TECHNICAL REPORT ON STUDENT INDUSTRIAL WORK EXPERIENCE SCHEME (SIWES)

HELD AT
FLISHO ASEJERE INVESTMENT LIMITED COMPANY, ILORIN, KWARA STATE

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DEDICATION

This report is dedicated to Almighty God for His divine mercy on me and my family who has given me the strength, wisdom, knowledge and understanding in working toward my success.

ACKNOWLEDGEMENT

To God who owns life, I wish to express my sincere appreciation and gratitude for seeing me throughout my duration in Kwara State Polytechnic and for making my vision come to reality, also for His Goodness, Mercy, Provision and Grace upon my life.

My profound gratitude goes to my sincere appreciation goes to My Dear Parent Mr and Mrs. Idowu may God be with you.

My special thanks goes to the Head of Department and the entire staff of Business Administration, Institute of Finance and Management Studies, Kwara State Polytechnic for sharing wealth of experience with me in my course of study.

Furthermore, thanks goes to my honorable and diligent supervisor for his advice, guidance and adequate encouragement relish from him which has contribute in no small measure to the success of completion of this report.

Finally, my sincere gratitude also goes to my lovely friend both within and outside the institution,

ABSTRACT

This report gives a good account of the training and experience which exposed student during the student industrial work experience (SIWES) at **FLISHO ASEJERE INVESTMENT LIMITED COMPANY.**

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CHAPTER ONE

1.1 Introduction

This program called (SIWES) student industrial work experience scheme is compulsory to all ND1 student who offer science course or any other practicable course. It enables student to have the experience of the aspect which have been taught in school. It is a program that takes up to four month in which student are expected to be able practices what they are taught.

1.2 Aims And Objectives Of SIWES

The student industrial work experience scheme (SIWES) can be define as a technical skills and acquisition of knowledge from the organization, industrial sector. It is also serving as the complement the learning which student have acquired in the classroom or theoretically.

The objective of the student industrial work experience scheme is as follow

- It enables the student to practically different test from what they learnt theoretically in the classroom.
- It also enlighten student to various s division of industrial or organization of work in which the course of study can be radicalized.
- It relate the student to the labor market and how it being operated.
- To enable student to defend his or her self in anywhere he or she found itself.

1.3 Historical Background Of The Organization

The name of the organization is FLISHO ASEJERE INVESTMENT LIMITED COMPANY; it is located at Ilorin, Kwara State.

It was created in 2014 and was directed by MR Abodunrin, Lukman. The aims and objective of the organization is to collect daily and monthly drift from people.

CHAPTER TWO

2.1 Children Saving Counseling

Children saving counselling is a mean of counselling children from 8 – 18years old to register or open account in the bank.

2.2 Opening of Account

Steps in opening account

To open a bank account, you'll typically need to choose a bank, gather required documents (ID, proof of address), select an account type, complete an application, and make an initial deposit.

Here's a more detailed breakdown of the process:

1. Choose a Bank and Account Type:

- **Research:**

Explore different banks and their services, considering factors like fees, interest rates, and branch locations.

- **Account Type:**

Decide whether you need a checking account for everyday transactions or a savings account for accumulating funds.

- **Online vs. Traditional:**

Consider whether you prefer online banking or a traditional branch experience.

2. Gather Required Documents:

- **Identification:**

You'll need a valid government-issued photo ID, such as a driver's license or passport.

- **Proof of Address:**

Provide a recent utility bill, bank statement, or other document with your current address.

- **Other Documents:**

Depending on the bank and account type, you might need additional documents, such as a Social Security card or proof of employment.

3. Complete the Application:

- **Provide Information:** Fill out the account application form with your personal information, contact details, and other requested data.
- **Signatures:** Sign the application form as required.
- **Submit Application:** Submit the completed application to the bank, either in person or online.

4. Make an Initial Deposit:

- **Minimum Deposit:** Most banks require a minimum deposit to open an account.
- **Deposit Methods:** You can deposit funds using cash, check, or other methods as allowed by the bank.

5. Set up Online Banking (if applicable):

- **Enroll:**

  If the bank offers online banking, enroll in the service and create a username and password.
- **Security:**

  Set up security questions and other security measures to protect your account.

CHAPTER THREE

3.0 What is Financial Management?

FINANACIAL MANAGEMENT is the management of financial resources – how to best find and use investments and financing opportunities in an ever-changing and increasingly complex environment.

3.1 Definitions

Finance:

Finance is the science of managing financial resources in an optimal pattern i.e. the best use of available financial sources. Finance consists of three interrelated areas:

1) Money & Capital markets, which deals with securities markets & financial institutions.

2) Investments, which focuses on the decisions of both individual and institutional investors as they choose assets for their investment portfolios.

3) Financial Management, or business finance which involves the actual management of firms.

3.2 Major Areas & Concepts of Financial Management

Following are some of the important areas and concepts of financial management, which would be discussed in detail in the lectures to come.

Analysis of Financial Statements:

Analysis of financial statement is one of the most common techniques of financial analysis, in the financial performance and financial health of a company is analyzed based on its past performance.

The following financial statements are used in the analysis process.

• **Profit & Loss Statement or Income Statement**

Income statement reflects the operating efficiency or profitability of a company as a result of its operations along with the net profit available to the shareholders for a given year (usually one accounting period). This statement provides the analyst with some insight into the financial performance of the company.

• **Balance Sheet**

Balance Sheet is a snap-shot of an organization's financial health at a particular time. It shows what assets are owned by the business and the sources of acquiring these assets.

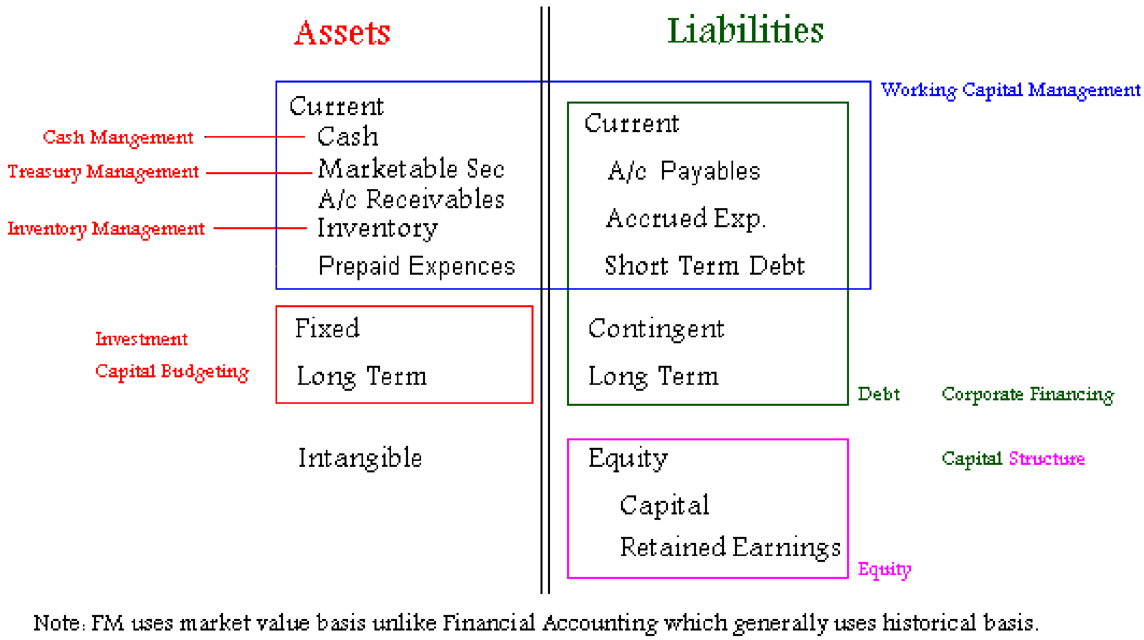

Fig. 1

• **Statement of Cash Flows**

Statement of cash flows explicitly reflects the cash movement (inflows and outflows) during the operations in an accounting period.

Taken together, these statements give an accounting picture of the firm's operations and financial position. Financial statements report what has actually happened to the assets, earnings, and dividends over the years. The analysis of the information contained in these statements help management of the organization to evaluate the performance and activities of the concern; it also helps the investors and creditors to have an idea of the profitability potential and creditworthiness of the business.

Internal Business Environment:

Internal environment of business normally consists of the following.

I. Finance

ii. Marketing

iii. Human Resources

iv. Operations (Production, Manufacturing)

v. Technology

vi. Other Functions (Logistics, Communications)

External Business Environment:

The following business environment factors outside an organization have a profound effect on the functions and operations of an organization.

I. Customers

ii. Suppliers

iii. Competitors

iv. Government/Legal Agencies & Regulations

v. Macro Economy/Markets:

vi. Technological Revolution

An analysis which is used in a business is called **SWOT** Analysis. SWOT is an acronym where

S stands for Strengths

W stands for Weaknesses

O stands for Opportunities

T stands for Threats

Strengths and weaknesses are within an organization, i.e., they pertain to the internal environment of the organization.

Opportunities and threats, on the other hand, pertain to the external environment, i.e., outside the organization.

The financial managers use these reports to assess the financial position of the company through various financial management tools and then the financial position can be compared to, or benchmarked against, the industry norms. The four different financial statements used for the purpose of reporting and analysis are

1. Balance Sheet
2. P/L or Income Statement
3. Cash Flow Statement
4. Statement of Retained Earnings (or Shareholders' Equity Statement)

In financial accounting, assets are recorded on the basis of historical costs in the balance sheet, i.e., the assets are recorded at their original purchase price. Of course, the depreciation on the asset is duly subtracted from its original value as the asset remains in use of the business.

However, in financial management, book value is seldom used and financial managers consider the market value and the intrinsic value of assets.

Market value may be defined as the value currently prevailing in the market or the value at which the sellers are ready to sell, and buyers are ready to buy a particular asset.

Intrinsic value or the *fair value* is calculated by summing up the discounted future cash flows.

CHAPTER FOUR

4.1 Difference between Shares & Bonds

The main difference between shares and bonds is that shares are representation of ownership in a company while bonds are not representative of ownership.

The second difference is that shares last as long as the company lasts where as bonds have limited life.

Another difference is that the return on a bond is predetermined, i.e., the investor knows in advance how much return he would get from a bond. However, a stockholder cannot be certain about the return on a stock investment, since the dividends may or may not be paid in a certain year or the percentage of dividends announced may vary.

4.1 Analysis of Financial Statements

A company's financial statements need to be studied for signs of financial strengths and weaknesses and then compared to (or benchmarked against) the industry. Before getting into the details of the financial management techniques, we would briefly revise some of the accounting concepts, which are going to help us in comprehending those analysis techniques.

Basic Financial Statements:

There are four basic financial statements that are prepared by the financial accountants for the use of the managers, creditors and investors of the company. These statements are

a. Balance Sheet

b. P/L or Income Statement

c. Cash Flow Statement

d. Statement of Retained Earnings (or Shareholders' Equity Statement)

The concepts that we are going to discuss here in reviewing financial accounting concepts are Fundamental Accounting Equation and Double Entry Principle.

• Assets +Expense = Liabilities + Shareholders' Equity + Revenue

(Note: Expense & Revenue are Temporary P/L accounts – the others are Permanent Balance Sheet

Accounts)

• Left Hand Items increase when debited. Right Hand items increase when credited.

• For every journal entry, the Sum of Debits = the Sum of Credits

Balance Sheet:

The following facts about balance sheet are also going to help us in understanding the financial statements analysis process.

– A balance sheet is a 'static snapshot' at one point in time (therefore the consolidated data available is vulnerable to inventory and cash swings, i.e., if the balance sheet of a firm is showing low inventory and high cash position at the year ending when the balance sheet is prepared, the company may buy excessive inventory against cash the very next day. The balance sheet prepared a day earlier would not report the new transaction and the latest financial position of the company would not be known to the analyst, unless the company updates him on that.)

– Balance sheet items or accounts are 'permanent accounts' that continue to accumulate from one accounting cycle to the next.

– Balance sheet items are recorded on historical cost basis, i.e., the balance sheet neglects any increase in value of assets resulting from inflation and reports assets and liabilities at their book value. It is a big limitation for financial analysts, since a useful analysis could only be made by considering the assets and liabilities at their market value rather than book value. Nevertheless, there are some approaches by which we can solve this problem. Constant rupee approach is one such remedy.

– Constant Rupee Approach: In constant rupee approach, two balance sheets of the same company for different times are compared at a specific time and inflationary adjustments are made.

• Assets (Left Hand Side):

Having revised certain concepts and limitations of financial accounting process and financial statements, we would now have a brief overview of the items that appear on the left-hand side of the balance sheet, known as assets.

– Assets are economic and business resources that are used in generating revenue for the organization: They can be tangible (inventory) or intangible (patent, brand value, license). Some assets are classified as current (cash, accounts receivable) and others are fixed (machinery, land, and building). There are also long-term assets (property, loan) and contingent assets, the value of which can only be assessed in future (legal claim pending, option).

– Current Assets = Cash + Marketable Securities + Accounts Receivable + Pre-Paid Expenses + Inventory

– The accounts receivable aging schedule is a listing of the customers making up total accounts receivable balance. Most businesses prepare an accounts receivable aging schedule at the end of each month. Analyzing your accounts receivable aging schedule may help you identify potential cash flow problems.

– Inventory value (at any instant in time) is a very controversial figure which depends on inventory valuation methodology (i.e. FIFO, LIFO, and Average Cost) and Depreciation Method (i.e. Straight Line, Double Declining, and Accelerated). Companies have the flexibility that they can use one methodology for preparing the financial statements & the different methodology for tax purposes.

• **Liabilities (Right Hand Side):**

The right hand side of the balance sheet represents liabilities.

– Liabilities are sources which are use to acquire the resources or liabilities are obligations of two types:

1) Obligations to outside creditors and

2) Obligations to shareholders known as Equity.

– Liabilities can be short term debts, long term debt, equity, retained earnings, contingent, unrealized gain on holding of marketable securities

– Current Liabilities = Account Payables + Short Term Loans + Accrued Expenses

– Net Working Capital = Current Assets – Current Liabilities

– Total Equity = Common Equity + Paid In Capital + Retained Earnings (Retained Earnings is NOT cash always)

– Total Equity represents the residual excess value of Assets over Liabilities: Assets – Liabilities = Equity = Net Worth

– Only cash account represents real cash which can be used to pay your bills!!

Profit & Loss account or Income Statement:

– An income statement is a "flow statement" over a period of time matching the operating cycle of the business, which reports the income of the firm.

– Generally, Revenue – Expense = Income

– Right hand side receipts (revenues) are added. Left hand side payments (expenses) are subtracted.

– P/L Items or Accounts are 'temporary' accounts that need to be closed at the end of the accounting cycle.

– Sales revenue – Cost of Goods Sold = Gross Profit (Revenue)

– Cost of Goods Sold is a very controversial figure that varies depending on Inventory Valuation Method (i.e., FIFO, LIFO, Average Cost) and Depreciation Method (Straight Line, Double Declining, Accelerated). Depreciation is treated as an expense (although it is non-cash)

– Gross Revenue – Admin & Operating Expenses = Operating Revenue

– Operating Revenue – Other Expenses + Other Revenue = EBIT

– EBIT – Financial Charges & Interest = EBT Note: Leasing Treatment

– EBT – Tax = Net Income

– Net Income – Dividends = Retained Earnings

– Net Income is NOT cash (it can't pay for bills)

P/L Statement of Company XYZ

(Year Ending June 30th 2002)

	('000 Rs)	('000 Rs)	('000 Rs)
Net Sales	1000		
Cost of Goods Sold	(500)		
Gross Profit	500		
Administration Expenses	(200)		
Depreciation Expense	(0)		
Operating Profit	300		
Other Expenses	(180)		
Other Income (interest)	(0)	(180)	
EBIT		120	
Tax		(20)	
Net Income		100	

CHAPTER FIVE

5.0 Conclusion

In conclusion, from my experience, it is revealed the importance of the S.I.W.E.S program for tertiary student, not only for the reason of keeping their selves busy, but for the enclosure it brings to them. The S.I.W.E.S programs gives the student the first hand experience of what is been taught in lecture halls, thus improving, enhancing and also giving the student a broader knowledge and also creating an opportunity to maximize them through the practice of the supposed course.

5.1 Recommendation

Based on the findings of this study the following recommendations are made:

- Tertiary schools should have an evaluation test after the S.I.W.E.S program to check on the job satisfaction level of their students so as to know the factors/necessities lacking in the industries for S.I.W.E.S students.
- Tertiary schools should organize a seminar for students after their S.I.W.E.S program for them to discuss their experience.
- Schools should from time to time recommend outstanding students for IT employment.