

WORKING CAPITAL MANAGEMENT: A STUDY ON ORGAGENIC

Internship Organization
Orgagenic

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Submitted in Partial Fulfillment of the Requirements for the Degree
Bachelor of Business Administration



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Ayesha Maria
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Letter of Transmittal

April 3, 2025

Arzoo Ismail,

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Subject: Submission of Project Report on “Working Capital Management: A Study on Orgagenic.”

Dear Miss,

With due respect, I would like to inform you that I have completed my Project on Orgagenic. The project report paper titled “Working Capital Management: A Study on ORGAGENIC” has been prepared for the fulfillment of my Project according to the prerequisites of my undergraduate program, Bachelor of Business Administration (BBA) at University of Liberal Arts Bangladesh (ULAB). In this report, I have tried my best to compile the concepts that I have learned in my Bachelor of Business Administration, along with some experience gathered from the internet, to gather relevant information regarding the Project. I hope that it will find your acknowledgement. I am looking forward to your valuable feedback.

Sincerely,

Ayesha Maria

ID: 221011098

Bachelor of Business Administration (BBA); Concentration: Finance

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University of Liberal Arts Bangladesh (ULAB)

Acknowledgement

I would like to address certain people with due honor and respect who assisted me not only in completing my project paper, but also in introducing me to this new situation without any trouble. Therefore, I'd like to express my gratitude to them. I am grateful to Almighty Allah for providing me with the patience and courage to complete this challenging task within its Deadline.

I am grateful to my supervisor, Ms. Arzoo Ismail (Senior Lecturer, ULAB), for her guidance. She patiently provided valuable suggestions and thoughtful assistance throughout my report submission process. My successful study would not have been possible without her support and diligent efforts. I am grateful for the internet's ability to facilitate knowledge sharing and success in every domain. I collected all the necessary data and documents for this report using the internet and Google. I'd also like to thank my department manager, Jubaida Yeasmin Jeny (Finance & Accounts Manager, Orgagenic), for her kind assistance regarding the project.

Lastly, I am deeply thankful to my family for their unwavering love, support, and encouragement. Their constant encouragement throughout my undergraduate years at ULAB has served as a guiding light. Despite my limited experience, I attempted to write a compelling and insightful project report that was infused with genuine understanding. Their unwavering support has truly been the foundation of my journey and achievements.

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PART- A

Chapter 1: Internship Preparation

1.1 Motivation and what I expect to learn from this internship

As a Finance major at the University of Liberal Arts Bangladesh, I have always been eager to apply my academic knowledge in practical settings. I aimed to gain hands-on experience in areas such as financial management, operations, billing, and transaction recording. I was particularly drawn to the idea of joining an organization that values innovation and upholds high industry standards. I believed that an internship in such an environment would help me enhance my skills, collaborate with professionals, and gain deeper insights into how the finance sector functions beyond theoretical learning.

1.2 Internship search process

Finding the right internship in Bangladesh's competitive job market is not easy. But I treated it as a learning process and tried to stay open-minded. My goal was to work with a startup, mainly because they tend to experiment with new ideas and offer a lot to learn as they grow. I applied to several companies that aligned with this idea and attended a few interviews. However, some of the work environments did not quite feel like the right fit for me.

Then one day, while scrolling through LinkedIn, I came across an opening for an Accounting Internship at Orgagenic. It immediately caught my attention, so I quickly filled out the application and sent them my CV and cover letter.

1.3 Internship interview experience

Just two days later, I received an interview call. It was scheduled on Google Meet. By then, I had been through a couple of interviews already, so I felt a bit more prepared. What stood out to me about this one was how relaxed yet focused it was. Rather than sticking to a standard question and answer format, it felt more like a meaningful

conversation. I appreciated that they asked specific questions based on the details in my CV. It showed that they had actually taken the time to go through it. Both the HR Manager and the Accounts and Finance Manager were present. The HR Manager was particularly warm and gave me a brief overview of the company and what I could expect from the role. The whole experience left me feeling more confident and hopeful about the opportunity to join their team.

1.4 First Day at the Internship

I officially joined on the first day of February. Interestingly, the confirmation came a bit late. They informed me that I had been selected and asked if I could start that very day. I agreed without hesitation and brought along the necessary documents they had requested.

When I arrived at the office, the HR Manager guided me through some initial paperwork and gave me a rundown of the company's work culture. Shortly after, I met the Accounts and Finance Manager, my supervisor. She welcomed me warmly and walked me through my role, along with the responsibilities I would be taking on. It was a smooth start, and I appreciated how welcoming and organized the onboarding process was.

1.5 About the organization



Orgagenic is a trusted source for organic skincare and haircare products in Bangladesh's evolving product market. Founded in 2021, the company has steadily

earned recognition for offering premium, nature-based solutions to health-conscious consumers. As a medium-sized enterprise, Orgagenic began its journey through careful market research, product development, and customer feedback. What started as a soft launch eventually grew into a full-fledged business model focused on delivering high-quality organic products.

The company's slogan, "Be Organic," captures its commitment to ethical practices and its goal of becoming a one-stop destination for safe, natural, and effective skincare and haircare solutions. With an emphasis on clean formulations and chemical-free ingredients, Orgagenic continues to promote the idea of enhancing natural beauty in a gentle and responsible way.

1.5.1 Mission:

- 01.** To provide our customers with outstanding service and quality graded products formulated most ethically.
- 02.** To provide all Orgagenic's associates & partners with unparalleled opportunities for personal & professional development.
- 03.** Orgagenic is dedicated to creating numerous exciting job opportunities and empowering individuals to grow with us.

1.5.2 Vision:

- 01.** Be the most admired Bangladeshi enterprise providing innovative skin care solutions in the most ethical and trusted way.
- 02.** To become a global leader in organic skin and hair care by creating innovative, sustainable, and eco-friendly solutions.

Chapter 2: About the Internship

2.1 Activities of the department

The Accounting and Finance Department at Orgagenic oversees the financial operational activities. These include managing petty cash, maintaining daily journal entries and ledgers, preparing salary payslips, and approving invoices. The department also performs financial analysis and monitors both accounts receivable (A/R) and accounts payable (A/P) aging to ensure timely collections and disbursements. The department uses Microsoft Excel and Google Sheets tools to operate manual financial records and to provide strategic organizational support through data-based decision methods. The department performs essential budget review activities together with expense tracking that supports both overall financial planning and control systems.

2.2 Office environment

The office of Orgagenic is a unique blend of home-based architecture and a vibrant, collaborative space. It is a four-story building with an area of 4000 square feet. The work area is divided into several sections. At the entrance, the ground floor, the HR and Operational department, the Laboratory and the Customer Service Center are arranged. On the first floor, the sales and support, the Creative and marketing department are situated. Finally, on the third floor, the Finance and Accounts Department, Business Development Department, Content making Studio and the office of the CEO are arranged. The office has Wifi connection and a generator facility and half of the structure is air-conditioned. The office is well equipped with cabinets for storage purposes, tables and shelves to display products. The office provides laptops and Desktops for work convenience. The Staff and Administrative officers must check in and check out through the “PI-HR” software.

People in the office exuded positive attitudes and drive, fostering a culture of mutual support and collaboration. The groups were not limited to their divisions; Instead, individuals from different departments collaborated to reach shared goals in brainstorming sessions. It helped to create a dynamic and inclusive work environment.

Communication was informal, facilitated by open house programs and regular team meetings, and departmental morning stand-ups and end of the work hour wrap-up. Additionally, the leadership at Orgagenic fostered a culture of empowerment and growth, encouraging employees to engage, explore new ideas and continue to improve their skills.

2.3 Duties and responsibilities as an intern

During my internship at Orgagenic, I was entrusted with responsibilities across both the Accounting and Finance departments. Under the supervision of Ms. Jubaida Yeasmin Jeny, Accounts and Finance Manager, I gained practical exposure to a variety of essential financial operations. By the end of the first month, I handled petty cash and ledger entry independently. This includes:

2.3.1 Petty Cash Management: I managed the petty cash fund by recording, tracking, and reconciling small day-to-day expenses. In the later months of my internship, I was independently responsible for maintaining the cash flow, ensuring transparency and accuracy in expense tracking.

2.3.2 Daily Ledger Entry: I maintained daily financial records using Microsoft Excel and Google Sheets. This required manually entering transactions into ledgers while making sure they were correctly recorded and matched up with corresponding financial records.

2.3.3 Bankbook & Cashbook: I regularly checked and updated the Bank Book and Cashbook.

2.3.4 Bills: Checked and approved bills like conveyance, Meal bills, and entertainment bills.

2.3.5 A/R Aging and A/P Aging: Performed Accounts Receivable (A/R) and Accounts Payable (A/P) aging.

2.3.6 Payslip Preparation: I assisted in the preparation of monthly employee payslips, overtime, and bonuses in Google Sheets and helped with disbursement.

2.3.7 Financial Analysis: I assisted in financial analysis activities by reviewing financial data, identifying trends, and assisting in the evaluation of departmental expenditures. This provided me with insight into organizational financial health and decision-making processes.

This internship provided me with hands-on experience in core accounting and financial functions, allowing me to apply theoretical knowledge in a practical setting.

2.4 Application of educational learning with Internship

Working at Orgagenic, I was able to apply the theoretical skills I gained from the Bachelor of Business Administration in Bangladesh at the University of Liberal Arts to real situations. For example, my coursework in Financial Accounting and Managerial Accounting provided the foundation for Ledger entries, accounts receivable and accounts payable and Cashbook and Bank Book, while my training in ESK gave me the skills needed for Excel and Google Sheets and to better communicate with my supervisor and other employees and manage relationships. Overall, the internship enhanced my understanding of key concepts and provided tangible knowledge of my field of study, bridging the gap between academic learning and real-world application.

Chapter 3: Self-Reflection

3.1 Feedback on Internship

The opportunity to apply academic knowledge in a practical setting allowed me to gain a deeper understanding of essential financial operations such as petty cash handling, ledger maintenance, accounts receivable and payable aging, and invoice approvals.

Working in a fast-paced, startup environment came with its own set of challenges, including shifting priorities and tight deadlines. However, these experiences taught me valuable lessons in adaptability, time management, and resilience. The guidance and feedback from my supervisor and colleagues played a significant role in helping me improve both technically and personally. Overall, the internship was a rewarding experience that contributed meaningfully to my professional development.

3.2 Suggestions on how the Organization could utilize me better

To enhance my performance and contribute more effectively, I believe that a proper training session for around ten to fifteen days at the beginning of the internship would have helped me better understand the systems, workflows, and expectations. With more structured guidance early on, I could have delivered a more confident and thorough performance. During my time at Orgagenic, I actively sought feedback from my supervisor and colleagues, which allowed me to identify areas for improvement and adapt quickly. I also aim to continue improving my time management and communication skills to handle responsibilities more efficiently and collaborate better with team members.

To make better use of interns like me, the organization could consider offering clear role definitions and structured onboarding sessions at the start. Providing skill-based training and recognizing individual contributions would also encourage stronger engagement and help interns grow alongside the organization.

3.3 Recommendation

Encourage interns to explore different spectrums within the specified department and expand their skills beyond their educational learning. Encourage an innovative culture by allowing employees to take on stretch assignments or participate in cross-functional projects to gain new experiences and perspectives. Orgagenic may introduce multifaceted healthcare programs that address employees' physical, mental, and emotional well-being.

Chapter 4: Personal Development Plan

4.1 Technical Skills

To improve my technical skills, I aim to take the following courses:

4.1.1 Corporate Accounts & Finance Procedure: This course will improve my skills in accounting, financial reporting, and my capacity in managing payables, receivables, budgeting, and tax compliance.

4.1.2 Data Analysis: It will improve my capacity in data structure analysis and interpretation.

4.1.3 Data visualization: I will take a data visualization course to develop competencies in creating professional complex data visualizations through Tableau or Google Data Studio tools.

4.2 Interpersonal Skills

4.2.1 Communication Skills: I aim to strengthen my communication skills by participating in discussions, seeking feedback, and practicing open communication. I hope to build stronger professional relationships and collaboration.

4.2.2 Teamwork and Collaboration: I aim to develop this skill by welcoming diverse perspectives and contributing meaningfully in group efforts.

4.2.3 Time Management: I aim to improve my time management skills by setting clear priorities, creating organized schedules, and monitoring my progress regularly. This will allow me to balance responsibilities and maintain consistent productivity.

PART- B

Working Capital Management: A Study on ORGAGENIC

Executive summary

This research program focuses on the working capital management practices of Orgagenic, focusing on how the company handles its current assets and liabilities to maintain operational liquidity and financial stability. Working capital plays a vital role in the short-term efficiency of any organization, and this study highlights the importance of strategic cash flow, receivables, and payables management in ensuring smooth day-to-day operations.

The research followed a mixed-method approach, combining hands-on experience from a three-month internship with both quantitative ratio analysis and qualitative observation. Primary data was collected through interviews, practical involvement in financial tasks, and internal reporting, while secondary data was sourced from company records and relevant literature.

Key findings from the ratio analysis (2021–2024) reveal a steady improvement in both the working capital and quick ratios, indicating enhanced liquidity. The receivable collection period significantly decreased from 25 to 5 days, reflecting better efficiency in cash recovery. However, the increase in the days payable outstanding (DPO) from 25 to 71 days raises concerns about long-term reliance on delayed payments, which could affect supplier relationships if not carefully managed.

The study concludes that while Orgagenic has made commendable progress in improving its financial practices, continued monitoring and balanced decision-making are necessary to sustain this growth. Recommendations include maintaining optimal liquidity, monitoring payables more closely, strengthening receivables processes, and investing in staff training and digital financial tools.

Overall, the report contributes valuable insights into the practical challenges and opportunities of working capital management within a corporate setting, to support more effective financial decision-making.

Chapter 1: Introduction

1.1 Background of the Study

In today's fast-paced and competitive global economy, managing short-term financial health has become increasingly vital for businesses of all sizes. As companies strive for profitability, sustainability, and operational efficiency, the strategic administration of working capital has taken center stage. Working capital management, which focuses on the effective handling of current assets and current liabilities, directly influences liquidity and operational continuity. This makes it a crucial component of financial decision-making across industries.

Like many developing nations, Bangladesh is experiencing rapid economic transformation, with a growing emphasis on structured financial management in both the public and private sectors. As industries become more dynamic and capital-intensive, maintaining the right balance between receivables, payables, and inventory has become essential. However, many local businesses still face challenges in optimizing these components due to limited resources, reliance on traditional bookkeeping practices, and a lack of automation in financial processes. These inefficiencies can disrupt operations, increase financial risk, and hinder long-term growth.

While much has been written about working capital management in large multinational corporations, relatively few studies have focused on its practical application within small to mid-sized Bangladeshi firms. This research aims to address that gap by examining how Orgagenic approaches its working capital cycle. Through an analysis of its current practices and the responsibilities undertaken within the finance department, this study seeks to highlight how foundational financial tasks impact broader organizational performance. In doing so, it contributes to the growing conversation around financial discipline and best practices in emerging market contexts like Bangladesh.

1.2 Research Question and Objective

This study aims to explore the working capital management practices of Orgagenic, focusing on how the organization handles its short-term assets and liabilities to maintain financial efficiency. This research seeks to understand the internal processes, financial practices, and challenges faced by Orgagenic in managing its working capital.

The central question this research aims to address is:

“How effectively does Orgagenic manage its working capital, and what areas require improvement?”

Based on this research question, the following objectives have been formulated:

- To evaluate how Orgagenic manages its working capital, including current assets and liabilities.
- To assess Orgagenic’s handling of accounts receivable and payable, as well as its liquidity position.
- To use accounting ratio analysis to determine the effectiveness of the company’s capital management practices.
- To identify potential problems in Orgagenic’s working capital management system.
- To recommend practical solutions for improving the company’s capital management

1.3 Scope of the Research

This research examines Orgagenic’s working capital management practices, with particular attention to the company’s handling of current assets and liabilities. The study primarily covers areas such as cash management, accounts receivable, accounts payable, and inventory handling, as these are the key components influencing working capital efficiency. It also includes an analysis of financial ratios relevant to liquidity and operational effectiveness to assess the company’s overall financial health.

The research draws on data and observations from a defined three-month internship period, during which practical involvement in tasks such as petty cash handling, ledger maintenance, A/R and A/P aging, and invoice approvals provided firsthand insights into Orgagenic’s internal financial processes. As such, the scope is

limited to internal practices observed during this specific timeframe (from February 2025 to April 2025) and may not capture broader strategic financial decisions or external economic influences. Nonetheless, the findings aim to reflect the organization's day-to-day operational effectiveness in managing its working capital and to offer relevant suggestions for improvement.

Chapter 2: Literature Review

Working capital management (WCM) has long been recognized as a fundamental driver of a firm's operational and financial health. Efficient management of current assets and liabilities ensures that an organization maintains liquidity while optimizing profitability. Panigrahi (2024) highlights that effective working capital strategies significantly influence a firm's return on assets (ROA), particularly through the management of inventory turnover, accounts receivable, and accounts payable. His study on Indian cement companies found a negative relationship between profitability and longer inventory and payable periods, suggesting that delayed operational cycles can erode firm performance.

Similarly, Afrifa and Tingbani (2018) examined the interplay between working capital management, cash flow, and the performance of SMEs. They argued that while aggressive working capital strategies such as minimizing inventory and receivable periods can enhance firm profitability, the availability of cash flow critically modifies this relationship. Their findings demonstrate that firms constrained by cash flow benefit from minimizing working capital investment, whereas those with strong cash flows can afford more flexible working capital practices to support growth and customer relationships.

Moreover, both studies emphasize that liquidity ratios, particularly the current ratio and quick ratio, are essential indicators of financial stability. Panigrahi (2024) confirmed a strong positive association between liquidity and profitability, underlining the necessity for companies to maintain a healthy balance between liquid assets and short-term obligations.

2.1 Conceptual Framework

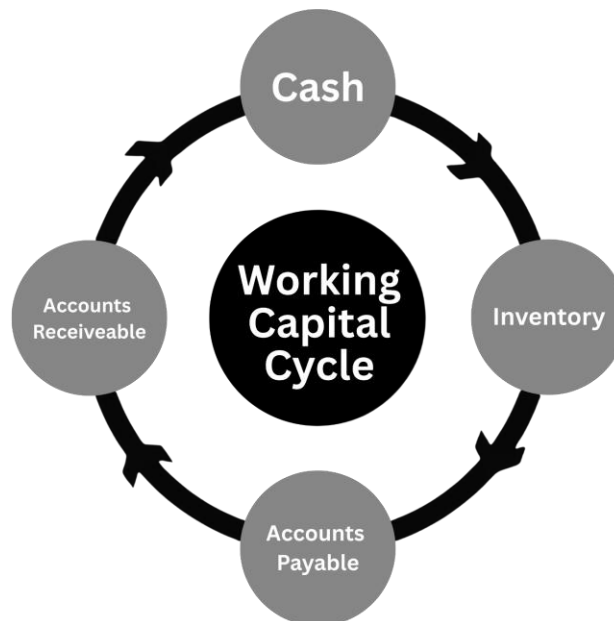
2.1.1 Aspects of Working Capital Management:

Working capital management refers to the strategic handling of a firm's current assets and current liabilities to ensure sufficient liquidity for daily operations while maximizing operational efficiency and profitability. It is a core function of financial

management and plays a significant role in a firm's short-term financial performance and long-term sustainability.

2.1.2 Working Capital Cycle

The working capital cycle represents the duration between the acquisition of inventory and the receipt of payment from clients after a sale. It includes the time taken for raw materials to be converted into finished goods, for those goods to be sold, and for payments to be collected. A shorter cycle generally indicates greater efficiency, as it reduces the amount of capital tied up in day-to-day operations. Managing the cycle effectively is critical for maintaining adequate liquidity and avoiding the need for costly external financing.



2.1.3 Components of Working Capital

The key components of working capital include:

- Cash and cash equivalents provide the immediate liquidity needed for routine expenses.
- Accounts receivable, which represent credit extended to customers and must be collected efficiently to maintain cash flow.
- Inventory, which must be optimized to avoid both overstocking and stockouts.

- Accounts payable, which are obligations to suppliers and should be managed strategically to maintain good relationships while maximizing available cash.

Working capital requirements are influenced by several internal and external factors, such as the size and nature of the business, length of the operating cycle, credit policies (both given to customers and received from suppliers), business seasonality, industry practices, and overall market conditions. Firms with longer production or sales cycles, or more liberal credit policies, generally require higher levels of working capital.

2.1.4 Key Working Capital Management Ratios

To assess the efficiency of working capital management, several financial ratios are commonly used. These ratios provide insight into a firm's liquidity, operational efficiency, and its ability to manage short-term obligations. Among the most important are the current ratio, quick ratio, collection ratio, and days payable outstanding (DPO).

Working Capital Ratio (Current Ratio)

The current ratio measures a company's ability to meet its short-term liabilities using its current assets. A ratio of 2:1 is generally considered adequate, suggesting that the business would still be able to meet its obligations even if the value of current assets were reduced by half. This ratio serves as a basic indicator of short-term financial strength.

Quick Ratio (Acid-Test Ratio)

The quick ratio offers a more conservative view of liquidity by excluding inventory from current assets, as inventory may not be immediately convertible to cash. A quick ratio of 1:1 is typically viewed as acceptable, though the ideal value may vary depending on the nature of the business. This ratio helps assess whether a company can meet its obligations using its most liquid resources.

Collection Ratio (Receivable Collection Period)

The receivable collection period indicates the average number of days it takes a company to collect payments from customers after a credit sale. A shorter collection

period is generally favorable, as it reflects more efficient cash flow management and lower credit risk.

Days Payable Outstanding (DPO)

The average number of days it takes a business to pay its suppliers is indicated by this ratio. While a longer DPO can improve cash flow by delaying outflows, it must be managed carefully to maintain supplier relationships and avoid penalties.

These ratios, when interpreted together, offer a detailed view of a company's working capital performance and help identify areas for improvement in financial and operational decision-making.

2.1.5 Positive and Negative Working Capital

A business's working capital position can either be positive or negative, depending on the relationship between its current assets and current liabilities.

Positive Working Capital

A positive working capital exists when the amount of present company assets surpasses its current liabilities. The company demonstrates an ability to fulfill all its short-term financial duties and maintain a surplus beyond those obligations. Such financial standing indicates both sound performance in short-term operations and high availability of liquid assets, together with freedom to invest money in operational needs or unforeseen costs. Working capital in a positive position serves as proof of financial stability alongside effective business management methods.

Negative Working Capital

When current liabilities surpass current assets, the company maintains negative working capital. This situation indicates liquidity concerns because its short-term assets fail to exceed its short-term debt obligations. It may reflect poor cash flow management, overreliance on short-term financing, or challenges in collecting receivables or managing inventory. While negative working capital is not always a cause for concern, particularly in certain industries or business models, it can become problematic if it persists over time. Prolonged negative working capital may lead to

difficulties in meeting financial obligations and can threaten the overall stability of the business.

The impact of working capital management on profitability has been widely acknowledged. Efficient WCM improves profitability by reducing holding and financing costs, increasing cash availability, and enabling firms to take advantage of timely business opportunities. However, excessive investment in working capital can reduce returns, while underinvestment can result in liquidity crises and operational disruptions. Therefore, firms must strike a balance between risk and return through strategic working capital decisions.

In summary, the conceptual framework of working capital management rests on understanding its structure, timing, and financial impact. The goal is to optimize the use of current assets and liabilities to support continuous operations, minimize costs, and enhance the firm's profitability and financial stability.

Chapter 3 Research Methodology

3.1 Research design

This study adopts a mixed-method research design through the blending of qualitative and quantitative research techniques to explore working capital management practices in a corporate setting. It includes evaluating current assets and liabilities, assessing liquidity, internal processes, and capital efficiency. The research aims to provide a practical understanding of how working capital is managed in a real organization.

While qualitative insights are gained from hands-on experience, observation, and discussions with the finance manager, the broader framework of the study remains quantitative. The reason is that the study primarily seeks to evaluate measurable aspects of working capital performance, such as liquidity ratios, receivable and payable cycles, and cash flow management. By focusing on quantifiable financial indicators, the study can evaluate current practices and identify areas for improvement.

The decision to take a quantitative approach is also aligned with the nature of financial analysis, where ratio calculations, time-based collection metrics, and trend interpretations are essential to understanding performance. The qualitative parts help to contextualize these findings, providing background and support drawn from direct interaction with personnel and internal practices.

A descriptive research strategy is used to determine the present working capital position and financial behavior of the company. Ratio analysis, including the current ratio, quick ratio, and collection ratio, is used as the primary tool to measure financial efficiency, supported by graphical illustrations and data interpretation.

3.2 Sampling Technique and Sample Size Determination

The population for this study consists of staff members directly involved in managing financial operations at Orgagenic.

A convenience sampling technique has been adopted for this research. The sample includes the accounting and finance officer, as well as other employees who are involved in the company's day-to-day financial operations. These individuals were chosen based on their availability and direct involvement in the financial operations. The Research data was collected through direct observation, informal interviews, and interactions during the internship period. These qualitative insights were complemented by financial documents and internal reports, which served as the basis for quantitative analysis.

3.3 Source of data

This study uses both primary and secondary data sources to ensure a comprehensive understanding of the organization's working capital management.

Primary data has been emphasized as the main source of insight due to its relevance and accuracy. The following methods were used to collect primary data:

- Personal observation and hands-on experience related to the management of receivables, payables, petty cash, and banking transactions.
- Informal discussions with the accounts and finance officer to gain practical perspectives.
- Active involvement in preparing internal financial reports and documents related to working capital practices.

Secondary data included:

- Reviewing internal records, files, and documents related to accounting and finance.
- Extracting relevant data from official company documents, reports, and policy files associated with capital and cash flow management.

3.4 Data collection

Data for this study were collected using four key methods: interviews, observation, library research, and desk study. This mixed approach was chosen to

ensure the collection of both qualitative and quantitative data, allowing for a comprehensive understanding of working capital management practices.

Interview:

Structured questions were presented to employees in the finance and accounts department of Orgagenic. These interviews were conducted to obtain practical insights into the organization's handling of receivables, payables, and cash flow activities.

Observation:

Observation served as a qualitative method to collect contextual and real-time information. Day-to-day financial operations were observed for analysis.

Library Research:

Relevant academic literature on working capital management was reviewed from the university library. This included previous studies, which helped establish a strong theoretical background for the study.

Desk Study:

Secondary data was gathered through online sources and internal company documents. Research papers, articles, financial reports, and policy documents were examined to support and validate findings from primary sources.

3.5 Ethical Consideration

This research treated respondents fairly, allowing them to withdraw during data collection and ensuring the data was only used for the study.

Chapter 4: Data Analysis and Interpretation

The study uses two methods of analysis, financial analysis and statistical analysis. Financial analysis focused on calculating important ratios such as the working capital ratio, quick ratio, and collection ratio to assess the efficiency of short-term financial management.

For statistical analysis, graphical illustrations are provided to present Orgagenic's current financial status in a visually interpretable format.

4.1. Ratio Analysis:

Ratio analysis is a useful tool to understand a company's overall financial health, including profitability, liquidity, risk, solvency, operational efficiency, and effective use of cash.

The table below contains the components needed to calculate the ratios.

Table 1. Components

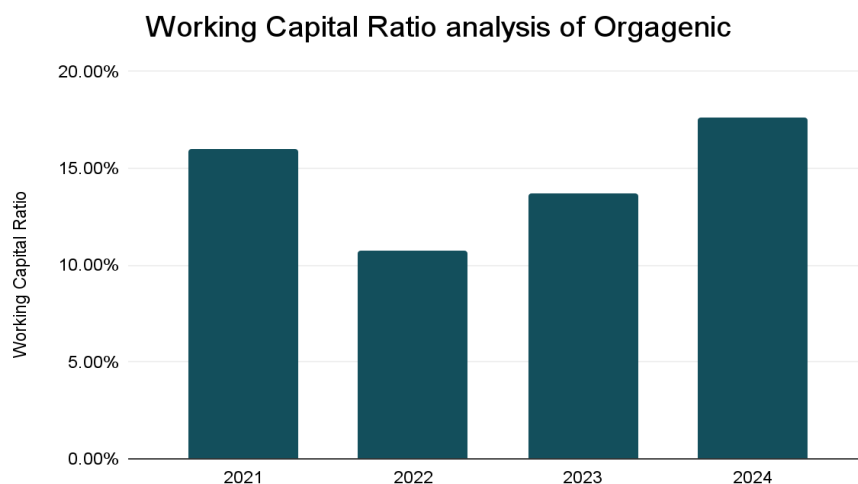
Components	2021	2022	2023	2024
Current Asset	2,384,357	1,750,504	2,038,348	2,300,388
Current Liabilities	14,920,715	16,321,591	14,890,231	13,045,818
Inventory	1,074,281	874,500	800,465	678,520
Accounts Receivable	108,800	402,400	538,400	395,400
Accounts Payable	598,900	1,036,000	1,676,400	2,406,000
Cost of Goods Sold	8,787,010	7,549,720	9,289,180	12,367,890
Net Sales	1,558,100	11,140,114	18,940,456	30,158,114

(Values are in BDT)

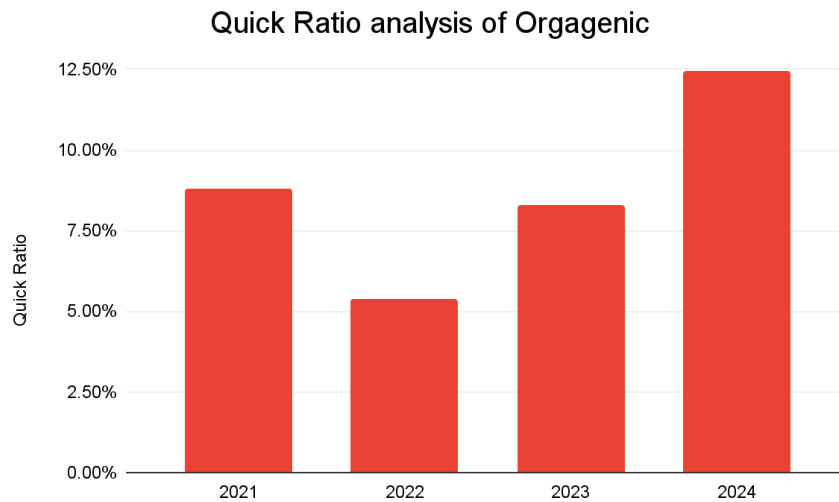
Table 2. Ratios

Ratios	2021	2022	2023	2024	Formula
Working Capital Ratio	15.98%	10.73%	13.69%	17.63%	Current Assets/Current Liabilities
Quick Ratio	8.78%	5.37%	8.31%	12.43%	Current Assets - Inventory/ Current Liabilities
Receivable Collection Period	25 days	13 days	10 days	5 days	Accounts Receivable/ Net Sales*365 days
Days Payable Outstanding	25 days	50 days	66 days	71 days	Accounts payable/ COGS*365 days

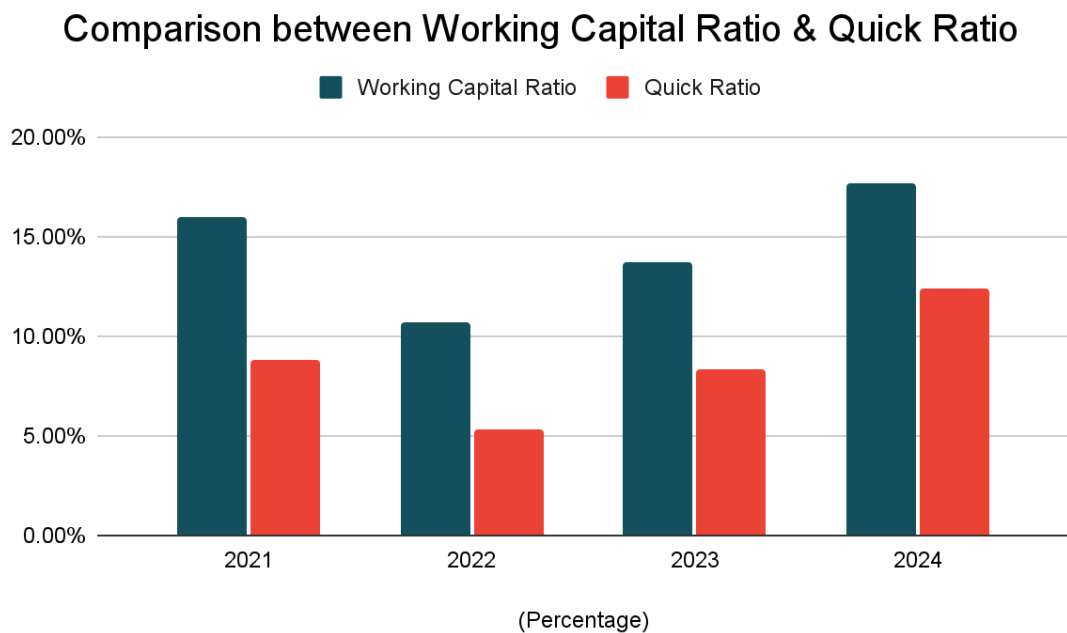
4.2 Statistical Analysis



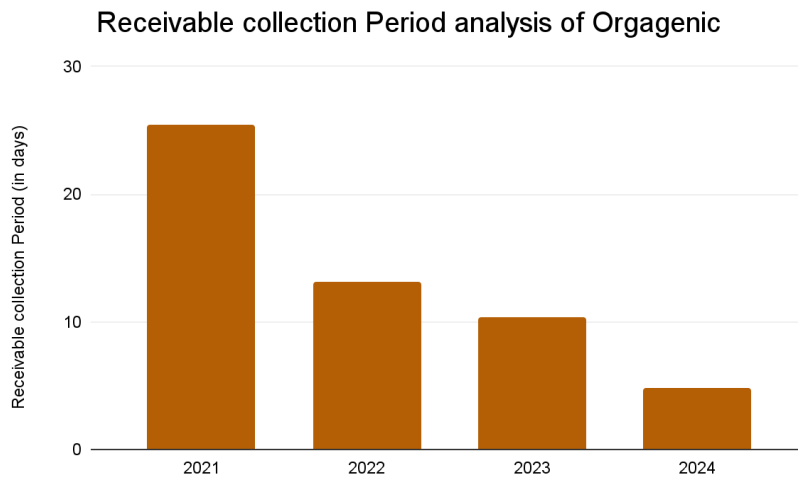
The Working Capital Ratio has seen quite a fluctuation over time, decreasing in the year 2022, then steadily increasing.



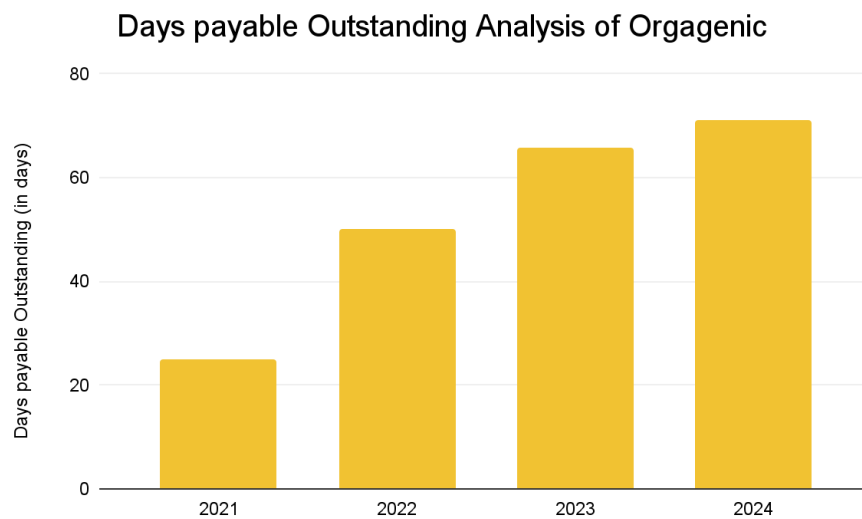
The same can be seen for the Quick Ratio, decreasing in the year 2022, then steadily increasing.



A comparison between Orgagenic's Working Capital Ratio and Quick Ratio over the last four years demonstrates a comparatively higher percentage of the working capital ratio.

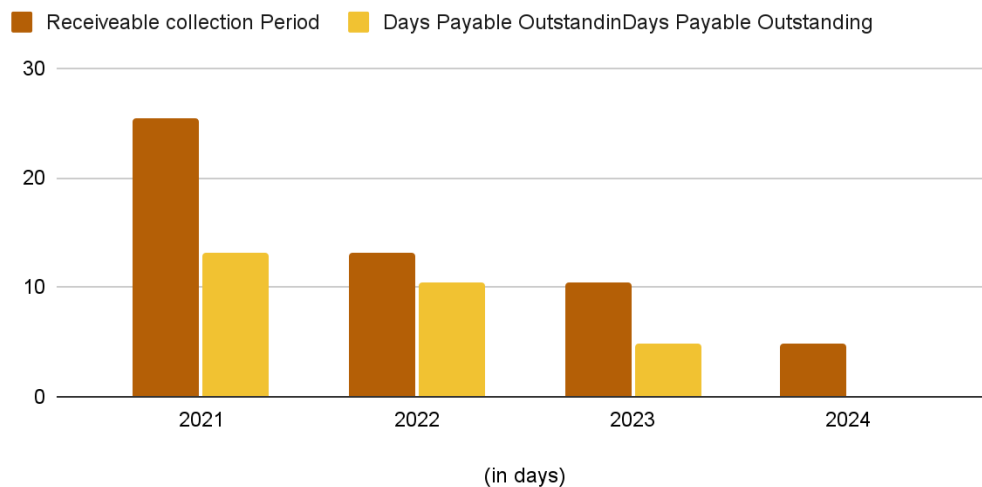


The graph illustrates that Orgagenic is recovering its receivables efficiently over the period.



The graph shows that Orgagenic is paying off its payable early over the time.

Comparison between Receivable Collection Period & Days Payable Outstanding



According to the graph, Orgagenic has become more efficient in both the receivable collection period and the days payable outstanding.

4.3 Overall Performance

The ratio analysis conducted over four years (2021-2024) depicts the company's short-term financial position as well as efficiency in managing working capital components.

Throughout 2021 to 2024, the Working Capital Ratio steadily increased from 15.98% to reach 17.63%, indicating a gradual improvement of the company's ability to meet short-term obligations. Although the ratio remains below the recommended benchmark of 2:1, the upward trend reflects improvement in control over current liabilities. Similarly, the Quick Ratio improved significantly from 8.78% in 2021 to 12.43% in 2024. This increase suggests enhanced liquidity. It also implies that the company is better positioned to manage immediate financial commitments using its most liquid assets.

The Receivable Collection Period reduced dramatically from 25 days in 2021 to only 5 days in 2024, indicating a significant increase in the efficiency of the accounts

receivable process. Faster collection periods improve cash flow and reduce dependence on external financing. However, the Days Payable Outstanding (DPO) grew from 25 to 71 days within the same period. While this extension provides the company more flexibility in managing cash outflows, it may strain supplier relationships if not handled appropriately.

Overall, the findings indicate that the company has made noticeable progress in improving liquidity and managing working capital effectively. However, while receivable management appears strong, the rising DPO suggests a need for careful monitoring to ensure that delayed payments do not affect operational continuity or vendor relations.

Chapter 5: Recommendation and Conclusion

5.1 Recommendation

Based on the analysis and findings of this study, the following recommendations are proposed to further enhance working capital management practices:

- While liquidity has improved, it is important to ensure that current assets are kept at a level sufficient to meet short-term obligations without excessive accumulation that may tie up capital unnecessarily.
- The increasing trend in DPO should be carefully evaluated. While delayed payments can help with short-term cash flow, long-term reliance on this practice may harm supplier relationships and corporate reputation.
- The decrease in the receivable collection period is remarkable. To preserve this progress, consistent monitoring and timely follow-ups should be maintained.
- Regular reviews of financial records and internal reporting processes should be continued to detect inefficiencies.

The company can further improve its working capital structure, reduce financial risks, and support sustainable operational growth by focusing on these areas.

5.2 Conclusion

This study explored the practical aspects of working capital management through an investigation on key areas such as liquidity, accounts receivable and payable handling, and the overall efficiency of short-term financial operations. The findings through ratio analysis highlight that while the company has made significant progress in strengthening its liquidity position and improving receivable collections, certain areas still require attention.

The financial health shows a consistent improvement based on the positive trend in both working capital and quick ratio. Stronger cash flow management and operational efficiency caused the receivable collection period to decline significantly. However, the steady increase in the Days Payable Outstanding (DPO) will eventually pose problems to supplier relationships and future procurement efficiency.

Overall, the company demonstrates a strong awareness of its working capital processes. However, it requires continued attention to balance receivables and payables for maintaining long-term stability.

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Appendices

Internship Proposal Form	
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Name:	Ayesha Maria
ID:	221011098
Semester (Spring/Summer/Fall)	Spring 2025
Department:	BBA
Supervisor's Name (Faculty):	Ms. Arzoo Ismail
Project Title:	Working Capital Management: A Study on ORGAGENIC

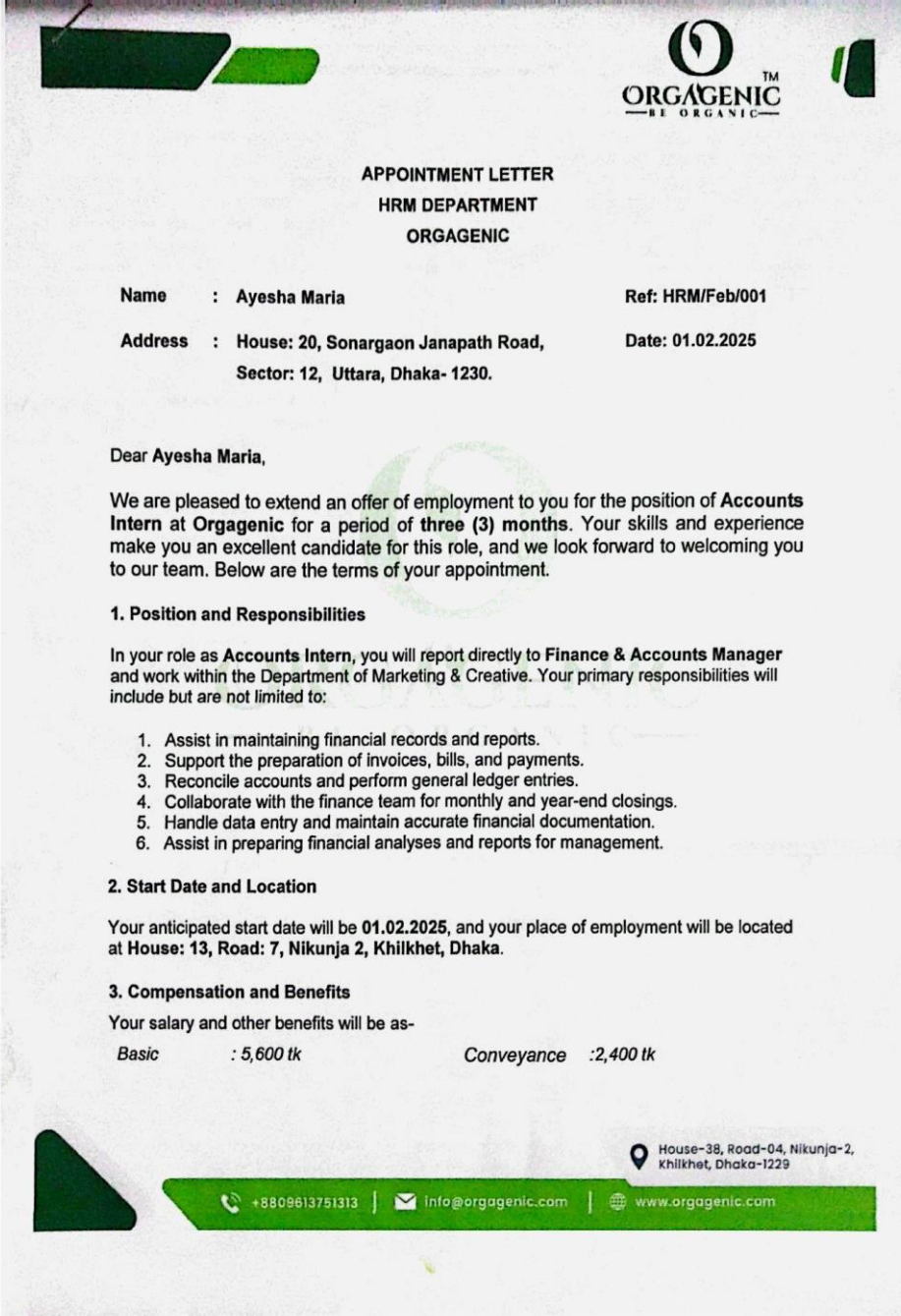
Ayesha Maria

2 May, 2025

Student's signature & date

Supervisor's signature & date

**Copy of company-provided internship confirmation/acceptance letter
(attached)**



ORGAGENIC
—RE ORGANIC—

APPOINTMENT LETTER
HRM DEPARTMENT
ORGAGENIC

Name : Ayesha Maria **Ref:** HRM/Feb/001

Address : House: 20, Sonargaon Janapath Road,
Sector: 12, Uttara, Dhaka- 1230. **Date:** 01.02.2025

Dear Ayesha Maria,

We are pleased to extend an offer of employment to you for the position of **Accounts Intern** at **Orgagenic** for a period of **three (3) months**. Your skills and experience make you an excellent candidate for this role, and we look forward to welcoming you to our team. Below are the terms of your appointment.

1. Position and Responsibilities

In your role as **Accounts Intern**, you will report directly to **Finance & Accounts Manager** and work within the Department of Marketing & Creative. Your primary responsibilities will include but are not limited to:

1. Assist in maintaining financial records and reports.
2. Support the preparation of invoices, bills, and payments.
3. Reconcile accounts and perform general ledger entries.
4. Collaborate with the finance team for monthly and year-end closings.
5. Handle data entry and maintain accurate financial documentation.
6. Assist in preparing financial analyses and reports for management.

2. Start Date and Location

Your anticipated start date will be **01.02.2025**, and your place of employment will be located at **House: 13, Road: 7, Nikunja 2, Khilkhet, Dhaka**.

3. Compensation and Benefits

Your salary and other benefits will be as-

Basic : 5,600 tk **Conveyance** : 2,400 tk

House-38, Road-04, Nikunja-2,
Khilkhet, Dhaka-1229

+8809613751313 | Info@orgagenic.com | www.orgagenic.com

4. Working Hours

Your standard work hours will be **42 hours in 6 days**. Flexibility is expected for client meetings, events, and other business-related activities.

5. Leave/Holidays

All leaves will be provided as per company policy.

6. Confidentiality and Code of Conduct

You will be required to adhere to **Orgagenic** policies and confidentiality agreements to protect company interests and client information.

7. Termination and Notice Period

Both the company and the employee are expected to give a notice period of **30 Days** should either party wish to terminate employment after the probation period, in accordance with company policy.

8. Governing Law/Jurisdiction

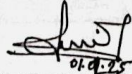
Your employment with the Company is subject to Bangladeshi laws.

9. Acceptance of our offer

We are confident that you will make valuable contributions to **Orgagenic** and achieve success in your role as **Accounts Intern**. Please confirm your acceptance of this offer by signing and returning a copy of this letter.

Welcome to the team, and we look forward to working together to achieve great success.

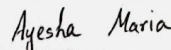
Thanking you



Safiul Bashir Sabbir

HR & Operation Manager
ORGAGENIC

Agreed and Accepted



Signed by Employee

Date: 08.02.25

PART- B.pdf

ORIGINALITY REPORT

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