



Co-operative Education Report

Experience Gained from Internship at Sunrise Appliances Private Limited

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**This report has been Submitted in Partial Fulfillment of the Requirements for
Cooperative Education, Faculty of Business Administration**

Academic Semester 2/2018

Siam University

Title: Experience Gained from Internship at Sunrise Appliances Private Limited

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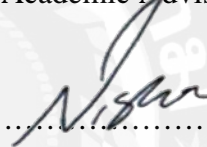
We have approved this cooperative report as a partial fulfillment of the cooperative education program semester 2/2018.

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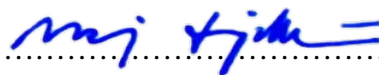
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Degree : Bachelor of Business Administration

Major : Marketing

Faculty : Business Administration

Semester / Academic year : 2/2018

Abstract

This cooperative report entitled Experience Gained from Internship at Sunrise Appliances Private Limited has the goals to share my insight drawn about import and trading company and experience obtained from internship program Objectives of the study include: (1) to gain experience in accounts and operation trading company, (2) to build network, and (3) to see how theoretical knowledge taught in classroom connects with real life world. With the company, the student was assigned to work as accounts assistant in the department of accounts. Main responsibilities of the intern are to deposit and withdraw cash in bank, prepare bill, voucher, receipt, journal. Do filing of bills, journal, LC, import papers, tax papers etc. Find the necessary files as per supervisor instruction. Help the supervisor in making entries in accounting entries. Check stock of products and report to owners Upon the completion of the internship, it is found that the problem was resolved by means of accounting software, past accounting records, proper file management, daily update to stock book as well in excel program. In this matter, student is able to learn more about tax procedure, sales procedure, import procedure, accounting procedure, dealing with clients which is very important for future career development and profession.

Keywords: accounts, import, taxations

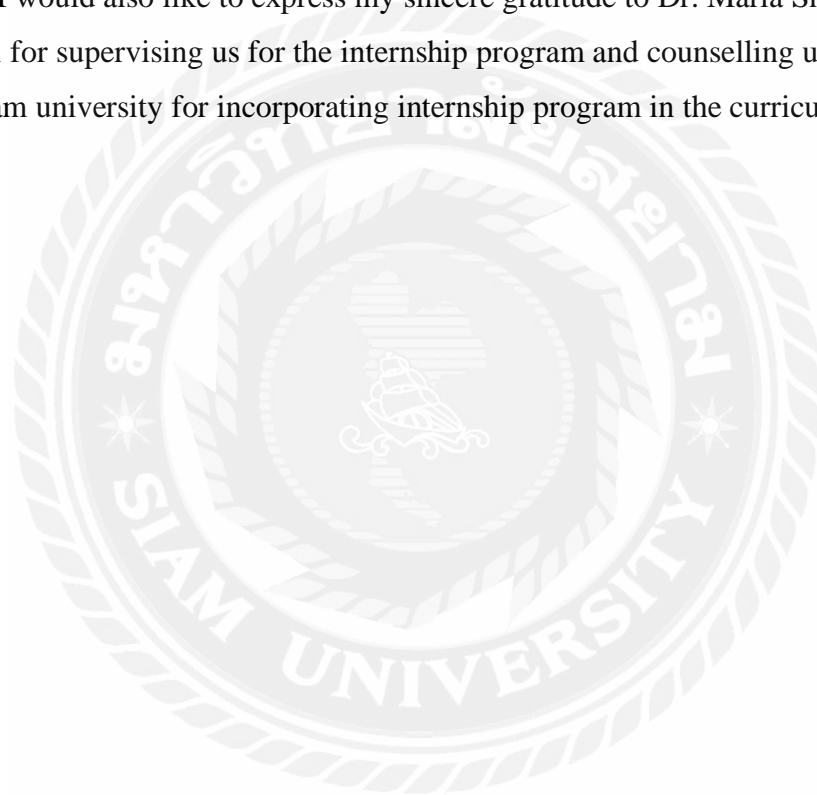
Acknowledgement

The internship opportunity I had with Sunrise Appliances Pvt. Ltd. was a great chance for learning and professional development. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this internship period.

I would like to thank my father for recommending me for internship in the organization and continuously supporting me. I would also like to express my deepest gratitude to owner of the company Mr. Ram Kumar Pokharel and Mr. Naresh Podyel for guiding and teaching me. I would like to thank all the staff members specially Miss Nisha Maharjan for supervising me

Finally, I would also like to express my sincere gratitude to Dr. Maria Shrestha and Dr. Chanatip Suksai for supervising us for the internship program and counselling us. I would also like to thank Siam university for incorporating internship program in the curriculum and supporting us.

Sincerely,
Madhu Goyal



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List of Acronyms

VAT: Value added tax

CTR: Corporate Tax Rate

LC: Letter of credit

GST: Goods and Service tax

EXIM: Export Import code



Chapter 1: Introduction

1.1 Company Profile

Sunrise Appliance Private limited is in electrical home appliance industry. The company imports electrical home appliance product such as T.V, fridge, washing machine, iron, fan etc from India and sell all over Nepal. Company's head office is located in Dharmpath, Kathmandu. Besides this there are three warehouses of the company and one assembly plant. Three warehouses are in head office, Gangobu and Birganj. Company is partnership-based with 3 active partners Mr. Ram Kumar Pokharel, Mr. Naresh Podyel, Mr. Sunil Shrestha and 1 passive partner Mr Jitender Kumar. There are 10 employees in the company. It was founded in 25 January 2005. It imports and sells electronic items such as tv, fridge, fan, iron, mixer, cooler etc. The company trades locally purchased electronic items. It is sole distributor for big companies such as Videocon, tefon, and kenstar products in Nepal. The company uses price penetrating strategy in order to increase its market share. Company started with investment of 1.5 crores. Company does not distribute its profits as dividend among partner but reinvests the profit but in company. The company takes its accounting process very seriously. It uses navigator accounting software as well as manual records of daily transaction. It also maintains support, proof for every transaction there are three people who look after the account department. My expectation from internship is learn about tax procedure, tax laws of Nepal, accounting procedure and software, gain experience in operating trading company.

1.2 Organisational Structure

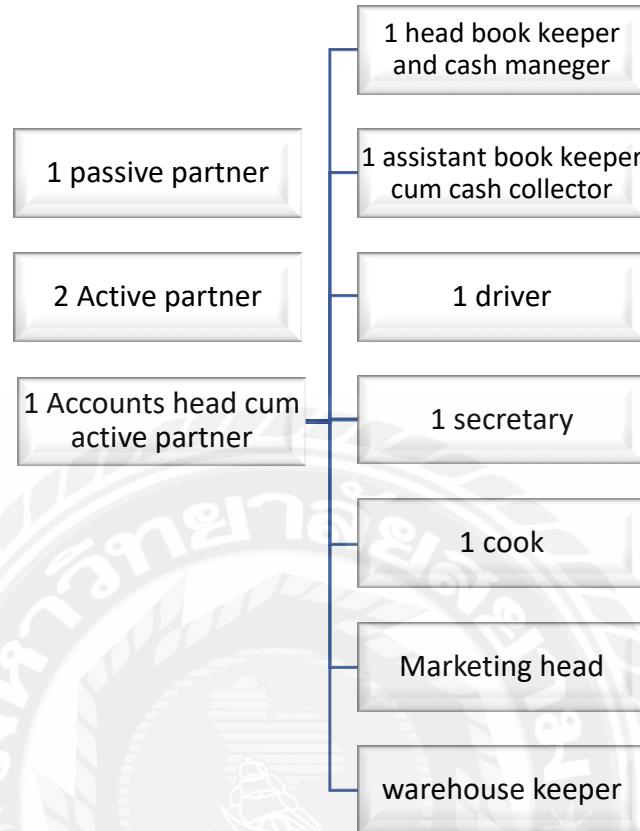
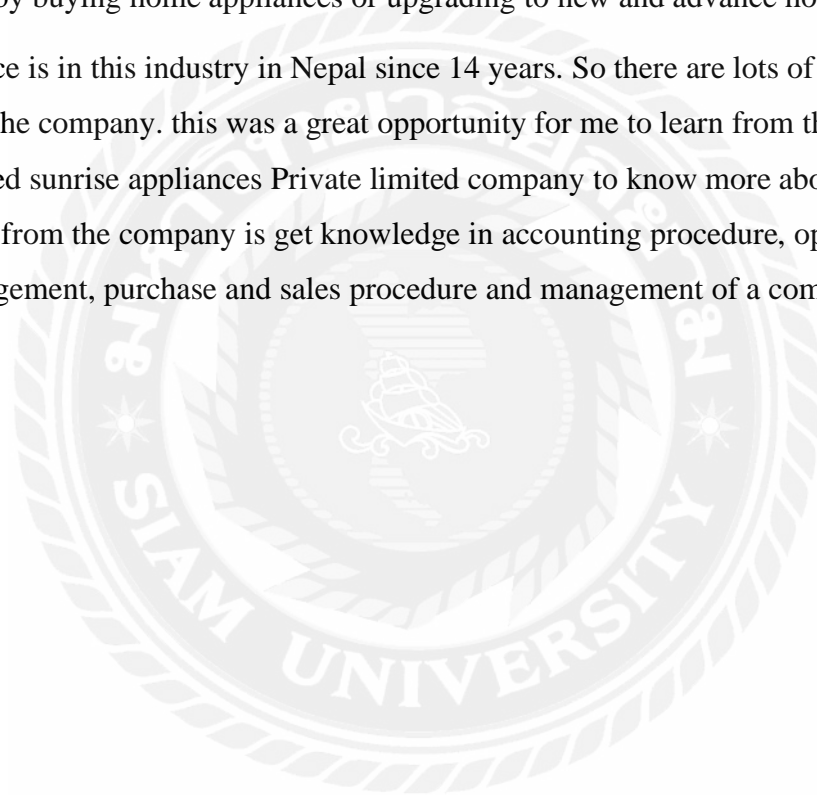


Figure 1 Organizational Structure Sunrise appliances Pvt. Ltd.

1.3 Statement of the report

Household appliances has become an indispensable part of modern life. Electronic home appliances have made our lives comfortable and convenient. It has increased efficiency and effectiveness for our life. Due to the utility and functionality of these machines home appliances industry is growing continuously and is full of opportunity. (global industry analysts, inc., 2014) Because of all these reasons home appliance industry is growing rapidly. In Nepal there is huge scope for home appliances business since Nepal is a developing country many houses still don't have home appliances in them. People's disposable income is growing so they want to make their life convenient by buying home appliances or upgrading to new and advanced home appliances.

Sunrise appliance is in this industry in Nepal since 14 years. So there are lots of experienced professionals in the company. This was a great opportunity for me to learn from the veterans of this field. I joined Sunrise Appliances Private Limited company to know more about this industry. My expectation from the company is to get knowledge in accounting procedure, operations, inventory management, purchase and sales procedure and management of a company.



1.4 Objectives of the study

I did my internship in Sunrise Appliances Private limited which is a renowned electrical home appliances trading company of Kathmandu. I worked there in accounts department as an assistant. I did my internship with two kind of goals: general goal and specific goal. My general goals were to develop my personality, build my connections with people who have worked in the industry for several years and learn from them, to gain valuable experience, to see how theoretical knowledge taught in classroom connects with real life business, to enhance time management skills and team behavior. To learn how to interact with business clients, supplier, investors, co-workers and superiors. To improve communication and presentation skills.

I started my internship with following specific objectives in mind:

1. To learn about inventory management
2. To learn how accounting is carried out in real life
3. To learn about tax and import procedure of Nepal
4. To learn how to use accounting software
5. To learn how to interact with clients, co-workers, superiors in working space

1.5 Roles and responsibilities.

During my fourteen weeks' internship at sunrise appliance private limited I worked in accounts department as an assistant to my supervisor who was accounts head for the company. I was given following responsibilities during my internship:

1. Withdraw and deposit cash in bank as per instructions.
2. Prepare bills, cash receipt vouchers, cash payment vouchers, and cheque.
3. Update purchase book, sales book, and stock book for tax purposes. And find the necessary files as per supervisor instruction and need.
4. Most of the sale of done in credit I was asked to prepare collection schedule.
5. Reply to emails about customer inquiry, update company face book page
6. Tend to customer enquiries about product specification and price
7. Make entries in accounting software called navigator about expenses, sales, purchase, etc
8. Prepare list of products in ware house and office and check stock of products and report to owners.
9. Help the supervisor in preparing tax and LC files
10. Look into creditor balance and report to owners

Chapter 2: Internship activities

In my internship I was assistant of accountant. I was tasked with variety of different activities which are as follows

1. Prepare bills, cash receipt vouchers, cash payment vouchers, and cheque.

My most frequently done activity was to prepare bills for sales transaction, prepare cash receipt voucher if any client made payment for their past credit purchase, payment vouchers was made whenever cash was paid. These bills, receipts and payment vouchers were important for future reference, for evidence that transaction was done, to prevent theft of money and product

2. Update purchase book, sales book, and stock book for tax purposes. And find the necessary files as per supervisor instruction and need.

I had to daily update purchase book for any purchase by company, sales book for any sales transaction done by the company according to the VAT bills and stock book according to the inflow (purchase) and outflow (sales) of the product. This was required by tax laws of Nepal.

3. Most of the sale of done in credit I was asked to prepare collection schedule and Look into creditor balance and report to owners

Since most of the sales was done in credit and clients were given credit period of some days. I was at times given the responsibility to prepare a schedule for collection of payment for products as per the due date of the credit period.

Sometime owner of the company used to ask a particular client's credit balance. I had to look into the accounting software and extract the required information.

4. Reply to emails about customer inquiry, update company face book page

Sometimes I had to reply to customer emails regarding product enquiry and update Facebook page of the company for any new products, news regarding company, schemes and promotion regarding products.

5. Tend to customer enquiries about product specification and price

I helped the clients out by answering to their questions when there was no one else to tend to client's enquiries about products prices, quality, features, and specification.

6. Make entries in accounting software called navigator about expenses, sales, purchase, etc.

My supervisor taught me how to use accounting software named Navigator. I was made responsible for making entries in the software regarding cash sales, cash purchase, credit sale, credit purchase, expenses etc. daily and my supervisor used to check the entry whether they are correct or not.

7. Withdraw and deposit cash in bank as per instructions.

I had to go the various banks many times for either depositing money or withdrawing cash via cheque or do both deposit and withdrawal of money as per the instruction of owner and supervisor. I was given these responsibilities in later period of my internship after they gained trust in my ability and nature.

8. Prepare list of products in ware house and office and check stock of products and report to owners.

I had to sometimes help my co-workers in counting the inventory in the warehouse. And tally the quantity of product in warehouse with quantity mentioned in stock book. If the quantity did not tally we had to investigate by looking into past records of bills to avoid theft and ensure everything is as it should be.

9. Help the supervisor in preparing tax and LC files and help in filing of bills, receipt, payment vouchers.

I had to daily file the bills, receipts, payment voucher for safe keeping as they were important evidence of transaction and is very important for future reference. Besides that I also helped my supervisor in preparing tax return file and LC document and in the process I learnt a lot about tax and import procedure in Nepal.

Chapter 3: Problem encountered during internship

Problem encountered during internship

Problem that I encountered during my internship program were most of the time I was handed trivial works such as filing, preparing bills, going to bank for depositing or preparing bills etc. Doing these trivial works was very boring and I learnt nothing from it. Sometimes I had to sit idle since there was no work for me. I felt my time was being wasted and I could use the time to do something productive for the organization and learn something new.

How the problems were solved?

In order to solve this problem, I talked to my supervisor to give me more challenging tasks and she understood my problem and taught me how to use accounting software. And allowed me to handle it. I used my idle time in observing others and asking many questions about things that I didn't understand. This way I learnt about tax laws, import procedure, sales procedure, accounting cycle etc.

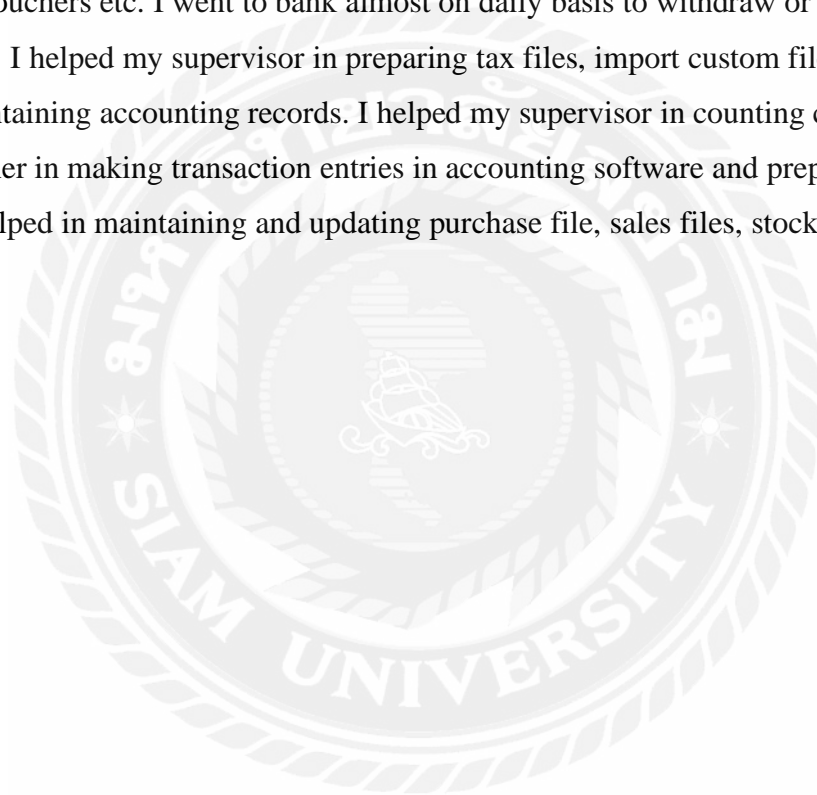
Examples of how problem were solved.

For example, I asked my supervisor about tax laws, import and export laws and procedure of Nepal. I asked her about how audit is done in Nepal, custom procedure, good and service tax in India, how does it is different from Nepal's Tax laws in her spare time. She taught me lot of things such as how to use accounting software. In this way I learnt many things instead of sitting idle.

Chapter 4: Contribution and learning process

4.1 Contributions to firm

I contributed in many ways at the organization I worked at. I helped in inventory management which is very important work, I was made responsible to maintain proper records daily inflow and outflow of inventory and keep track of amount of inventory in warehouse. This is very important work if this is not done on daily basis then product can be stolen from warehouse and company may not even notice the theft and suffer loss. I also helped my supervisor in searching for files she required. I made vat bills, cheques, cash receipt vouchers, cash payment vouchers etc. I went to bank almost on daily basis to withdraw or deposit cash and to cash cheques. I helped my supervisor in preparing tax files, import custom files, and LC files. I helped in maintaining accounting records. I helped my supervisor in counting cash on daily basis. I helped her in making transaction entries in accounting software and prepare journal and ledger. I also helped in maintaining and updating purchase file, sales files, stock book, excise file.



4.2 Details of related learning process

I learnt many things in my twelve weeks of internship at sunrise appliance private limited. I learnt how to prepare bills, cash receipts, cash payment vouchers etc. They are very important for company because they serve as evidence for transaction has been made. They are used for future reference in case there is any confusion. They should be properly filed and stored in way they can be easily taken out. I also got experience in dealing with clients, and co-workers. I understood different layer of organizational relations, I now have a deeper grasp over organization culture which is shared belief of members. I improved my time management skills as well as communication skills.

I got acquainted with accounting procedure of a trading company. In the company where I interned they first made bills for any sales, cash payment vouchers for cash payments, cash receipt vouchers for cash receipt etc. for evidence. Then journal was made every day on the basis of transaction done on that day. Simultaneously all the transaction were then entered in accounting software. And then accounting software was used to prepare accounting statements.

I learnt about tax law of Nepal and how tax is filed and paid by firm. The standard CTR levied on all net profits derived from Nepal is at rates of 20% for manufacturing activities, 25% for trading and service activities. Tax return must be filled before 15 October. Company can request for 3 months' extension in time for filling tax return. Companies in Nepal are taxed on worldwide income. 13% VAT is levied on goods and services. VAT is indirect tax. In Nepal VAT is not levied on exports to keep the prices competitive in international market. Custom duty is 32 % in electronic home appliance in Nepal. Excise duty ranges from 0-50% in Nepal. Withholding tax levied on i) dividend is at 5%, ii) royalties, interest, technical fee and commission is at 15 % and rental income is at 10%. Rates can be lesser if there are agreement to reduce double taxation. Nepal has signed double tax avoidance treaties with 7 countries they are China, India, Korea Republic, Mauritius, Norway, Thailand and Sri Lanka. (Salamonava, 2018)

I learn that excise duty a type of tax charged on goods produced within the country. Whereas custom duty is type of tax charged on imported goods from other country. I also learnt about India's GST system. And Nepal's EXIM code is registration required for the person importing or exporting goods from Nepal. EXIM code is issued by the Department of Customs, Ministry of Finance Government of Nepal.

LC stands for letter of credit. It was used by our company as a mechanism for payment to seller company in different country. It involve a bank of importer our company in this instance guaranteeing payment to advising bank (bank of exporter) that the payment will be made upon successful presentation of the required documents by the seller within specified time frame. Seller can get the required documents only if the goods have been shipped. Typically following documents are requested by bank for providing LC: commercial invoice, transport documents such as a bill of lading or airway bill, insurance document, inspection certificate, certificate of origin etc. (Credit Guru Inc, 2017)

Accounting Software I also got to know about how to use accounting software known as Navigator which was developed by C.S.T.C company. Besides that, I also improved my skills. Accounting software and excel helps company by improving accounting accuracy, it increases the speed of completion of making accounting process, with the help of accounting software accounting work can be done with less time and people so it helps in saving cost, accounting software helps businesses to supply the necessary members of staff with timely and accurate financial information for example cash flow statement can be made in seconds with the help of accounting software whereas if it is done manually then it would consume a lot of time, with the help of accounting software tax filing can be done with more ease. (Walton, 2019)

Chapter 5: Conclusions

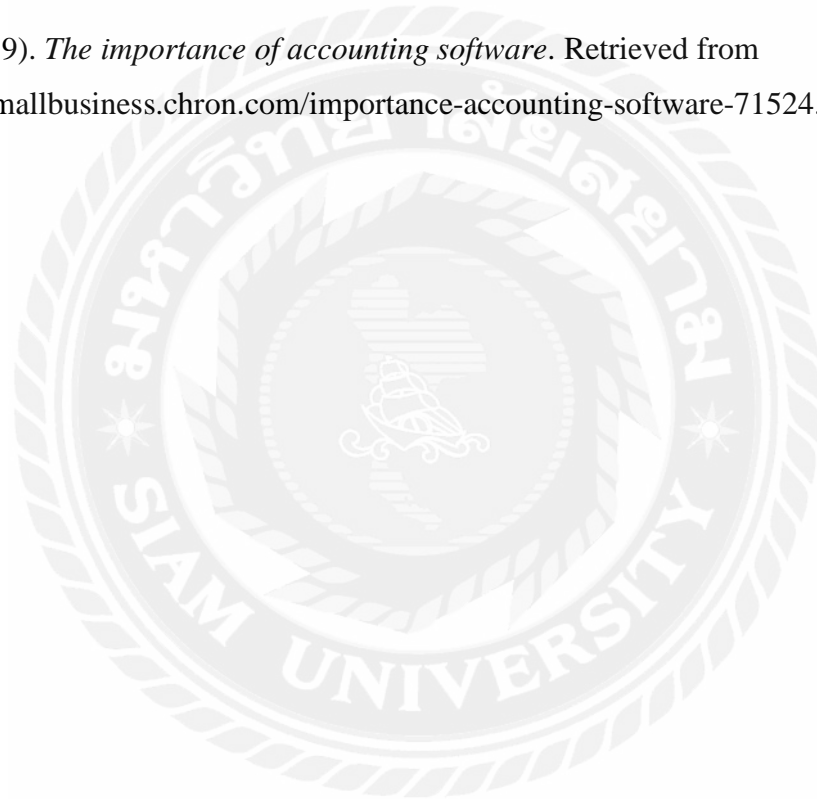
5.1 Self-assessment as a professional

In my fourteen weeks of internship journey I have grown as a professional and gained a lot of valuable experience. I have acquired skills that are very useful and practical for future career. I improved on many soft skills and hard skills which will help me a great deal in my future career. Soft skills that I developed during my internship are time management skills, communication skills, teamwork, leadership skills, communication skills and problem solving. I became more organized and punctual. I now have deeper understanding organization culture and relation layer. I become more flexible and now I can adapt to different situations. I feel that all these skills are very important for my future career prospects. In this internship we were forced to come out of our shell and grow as an individual. Internship has given me some networks that will come handy in future.

Besides that, I improved on hard skills such as making accounting entries, using accounting software, preparing bills, cheques, journal, voucher etc. I know now how to manage accounting records, files, cash and inventory which are very important for trading organization. During this internship my supervisor made me work with excel a lot, so now I have learnt a lot of functions of excel which I believe will be a great asset for me in future jobs.

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Annex







