



Cooperative Education Report

An Internship Report on “Accounts and Financial Activities of Rastriya Banijya Bank Limited”

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Abstract

The goal of this study is to study the financial activities of how the Accounts Department of Rastriya Banijya Bank Limited is conducted. The main objectives include: (1) to understand the accounting concept, (2) to keep complete records of every financial transaction systematically and scientifically, (3) to present data with the help of accounting entries.

Every business transaction causes at least two changes in the financial position of business concern at the same time - hence, both the changes must be recorded in the books of accounts. Otherwise, the books of accounts will remain incomplete and the result ascertained therefore will be inaccurate. The fundamental principle of double entry system lies in analyzing these two changes (parties) involved in business transactions and properly recording of both the changes in the books of accounts. There is no exception to this principle. If a complete picture of the transactions is to be reflected through books of accounts, the double entry system must be duly observed. Otherwise the books of accounts will fail to provide complete information.

The results found that RBB follows a double entry system which records the transaction in a scientific and modern way. This system is highly systematic and follows certain rules and principles so it is easy to find the information about a particular transaction or account quickly when it is needed by owners, management, accountants, or the other employees.

Keywords: *Accounts Department / Double Entry System / Daybook*

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Acknowledgement

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I extend my deepest gratitude to our supervisor for his support, encouragement, motivation, and help throughout the dissertation work. I am thankful to Siam University and Kathmandu College of Management for providing me with the opportunity to allow us to perform a practical field work.

I express my gratitude to Siam University, to perform the practical activities in such esteemed organization **Rastriya Banijya Bank Limited** as an intern. The internship program was made for twelve weeks, which included various tasks and learning that verged to be meaningful towards my career in banking. I express my sincere gratitude to Mr. Bimal Dangol, Mr. Arjun Kumar Pokhrel, and Mr. Madhav Pant, intern supervisor for supervising me throughout my internship period.

I am very grateful to all the staffs of Rastriya Banijya Bank Limited for their kind cooperation and help during internship period. At the same time, I am also grateful to all those who guided me and helped me in getting an insight into the functioning of different departments. All the employees of Rastriya Banijya Bank Limited were highly supportive and motivating which made it even easier to cope with the working environment and to gain practical experience and learn lessons.

Finally, I would also like to thank all the concerned people, my supervisor, family members, and colleagues for their precious time, valuable suggestion and their countless help during my internship period. I perceive this opportunity as a big milestone in my career development. I will strive to use skills and knowledge in the best possible ways which I gained by working as an intern in this bank.

Jaya Shrestha1

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Chapter 1

Introduction

1.1 Background

Nepal has its own financial position and sectors which consists of banking and non-banking sectors. Nepal Rastra Bank and other commercial banks come under banking sectors whereas finance companies, development banks, financial institutions and NGO's involved in banking activities come under non-banking sectors. (Rawal, 2002)

An internship program is an excellent way to prepare students to know about the practical way to deal with the things learnt and develop skills. This program is a 12 weeks training period where students get to learn, understand real business problems and way to handle it. As an intern, I got a chance to work in banking sector in Rastriya Banijya Bank Limited and know about the banking activities and learned to handle it effectively. I was selected as an intern by HR department (Head office) in its Head Office located at Singhadurbar Plaza, Kathmandu. I joined the bank as an intern on February 20, 2018.

RBB has the best environment to learn about the banking applications for the interns. I, as an intern got a good platform to broaden my knowledge regarding banks basic concept whereas the bank is also benefited by the proper utilization of the interns as the extra human resources to help operate the activities of bank. Also, interns act as an informed source to market and promote the banks products/services that's also an added advantage for the bank. As an intern, I got to experience good, practical exposure of the theoretical knowledge. As beginners the internship program proved to be a good warm up for our careers.

Organization selection

Internship program is considered to be very important as it provides opportunity to explore business world and gain practical knowledge. It is very tough phase to select organization for an internship. Among various business sectors, we found banking sector fruitful for our internship. Banking sector matches the requirement and gives opportunity to learn about banking sector. For the internship program, I selected RBB as it was one of the leading banks and I was confident that working as an intern in RBB would be very fruitful.

Placement

The internee submitted all the necessary documents to the human resource department in head office of Rastriya Banijya Bank and was placed in head office of the bank. During the course of internship, the internee was placed in several

sections of the finance department. Throughout the internship period internee got an opportunity to deal with a sort of banking issues prevailing in different departments.

Duration

The duration of the internship was set to 3 months starting from 20th February to 25th May. Timing of the internship was from 10.00 AM to 5:00 PM and it was from Sunday to Friday except in days of public holidays. During this period, placement was made at various departments of the bank such as, Balance Certificate, Daybook section, NRB section and Central Store section under Finance department. However, the specific area of focus was daybook section under finance department where internee was required to summarize the ending balance in revenue and expense accounts and verify that the aggregate amounts match the revenue and expense total in Pumori System. Internee spent most of the time of internship on totaling the expense and revenue columns and verifying that the amounts match the respective items on the voucher and Pumori System. This internship program has been very fruitful for an internee to get real life experiences of the banking activities of the organization.

1.2 Company Profile

Rastriya Banijya Bank Limited (RBB) is the second pioneer bank of the country that provides an exceptional and competitive banking service to the Nepali market since its establishment. Rastriya Banijya Bank Limited is a fully government owned, and one of the largest commercial bank in Nepal. RBB was established on January 23, 1966 (2022 Magh 10 B.S.) under the RBB Act 2021 with an initial authorized capital of 1 crore. It was inaugurated by late king His majesty King Mahendra Bir Bikram Shah Dev. Now, the bank is running under Bank and Financial Institution Act 2063. Its banking operation started through 7 branches covering 7 districts and 7 zones. With its head office located at Singhadurbar, Kathmandu, RBB has been a pioneer in Nepalese banking sector for more than 50 years. With its tag line “Yours Own Bank”, RBB is one of the market leaders and the largest banking sector of Nepal which is almost successful to connect its banking service in urban to rural area of the country. (Introduction of Rastriya Banijya Bank, n.d.)

Being the second oldest bank of the Nepal, the Bank has currently entered into 52 years of service. RBB provides various banking services to a wide range of customers they include elite to poor individuals, institutional customers, and the customers from industry or business communities. RBB has been contributing to socio economic development of the country for the last five decades. It has been able to enlarge the so-called boundary of the bank as an institution of accepting money and granting loan to one of the major financial institution for providing advice and assisting government to ensure the financial prosperity in the nation. The Bank with

2600 hands has expanded its wings in the most part of the country through multiple distribution outlets of 186 branches, 17 counters, 28 branchless banking (BLB) and 72 ATMs. Through its widest branch and ABBS network RBB has been catering modern Banking services to millions of customers all over the Nepal. RBB has many correspondent arrangements with major international banks all over the world that facilitate trade finance, bank-originated personal funds transfers and interbank funds transfer via SWIFT. In a bid to promote remittance business, RBB works with CG money remit, Prabhu Money Transfer, Express Money Services Limited, Instant Cash Global Money Transfer, Ez Remit, Western Union and International Money Express. The bank has also played a crucial role for the development of financial sector i.e. bank, insurance companies through its promoter's role. As a second commercial bank of the country, the bank has been contributing in the trade, industry, hydropower and agricultural sector of the country. Health and Education sector are also benefitted through its disbursement. The bank is also in the frontline towards fulfilling corporate social responsibility. The bank has been working as a development partner by acting as a fund administrator of Poverty Alleviation Fund (PAF). The bank has made significant contribution in the development of private sector either by loan disbursement or by active participation in the fairs organized by industrial and business communities.

Organization's missions, vision and objectives

Mission is the only reason why the organization is able to exist. Vision represents where the organization wants to be in future and objectives are short term operating goals. The mission, vision and objective of the organization are stated below:

Vision: To provides innovative banking services to everyone, every time and everywhere for the economic development of the nation.

Mission: To provide easy and innovative banking products and services for our customers by implementing one stop service concept from our wide network using our modern technology qualified human resources in competitive environment. We always look for the benefit of the local communities supporting entrepreneurship, social responsibility and economic prosperity of the nation. (Introduction of Rastriya Banijya Bank, n.d.)

Major objectives of organization

The main objective of RBB is to provide banking services to the people in general of the country thereby enhancing their economic interest and facility as well and contributing in the socio-economic development of the country.

The objectives of the RBB are as follows: -

1. Sustainable increase in profits
2. Focus on empowerment of deprived class

3. Focus on providing innovative financial services
4. Increase in capital base of the bank by meeting the minimum capital requirement
5. Business growth and increase in market share
6. Enhance operational efficiency
7. To facilitate lending at productive sectors and SMEs

1.3 Organization and structure

Organizational structure reveals lots of about the organization. An organizational structure is a formal, guided process for integrating the people, information and technology of the bank. It is used to match the form of the bank as closely as possible to the purposes the bank seeks to achieve. It consists of activities such as task allocation, coordination and supervision which are directed towards the achievement of bank's aims. It can also be considered as the viewing glass or perspective through which individuals see the bank and its environment.

The Board of Directors (BOD) is the head of the Rastriya Banijya Bank. They are responsible for policy making and guidance to the management. The government nominates all board members including the chairman. The executive power is vested in the Chief Executive Officer (CEO). CEO is the highest-ranking corporate officer or administrator in charge of total management of the bank. An individual appointed as CEO reports to the BOD. He/she has the responsibility to act as a communicator, decision maker, leader, manager and executor. He/she advises the Board of Directors, motivates employees, and drives changes within the bank. As a manager, the CEO presides over the bank's day-to-day, month-to-month, and year-to-year operations.

RBB has 19 departments in its head office that are operating under the Deputy General Manager. There are 5 regional offices across the five development regions of the country. The Branch Operation Department is responsible for supervising the 160 branch networks. The Internal Audit Department monitors the work of the branches and regional offices. (Rastriya Banijya Bank)

RBBL has the largest branch network in Nepal, covering 66 branches in the mountainous region, 69 in Terai region, and 23 in the Kathmandu Valley. The Branch Operations Department is responsible for supervising the 186 branch network. The Internal Audit Department monitors the work of the branches and regional offices. The organizational structure of RBB is presented below:

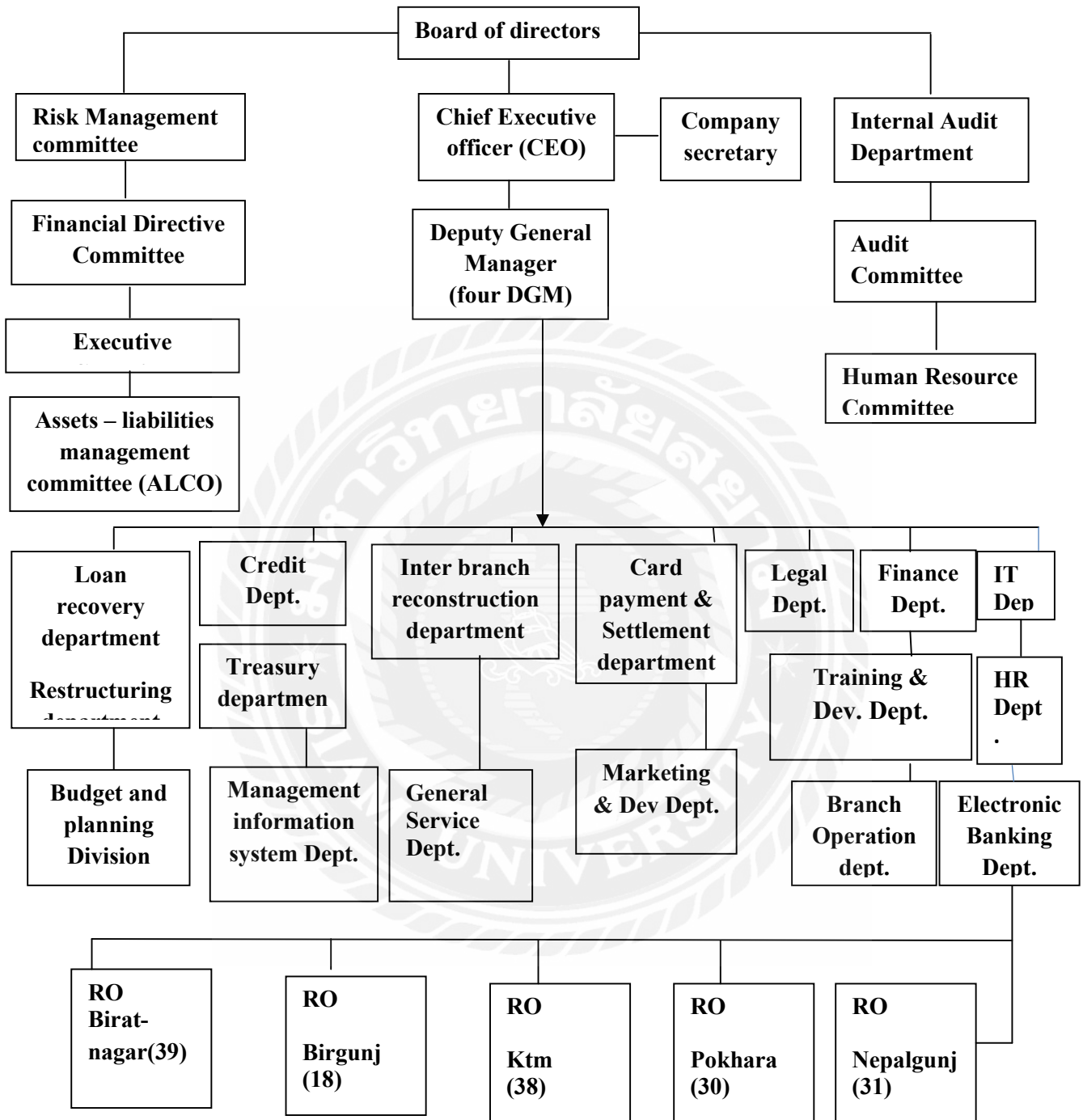


Figure 1: Organizational Structure of RBB

1.4 Statement of the report

For an organization to be regarded as successful, it must have a good decision making policy. The decision making policy enables management to anticipate a future problem and difficulties through the use of accounting information as well as employing corrective measures at early stages.

Accounting is called “the language of business” as it communicates so much of the information that owners, managers, and investors need to evaluate a company’s financial performance. These people are all stakeholders in the business—they are interested in its activities because they are affected by them. In fact, the purpose of accounting is to help stakeholders make better business decisions by providing them with financial information. Thus, accountants make sure that stakeholders understand the meaning of financial information, and they work with both individuals and organizations to help them use financial information to deal with business problems. Accounting is the process of summarizing, interpreting and communicating financial transactions. Actually, collecting all the numbers is the easy part—today, all you have to do is start up your accounting software. The hard part is analyzing, interpreting, and communicating the information. Of course, you also have to present everything clearly while effectively interacting with people from every business discipline. (Libraries)

Hence, this study has been made to evaluate how RBB is employing accounting system for their business. Depending on the data provided by the accountants, the management takes critical business decisions. Accountants gauge the financial situation and further communicate the information to the relevant authorities. It is found out that accounting uses bookkeeping information to analyze and interpret the data and then compiles it into reports.

1.5 Objectives of the study

Broad Objectives

To understand the functional activities of how the Accounts department is conducted within the organization which change the work activities and success of the academic work and their achievement for the organization based on academic related programs.

Specific Objectives

- To get better understanding of the financial activities carried out by the finance department
- To understand the function of Accounts department of RBB
- To gain practical insight of the real working conditions.

- To acquire sound knowledge about the organization's policies and principles.
- To know about the operating procedures of different departments in general.
- To know about the different strategy of RBB and how is it successful in dealing with its customers.
- To help to develop the managerial skills within ourselves to be successful managers in future.
- To be familiar to the banking practices, rules and regulations of banking system of Nepal.

1.6 Expected outcomes

This internship study has helped me get a better understanding of how RBB is employing accounting system for their business. Depending on the data provided by the accountants, the management takes critical business decisions. Accountants gauge the financial situation and further communicate the information to the relevant authorities. It is found out that accounting uses bookkeeping information to analyze and interpret the data and then compiles it into reports.

RBB uses double entry system to record the financial transactions. This system recognizes that every financial transaction has two aspects. It follows the principle of double aspects by debiting and crediting the transactions. Every transaction has two fold affect i.e. debit and credit. Similarly, the debit amount should be equal to credit amount. Thus, the same amount should be on debit and credit. In double entry book keeping system, the receiving of benefit is entered on the credit side. With the help of this system, the arithmetical accuracy of recorded financial transaction is also checked by preparing a summary called trial balance. (Scribd)

Thus, this system keeps the complete records of every transaction systematically and scientifically. With the help of this system, a profit and loss account can be prepared easily, which helps to ascertain the results of business operation i.e. loss and profit of the bank. It also prepares balance sheet by providing details assets and liabilities of the bank which helps to present the financial position of the bank. Under this system, separate recording is made for each year's transactions. Therefore it facilitates comparison of one item of one year with similar item of the previous year and helps to know its progress from year to year. Similarly, in this system a transaction is recorded in two places i.e. accounts. Thus it reduces the possibilities of frauds, errors and manipulation of accounts. It also provides specific technique to reveal the accounting errors and specify proper method of rectification. On the other hand it also facilitates rational decision making by providing appropriate financial data at appropriate time.

Under this system necessary statistics are easily available so that the management can take appropriate decision and run the business efficiently. All the necessary details about a transaction can be obtained quickly and easily. Sale, purchase of goods, stock, revenue, expenses and profit or loss of different years can be compared and the success or failure of the business measured. Thereafter the causes of failure can be found out and necessary remedial measures taken to ensure success of the business. (Boyd, 2017)

On the contrary, data entry system presents a complete record of transactions. It records all the aspects of every transaction which reveals a complete and clear picture of RBB. Furthermore, this system records transactions which are made systematically, using a set of principles and thus, can be said a scientific system of recording.

1.7 Limitations of the study

This study has been prepared on the basis of observations and experience gained during internship period. It is confined only in the Finance Department. The following are the limitations of the study:

- The bank's policy on keeping some matters confidential prevented from analyzing different activities.
- The interpretation and conclusion were drawn within the limitations of individual's knowledge and judgment abilities and on the basis of data provided and other published and unpublished sources. So it may lack the professional and expert touch.
- This study takes into consideration only about general activities and does not include the minor details about each and every activity performed in the bank due to the time constraint.
- The study of such a short course of time is not free from limitation. So time limitation is the main point of limitation.
- At the beginning of internship it was tough for me to understand the environment of work.
- Working in a practical banking environment is different from academic knowledge.
- Employers are too busy with their desk work so they have less time to make the intern understand the desk job and information.
- Learning all the banking functions within just three months was really tough.

Chapter 2

Literature Review

Locus Pacioli, an Italian wrote a first book on *double entry system* in 1494. It is regarded as the best and the only scientific method of accounting system universally accepted throughout the world. It has been built on well defined rules and principles which is the foundation of modern accountancy. The fundamental principle of double entry system lies in analyzing the two changes (parties) involved in business transactions and properly recording of both the changes in the books of accounts. There is no exception to this principle. If a complete picture of the transactions is to be reflected through books of accounts, the double entry system must be duly observed. Otherwise the books of accounts will fail to provide complete information and the very objective of accounting will be defeated. Every business transaction causes at least two changes in the financial position of a business concern at the same time - hence, both the changes must be recorded in the books of accounts. Otherwise, the books of accounts will remain incomplete and the result ascertained therefore will be inaccurate. For each debit there will be a corresponding credit entry of an equal amount. Conversely, for every credit entry there will be a corresponding debit entry of an equal amount. So, the system under which both the changes in a transaction are recorded together - one change is debited, while the other change is credited with an equal amount - is known as double entry system (Averkamp, n.d.).

According to one widely quoted definition, accounting is “the process of identifying, measuring and communicating economic information to permit informed judgments and decisions by users of the information. In confirming to this definition, the objective of public sector accounting, too, is to provide information that will be useful in decision making by users of the information. Business accounting has long used a double-entry bookkeeping and a pair of financial statements derived from this system, and efforts continue to be made to reflect accounting information useful in decision making as far as possible within the conventional framework. Not having adopted double entry bookkeeping, public sector accounting is likely unable to determine what kind of accounting information is useful for decision making. Bookkeeping is necessary to fulfill this fundamental role of accounting, and bookkeeping itself comes in two varieties, single-entry bookkeeping and double-entry bookkeeping, depending on the accountability required. There are various interpretations on the differentiations between the two but, as a matter of format, single-entry bookkeeping maintains records based entirely on quantitative data (including monetary amounts) and does not offer a means of verification through cross-checking of records because the units of measure differ by the type of resources.

By contrast, double-entry bookkeeping uses dual aspect recording based on monetary amounts and enables verification of ledgers via the principle of equilibrium. (HARA, 2006)

Double entry system of accounting is one which reports business transactions in such a way that each entry is recorded twice – first as a debit and second as a credit. This system was originally developed to reduce mistakes associated with bookkeeping because at the end of the day, it is expected that the sum of the debit side should be equal to that of the credit side otherwise, something must have gone wrong somewhere. Double entry has substantial advantages over the uncoordinated methods used earlier in the sense that it emphasizes the dual nature of every business transaction – for every debit entry there must be a corresponding credit entry. It provides the basis for the comprehensive and order recording of the financial aspects of the transactions of a business, affords a means of proof of accurate accounting through the equality of total debit and credit entries, and by the integration in the ledger of personal, real and nominal accounts, provides material for the development of statements of profit and loss, and of equity, assets, and liabilities. (Schmidt, 2018)

The double entry system used all over the world is no doubt, attributable to the wonderful work of Pacioli in 1494. The double entry system, according to Mike & Fred (1983) was developed to ensure that every transaction has equal and opposite reaction. The historical evolution of double entry system of accounting provides an explanation to most of the important events that characterized the rise of double entry bookkeeping and the development of modern accounting. It will increase the ability of potential accountants and others who are interested in the accounting discipline to make their judgments on a broader and more informed basis. (Ovunda, 2015)

Chapter 3

Methodology

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3.1 Activities or functions performed during the internship

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1. Daybook Department

It refer to the accounting of original entry in which different transactions such as income and/or expenses are entered on daily basis as they occur for later posting to an appropriate ledger. Bank day book is called as bank journal or bank book also. Bank vouchers are prepared relating to all payment or receipts through bank then these vouchers are recorded in bank book. Bank book is divided into two parts i.e. income side and expense side. Expense side is called as debit side of bank book and the income side is called the credit side of bank account. All bank payment vouchers or cheque payment voucher are recorded in debit side and all bank receipt or cheque receipt vouchers are recorded in credit side. Contra vouchers relating to bank are also recorded in bank book. If the cash is withdrawn from bank then the voucher is written in the payment side of bank book if the cash is being deposited into bank the contra voucher is recorded in receipt side of the bank book. Suppose, a business firm is having more than two bank accounts then two column or three column bank books can be used. (Wikibooks, 2017)

In absence of day book, no one can get information regarding the net cash inflow and outflow of the bank. Bank cannot operate smoothly and efficiently. So the day book is a proper way to enter the transactions from voucher and further, to make the entries from day book to the ledgers. In RBB (head office) Mr. Arjun Kumar Pokhrel is the assistant manager who looks after the day book department. In the past, the daybook was prepared manually and hence it was difficult to maintain the net inflow and outflow of the bank. But today, due to the development of Pumori accounting software for core banking system, preparation of day book has been easier. The day book is a simple double entry system which is maintained for a financial year. There are different codes assigned to different heading like 1 for liability, 2 for asset, 5 for income and 6 for expenses. These codes actually make recording of different items occurring in bank easier. Apart from codes of asset, liabilities, income and expenses, others codes assigned to different heading for preparation of daybook are as follows:

|

03	Sundry creditors
28	Employee guarantee
29	Employee borrowing
42P	Managers cheque
30	Employee loan
01	Notekosh
02	Bharu karobar
2805400	Govt. transaction
2805600	Old tax income
928180000 928180001 928181000	Adjustment
34	Interest suspense staff loan
1610000	Retention money
16180000	Government pension adjustment
3020500	5-transfer,7-Bill, 8- mix, 6- un transfer
36	ABBS
160415700	Employee G/T NPR
34	Interest income
29	Lending to Employee
28140000	In Transit Accounts
60000000	Expenses calculation
62010000	Salary
62026000	Banking allowance
62026200	Performance allowance
62031000	Provident fund
62038000	Leave encashment
62080000	Overtime
63052000	Others
63220000	Technical/consultancy services
63230000	Power and fuel
63260000	Cleaning expenses
63340000	Local conveyance/ Transportation
621000	Other Employee Benefits
63200000	Entertainment

Table 1: Selected RBB Daybook Codes

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राष्ट्रीय बाणिज्य बैंक लिमिटेड
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT

फा नं. ३८

फण्टा

राष्ट्रीय बाणिज्य बैंक लिमिटेड
कार्यालय

भौचर नं.

जम्मा भौचर

मिति
सा. म. ग.
२०७५ ०२ ०८

लेखा संकेत

खाता शिर्षक *Special Allowance*

रकम ^{पैसा}

अक्षरेपी ह. *दत्तिस हजार ६ सय आसी मात्र*

विवरण *उत्कृति भोत्री, आई (११९६८) लार्ड २०७४ अक्सोज देवती २०७५
वेरनाव महिला समिति वती शुक्तानी शक्को रकम Reverse JNB*

तयार गर्ने नाम

रुज गर्ने नाम

प्रविष्ट गर्ने नाम

संदर गर्ने नाम

Figure 1: Credit Voucher

फा नं. २२

कन्टा

राष्ट्रीय वाणिज्य बैंक लिमिटेड
शाखा कार्यालय

खर्च गौचर

मिति

साल	महिना	गते
२०६५	०२	०८

लेख संकेत

खाता शिर्षक प्रा.व्या.एन. कता

रकम पैसा

अक्षरेपी क एक करोड द्वातेस लाख अठ्ठ हजार द्वाअश चौतेस पैसा चौध

विवरण	ब्रा.अ विभाजको मिति २०६५/०२/०८ च.नं. ६२८ को
	पत्रांकुमार आ.व २०६४/६५ को चौथो त्रैमासको
	प्रा.व्या.एन. कता प्र. दिने वापसी।

तयार गर्ने नाम रजु गर्ने नाम प्रविष्ट गर्ने नाम सबर गर्ने नाम

मोट: मुक्तानी बिनु पर्ने अवस्थामा मुक्तानी लिनेको तही योजना अनिवार्य रुपमा पुराउनु हुन।

Figure 3: Debit Voucher

Activities performed in the Daybook section

- Recording daily inflow and outflow of cash

At first, all the vouchers collected from different sections of finance department are segregated and pinned accordingly. This makes the recording of inflow and outflow of cash easier and quick. All the daily cash inflow and outflow of cash are recorded according to the information of voucher. Also, if there is anything wrong in voucher then the daybook also depicts wrong information although debit and credit items equals to each other.

- Maintaining Daybook

It refers to the accounting of original entry in which different transactions such as expense and/gains are entered on daily basis as they occur for later posting to an appropriate ledger. Different vouchers must be segregated according to the different types of payment and receipt of bank as a whole. The Vouchers must be entered in day books date-wise and on daily basis. To avoid error and inaccuracy, I was asked to maintain day book in a piece of paper.

- Tallying “Dr” and “Cr” items

After recording the debit “DR” amount equals the credit “CR” amount in the piece of paper, it is necessary to check whether the respective amount disclosed in voucher is correct or not from the Pumori accounting software. Also, the balance sheet total is checked from Pumori software to check the total debit “DR” and credit “CR” amount after adding the adjustment.

- Checking the staff liability

While I was doing my internship, there were numerous employees retiring. At the time of retirement, it is necessary to check any outstanding amount towards bank like outstanding of different employee loan, any outstanding tax, interest etc. of the employee. Not only that any amount bank owe to the employees are checked. Thus, employees use to visit day book section as they require the signature of Mr. Arjun Kumar Pokhrel which signifies the approval from daybook section related to the clearance of any outstanding amount from any of the parties i.e. Bank and employees. I learned to check whether there is any outstanding amount or not by entering employee number in Pumori software and checking code 29 for clearance of an outstanding of respective employee loan and employee borrowing. (Bista, 2017)

- **Filing**

A filing system is the central record-keeping system for an organization. In day book section, after entering the vouchers in day books, the vouchers must be filed properly so that it could be used whenever required and for future purpose. After entering transaction and tallying with adjustment I was asked to keep the entire voucher properly in book provided by the bank along with date in the cover which can be used for different purposes like internal auditing, for future reference etc.

- 2. **Balance Certificate**

Bank Balance Certificate is a document issued by the bank stating the amount of money present at the account holder's bank account. This is made to declare that required fund is available in bank with its saving history. (Kathmandu Infosys) It is a financial document signed by authorized bank officials stating how much money an accountholder has in the bank on a particular date.

Activities performed in the Balance Certificate Section

The foremost work before preparing balance certificate is to update the foreign exchange rates in the excel sheet that are posted by the treasury department. I make sure that the required charges for issuance of this certificate are first deposited by the customer. Also, I checked accuracy on the details, like, name of the addressee, accountholder, designated equivalent currency as per the request of the accountholder before issuance of the certificate and signing by the bank officials. Moreover, proper filing of requests of the customer is made.

- 3. **Nepal Rastra Bank Section**

I worked in this section only for one week. Here I was assigned to do the task of databases entry of Pumori transaction, photocopy/ faxing of the important document. Other task performed in this section is given below:

Note Kosh

Note Kosh is a vault maintained in commercial bank by central bank in order to keep Nepalese currency. Generally central bank maintain Note Kosh in commercial bank of the area where there is lack of its own branch for the purpose of helping bank and financial institutions that area for easy fund management or liquidity management. The bank maintaining Note Kosh take certain amount as a charge from central bank. Central bank saves cost and time for fund management by maintaining note Kosh in other bank.

I was asked to run database of RBB in order to enter transaction regarding the Note Kosh. And later the information was about Note Kosh was provided to day book section for matching cash inflow and cash outflow.1



Chapter 4

Results and Discussion

4.1 Learnings

- **Learned different codes**

Daybook is maintained on daily basis respective to the codes assigned to different heading. I learned basic knowledge about debit and credit item to be recorded in daybook along with different code assigned to respective heading. With the knowledge of different codes, I had to record the respective items under particular headings.
- **Knowledge of voucher**

Different types of vouchers are collected in day book section from other different sections. The vouchers related to purchase, sales etc. are provided by bill payment section. The voucher of salary related to employee is provided by salary section. Similarly voucher related to employee loan, pension, NRB transaction, government transaction are provided by employee loan, pension, NRB transaction, government transaction sections respectively. Thus, I got to know about the practical knowledge of the vouchers.
- **General understanding of Nepali terminology used in banking**

As everything has to be written in Nepali vernacular, initially it was difficult to understand the Nepali terminology used in the bank. Hence, through practice and guidance from the supervisor, I had the basic understanding about the meaning of such Nepali terminologies used for recording banking transactions.

4.2 Contributions made during the internship period

Being placed in various section of finance department of the bank, I got the opportunity to gain practical knowledge about the operation procedure of the various departments. While working in these departments, I came across with different problems which were handled and solved efficiently. Problem solved were as follows:

- Difficulty to record debit and credit amounts on voucher does not match with the amount disclosed in the core banking system (Pumori) are solved by learning through practice.
- As all the details were in Nepali, it was hard to understand the terms and terminologies. Supervisor taught me the process to be followed while maintaining the record and made me understand those terms and terminologies.
- Understanding of new terms and technologies by consulting with supervisor in case of any confusion.
- Helped the supervisor in maintaining day book records systematically which were pending from couple of months back.
- Helped the supervisor by checking whether there is any outstanding amount in the name of a particular employee retiring from the service of the bank.
- In daybook department, there was a huge flow of customers which created a disturbing environment. The customers were counseled properly so that both the staffs and the customers have peaceful working environment.

Chapter 5

Conclusions

5.1 Self-assessment as future professional

In the modern education system internship plays a crucial role as the act of mediator for the student to connect the theoretical knowledge with practical working environment. Internship program provides an opportunity to provide practical knowledge along with academic program. Exact to the motive of the internship program during the internship period, I got an opportunity to explore the theoretical knowledge into the real working environment. As an intern I was assigned in various departments for different tasks in the department like day book, balance certificate, central store department, NRB department etc. The main purpose of the internship program is to help the students by allowing them to be practically involved in the activities carried out by the bank on daily basis.

Internship program has provided us an opportunity to gain practical exposure in the real banking world and obtain some experience that acts as a stepping stone before entering into professional world hence, enhancing our personal skill and capacity and developing managerial skills and behavior. This program has helped in improving the people skills, human skills and analytical skills. It has also helped in developing the ability to work under pressure and how to work in a team.

Although the three months internship period was not full enough to understand all the banking system as a whole, but still the period has proved to be very valuable in understanding the practical implications and knowledge exposures. The internship program helped to learn the dynamics of work culture, professionalism and systems in the business world. The intern is able to learn various new knowledge as well as the practical implications of various theoretical knowledge after the three month internship exposure. As a self assessment, the achievements that I gained through this internship are:

- a) Internship program teaches us the importance of time and how important it is in the professional world to follow it.
- b) Developing the capability to handle the work pressure was one of the important skills learned while working in the bank.
- c) Being a partial employee, punctuality was one of the attitudes developed while working in the bank.
- d) Gained practical knowledge of importance of team work and coordination.
- e) Became more socialized while dealing and interacting with customers and colleagues.
- f) Confidence level to communicate and coordinate with customers has gradually increased while working in this organization.

- g) Developed leadership skills and qualities during internship.
- h) Developed problem solving skills, organizational skills, and computer applications skills.
- i) Developed inter-personal skill which enhanced interaction ability.
- j) During internship, computer software and other devices were handled that enhance practical skills.

5.2 Comparison of practical learning VS theory

Being a part of RBB as an intern had been a delightful experience. One can get the practical knowledge along with a chance to improve and learn the skill. One of the most important lessons that I have learnt during the internship period is how to perform various tasks in the disciplined manner. Besides this, I also learned about the working of the general banking transactions and exposure to practical field. An internship experience enables an individual to gain insight knowledge about the practical working environment that an individual gained through theoretical and lecture learning. But in reality, practical learning and theory learned in college are different. This is so because theoretical knowledge involves basic definition, process and steps of any subject whereas a practical learning involves the tools and techniques in order to put that theory into practice.

In universities, we learned about the organizational structure in organization management classes. And the thing I found while doing my internship is that RBB also uses functional structure as well as divisional structure. In functional structure each portion of the organization is grouped according to its purpose. For example, in RBB, it has a CSD department for providing quality services to its valuable customers, further it has separate departments to overlook at different works performed by the bank. On the contrary, RBB also uses divisional structure. The main benefit of this structure is that the needs can be met more rapidly and more specifically, as each division can operate more or less independently for the other division in the bank.

On the other hand, what I found to be relevant during gaining this practical knowledge that matches with the theories learnt in classroom is the advantages of double entry system. RBB is employing data entry system for their business. It records all financial transaction by debiting and crediting the transaction. With the help of this system, one can ascertain profit and loss of the bank. Thus, it further helps to prepare a balance sheet by providing details about assets and liabilities of the business which helps to present the financial position of the business. It also helps to check the arithmetical accuracy by preparing a summary report called trial balance. On the contrary, it reduces errors and irregularities as a transaction is recorded in two places (i.e. accounts). Thus it reduces the possibilities of frauds, errors and manipulation of accounts. The double entry system records transactions in a scientific and systematic manner, thus it provides a reliable record of all

transactions of a business. The results and reports generated by using this system is reliable to great extent for decision making purpose too.

In order to survive in a professional world, both theory as well as practical learning is very important. Theoretical knowledge provides basic information and guidelines where as practical learning provides better understanding on the subject through practical experiences.



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- Kuber Wizz Program (2016-2017)
- 5 days workshop in “Professional Communication” with A-Grade (5-9 December, 2016)
- 4th Annual General Meeting of Civil Bank Ltd. as a volunteer (23rd January, 2015)

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