

Summer Project Report

“Financial Accounting”

Submitted to:

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

Submitted by:

Ms. Pooja Bundele

Company Guide

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NAAC Accredited “A” Grade institution**



Academic Year 2020-21



CERTIFICATE

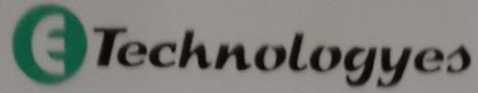
This is to certify that the investigation described in this report titled **financial accounting** has been carried out by **Ms.Pooja Bundele** during the summer internship project. The study was done in the organization, **E- technology firm**, in partial fulfilment of the requirement for the degree of Masters of business Administration of **R.T.M. Nagpur University, Nagpur**.

This work is the own work of the candidate, complete in all respects and is of sufficiently highly standard to warrant its submission to the said degree. The assistance and resources used for this are duly acknowledged.

Dr. Ashwini Purohit
(Director)

Internship certificate

GST : 27CLBPK1021R1Z1



Date:07/10/2020

Ref.No: EC/10/33

Certificate

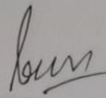
This is to certify that Miss.Pooja S. Bundele,an MBA Student of LAD College, Nagpur, residing at 27, ' Adarsha Bhawan', Opp. Ganesh Mandir, Ring Road, Pratapnagar, Nagpur, has undertaken 'Summer Internship Project' in our organization during the period 24.08.2020 to 07.10.2020. As our project 'Mechanization & computerization' is already going on, and she, being 'Tally Operator', has actively participated in the project. She has implemented following modules on computer.

1. Opening various ledger Masters.
2. Creating Stock masters.
3. Entering company data for the Financial year 19-20
4. Generating various reports of our company like,
 - I. Trial Balance
 - II. Trading & Profit & Loss Account.
 - III. Balance Sheet
 - IV. Stock Summary
 - V. Budget for the current financial year.

The over all conduct of the internee is satisfactory.

We wish her every success in her future life.

For E-Technology,


Proprietor.



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ACKNOWLEDGEMENT

It is a matter of pride and privilege for me to have done a summer internship project in “**E-technology**” and I am sincerely thankful to them for providing this opportunity to me. I am thankful to “Mr. / Ms. Company Official’s Name” for guiding me through this project and continuously encouraging me. It would not have been possible to complete this project without his / her support. I am also thankful to all the faculty members of Department of Management Sciences and Research, G S College of Commerce and Economics, Nagpur and particularly my mentor “**Prakash Burange**” for helping me during the project.

Finally, I am grateful to my family and friends for their unending support.

Table of content

<u>Sr.No</u>	<u>Particulars</u>	<u>Page No</u>
1	Introduction	
2	Company Profile	
3	Terminologies	
4	Objectives of Study	
5	Scope of study	
6	Need of Study	
7	Contribution during SIP	
8	Limitation	
9	Research Methodology	
10	Findings	
11	Conclusion	
12s	Suggestion	
13	Bibliography	

Introduction

E – Technology is firm engaged in manufacturing & supply of engineering instrument precision parts of machinery. The firm is promoted by Ms. Sudha bhasker. Instrument like Car water purifier etc are being supplied to engineering students.

Financial Accounting is a process if identifying, recording, summarizing and reporting economic information to decision makers in the form of financial statements.

Definitions of financial accounting

“The process of identifying, measuring and communicating economic information to permit informed judgements and decision by users of the information”

- American Accounting Association (AAA)

Company profile

E-technology is firm engaged in manufacturing and supply of engineering instruments precision parts of machinery.

The firm is promoted by Ms.Sudha Bhasker situated in MIDC in 2017. Instruments like car water purifier etc are being supplied to engineering students and explain them how the instrument are manufactured & again resembles it. As required by prevailing circumstances the firm is also manufactured sanitizers, sanitizing

dispensing machine.

Profit and loss a/c
And balance sheet
As on march 2019-20

<u>Profit & loss statement</u>		
To, Accounting	45000	
To, Bank Intt & comm.	95821.01	
To, Electricity Exp	15700	
To, Salary & wages	425900	
To, repair & maintt	42700	
To, Sales promotion	48900	
To, Rent	120000	
To, Telephone	12000	
To, Depreciation	184000	
To Travelling	47600	
To, Net profit	603378.99	
	1641000	1641000

Balance sheet

Liability		Asset	
<u>Capital</u>		Fixed asset	23100
Opening bal	2511200	Less: Dep	2300
-net profit	603378	Plant & machinery	1093100
		Less	164000
	3114578.99	Vehicle	123300
Less: Drawing	410500.00	Less : dep	18500
	2704078.99		
Unsecured loan	160000	Closing stock	790700
Sundry creditors	118200	Loan& advances	550000
BOM-cc	583657.96	Sundry Debtors	1050536.95
		Cash in hand	120000
	3565936.95		3565936.95

Objective of the Study

- Maintain Systematic records transaction
- Ascertain Profit & loss
- Ascertain financial positions of the company
- Assistance in management or decision making
- To stall fraud activities

Scope of Financial Accounting

- Records financial transaction
- Prepare financial statement
- Determine financial positions
- Potential investors need financial data in order to compare prospective investments
- Creditors must consider the financial strength of business before granting loans.

Need of financial accounting

- 1) To know the accounting principle
- 2) To keep track record of business & its operation
- 3) To have proper snapshot of transaction which take place?
Day in day to day operation

4) To have proper information about profit assests cash for borrowing loans

Contribution during SIP

- Mechanization & computerization of companies
- Opening of ledger accounts in tally software for the purpose of management of investment better control on sundry debtors & sundry creditors etc
- Better control on purchases, sales and related expenses
- Reconciliation of companies accounts in various banks
- Budget & control of various financial affairs for current years & project next years
- Maintence of cash flows accounts & inventory accounts
- Created the proper and accurate balance sheet & profit and loss accounts
- Maintained the company's overall finance and debt book.

Limitation Of financial accounting

1) Measurability

: Certain events that do not have a monetary value it cannot be Recorded in accounting like management loyalty reputation etc

2) No future Assessment

: The financial statement shows the financial position of the firm on the date of preparation. The users of the statement are more interested in the future of the company in the short term & long term

3) Errors & Frauds

: Accounting is done by human. So there will always be the scope of human errors. There is also fear of possible manipulation of accounting to cover up fraud.

4) Historical in nature

: Accounting is historical in nature & reflects the past positions of business

Research Methodology

Research methodology is the specific procedures or techniques used to identify select, process and analyse information about topic. In a research paper, the methodology section allows the reader to critically evaluate a study's overall validity and reliability. The methodology Sections answers two main questions: How was the data collected

generated? How it analyzed Research methodology was is the path through which researchers need to conduct their research. It shows the path through their problem and objective and present their result from the data obtained during the study period. This research design and methodology also shows how the research outcome at the end will be obtained in line with meeting the objective of the study.

Findings

- Gross profits are increased 10% which signs that company efficiently managed their customers
- Liquidity position is good as current assets is good as its ratio 2 is to 1
- The overall financial position of the company

Conclusion

Financial accounting system is useful and beneficial software to maintain transaction and accounts of business. It also gives proper outlook or picture of financial position of the company which leads to determine the right decision or choose right alternative for the future growth of the company. It also lessens a chance of error fraud or any type of dissettlement of A/c. It also enables executives to put their accurate financial information to bank or to investor for raising loan or capital for expansion of business

Suggestions

- 1) Company should takes steps to recover long outstanding debts by making age wise classification
- 2) Company should make frame strategy for its expansion as its growth is steady
- 3) Company should infuse additional capital to meet its projected liability