

"INDENTING BUSINESS OPERATIONS AND IMPACT OF DOLLAR CRISIS ON IT: A CASE STUDY OF ASHA TRADE INTERNATIONAL"

Asha Trade International

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Date 26th December 2022

Table of Content

CHAPTER 01 Internship preparation.	7
1.1 Background of the study:	7
1.2 ASHA TRADE INTERNATIONAL	7
1.3 My motivation for the internship	8
1.4 Internship searching experience:.....	9
1.5 Interview experience:.....	9
1.6 About Indenting Business	10
Chapter 02 about the Internship	11
2.1 My position and office environment.....	11
2.2 New skills I learned this internship:.....	11
2.3 Course related topics that I learned here practically:	12
Chapter 03 Self-Reflection.	13
3.1 Self-reflection:.....	13
Chapter 04 Personal Development Plan.	14
4.1 Personal development plan:	14
Chapter 01 Introduction.	15
1.1 Executive summary	15
1.2 Research Objective	15
1.3 Research Context or Background of the Research:	16
1.5 Origin:.....	18
Chapter 02 Methodology.....	19
2.1 Methodology.....	19
2.2 Scope.....	19
2.3 Limitation	19
Chapter 03 Findings and Discussion.	21
3.1 Work Procedure of ASHA TRADE INTETNATIONAL.....	21
3.2 Major sectors of imports Asha Trade International works with.	22
3.3 How Asha Trade International Generates Profit:	23
3.4 Growth and profitability analysis of Asha Trade International:.....	24
3.4.1 Administrative expense ratio analysis:	25
3.4.2 Net profit margin ratio:.....	26
3.5 Effects of dollar rate fluctuation on Asha Trade International according to J curve theory:	27

3.6 Trend Analysis	29
3.7 Findings	30
Chapter 04 Recommendation and Conclusion.	33
4.1 Recommendation.....	33
4.2 conclusion	34
References	35

Topic name: "Indenting business operations and impact of dollar crisis
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Part A

CHAPTER 01 Internship preparation.

1.1 Background of the study:

Practical learning experience is more effective than the theoretical learning. Theoretical learning builds the structure to enter into the corporate life and the practical work fulfills the structure with communication skills, strengths and knowledge. Basically it was a mandatory course for all the students of ULAB School of business undergraduate program. Any academic course of study has a great value when it has practical application in real life. So, it is an important opportunity for the students to know about the field of business through the internship program. Internship program is a perfect blend of the theoretical and practical knowledge. During the internship training, students have the opportunity to adopt themselves into the particular environment of the organization. It provides a unique opportunity to see the reality of business during student life, which enables them building confidence and working knowledge in advance of the start of their career. So, University of Liberal Arts Bangladesh (ULAB) includes an internship program for students of undergraduate program. After the completion of all other courses in the spring 2022 of BBA I started applying for four month long internship program in several different companies, Then I was hired by ASHA TRADE INTERNATIONAL, a sister concern of Miah Group Of Industries for the internship program which was four months long starting from October 1st and ends on January 31st. I worked in Asha Trade International as an Office Executive and learned many a lot about International trade and banking system and support related to international trade this four months of practical work experience enhance my knowledge a lot. Now I am writing this report based on the learning and practical working experience. The internal supervisor Liliping, Senior lecturer ULAB School of business assigned me with the project titled: “Operation of indenting business & how recent inflation and dollar crisis is effecting indenting business based on ASHA Trade International”. I have prepared this report on the title above and I have tried my best to relate the theoretical knowledge with the practical work situation.

1.2 ASHA TRADE INTERNATIONAL

Bangladesh is a developing country. It has huge natural resources. But due to lack of capital and technology, proper utilization of our natural resources is not possible. As a result, we have to depend on foreign trade for importing industrial goods and exporting raw materials. International trade is the basic activity by which

a country establishes its bilateral diplomatic relationship with other countries. Trade is an integral part of the total national development and growth of an economy. This is in fact a crucial instrument for industrialization while access to foreign exchange is essential for sustained economic development. Export and import are potential weapons of developing the Bangladesh economy and can play an important role in achieving the country's socioeconomic objectives including poverty reduction goals, employment and industrial development.

ASHA TRADE INTERNATIONAL is a leading trading (Indenting or Buying house) company in Bangladesh. It has started its journey in the year of 2008. Basically it has providing import service with care & reliable source to its customers. In short there activity is known as indenting business (connecting buyers and suppliers for Import & Export). They create commercial flows, import products, arranging and managing international projects with their partners/clients. Their network, they are able to integrate all these functions with their fruitful experience. They made the whole procedure of import easier for their client. They have a very good working experience of more than a decade. Though there company started its journey in 2008 but there parent company Miah Group of Industries has started its journey in 2001.

1.3 My motivation for the internship

“Self-improvement” When determining whether or not to accept an internship, people occasionally become a little hesitant. Internships and work experience are frequently ones only options when you are just out of university because you don't have enough experience to secure a full-time permanent job. However, I must stop viewing such negatively and consider all that internships and work placements may provide. Unless I want to acquire a feel for work without being thrown into the deep end right away, companies are frequently the greatest option for me. This offers the chance to learn and progress.

Practical learning experience is more effective than the theoretical learning. Theoretical learning builds the structure to inter into the corporate life and the practical work fulfills the structure with communication skills, self-confidence, strengths and knowledge etc. though it was a mandatory course for all the students of ULAB School of business undergraduate program, but from the internship “to gain corporate experiences, build self-confidence, ability to put new things into practice & to communicate”. The best learning experiences I acquired. Because I get to observe and engage with the various roles that people play in my company and gain new insights on the workplace. This will be useful in the workplace because

I may occasionally be requested to complete various duties involving various divisions of the business. I would have already tried things and learned how to multitask if I had done it this way. Internships has boosted my confidence, enabling me to advance as a worker and a person. This confidence which I can use to give business presentations or simply to suggest new ideas. People who recruit me for internships are aware that this is a time to experiment. They anticipate that I will learn from my errors and use them as fuel to improve on the skills I previously lacked. Finding a method to apply these fresh perspectives and abilities to any responsibilities I am assigned at my next employment by bringing them with me.

1.4 Internship searching experience:

It was such a new journey for me, I was engage with my family business but I had no prior experience of searching for job part time or full time, also I never sat for an interview before. So after enrolling for the internship course and orientation program held on 11 august 2022 I got a clear guideline on how to search for an internship, how to handle interview, ULAB career service office, English zone and some of My seniors help me to prepare a good CV. Then I start searching internship vacancy announcement through online and social media platforms also I told my relatives, friends, seniors with whom I have connection and I thought they have a networking in corporate world, I request them to pass the opportunity if there is any. I applied for several organizations like Bkash, Ngad, Shopup, Brand of Blue, etc. but I faced some difficulties because I had a course along with the internship and I have to manage for the class timing for two days in a week. So many company was not willing to accept it. Then one day one of my friend suggest me to give an interview at Asha Trade International. After sitting for an interview I got the chance to do internship at Asha Trade International which was a four months long internship program and they agreed to accept with a course. Then I got the acceptance letter and NOC letter to join office from 1st October of 2022 which will be end on 31st January 2023.

1.5 Interview experience:

Though this internship opportunity was suggested by one of my friend but I had to sit for an interview. It was not that kind of formal interview rather it was casual meeting with my external supervisor of Asha Trade International. He asked me some normal questions related to my university, my future planning, does I have any work experience before, he discussed about my job responsibilities and thus.

1.6 About Indenting Business

Asha Trade International is an indenting house. Its head office is at Joynag road Bokshi Bazar Lalbagh Dhaka. An indenting agent is a synonym of buying agent. This indenting agents are the party who seeks to perform the activities those are required to establish connection into overseas suppliers or manufacturer and their clients or importers of their home country. Basically the indenting agent provides service to their client by locating suppliers or manufacturer worldwide and sourcing goods at a best price and secure shipping condition. An indenting agent does all these activities in exchange of service fee or commission. These indenting agents generally has broader network then the client or may not. Agents gathers several orders from several clients so they can order in bulk and has strong bargaining power than a single importer. As a result by engaging the agents the importers can get a better price and bargaining power over suppliers and saves time of the importer.

To be indenting agent in Bangladesh does not requires a huge capital or lots of papers clearance and license but the indenting agents should be a member of Bangladesh Indenting Agents Association (BIAA). There is two types of membership in BIAA

- (1) General and
- (2) Associate.

After providing some necessary information any one can be a member of BIAA and can start their business as an indenting agent Necessary information regarding New Membership:

All firms, companies, businessmen who are engaged in doing Intending business to get Membership of Bangladesh Indenting Agents' Association may collect Membership Application Form from the BIAA Website/Office by paying the amount of Tk. 100/= BDT deposited to NCC Bank, Bijoy Nagar Branch, in favor of Bangladesh Indenting Agents' Association (BIAA).

The following documents should be submitted with duly completed of the Membership Application Form.

1. Copy of up to date Trade License of Indenting Business.
2. Copy of up to date Income Tax certificate.
3. Copy of Bank Solvency Certificate.
4. Copy of National ID/Passport (Proprietor / Partners / Directors)
5. Passport size colored photographs 2 copies.
6. Copy of Memorandum & Articles of Association in case of Limited Company.
7. Partnership Deed (In case of Partnership Firm).
8. Copy of Passport / Work Permit in the case of Foreign Nationals.

Chapter 02 about the Internship

2.1 My position and office environment

Office environment and my work experience here was so good. Especially the chairperson of Asha Trade International is so helpful and enthusiastic person who motivates each and every employee here to do their best. Also each and every one who works here are very helpful I learned many new things from them all of them are self-motivated and encourages each other by working as team and problem solving attitude.

Here my designation is office executive. And my responsibilities are:

- Communicating with clients.
- Meeting with clients to know their requirements.
- Informing those to our Manager Sir.
- Delivering proforma invoice to the clients through e-mail during any consignment.
- After confirming the order asking clients to open a LC and send us the draft copy.
- After that when supplier and our client reach to the point where they agreed with the terms and conditions of LC then I ask our clients to finalise the LC and send us the Swift LC.
- Then after shipment I inform our clients to collect the papers related to shipment and others from their bank and send us a copy.
- Tracking the ships location and updating our clients if they ask for it.
- And finally when the shipment arrives at port I inform our clients to clear the payment and then receive their shipment from the port.

2.2 New skills I learned this internship:

This four months of practical working experience enhance my knowledge a lot.

First of all this working experience gave me a broad and practical knowledge of international trade and banking activities related to international trade e.g. letter of credit, types and different features of LC. Dealing with international trade supplier and buyers convincing for being in an agreement with high satisfaction. Moreover this work experience enhance my communication skills. Overall this four months of

work experience helped me a lot to prepare myself for entering into corporate life. And last but not the least learned the calculation of different types of VAT and Tax.

2.3 Course related topics that I learned here practically:

The practical knowledge I acquire here was very relatable with the theoretical topic I learned in several courses

1. Banks role in international trade, the role of issuing bank, advising bank, Nominated Negotiating Bank, confirming bank, banker's acceptance and whole procedure of import starting from proforma invoice to draft LC, swift LC, and finally the shipment procedure. And acquiring practical knowledge about these topics what I learned theoretically in the course Financial Market and Institution.
2. How local currency devaluation and fluctuation of exchange rates effects international trade and analyzing the result of it based on my learnings from the course international financial market.
3. Finally cost saving opportunities for international Trade which can fuel up the profitability and future business prospects.

Chapter 03 Self-Reflection.

3.1 Self-reflection:

I reflect on my summer internship at Asha Trade International. Being an intern was a once-in-a lifetime opportunity in which I was empowered, motivated, and learnt something new every day. From the moment I walked in on my first day until today, I received so much information and experience that I had no idea I would have when I started. Throughout my internship, I was a member of the office executive, which included my supervisor and me. I didn't have much prior experience in the B2B buying agent business, but I knew it was an industry that piqued my curiosity. I'd also heard great things about it and was keen to learn more. I had never heard of it before, therefore I had little to no expectations about the work atmosphere and individuals. I was treated with respect and understanding from the start. I was regarded like an employee rather than as an intern. If there was something I didn't understand, I could always turn to someone for assistance. Because the team was essentially just the four of us, my supervisor would frequently share what was going on with me so that we could come up with answers together. Because we were responsible for all aspects of the operation, I learnt about a variety of methods and gained a comprehensive understanding of what an operation function entails. Throughout the process, my thoughts and opinions were valued, and I was given tasks that had a genuine influence on the project. My internship has taught me a lot about my skill set and given me confidence in my own skills. It has helped guided my professional objectives and will undoubtedly aid me in my future job decisions. I also obtained technical skills in both digitalization and practical as a whole. I finished my internship with a considerably broader toolbox than when I started. The knowledge I received will prepare me for the real world after graduation. My experience has gotten me closer to my goals, and I am forward about what the future will bring.

Chapter 04 Personal Development Plan.

4.1 Personal development plan:

Personal Development Plans can be used to assess all elements of a person, including appraising essential talents, detailing flaws, and discussing strategies to improve on them. A personal development plan is more than simply something managers make you do before an annual review, it's also that solid rock that keeps your aspirations and desires in sight. My internship with Asha Trade International was fantastic. I've always been the type of person who wants to do something helpful with my time in order to better myself for the future, and an internship with Asha Trade International sounded like a wonderful option. Despite the fact that it was my first corporate job. I was familiar with Organization because of their participation with B2B buying agent business and the amount of time they devote to assisting the society's student members in their growth. While I wasn't sure what to anticipate from my intern job, I certainly was not prepared for the steep learning curve and personal growth experience that Firm provided. To begin with, my communication abilities have much improved, particularly my ability to adjust my communication approach to other personalities. Furthermore, my finance background was tested to its limits, and I worked hard to end as the top performance. This has resulted in my membership in the Special Club, which is a recognition for ending as one of the top ten achievers among all workers across my organization. This demonstrates how big of an influence I can have in such a short period of time. Even better, I was encouraged to share my skills and educate others how I do things. This includes one-on-one meetings with my coworkers as well as conducting our regular morning meetings, which made me feel respected and important at work.

I was amazed by how diverse the internships are, in addition to increasing management and communication skills, I got to work on finance, B2B buying agent business, and company development and growth. You undoubtedly learn entrepreneurial abilities and the competencies required to manage my own firm, which is something I hope to achieve someday. I realize now how much the skills and experience I obtained with Asha Trade International during my first corporate experience benefited me throughout the interview process and during my internship with Asha Trade International. This has rekindled my excitement, I can't wait to bring this wonderful experience back to my team and push myself to be the best executive I can be, to assist my team achieve even more and make a good influence on our projects.

PART B

Chapter 01 Introduction.

1.1 Executive summary

This report provides a comprehensive summary of the internship conducted at Asha Trade International. An indenting house. The primary objective of the internship was to get an insight knowledge about indenting business and their activity, how they generates profit and finally the impact of recent dollar crisis on Asha Trade International. To analyze the future prospect of this business.

The internship began with an overview of Asha Trade International, and its service, as well as its profit generating structure. This was followed by an in-depth analysis of the company's work procedure, financial performance analysis, trend analysis, and a review of its recent cases due to dollar crisis in Bangladesh.

The analysis revealed that Asha Trade International, was performing well financially and had record of generating a handsome amount of profit through offering their service. However, the company could improve its customer base and networking globally by improving its reach to importers and global suppliers, providing more training and support to its employees to enhance their proficiency for connecting with the potential market in Bangladesh and technological expertise to which will enhance their communication skills with overseas suppliers, and focusing more on getting lower price and more flexibilities to pay their suppliers which can enhance their market share with repeated customer and can make their potential customer to their permanent customer.

Finally, the report provides a set of recommendations for Asha Trade International, to improve its service quality and ensure bright future in the indenting industry and satisfying financial performance. These recommendations include managing financial funds in a more appropriate manner, providing more training and support to its employee to enhance the number of customer, and focusing more on customer and supplier retention. In addition, the report recommends Asha Trade International more collaboration with their supplier to get a more attractive price to bid the market more strongly.

1.2 Research Objective

Asha trade international is an indenting company. An indenting agent is a synonym of buying agent. This indenting agents are the party who seeks to perform the activities those are required to establish connection into overseas suppliers or manufacturer and their clients or importers of their home country. Basically the indenting agent provides service to their client by locating suppliers or manufacturer worldwide and

sourcing goods at a best price and secure shipping condition. An indenting agent does all these activities in exchange of service fee or commission. These indenting agents generally has broader network then the client or may not. Agents gathers several orders from several clients so they can order in bulk and has strong bargaining power than a single importer. As a result by engaging the agents the importers can get a better price and bargaining power over suppliers and saves time of the importer.

While in our country we are highly dependent on importing raw materials for production of exporting goods for example in garments industry, in plastic goods manufacturing industry and paper packaging industry. Consequently secure sourcing of raw materials is important to move the wheel of production in this sectors. Behind this secure sourcing indenting agents plays a vital role. Therefore, my research is based on indenting business and their whole work procedure and how current economic crisis and dollar inflation in effecting their business and profitability based on my working experience in Asha Trade International.

❖ Primary objective:

1. Getting a clear overview of indenting business and analyzin the overall logistics.
2. Procedure of being connected and establishing connection for international trade.
3. Learning legal and other paper work related to international trade.

❖ Secondary objective

1. Banks role in international trade, the role of issuing bank, advising bank, Nominated Negotiating Bank, confirming bank, banker's acceptance and whole procedure of import starting from proforma invoice to draft LC, swift LC, and finally the shipment procedure. And acquiring practical knowledge about these topics what I learned theoretically in the course Financial Market and Institution.
2. How local currency devaluation and fluctuation of exchange rates effects international trade and analyzing the result of it based on my learnings from the course international financial market.
3. Finally recommendation and cost saving opportunities for international Trade which can fuel up the profitability and future business prospects of Asha Trade International based on the learnings from the course international financial market.

1.3 Research Context or Background of the Research:

It is 21st Century now and globalization has almost reached every hook and corner of the world. It seems the world has become a global village now. So, people around the world now connecting and sharing trade

and culture frequently. The desire for using product or services from different corner of the world is now very normal or in some cases it is necessity. Now-a-days in Bangladesh there are many industries which are flourishing and can have a great prospects in future. Such as Garments industry, pharmaceutical industry, Agro farming industry, bicycle industry, sheep building industry, steel industry, etc. But it is a bitter truth that in our country the reason of these industry growth is cheap Labour not availability of raw materials. As a result our entrepreneurs or industrialist heavily relies on importing raw materials from global market for producing their goods. Consequently the hassle free import procedure is very important to sustain market with a profitable position.

garments industry needs to import fabric, sewing thread, label(size tag, care label, oven label) and several types of raw materials to produce packaging materials like (neck board, back board, butterfly, cartoon etc.). Pharmaceutical industry imports various kinds of chemical, and drugs, agro industry imports cattle food, hybrid seeds, and composites, bicycle and sheep building industry imports steels from different countries. So in this importing process there are several steps that should be performed step by step and in some scenario these steps can't be fulfilled by the importer or buyer themselves because of their busy and tight schedule.

Basically this import process starts with finding a supplier and end with receiving the product at the port and between this whole process the bargaining power with the supplier, the bargaining power with the foreign banks for credit matters a lot to get the import done in an efficient costing. From here the necessity of indenting house or buying house or buying agents arises who will import the product and perform the activities required for import on behalf of the buyer or importer of a specific industry.

As Asha Trade International plays the role of an indenting house or buying agent for other sister concerns of MIAH group of industries and other clients of garments industry. That's why the growth of Asha Trade International somehow connected with the growth of garments industry. So as the growth of garments industry during last decade was appreciate-able so the import of garments raw materials are increasing. And if we consider the product life cycle of garments industry the decline period is far away. Maybe Bangladesh garments industry is in its maturity period and future free trade agreements with USA and EUROPEAN countries, technological support from China, and foreign investments, governments initiative will help this industry to grow more. This growth will resulting to more and more import.

Therefore, in the conclusion ASHA trade international has a bright future though their growth is connected with other industry, but that industry's predicted growth is also higher.

1.5 Origin:

Education System in today's world is turning out to be more real life related rather than only bookish. Especially students who are almost on verge of graduation, in universities all of the world are encouraged even make mandatory to do internship in any organization related to their expertise. As I am a Student of BBA majoring in Finance this report is a part of my internship of six credits which will also be added to grading of my final result.

In our internship program of ULAB BBA, we can choose a topic on which we have to write an internship report based on my three months internship program. After joining "Asha Trade International" I have thought about several topics in my mind. Lastly, by the guidance and advice of my Supervisor Liliping Ma'am I have chosen "Indenting business operations and impact of dollar crisis on it: A case study of Asha Trade International"

Chapter 02 Methodology.

2.1 Methodology

Basically, this report is based on the qualitative research. Different data and information are required to meet the goal of this report. Those data and information were collected from various sources. Such as Primary and Secondary which is showed below:

Primary Sources:

1. Personal observation
2. Face to face conversation of officers, suppliers and clients
3. Relevant file study provided by the officers concerned (My Supervisor at office)
4. Working at different desks

Secondary Sources:

1. Internet
2. Newspaper
3. National Budget (Fiscal Year 2021-2022)

2.2 Scope

It requires reasonably a long time to acquire through knowledge about the activities of any particular business organization. An internship program designed for 3 months is not enough to know the details of an organization. But, it is possible to acquire working knowledge about an organization.

2.3 Limitation

To prepare a report on the achieved practical experience in a short duration (only three months) is not an easy task. From the beginning to end, the study has been conducted with the intention of making it as a

complete and truthful one. However, many problems appeared in the way of conducting the study. During the study, I have faced the following limitations:

1. Some information was withheld to retain the confidentiality of the company.
2. Time was another major factor because three months are not enough to know overall functions of a company.
3. Large-scale research was not possible due to constraints.

Chapter 03 Findings and Discussion.

3.1 Work Procedure of ASHA TRADE INTERNATIONAL

The import procedure of Asha Trade International is quite different. At first Asha Trade International establish the connection with the manufacturer and suppliers of worldwide. Then we target for a potential market via internet like searching for company in garments sector, plastic raw materials sector and especially those who has a bond license and needs to import product for their production. Now after finding out buyers and taking requirements from them Asha Trade International starts the process of importing. For import goods Asha Trade International communicate with supplier and ask for PI (pro-forma invoice), then deliver it to the clients so that they can check the terms and conditions of payment, shipment and other delivery time, packaging and other information. Then we collect the signed PI from the supplier and share it with the supplier and if any changes required by buyer we inform supplier about that and reaching to a similar point the agreement is done. Then we ask for opening LC to our customer and give us a draft copy so that we can share it with the supplier. Then supplier check the LC terms and conditions and payments terms and conditions if any changes need then supplier suggest that and return it to us. Then we return it to our clients and ask them to fix those and send us the swift LC. After that the swift will be delivered to the supplier and they will so for production. The production and shipment process took minimum 15 days to highest 45 days.

Then the Shipping agents submit their manifest data (containing description of imported goods by ship) electronically to the Customs authority. In the case of import by truck (through land customs stations), trucking company/driver submits IGM to the customs authority. Once the Import General Manifest (IGM) is submitted online (In the case of import by truck, manually), the nominated C&F Agent (or the importer himself) completes the goods declaration (popularly known as Bill of Entry or B/E) from their own premises and submits the goods declaration to Customs systems through ASYCUDA World. The declaration or B/E has to be made in a specific format, known as Single Administrative Document (SAD).

The Prescribed Bill of Entry and Bill of Export Form Order, 2001 issued by the NBR outlines the documentary submission requirements. For release of goods from Customs, following documents need to be submitted along with the declaration for all types of imports:

1. Letter of Credit (L/C).
2. Invoice

3. Bill of Lading/AWB/Truck Receipt/Railway Receipt
4. Packing List
5. Country of Origin Certificate (except coal and export oriented garments industries)
6. Insurance policy/cover note
7. VAT/BIN Certificate

Except these paper works an importer has to pay several clearances fees and charges to several authority like C&F, port clearance, custom clearance fee, import tax, vat and many more. Once the duties and taxes are assessed by Customs, the importer (or his C&F agent) pays duties and taxes. On payment of duties and taxes assessed, Customs issues release order for clearance and after completion of port formalities, goods are cleared.

3.2 Major sectors of imports Asha Trade International works with.

1. Plastic raw materials and resin: The Plastic industry shows promise with a huge growth potential in the domestic market and opportunity to grab a share in the global market. Plastic is one of the key industrial sectors in Bangladesh making significant contribution to the country's economy. There are around 5,000 plastic enterprises in Bangladesh, employing about 1.2 million people and producing a variety of products for the domestic as well as the export market. Plastic is a key component of many products in other sectors of the economy like textile, healthcare, construction, electronics, energy generation, automotive etc.

2. Garments raw materials: The readymade garments industry acts as a catalyst for the development of Bangladesh. The "Made in Bangladesh" tag has also brought glory for the country, making it a prestigious brand across the globe. Bangladesh, which was once termed by cynics a "bottomless basket" has now become a "basket full of wonders." The country with its limited resources has been maintaining 6% annual average GDP growth rate and has brought about remarkable social and human development.

The industry that has been making crucial contribution to rebuilding the country and its economy is none other than the readymade garment (RMG) industry which is now the single biggest export earner for Bangladesh. The sector accounts for 83% of total export earnings of the country. But the industry highly dependent on import for their raw materials.

3. Packaging raw materials: Many people are still unaware of slow but steady growth of the country's apparel accessories and packaging industry. On all counts, this industry is a success story. But this has not been highlighted in the way it rightly deserves. The industry in the last fiscal fetched export revenues worth \$6.12 billion and expects to raise it even higher this year. Expectations are high that with right kind of incentives and policy support, this particular backward linkage industry would be able to double its earnings.

3.3 How Asha Trade International Generates Profit:

Generally indenting house or buying agents generates profit from commission. The profit generating structure of ASHA TRADE INTERNATIONAL as well as indenting house or buying agent. Buying broker agents doesn't engage in international trade for themselves or in other words the raw materials or the goods imported by a buying agent or indenting organization those are not used by them, they perform this job on-behalf of someone else. Their activity illustrates their profit generating structure. As buying brokerage firms don't produce or retail any sort of goods they just import and hand over the product to the importer or source a secure path for importer they seek for commissions from importers to generate profit. Besides this and indenting organization doesn't have any inventory cost or high salary payment for several of employees or a pompous corporate office in a skyscraper commercial building. The main experiences of an indenting business is generated for marketing in local and international market. In short the agenda of marketing in local market is to inform the importer "we are here for you, we can do it for you" and provide them the best prices and best offers for importing their necessities. Moreover the marketing doesn't ends here the marketing in international market refers to building connection with the overseas manufacturers and suppliers and maintaining a good relationship with which enhance the bargaining power with them. In addition the highest level of connection building refers to being a country manager of a specific company in our home country and working as a MNC (Multinational Company) or as a representative of suppliers.

3.4 Growth and profitability analysis of Asha Trade International:

Asha Trade International

Statement of Profit or Loss (FY 2019-2020 & 2020-2021)

Particulars	2020-2021	2019-2020	Growth
Sales	321,605,669	221,204,218	14.5%
Less: cost of goods sold (sea freight, logistics, transportation)	<u>286,674,697</u>	<u>199,673,441</u>	
Gross profit	34,930,972	21,530,777	
Less: administrative, promotion & distribution expenses.	6,425,330	6,516,081	
Less: financial expenses	<u>13,073,679</u>	<u>9,256,260</u>	
Profit or loss from operations	15,431,963	5,758,436	
Add: other expenses	-	-	
Net profit or loss before tax	<u>15,431,963</u>	<u>5,758,436</u>	
Less: tax expenses	-	-	
Net profit or loss after tax	<u>15,431,963</u>	<u>5,758,436</u>	37.31%

Table: 3.4 financial report of Asha Trade International

Here revenue growth and net profit growth of Asha Trade International is visible they have a positive growth for the fiscal year of 2020-2021 than the previous year 2019-2020 their growth of revenue was 14.5% and growth of net profit was 37.31%. This growth also indicates that they acquire efficiency in management that has minimize their administrative cost.

3.4.1 Administrative expense ratio analysis:

The ratio of administrative expenses to overall expenses is a calculation that examines this relationship.

The formula is as follows for calculating the Administrative Expense Ratio:

$$\text{Administrative Expense Ratio} = \frac{\text{Administrative Expense}}{\text{Total Expense}}$$

Administrative Expense Ratio		
	FY 2019-2020	FY2020-2021
Administrative Expense	6,425,330	6,516,081
Total Expense	215445782	306173706
Administrative Expense Ratio	0.02982342	0.021282301

Table: 3.4.1 administrative expense ratio

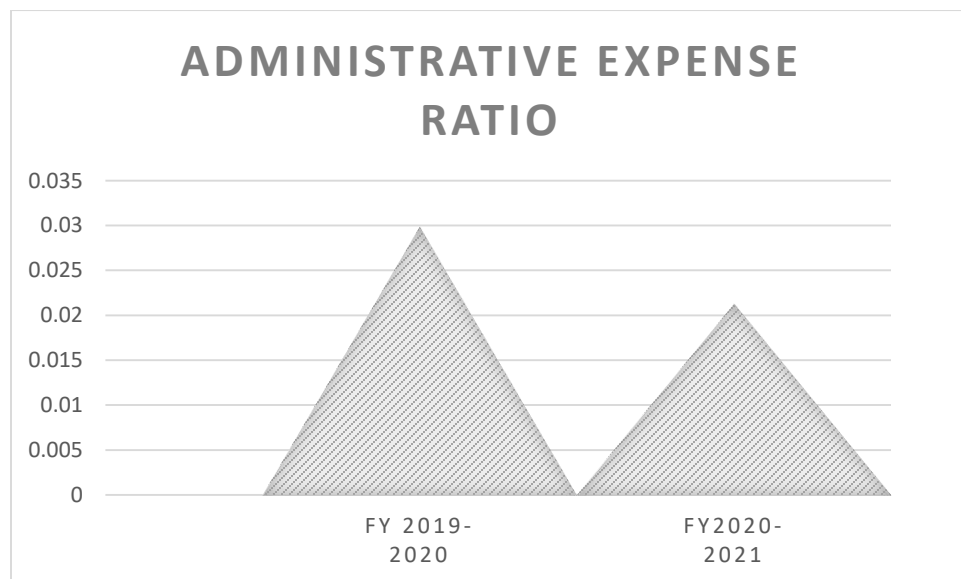


Table: Administrative Expense Ratio Analysis

Administrative expense ratio reflects the percentage of administrative expense over total expense of an organization. When the administrative expense gets lower it indicates the efficiency of management and

effective decision making capably of an organization. Here in the administrative ratio analysis of Asha Trade International for the last two years FY 2019-2020 (0.029) and in FY2020-2021 (0.021). In the last year the decrease in administrative expense ratio reflects that Asha Trade International is achieving more efficiency in its management and minimizing its expenses.

3.4.2 Net profit margin ratio:

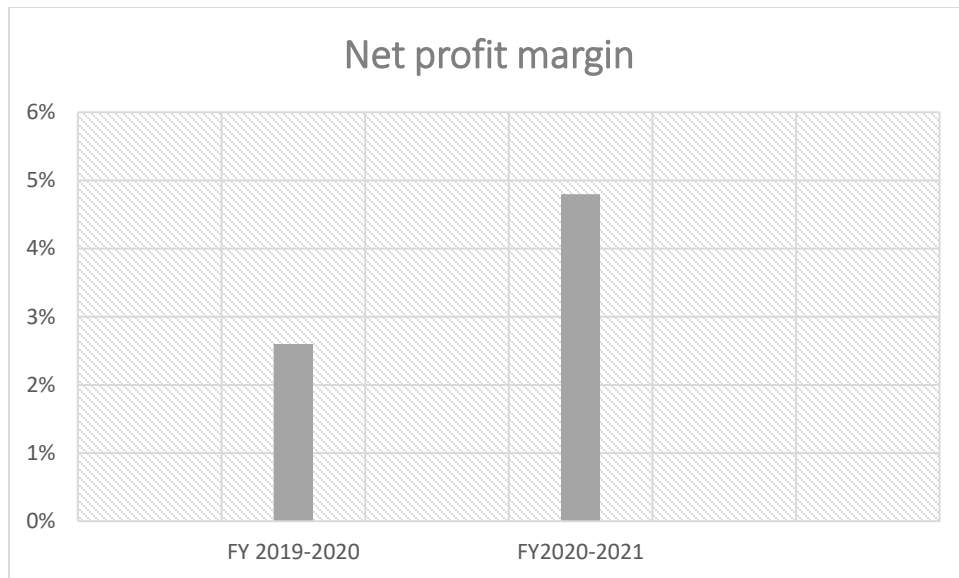
The net profit margin, also known as the net income margin or the net margin, is the proportion of a company's or business unit's profit to its total revenue (net sales). Net profit margin is expressed as a percentage. After all expenses, including taxes, interest, and operational costs, have been accounted for, what is left over is the net profit. Simply said, net margin is the percentage of sales that a company keeps as profit.

The formula for calculating net profit margin is as follow:

$$\text{Net profit margin} = \frac{\text{Net profit}}{\text{Revenue}} * 100$$

Net Profit Margin Ratio		
	FY 2019-2020	FY2020-2021
Sales Revenue	221204218	321605669
Net profit	5758436	15431693
Net profit margin	3%	5%

Table: 3.4.2 Net Profit Margin Analysis



Net profit margin indicates the percentage of profit (after all costs and expenses, interest and tax deduction) on total revenue. Here analysis of Asha Trade International's net profit margin analysis for last two financial year and the upward growth is visible in this analysis. On the FY 2019-2020 the net profit margin was 3% and later on it takes an upward growth and in the FY of 2020-2021 the net profit margin was 5%. Where when a company's net profit margin stays in between 5%-15% it shows a good sign for a company. So the upward growth of net profit margin in the year of 2020-2021 is good sign for Asha Trade International.

3.5 Effects of dollar rate fluctuation on Asha Trade International according to J curve theory:

Exchange rate of foreign currency determines the true price of goods those are traded from beyond the border. It determines how much would be for the trade executed. When a nation's home currency depreciate immediately the price for import increases and the price for import decreases. Resulting to a high price for those goods which are imported and low price for the domestic goods which sometimes increases the export. Eventually in the J curve theory economist has stated the same thing. In economics this J curve describes the effects of home currency depreciation and foreign currency appreciation over the home currency. Though this J curve theory states that after certain period of time the home currency start recovering and reaches at the break-even point, or may after a certain period its value appreciate more than before. In addition the deficit in Balance of Trade starts to recover because of rich growth in export and massive demand for domestic goods of that country. Export increases because those goods costs cheaper for the foreign buyers. However because of devaluation of home currency the country faces shortage of foreign

currency that's creates inflation. But as the time passes if they can get over the heights of export they can recover the situation even can be in a better position.

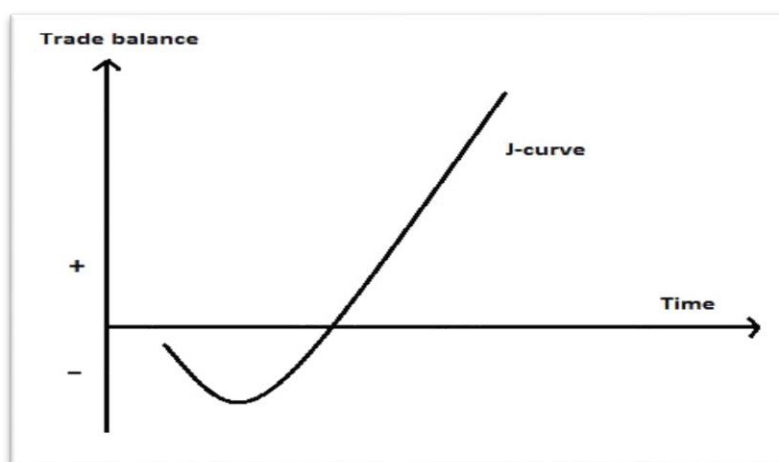


Table: 3.5.1 Balance of trade analysis based on J curve theory

It is a matter of regret that the scenario for Asha Trade International is almost opposite. However Asha Trade International works as an indent agent for specific three industries.

1. Garments Industry.
2. Packaging Industry.
3. Plastic resin or Plastic raw materials industry.

All these three industry has a great contribution in our country's economy, GDP and foreign currency earnings. All are these three industries are 100% export oriented industry. But as we don't have the raw materials in our home country, we have to import the raw materials we need to produce the finished good e.g. garments industry imports sewing thread, labels, raw materials for plastic button production, neck liner, etc. packaging industry imports Kraft liner paper, duplex board, Swedish board, Gum tape, twill tape, etc. plastic resin industry imports LLDPE, LDPE, HDPE, PP yarn, film and many more through Asha Trade International. But because of home currency devaluation the price and import cost for all these products has been raised from 2 lakhs to 10 lakhs BDT per unit. This cost raise resulted to high price for their finished goods and the scenario was totally opposite. As the J curve theory also states that devaluation of home currency would not have a positive impact on export when the country's manufacturing plants depends on import highly or when a country depends on import for the production of its gross domestic product. Therefor the customers of Asha Trade International has lost its customer base and demand for import

indenting. The effects of high price of dollar and dollar crisis in banks are as follow based on observation and working experience with Asha Trade International:

1. Customers of Asha Trade International has become a victim of this dollar price appreciation and dollar crisis. Because when they issued LC the price for \$1 dollar was 97 BDT and when they cleared payment they had to pay 105-107 BDT. So they faced a loss of 10,310 BDT per 1 lakh BDT and around 10, 00,000 BDT per 1 corer.
2. Further this dollar appreciation has create a shortage of dollars in banks so many customers failed to issue new LC for import so Asha Trade International lost consignment again.
3. Asha Trade International is losing bargaining power with the international supplier. As the news of shortage of foreign currency and reserve shortage of Bangladesh spread in the global market suppliers are demanding for LC at site only. Where the buyer has to pay the full amount at moment they got the shipment in port, means they will get only 15-45 days to clear their payment after confirming the order after opening LC. On the other side if suppliers accept deferred LC then the buyer can pay the amount within 60-180 days after confirming order or opening of LC. So any importers are demotivated for import.
4. Restriction from supplier while choosing bank for opening a LC. It is a rumor or maybe partially truth that our banking sector is in deficit, and many more negative news has been spread in the international market e.g. the news of Islami bank Bangladesh Ltd and many more. As a result international buyers are imposing restriction on choosing bank while opening a LC. Even 9-10 LC of several customers of Asha Trade International has been canceled by the suppliers.

3.6 Trend Analysis

Now-a-days in Bangladesh there are many industries which are flourishing and can have a great prospects in future. Such as garments industry, pharmaceutical industry, agro farming industry, bicycle industry, sheep building industry, steel industry, etc. But it is a bitter truth that in our country the reason of these industry growth is cheap labor not availability of raw materials. As a result our entrepreneurs or industrialist heavily relies on importing raw materials from global market for producing their goods. Consequently the hustle free import procedure is very important to sustain market with a profitable position.

Garments industry needs to import fabric, sewing thread, label(size tag, care label, oven label) and several types of raw materials to produce packaging materials like (neck board, back board, butterfly, cartoon etc.). Pharmaceutical industry imports various kinds of chemical, and drugs, agro industry imports cattle food, hybrid seeds, and composites, bicycle and sheep building industry imports steels from different countries. So in this importing process there are several steps that should be performed step by step and in some

scenario these steps can't be fulfilled by the importer or buyer themselves because of their busy and tight schedule.

Basically this import process starts with finding a supplier and end with receiving the product at the port and between this whole process the bargaining power with the supplier, the bargaining power with the foreign banks for credit matters a lot to get the import done in an efficient costing. From here the necessity of indenting house or buying house or buying agents arises who will import the product and perform the activities required for import on behalf of the buyer or importer of a specific industry.

As Asha Trade International plays the role of an indenting house or buying agent for other sister concerns of Miah Group Of Industries and other clients of garments industry. That's why the growth of Asha Trade International somehow connected with the growth of garments industry. So as the growth of garments industry during last decade was appreciate-able so the import of garments raw materials are increasing. And if we consider the product life cycle of garments industry the decline period is far away. Maybe Bangladesh garments industry is in its maturity period and future free trade agreements with USA and EUROPEAN countries, technological support from China, and foreign investments, governments initiative will help this industry to grow more. This growth will resulting to more and more import. As a result the necessity of a buying agent will be risen.

Therefore, in the conclusion Asha Trade International has a bright future though their growth is connected with other industry, but that industry's predicted growth is also higher. In the financial statement of Asha Trade International the growth is visible based on the comparison with the profit and sales of fiscal year 2020-2021 and 2019-2020.

3.7 Findings

The overall scenario of our country's economy visualizing how hard it is to sustain with a minimum profit for corporation because of Inflation, high interest, less credit flexibility in banking sector, inefficient gas and electricity supply and so on. Just after surviving the global pandemic and downfall in global trade today's situation is really very miserable for any organization. Asha Trade International is not out of its effect. Less demand, credit shortage, price fall in domestic market, high price in global market and customer disinterest are the major threat in this situation for Asha Trade International.

1. The bad image of banking sector of inefficient management, as well a dollar crisis, inflation has been created a notoriety in international market. That is effecting our international trade a lot especially when

we are supposed to pay. Our importers and indenters are losing bargaining power. That's resulting high price, low cooperation of overseas suppliers and many more.

2. Some import oriented businesses has faced a huge loss. Many business is has been shut down. First of all COVID19 hit the economy and business very badly. Then this downturn in economy is such an unfortunate situation for the business owners.

3. As Asha Trade International works with garments accessories, packaging and plastic materials manufacturer all these industries need uninterrupted gas and electric connection. But due to recent gas and electricity crisis this industries has less capability of production so their demand for raw materials has been decreased. CEO of Asha Trade International confirmed that in an on desk interview that, "Before customers used to give us inquiries about raw materials but now we aren't getting many inquiries because of less demand from the overseas market".

4. Due to rapid fluctuation of dollar rate and dollar crisis banks are less willing to issue LC for import. In last few months Asha Trade International has 9-10 consignment because of this issue. Their clients were failed to open LC. Our country bank is facing a difficult situation at this moment. Because of the dollar shortage and inflation, all the banks in our country are heavily affected. Now our banks are receiving fewer payments and remittances from abroad. But LC opening rate has increased over the last 3 months. Previously our client used to pay import rate at 87 BDT per USD but now it has become 105-110 BDT per USD. Also because of the dollar crisis bank can't fulfill every customer's import demand and payment release demand. Customers are not satisfied at the bank for this reason and have bad relationships with each other.

5. Global political instability like Ukraine-Russia war has also effected their business. CEO of Asha Trade International told that, "Because the International market is also unstable because of Russia-Ukraine war. Two months ago we used to get an offer for plastic resin USD 1620/Mt. but now the same material is offered for the Bangladesh market at USD 1150/Mt. though the number of order is not increasing, because importers are confused, They are afraid to order new materials. What if the price may fall more, then they have to pay more but can't resell the imported goods at a good price in domestic market because of the price fall in global market." It indicates the worldwide situation is unstable.

6. Less credit availability is threatening the indent agents and their profitability. Because Asha Trade International and also other indent agent prefers bank transection for payment settlement. But because of less credit availability in bank the direct import by importers and payment settlement through Hundi/Hundee is increasing. This is also a threat for Bangladesh government because they will lose revenue.

7. Lower profit margin discourages indenters to being in this business. Asha Trade International is giving margin and supplying as per the market demand on a lower price. Therewithal government has imposed VAT on indenter's income. That's why BIAA (Bangladesh Indent Agent Association) has sought for VAT withdrawal for better interest of this sector. In this circumstances the profit margin of an indent agent will be very poor that discourages to be in this business.

Chapter 04 Recommendation and Conclusion.

4.1 Recommendation.

The factors of macroeconomics and the effect of it's can't be controlled. The ongoing recession is because of macroeconomic factors like national income, inflation, interest rate, political instability, price level, investment expenditure etc. now what we can do is changing our policy and strategy to survive, seek for foreign investment, Government's initiative, to minimize the effect of ongoing recession on business organization.

1. Using export payment to pay import payment. Even Asha Trade International is thinking to collecting export payments in their account. Once it's realized they will use this amount for paying import payments. Currently, our bank rate is BDT 95.50 per USD. It will help them to save around 1200000-1500000 BDT. Paying 100000 USD payment.

2. Asha Trade International can request their suppliers to accept pay delay and also persuade them to accept Upass LC and Differed LC. So the importers can have enough time for production and reselling the finished goods they produced by the imported raw materials and can earn profit then they will pay import payment.

3. Asha Trade international should catch more customers to get more order, because big quantity of order avails more bargaining power with the supplier and reasonable price. For this what they need more marketing and efficient communication with importers on daily basis. Even they are going to customers door to door to collect orders. Also they are giving margin and opening LC through the bank to catch lower price materials. To survive in this economic recession their target is checking for reasonable price from supplier and try to catch material which are below 15-20 USD less then market trend.

4. A more effective and influential mentorship is needed by the BIAA (Bangladesh Indenting Agent Associations). In our country there are many other association who has more understanding and good relationship with government and Embassy, Bangladeshi ambassadors in different country has connection with several PR firms and has lobbyist. And now it's necessary for BIAA to have efficient and influential relationship with government, embassy's and PR firm beyond the border for the welfare of indenter agents.

4.2 conclusion

Bangladesh is a developing country and also developing in a lot of sectors. After the corona pandemic, our country's business grew very fast. We all expected business will boom largely. But unfortunately because of dollars inflation and shortage of electricity all kinds of manufacturing plant are affected. It's making the finished item price higher every week and making a direct problem for the end user. Also the Ukraine-Russia war, worldwide Dollar Inflation and order cancellation at the RMG sector from American and European markets made a huge mess for us. In this situation our CEO MR. Mahamudul Hasan Sir, recommend everyone to stay strong and healthy. The situation will not be the same for a long time. We have to keep patience and try our best at work. Hopefully, very soon the market will become stable.



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September 25, 2022

Sakhawat Hossain Nirob

Address: 54 no Nowabgonj Road,

Lalbagh, Dhaka.

Acceptance Letter

Dear Mr. Sakhawat Hossain Nerob

We are pleased to appoint you as an intern in this Company for a 4 (Four) months effective from October 01, 2022 on the following terms and conditions.

1. You will be paid a consolidated TK 6,000/- (Six Thousand only per month), and will not be entitled to any other allowance, benefit or remuneration.
2. You will be reporting directly to Mr. Mahamudul Hasan, Proprietor, ASHA TRADE INTERNATIONAL.
3. This is a temporary assignment and not a permanent one.
4. In this period we have no objection for university courses. But need to update us academic schedule at least three days earlier.
5. During this contract period and after its extinction you shall maintain strict confidentiality and not divulge or make accessible any information or document relating to this company including but not restricted to information or documents relating to ASHA TRADE INTERNATIONAL clients, customers, operations, transactions and policies during your contract period.

Please acknowledge your acceptance of the terms and condition here in by signing and returning the duplicate copy of this letter.

Thank You,

Md. Jahid Hasan

Business Development Manager

ASHA TRADE INTERNATIONAL

Signature:

Name: Md. Sakhawat Hossain Nerob

Date

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