

1.1 BACKGROUND OF THE STUDY

Internship is the practical working attachment with an organization to have a handy working experience. This working experience is the effective tool to correlate the theoretical knowledge with the pragmatic approach. For this reason internship is a handy tool for a business graduates. As an intern in Mercantile Bank Limited it was an immense scope for me to have an in-depth idea about the banking industry.

The importance of financial intermediaries in the development of the overall economy of country cannot be described in short. From the inception of the civilization the banking sector dominate the economic development of a country by mobilizing the saving from the general people and channeling those saving for investment and thus economic development and growth. With the emergence of banking sector in Bangladesh govt. has also come through different activities to reform the sector.

This report is an Internship Report prepared as a requirement for the completion of the BBA Program of Department of Accounting, Stamford University Bangladesh. The primary goal of internship is to provide the job exposure to the student and an opportunity to implement theoretical knowledge in real life situation. The program covers a period of 14 weeks of organizational attachment and 4 weeks of report finalization work.

1.2 RATIONALE OF THE STUDY

In this 21st century Banks are the life-blood of modern economy irrespective of its size & pattern. Banks are established to earn profit and help economic and financial activities so as to help economic development of a country. In such a context, Foreign Trade Operation is a very important key work for the banking sector. Mercantile Bank Limited is also engaged them to help the economy by their foreign trade operation. It plays a dynamic role in the economic development of a nation through of saving and allocation of credit to privates and industrial sectors.

1.3 SCOPE OF THE STUDY

The scope of this report is limited to the overall description of the company, its services, and specifically foreign trade related activities of Mercantile Bank Limited. Detailed technical matters regarding the procedures or the rates offered for different services etc. are not within the scope of this study. Foreign Trade Operation is primarily based on data and information of the year 2008.

The changes of regulations up to 2008 are also elaborated in the report. The report also highlights key financial scenario of the Mercantile Bank Limited until 2008. Any financial and operational changes thereafter are not incorporated in the report.

1.4 OBJECTIVES OF THE STUDY

The objectives of the organization part of this report are:

- Give a brief overview of Mercantile Bank Limited
- Give a overview of operation of Mercantile Bank Limited
- Give a functional overview of Foreign Trade Department
- Give an idea, that how Mercantile Bank Limited participated into national development.

The project part of this report has two objectives base- broad and specific:

Broad objective – Analyze the foreign trade operation process and evaluate the impact of this operation in banking and economic sector.

Specific objective –

- Study of Foreign Trade operations of a bank and accumulate recent changes in the industry.
- Evaluate the effect of Foreign Trade in the banking and economic sector of Bangladesh

1.5 METHODOLOGY

1.5.1 Analysis Approach and Instruments:

This report is an exploratory one which analyzes the effect of the above mentioned process on the economy. Based on secondary data the situations have been analyzed and on this ground personal view according to economical perception is given. Organization structure and functions are collected from the bank. Data regarding the export and import scenario has been collected from URL of Bangladesh Bank and Bureau of Statistics. Impact on the economy has been analyzed based on the publications of Aims of Bangladesh.

1.5.2 Work schedule during internship:

Involvements in different departments of the banks were scheduled as below:

General Banking Department	4 weeks
❖ Customer Service Department	3 weeks
❖ Accounts Department	1 week
❖ Credit Department	4 weeks
❖ Foreign Trade Department	4 weeks

1.5.3 Sources of Data:

Both primary and secondary sources of data were used in the report preparation.

Primary Data were gathered by direct interviewing higher officials and clients of Mercantile Bank Limited. Information was collected and clarifications made through discussion with concerned employees.

Secondary Data sources were:

- Internal Sources-
 - Bank's Annual Reports
 - Prior research reports
 - Foreign Trade Manual of Mercantile Bank Limited

- External Sources-
 - Bangladesh Bank Report
 - Different Books and periodicals related to Foreign Trade
 - Newspapers and Magazines
 - Website's of different financial service providers.

1.6 LIMITATIONS OF THE STUDY

In preparing the, I try my best to cover every aspect of “**Foreign Trade Operation of Mercantile Bank Limited and its impact on Economy**”. But there are some barriers that resist me to include all of that. Such as an intern I could not access all the information of the bank. The main limitations of the report are as follows:

- ❖ The research only covers the Foreign Trade Operation of Nayabazar Branch, Dhaka.
- ❖ Unavailability of information in websites.
- ❖ It was impossible for me to visit all the Branches of the Mercantile Bank to prepare an overall scenario of the Foreign Exchange operations.
- ❖ Time frame for the research is very limited, which was not enough for such an extensive study. It is very difficult to gather practical experience and required information for the completion of the report within this time period.
- ❖ For reason of confidentiality, some information can't be expressed in this report.