



Cooperative Education Report

IMPORT BUSINESS ANALYSIS AT FAIR TRADE PVT. LTD.

Written by

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Title: Import Business Analysis At Fair Trade Pvt. Ltd.

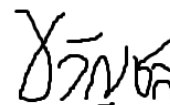
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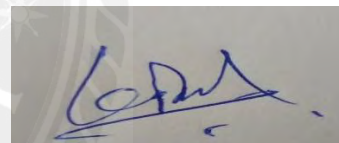
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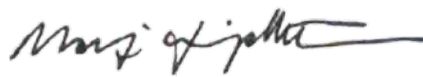
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Abstract

This cooperative report entitled Import business analysis at Fair Trade Pvt. Ltd, Nepal has the goals to study the import and export procedure, recording and analyzing the business transaction and understanding customer relationship. Objectives of the study include: (1) to understand the procedure of import and tender, (2) to look after daily business transactions, (3) to look at the bank documents. With the company, the student was assigned to work as Finance assistant, in the department of Finance during the tenure 17th August, 2020 to 12th December, 2020. Main responsibilities are to look bank document and fulfill all the requirement related to import, to prepare financial reports at the end of every month and comply them with the taxation procedure, to track down sales and purchases, and to understand import business in depth. At the end of my internship, I learnt problem-solving skills, how to work with a team of different opinions, work-ethics, adaptability skills, communication skills, how to handle responsibility and time management skills.

Upon the completion of the internship, it is found that the problem was resolved by means of research and constant help provided by work colleagues and supervisor. In this matter, student is able to learn more about import business and agency in Nepal, practical knowledge on how to run a successful business in the corporate world, various new terms related to finance, interacting with clients, problem-solving skills and networking with people which are very important for future career development and profession.

Keywords: finance, import, tender, reports

Acknowledgement

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I am indebted to Mr. Gopal Chaudhary, General Manager, Fair Trade Pvt. Ltd. and also the senior officers in my department for not only providing me with the opportunity to grasp immense knowledge, but also for guidance and support throughout the course of the research project. Furthermore, I would like to thank all of my supervisors and the organization itself, for providing me with valuable information with assistance.

It is worth mentioning that this report would not have been possible without the continuous encouragement, support and scholarly guidance of my Internship Supervisor: Gopal Chaudhary and Academic Advisors: Dr. Khwanchol Kampan and Dr. Chantip Suksai, and supervision of the whole co-op program which wouldn't have been successful without their support and guidance. Last, but not the least I would like to thank my parents and my colleagues. I am grateful to all the people mentioned above, without whom the successful completion of this report would not have been possible.

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Contents	
Abstract.....	3
Acknowledgement.....	4
Chapter I: Introduction	7
1.1 Company Profile.....	7
1.1.1 Mission statement	7
1.1.2 Vision statement	7
1.1.3 Strategies of the company	7
1.1 Organizational Structure	8
1.2.1 Job position	9
1.2.2. Intension to join the company	9
1.3 SWOT analysis of the company	9
1.4 Objectives of the Study	10
Chapter 2: Internship Activities.....	12
2.1 Job description	12
2.2 Assignments and responsibilities of the student	13
2.3 Job Diagram.....	14
2.4 Contribution as an Intern.....	14
Chapter 3 Identification of Problems Encountering during the Internship	16
3.1 The Problems:.....	16
3.2 Solving the problem with examples	16
3.3 Details of the related learning process and new knowledge the student has received.....	17
Chapter IV: Conclusion.....	18
4.1 Conclusion.....	18
4.2 Limitations of the study	19
4.3 Recommendation of the company.....	19
Annexure.....	20
REFERENCES	22

Table Of Figure

Figure 1: Organization Structure	8
Figure 2: Job Position	14



Chapter I: Introduction

1.1 Company Profile

Registered under the Nepalese Private Firm Registration Act. Fair Trade Pvt. Ltd. was incorporated on 1980's with the Department of Commerce, Government of Nepal, with Head office at Kathmandu, Nepal. Promoted by Mr. Srikisan Goenka, a well-known business professional, having extensive business contacts and rich experience in national and International business. Fair Trade Pvt. Ltd. has been established itself as a reputable importer of various goods and business house specializing in imports & exports and supply the goods as per the demand of customers.

For our product pricing, the cost benefit is designed through highly competitive pricing. The company has focused its business in medical sector and also has an agency of **PILOT**. The company has 35 employees working under company. The company has supply of the good all over Nepal in different stationaries and medical supplies in hospital all over Nepal.

In the present scenario, Fair Trade is expanding its business by importing other products like Textile fabrics and others. For satisfying the customer in quick response, Fair Trade has developed a good commercial relationship with the suppliers, manufacturers, agents, brokers around the world. With the help of our efficient network of communication facilities, we are capable to supply any information of business within a very short span of time.

1.1.1 Mission statement

- To import various type of good from different sector.
- To expand the manufacturing sector in Nepal.
- To provide our clients competitive and premium quality of goods.
- To seek growth through new ideas, new products.

1.1.2 Vision statement

- To expand their business in different commercial sector.
- To maintain the excellence of our service and increase the profitability of our organization.

1.1.3 Strategies of the company

- Pricing strategy- the company tends to keep the price of the product low. The company tends to sell more product by keeping their prices low.
- Credit Policy- the company tends to give the customer credit and also provides cash discount if bill is cleared instantly.
- Marketing Strategy- the company has crated strong brand value and tends to market the product by giving them the dealership of the particular area

1.1 Organizational Structure

Organizational structure is a system used to define a hierarchy within an organization. It identifies each job, its function and where it reports to within the organization. This structure is developed to establish how an organization operates and assists an organization in obtaining its goals to allow for future growth. In other words organizational structure determines the manner and extent to which roles, power, and responsibility are delegated, controlled, and coordinated, and how information flows between levels of management. An organizational structure can be defined as the formal and informal framework of policies and rules, within which an organization arranges its lines of authority and communications, and allocates rights and duties.

The design and structure of the bank consists of various levels of owners and the staffs. Organization structure denotes the distribution of authorities, responsibilities and resources in an organization. The hierarchy of FAIR TRADE starts from the CEO followed by the Acting DCEO.

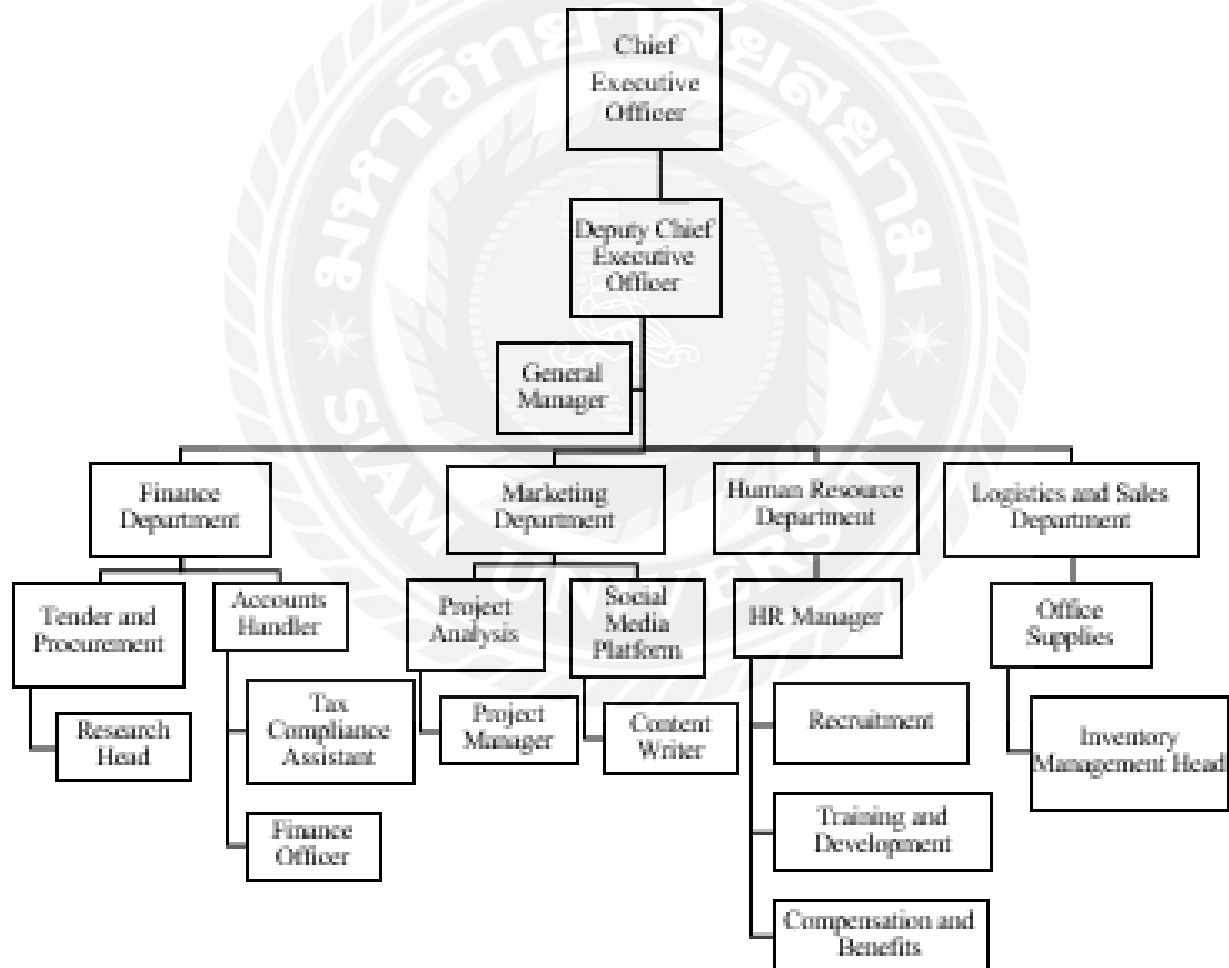


Figure 1: Organization Structure

1.2.1 Job position

In the company I worked under Finance Department as a finance intern. I handled the payment section and also worked on banking work like opening LC, RTGS and many more. Maintaining the statements was also a work handled by me.

1.2.2. Intension to join the company

Every internship teaches us a new thing, new experience, new skills and many more. Working at “FAIR TRADE PVT. LTD.” was a good learning experience for me as I have never interned in import trading company in past internship program exciting me more to learn about the process, the documents, the prior planning for the good to be imported and dealing with client for payment related issue.

The main goal of my internship was to understand the detail process followed during internship and to understand the Nepalese import market. Fair trade being importer of various product helped to achieve my goal. During my internship, I was able to understand the procedure of import and export, tender fulfillments and understand client related issue that might arise during trade.

With proper supervision and guidance, I was able to brainstorm ideas on how the company imports all its goods from different countries, convince their clients and at the same time increase their returns as well. Working in a team, I got to learn team spirit, coordination, and public speaking skills. I also got to know about their culture, mindset. By the end of my internship I got to know about the tax system followed in Nepal, accounting process, the software used.

1.3 SWOT analysis of the company

Strength

- Experience in the import sector- Fair Trade is importing various type of product recently. Some of the products are medical equipment, stationary, Fabrics, and many more. The company been importing product for more than 30 years which shows their experience of importing. Moreover the company have a high experience of what type of product can be imported and be sold n Nepal.
- Knowledge about the Nepali market- since the company has been operating for more than 30 years it has gained high knowledge about the Nepali market, economy, and sectors. The company has high knowledge about the products that can be imported and sold in Nepali market.
- Worldwide connection- the company has been currently importing goods from different countries. They have been importing goods from India, China, Japan, Thailand, Europe and others. They have connection with different business man and manufactures, agents so the company can import various type of goods in future.

Weakness

- Political Instability- Nepal is a political instable countries where the rules and regulations keeps changing frequently. Thus in such a situation in becomes difficult for a company to

operate. It is also difficult for the company to operate when the documents required keeps on changing and the company has to pay fine on the charges.

- Profit margin – there is a very high competition in Nepal because of which the company has to sell goods in low profit margin. Moreover the operating expense are high. Company has to pay custom duty and other taxes resulting in their less profit margin.
- Working capital intensive nature of operation- when the company orders for any consignment, it takes at least 2 months to arrive Nepal. Thus because of this long operating cycle the company requires more working capital and preplanning of the goods to be imported.

Opportunities

- Increasing Demand in Nepalese Market- the market in Nepal is growing. Customer are demanding more and new product i.e. product with new technology and updated product. Thus the companies importing goods have a high chance of importing goods from all over the world to meet their demand.
- Dependence on imported raw material- Nepal doesn't produce raw material itself, they have to be imported. Slowly Nepal is moving towards producing the end material the demand of raw material has been increases. Thus, the importing companies have a chance to import raw materials also from all over the world.

Threat

- Competitors- Nepal is a very competitive market. As there are very low import restriction the company can face competition from a large number of people from all over the world.
- Emergence of cheaper alternative- since with the technological advancement there is a high chance of development of cheaper alternative to come into the market.
- Legal constrain – the company have to follow the legal constrains while importing. There are a numbers of document involved while importing and a small mistake can make the company pay a high fine.
- Import duty- since the import duty in Nepal is high and is also increasing, the company will have to pay more taxes on goods imported and it will in turn decrease the profit for the company.

1.4 Objectives of the Study

All the economies import and export goods and services. Import plays an important role in case of Nepal as its import is as much as 10 times higher than its export. Becoming an import country most of the goods are imported from different countries. Over the year the import of goods are increasing showing the stability of the import trade in Nepal. It is regret to say that Nepal is still an under-developed country. With issues such as changing government, political instability, fluctuation in foreign currency, import of the goods are increasing.

Therefore, there is a huge scope for the import business to flourish in context of Nepal.

The objectives of my internship are as follows:

- To look after daily business transactions.
- To look after bank reconciliation.
- Enhance communication skill by making regular phone calls for previous due payment.
- To look after bank related document like letter of credit.
- To learn Recording of company's financial statement.
- To learn about the import and export procedure in Nepal.



Chapter 2: Internship Activities

2.1 Job description

Assigned Role- finance intern

Internship Description-

The finance accountant will directly work under the supervision of Finance Head to help prepare timely financial reports and procurement of tenders. Being of the leading company, the intern will held meetings with prospective clients, receive exposure on the working culture of the industry, align financials with the country's taxation procedure, prepare company's proposal, exposure to accounting software bookkeeping and a report directly to the management. The intern is also responsible for helping manage the public relation aspect within and also, outside the organization.

Listed below are few roles and responsibility I was assigned to during my internship tenure:

Primary Responsibility:

1. To cross-check the inventory.
2. Maintain record of the total bill including total price and tax.
3. Look after prospective client and hold meetings.
4. Reconciliation the bank statement
5. Maintaining the stock of the company
6. Preparing necessary bank documents
7. Record daily transactions in Bookkeeping accounting software.
8. Preparing pro-forma statements and reports of the company and for the clients
9. Depositing the cheque into company's account.

Secondary Responsibility:

1. Prepare financials and analyze at the end of every month.
2. Maintenance of customer database ensuring integrity and accuracy.
3. Provide reports to the management head on a timely basis.
4. Keep a check on inventory level.
5. Dispatching monthly salaries and preparing vouchers for the same.
6. Comply the financials with taxation procedure.

2.2 Assignments and responsibilities of the student

Being assigned a role as finance intern, some of my roles are:

1. Exposure to clearance-
One of my duty was to collect the cheque from the party and present it in the bank, maintaining the record. In case of failure of cheque, I had to contact party and get it done.
2. Recording the transaction
The daily transaction needed to be recorded in the accounting software book-keeping. The payment, sales by the client needed to be recorded.
3. Preparing financial report
At the end of every month financial report has to be prepared to know the necessary information such as increase in sale, which product was sold more so more focus could be given to that product, the average collection period was checked and client with delay in payment were contacted frequently for payment.
4. Managing bank document
I had frequently visit bank for managing the bank document. Document like letter of credit, custom clearance had to be managed. Preparing the document and getting the bank work done for the shipment to be arrived was also my responsibility.
5. Reconciliation of bank statement
Bank statement needed to be frequently checked to correct any error done by the finance department. The transaction were checked and any error thereafter were recorded. Any direct payment of the bill by the bank were also recorded after the reconciliation.
6. Keeping tabs on client accounts
Keeping tabs on client accounts and their credit limit with regular updates on their payment schedule was also a responsibility that the company gave to me. Regular phone call for the payment had to be done.

2.3 Job Diagram

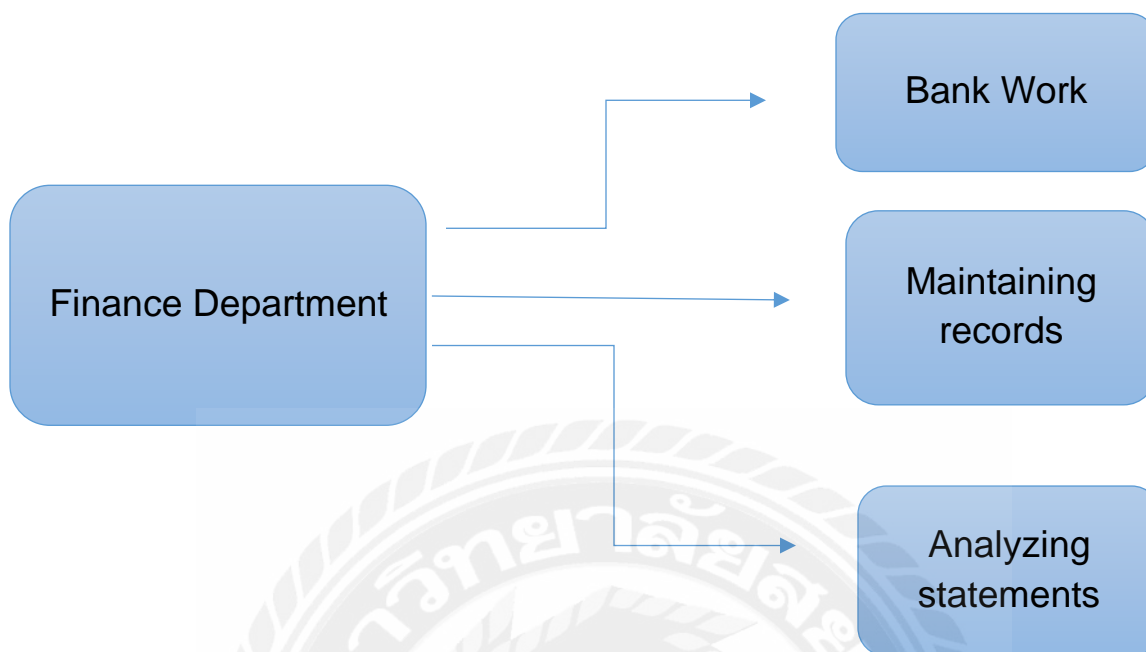


Figure 2: Job Position

During this internship I worked under the finance department where I learned about the following works done by the company. The works like Bank works, Maintaining Records and analyzing statements. Under bank works I visited the bank to deposit cash, cleared checks and issue company statements to reconcile and to fulfill all the documents related work for importing from other countries. Another job was to maintain records for which I had to communicate all the department of the company. I collected all the bills and necessary documents for preparing the statement. From sales department I calculated the revenue for the company, the product sold and at what rate and from the logistics department I collected the bills of the logistics and prepared statements. I had to also transfer the salary to the employees directly to their bank account. And the last job was to analyze the statements. After preparing the statements I compared them with the last year performance and prepared a document for the chairman stating the increase in revenue, and where are the necessary places where we can make changes. What things went wrong and where we have to control were also mentioned in the document.

2.4 Contribution as an Intern

The internship at Fair Trade Pvt. Ltd has been a great learning experience so far. Assigned to the finance department, I got first-hand experience to perform research on the business market, prepare necessary documents for importing goods, and assist with preparation of financial statements, bank vouchers and others as needed. During my internship, I recorded daily transaction in accounting software namely bookkeeping. I also prepared financial reports such as

profit and loss account, balance sheet and cash flow statement at the end of every month to know the company's balance at the end of each month.

Being one of the biggest importer of Nepal, maintaining stock becomes very important for the company. Thus for it I helped company to manage their inventory as well For which I helped company calculating their minimum stock and reorder quantity so that the company doesn't run out of stock at any point of time. I also maintained their customer bills and receivables.

Reconciling the bank statement and also doing the bank documentation was also my contribution for the company. My contribution helped the company to manage their inventory and order the inventory on time and helped company to receive the goods on time by the timely documentation of the consignment.



Chapter 3 Identification of Problems Encountering during the Internship

3.1 The Problems:

Internship at Fair Trade Pvt. Ltd has been a learning experience thus far. Being the importer of medical supplies, medical kit and other various supplies, it was difficult to manage the demand and supply due to the current pandemic.

Working under the finance department, as my major tasks were to handle bank documents, meeting clients. Initially it was difficult to work due to pandemic as I had to work from home due to which, I was unable to clearly understand how the work was supposed to be completed, and what was the report mechanism. Also, when I was assigned with my first group project, I faced issues such as misinterpretation, miscommunication and difference in opinions among team members, and I didn't know how to resolve it.

Later, after a month, when I went to my workplace, I faced socializing and adjusting to the new environment i.e. from working from home to directly meeting my co-workers in person.

- Little feedback from Supervisor- Initially, there was no direct and constant communication with my supervisor. Due to this, I didn't receive any feedback from him; it was from the finance head I was being assigned from the tasks to be completed. He only checked on me once in a week initially, due to which he wasn't able to learn my skills and strengths.
- Too many information- Introduction to the company profile, people in the organization, department allocation, the person that I need to reach when required, and to whom I should report came at such a pace that it was difficult for me to handle and remember all of the information at one go.

3.2 Solving the problem with examples

The problems mentioned above were solved in different ways through the help of my supervisor. Initially, when I was working from home, I had asked my supervisor to guide me through the company profile and reporting mechanism. For this, he had introduced me to one of my co-worker, who has been working there for the past 5 years. I had regular meetings with him, and followed with him, in case of any confusion.

To solve the problem of teamwork, we decided to sit on a google meet every day at the end of the day, and discuss prospective information each one had collected. And then, we would delegate each heading as per individual's interest to complete the provided assignment on time. Following, when I was supposed to go to my workplace, I had conversation with my co-workers over coffee and lunch breaks. I understood their thinking much better, and eventually it became much easier to adjust and I started enjoying working at my workplace instead from home. The other problem that I wanted to resolve was that of teamwork. To avoid clashes, we decided to divide the work among ourselves and report to the person above us to sure proper division of work and completing the assigned work on time. With all the information provided at once, it was difficult for me to remember it all at one go. To solve this, every time I asked regarding a particular thing, I noted the same thing in my diary, so I would look into it the next time.

3.3 Details of the related learning process and new knowledge the student has received

Working as a finance assistant in one of the leading company in Nepal, I came across various finance-related jargons and documents that needs to be prepared for importing goods from another country; learnt their meaning and usage and how a company complies with taxation procedure.

Apart from hand-on work and theory knowledge, I learnt how real-life problems such as working with a team of different opinions, convincing skills, work-ethics, adaptability skills, communication skills, and time management skills. Along with this, I also learnt how to convince clients for a product, prepare some legal documents and give presentations.

During my internship, I also got a chance to meet some renowned business personalities, had a chance to initiate the conversation, ultimately widening my professional network. Also, I got to implement all the theoretical knowledge that I have learnt in my college in a real-work scenario and I have also gained ample amount of knowledge regarding the taxation and working culture present in my country.

Chapter IV: Conclusion

4.1 Conclusion

In this internship of fifteen weeks long, I was able to grow professionally as well as personally. This internship was like a reality check for me, where I could know my strengths and weaknesses. I had to do many tasks and actions which were outside my comfort zone and I believe this has helped me grow. I have learned several things during this period of fifteen weeks, which was not at all possible through theoretical studies. All in all, I was able to build up my confidence level, interpersonal and soft skills, socialization with professionals, exposure of Nepalese banking system, and gained knowledge about organizational environment and work culture. I acquired the fact that facing any kind of adverse situation calmly and handling complex situation tactfully is the key to becoming a market leader for any organization.

After the completion of sixteen weeks, I am sure that I can apply the knowledge and skills learnt in the near future. Also, maintaining a professional attitude in organization was a major skill I excelled at. Now, I am capable of managing the work load effectively. Also, being punctual and completing assigned tasks on time was a major learning.

The internship experience at Fair Trade Pvt. Ltd. helped me understand the importance of teamwork and coordination which can provide best results in an organization. The staff of the organization were very helpful throughout the internship period and were supportive in every way possible. Everyone I met, helped me grow, both as a professional and a person.

The internship time at Fair Trade Pvt. Ltd. has allowed me to develop my theoretical skills in terms of finance and management. The sixteen weeks of duration resulted in me being more punctual, organized and disciplined. It helped me become more cooperative and brought in me the insight to teamwork and coordination. The company has helped me to indulge in various activities which gave me an insight of how internal communication works in order to make sure banking system works efficiently, how the records of all the activities.

Therefore, there are still many areas for me where I have to improve, work hard on and build various other skills required; but I believe this internship has been a kick starter to my professional career.

4.2 Limitations of the study

As there were many limitations towards the completion of the cooperative education requirement. One of the main limitation is COVID-19 pandemic. We initially were not able to find out the company that provided work from home internship. Many companies were also not able to perform as per their planning. Fair Trade being a importer of medical equipment also agreed to provide me internship during lockdown. Because of COVID- 19 Fair Trade was also not able to perform the way it has decided to perform. The company was not able to plan the future and were not able to carry out the plans that were already established. In the lockdown phrase the company was not able to estimate the demand and supply in future and were not able to track the customer behavior in the time to come. Because of work from home I initially faced problem to manage and maintain the accountability. With a completely virtual presence, it was harder to establish ties, such as friendship and trust. As they were also facing problems to capture the market as due to the global pandemic.

4.3 Recommendation of the company.

Working in Fair Trade was a great experience. Being an import business and my interest in the same field made my internship period more exciting. The company is more than 30 years of operation and the company has still maintained its brand and recognition in the market. When I interacted with the customer I realized that the company is because of the quality of product they offer thus, it is only because of the quality of the products they offer and I recommend the company to never compromise in their quality of the product.

The company should work on their website as the website has not been maintained and a customer cannot find any useful information in their website. In this way they can also lead the market. The company has a good customer base thus I recommend company that it's the right time for the company to expand their business by entering into new sector and also start with a small manufacturing unit in Nepal.

Annexure





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