235 Days
2022	2,03,41,173/ 37,90,759*365	1,959 Days

Interpretations: Inventory days are decreasing every year which is good for company. But Inventory day's is extremely excessive compare with industry level. Although Pearls Paradise (Pvt.) Ltd. sells Gold, Pearls and Stone, these type of items is very slow moving items that's why inventory days is more than compare with other industry. CG contain inventory only in Pearls Paradise (Pvt.) Ltd which is already discussed earlier.

6.4.2 Receivable collection period:

$$\text{Formula: } \frac{\text{Receivables}}{\text{Total sales}} \text{ X 365}$$

Year	Calculation	Days
2024	8,77,68,145/ 78,26,02,047*365	41
2023	11,32,13,076/ 61,91,37,915*365	67
2022	9,13,25,713/ 49,79,39,604*365	67

Interpretations: Receivable Collection period reduced in 2024 excessively, which is good for company. Previous two years cosmos has same level of receivable collection period of 67 days. It indicates that CG's management are very active to collection their receivable amount. As a service oriented company mainly CG maintained good relation with their customer. And receivable collection teams are very active to settle transaction with customers. CG should continue the process and maintain the same receivable days for long run.

6.5 Profitability Ratio

Profitability ratios consist of a group of metrics that assess a company's ability to generate revenue relative to its revenue, operating costs, balance sheet assets, and shareholders' equity. Profitability ratios also show how well companies use their existing assets to generate profit and value for shareholders. Higher ratio results are often more favorable, but ratios provide much more information when compared to results from other, similar companies, the company's own historical performance, or the industry average.

6.5.1 Net profit margin:

$$\textbf{Formula:} \quad \frac{\text{Profit after Taxes}}{\text{Sales}} \times 100\%$$

Year	Calculation	Ratio
2024	14,85,19,662/ 78,26,02,047	19%
2023	15,00,05,964/ 61,91,37,915	24%
2022	7,82,97,398/ 49,79,39,604	16%

Interpretations: Net profit of CG is increasing from 2022 though at 2024 reduced net profit margin from previous year. Net profit margin of CG is overall well. Cosmos Group maintains steady profit margin over the period. This is recommended to CG to maintain the net profit margin in this same level.

6.5.2 Operating expense ratio

$$\textbf{Formula:} \quad \frac{\text{Expense}}{\text{Sales}} \times 100$$

Year	Calculation	Ratio
2024	55,22,21,869/ 78,26,02,047*100	71%
2023	38,71,61,475/ 61,91,37,915*100	63%
2022	37,61,94,852/ 49,79,39,604*100	76%

Interpretations: Expenses of operating other than finance cost is 76%, 63% and 71% at 2022, 2023 and 2024 respectively. It indicates that sales income is consumed in operating expenses by 76%, 63% and 71% at 2022, 2023 and 2024 respectively.

6.5.3 Asset turnover ratio:

$$\text{Formula: } \frac{\text{Net Income}}{\text{Average total assets}} \times 100$$

Year	Calculation	Ratio
2024	78,26,02,047/ 1,26,60,85,503*100	62%
2023	61,91,37,915/ 95,33,47,424*100	65%
2022	49,79,39,604/ 76,11,90,775*100	65%

Interpretations: The firm's return on Asset is almost stable for three years period. But in 2024 CG's asset turnover ratio slightly reduced from previous two years. It indicates that company's net income is 65% of total asset. A higher ratio is favored because there is an implication that the company is efficient in generating sales or revenues. A lower ratio illustrates that a company is not using the assets efficiently and has internal problems. So Cosmos Group asset turnover ratio indicates strong efficiency of internal controls.

Profitability Ratio

Year	2024	2023	2022
Inventory turnover days	1367 Days	1235 Days	1959 Days
Receivable collection period	41 Days	67 Days	67 Days
Net profit margin	19%	24%	16%
Operating expense ratio	71%	63%	76%
Return on total assets	62%	65%	65%

Chapter: 07

Findings & Recommendation

7.1 Findings of Cosmos Group:

- Profitability is the indicator of success or failure of a company. Profitability trend is almost stable of Cosmos group.
- The total profitability of CG was average from 2022 to 2024, so it should be increased by using efficient management.
- Activity ratios are not much impressive in case of Cosmos Group, particularly close attention should be decrease in such areas as inventory turnover, average collection period and asset turnover.
- Leverage is the ability of a company to increase the Earnings of the firm by using debt capital. Cosmos Group long term debt capital is less compare to current liabilities.

Here this ratio indicated that the CG is a good growing company & if they maintain the relative cost in operating then CG will be a good position in the near future.

7.2 Recommendations to Cosmos Group:

- Cosmos Group should maintain balanced liability both long term and short term. Cosmos Group is maintaining more short term debt compare with long term debt. Short term debt is more risky instrument rather than long term debt.

- Working Capital cycle should maintain in moderate level. Company should always try to minimize the working capital cycle period.

- Cosmos Group sales income has increased than previous year. But profitability margin reduced from 24% to 19%. Management should focus on cost reducing strategy especially administration and other overhead cost to maintain profitability growth.

- Cosmos Group should focus on competitor strategy to maintain their market growth as well as profitability.

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