

Report No. 100247  
BBA

AN ANALYSIS OF  
POTENTIAL OPPORTUNITY OF  
THE JUNK FOOD BUSINESS IN  
EAST WEST UNIVERSITY CAMPUS



B+

*An Analysis of Potential opportunity of the junk food  
business in EAST WEST University campus*

**Project Work (BUS 498)**

**Submitted to**

M. Sayeed Alam  
Assistant Professor  
Department of Business Administration  
East West University

**Submitted by**

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ID: 2005-2-10-167

**Date of Submission:** April 29, 2010



**EAST WEST UNIVERSITY**

March 29, 2010

## **To whom may it Concern**

I am approving that Md. Moshiur Rahman, ID: 2005-2-10-167; is a student of East West University, assigned to prepare his project work report on “An Analysis of Potential opportunity of the junk food business in EAST WEST University campus.”

For this reason, he needs to collect relevant data, information and things that will help him to prepare the report properly.

It is worth mentioning that the gathered information will only be used for pure academic purpose, will be kept classified and will not publish in anywhere. Therefore, your helpful support will be highly appreciable.

Thank you.

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M. Sayeed Alam

Assistant Professor

Department of Business Administration

East West University

## *Letter of Transmittal*

April 29, 2010

M. Sayeed Alam  
Assistant Professor  
Department of Business Administration  
East West University

Sub: Submission of project report

Sir

A great opportunity is given by you to enrich my knowledge by giving me the permission to prepare my project report on “An Analysis of Potential opportunity of the junk food business in EAST WEST University campus”. I am delighted to submit the report as a requirement of the Project Work (BUS 498).

I am assuring that the entire report is a work of my knowledge and research. This report on “An Analysis of Potential opportunity of the junk food business in EAST WEST University campus” about the factors that responsible, have effect and influence of the other junk food business around the East West University. I have followed your guideline to make my analysis more appropriate. I have tried my best to make the report more informative and I am confident that the report has enhanced both my practical experience and theoretical knowledge.

I enjoyed working on this report. If you have any queries, I will be glad to respond to them.

Yours sincerely

Moshiur 29/04/2010

Md. Moshiur Rahman

ID: 2005-2-10-167

## *Acknowledgement*

As per business graduation requirements of East West University, I was assigned to prepare a project work report about the “**An Analysis of Potential opportunity of the junk food business in EAST WEST University campus**”. I am very much thankful to my respective instructor Md. Sayeed Alam. He helped me to determine the objective of the report. With his guidance and advice, I have tried to make the report accurately. This report is the result of my effort and a helpful pleasure of many other sources. I am grateful to **Jahangir, Faruq, Mannan, Raju, Jashim, Aziz, Joy, Babul, Monir, Shopon, Mahbub** who are giving me required information for my project report. I am very thankful to all the faculties who supported all the time for any types of help.

## *Executive Summary*

In this report we can know that entrepreneurial activity in the informal activity. When they started their business, in that time they were married or not, what is their educational level, what is their father's occupation, no of siblings, motivation to start the business, source of their support to start the business, what is amount of start up capital, what is the daily average sales, source of the material, method of pricing, customer payment method, state of the business in next five years, what types of amount they have required if expand their business, what types of customer theyer main customer and which item or product they sell most, these types of answers we will get in this report and then we have a clear idea about their contribution to our economy.

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# PREFATORY PART



## ***Origin of the report:***

The report is prepared to fulfill the partial requirement of Project Work (BUS 498), Bachelor of Business Administration Program of East West University. Through a letter of authorization, the instructor, **Md. Sayeed Alam**, assigned me to prepare the project report on “An Analysis of Potential opportunity of the junk food business in EAST WEST University campus.”

## ***Purpose:***

Purpose of this report is to find out the factors to measure the impact of the other food shop due to junk food shop around the East West University.

## ***Objective:***

Apart from fulfilling the requirement of project work, the objective of the report is to gather some real life experience through survey and find out the actual scenario of junk food shop around the East West University.

## ***Broad Objective:***

The broad objective of research is to find out the factors that responsible impact of other food shop due to junk food shop around the East West University and what is the impact or their contribution of our economy.

## ***Specific Objective:***

Find out whether

- ❖ Why they involved these types of business.
- ❖ What is their educational requirements.
- ❖ How they manage their required capital.
- ❖ What is the pricing policy and where from they buy their products.

## ***Scope of the report:***

This report has given me a great opportunity to study a specific sector of Bangladesh. It has a great scope of studying such topic like to identify the factors that impact of food shop due to junk food shop around the East West University. They have the larger contribution of our economy. But we have given to importance only the junk food shop around the East West University.

## ***Methodology:***

To prepare this report I only used 20 sample around the East West University. In this report there is no secondary data I used. After get their response I prepared this report by using microsoft Excel and my own Judgement.

### *Primary Sources:*

- ❖ Survey among 20 shopkeepers respondents of the 20 shop, who have conduct their own business.

## ***Limitations:***

This report is subject to a number of limitations, which are as follows:

- ↳ Here we surveyed only that types of people who conduct their business around the East West University.
- ↳ They may not give the proper information.

Despite these limitations, I tried my best to collect necessary data and information that have been analyzed in the subsequent section. I have prepared my project report as good as possible within these limitations.

# ANALYSIS PART

In my questionire first of all I try to identify that their average age when they start the business. Most of the respondent started their business very early in their life. Their average age limit is 15-24.

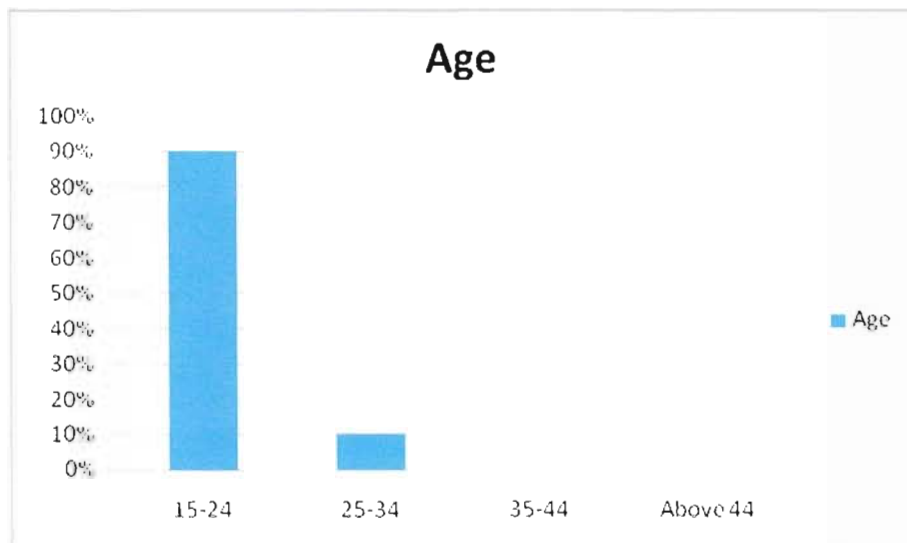


Figure 1: Age when they start the business

My second query was when they started the business in that time they were married or not. In that ttime most of the respondent were single. Only 10% of the people were single in that time.



Figure 2: Marital Status

No respondent has the higher secondary degree in my survey. It indicates that who are involve in these types of business they usually have not sufficient facilities or situation for the higher education.

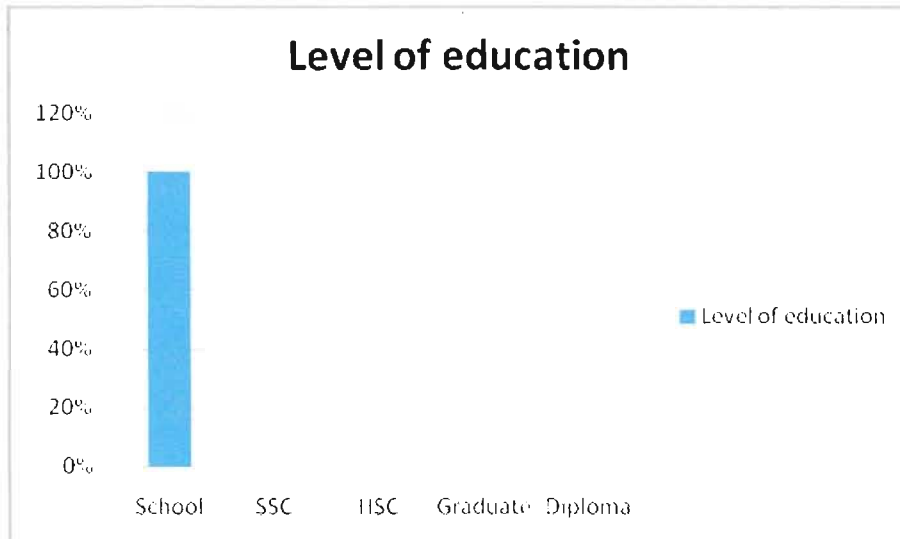


Figure 3: Level of education

Most of the shopkeepers father are self employed, it means some person is involve in agricultural work, some are shopkeepers likes his children. Some shopkeepers father are does not do anything due to his disability.They are so older, so they are not capable to do any work.

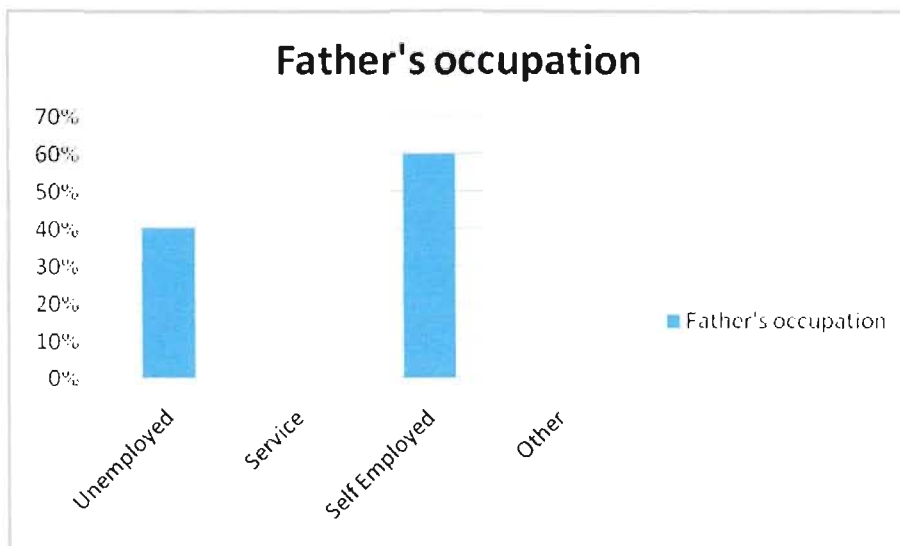


Figure 4: Father's occupation

Most of the shopkeepers take the responsibility one or more people. It means by using this shopkeepers money he and his family members spending their life.

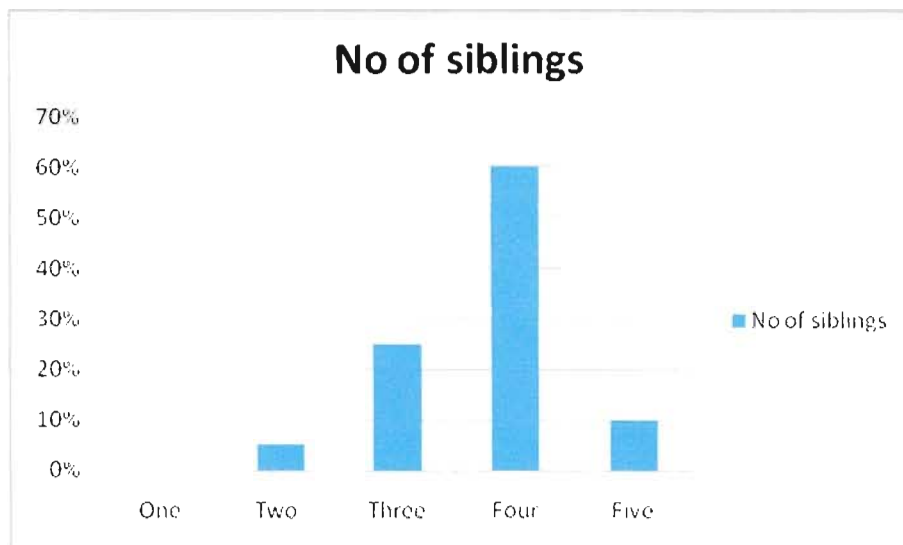


Figure 5: No of siblings

We have already know that most of the respondent have not the higher secondary degree due to poverty. As a result they have to have do anything. This consequence is junk food shop around the East West University. My survey shows that unemployment and poverty is the main reason to do the junk food shop.

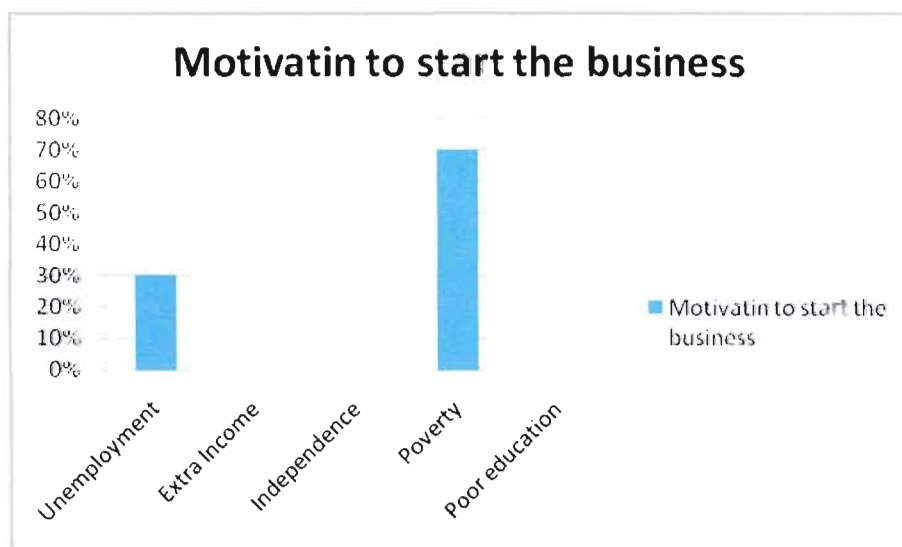


Figure 6: Motivation to start the business

Most of the respondent manage the financing from the loan or by themselves it means personal savings.

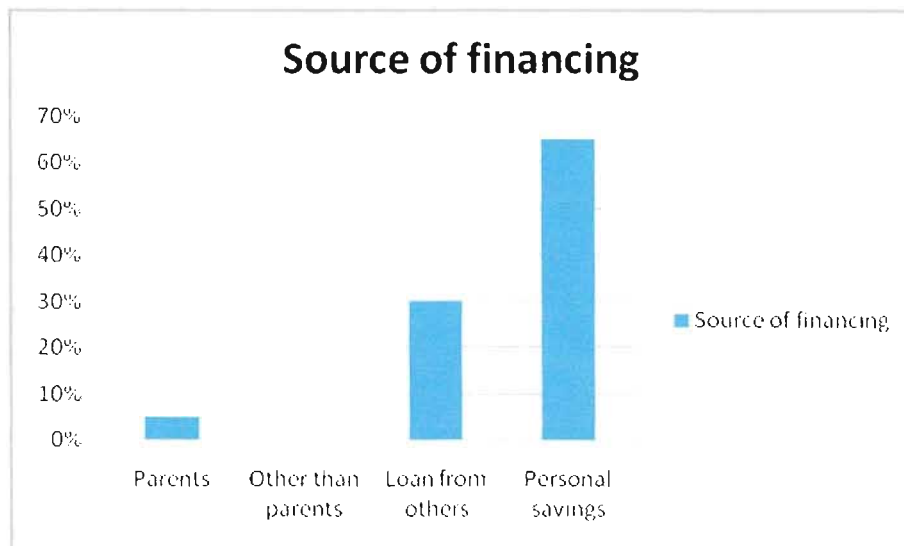


Figure 7: Source of financing

In this business there is not huge investment. If you have around 3000 tk, then you can start the this types of business. Most of the respondent had starting capital was around 3000tk.

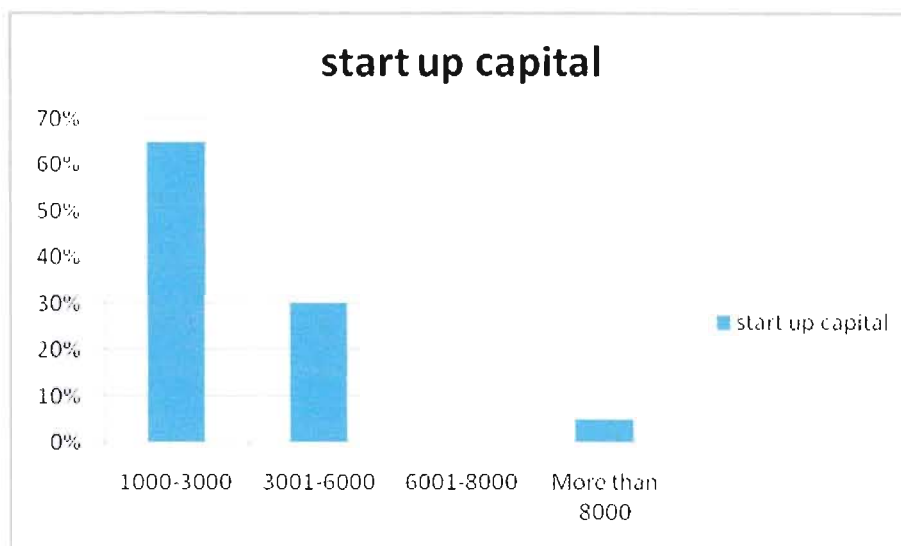


Figure 8: Start up capital

Most of the respondent's daily sales is around 3000tk. It means their average monthly sales is 45000tk. If they get average 30% profit then per month their average monthly profit is 13,500tk.

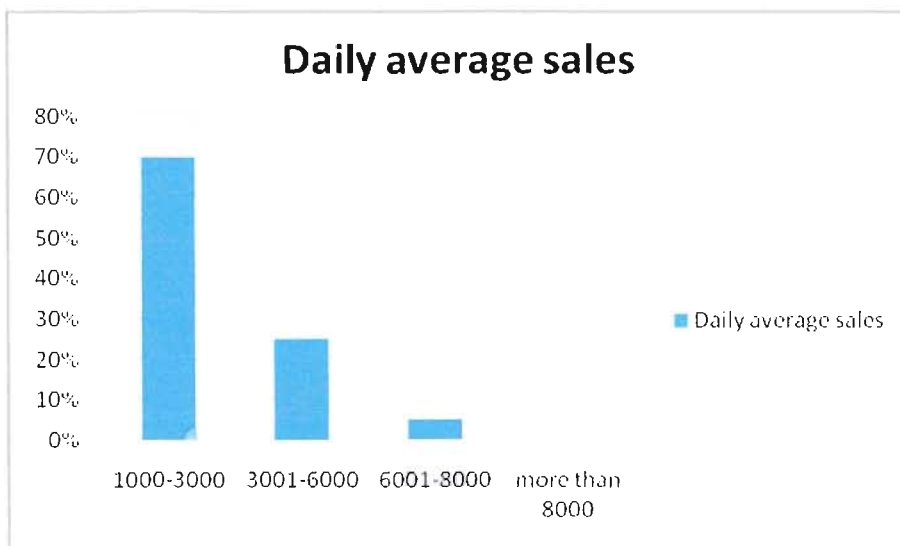


Figure 9: Daily average sales

Most of the shopkeepers have buy their products from the wholsalers. If wholsalers make late to give the product according to their order then they buy the product from the retailers.

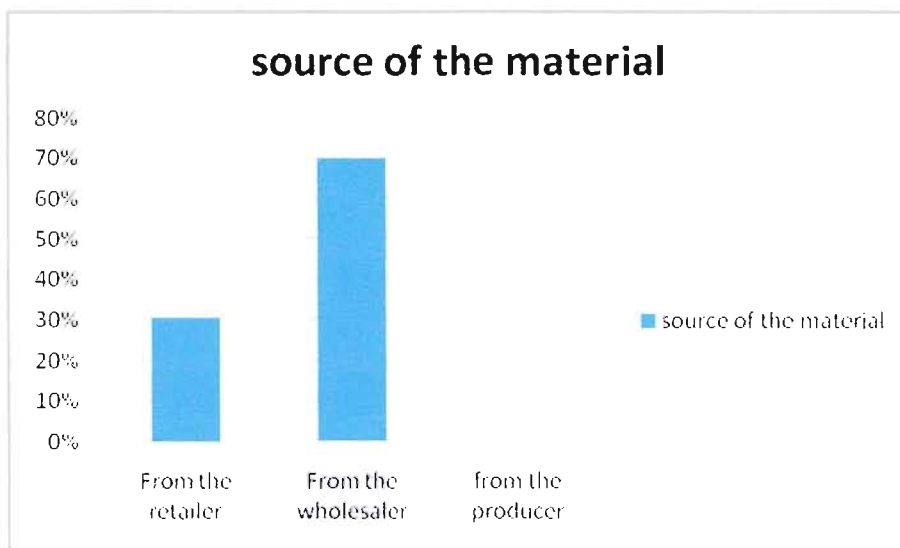


Figure 10: Source of the material

They always maintain match competition for their pricing policy. If other shopkeepers increase the price he also increase the price if other shopkeepers decrease the price he also decrease the price.



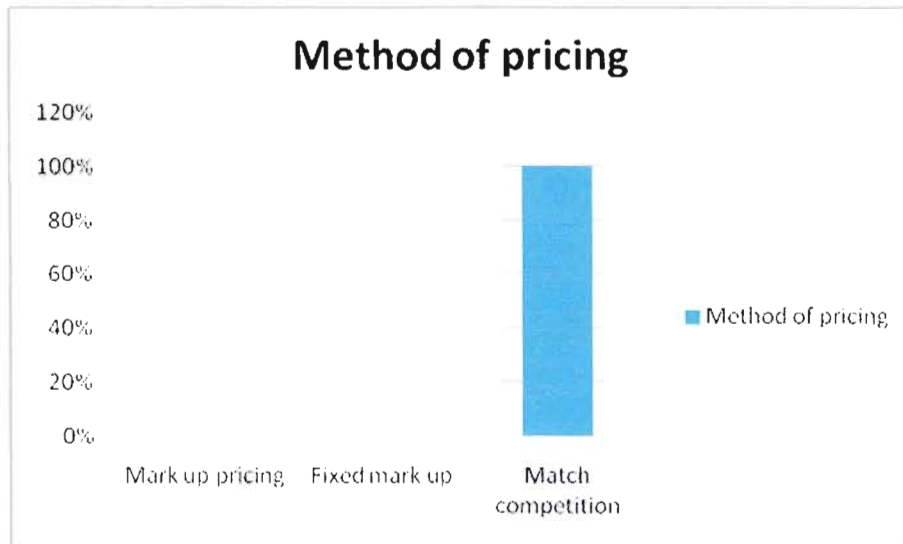


Figure 11: Method of pricing

Each and every respondent told that their payment system is both on delivery and credit. Most of the shopkeepers have the credit book. In there they calculated credit amount, how much money they will get by whom. They have lot of cash customer.

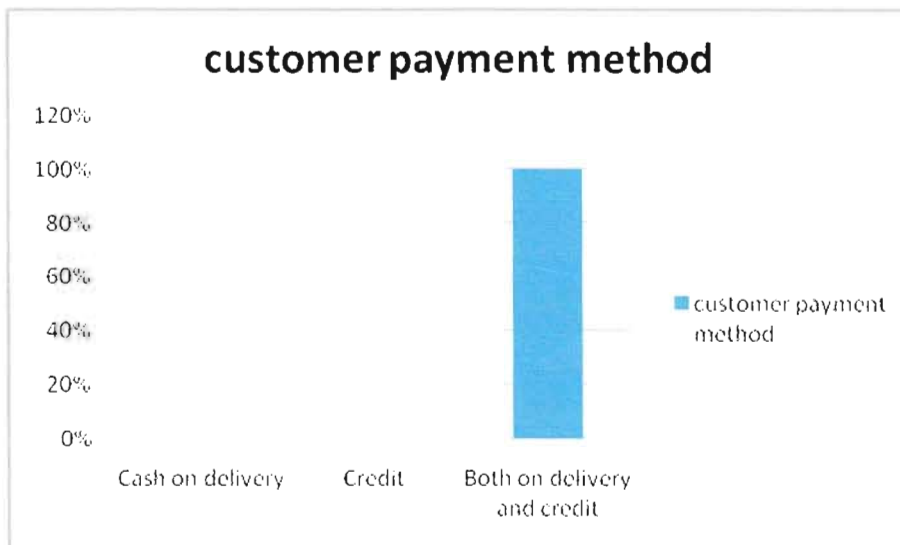


Figure 12: Customer payment method

Most of the respondent is very optimistic. In next five years every respondent want to expand their business. But very minority groupe of respondent want to out of business, they do not want any more with this business. But every respondent think that to expand the business they have need additional finance. Most of the respondent think that 150000tk is sufficient for open a new business or expand the existng business.

Most of the respondent are not highly satisfy but they are not also dissatisfy about their business. Some respondent thinks that overall performance of presence business is poor.

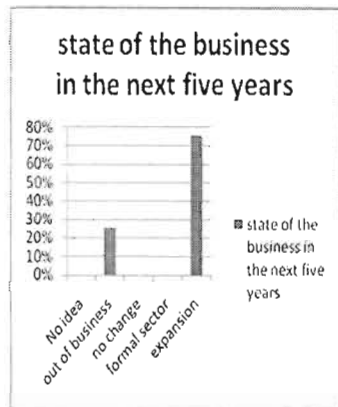


Figure 13: State of the business in next five years.

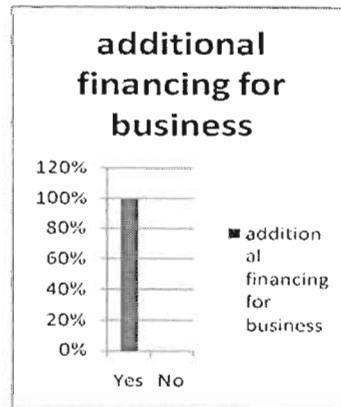


Figure 14: Additional financing

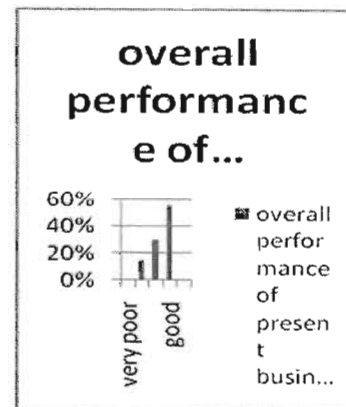


Figure 15: overall performance

Most of the respondent thinks that major barrier to start the business is no cooperation from the financial institution regarding loan or any from of financial service. Most of the respondent started their business by using their own capital. They feel hesitate to go the bank and ask for loan. They actually do not not know the proecedures of banking activity.

Most of the respondent thinks that credit sales is one of the major problem to expand the business. Sometimes customers have pay after a long time. Due to this reason sometimes they do not buy the product on time. So bussiness progress is hampered by this reason.

In my survey there is no women entreprenure. But each and every respondent thinks that threat of bribe/terrorist or proper absence of social security is barrier for women entrepreneur.

Frequent disturb by the law enforcing agencies to change the location of shop is not a reggular problem. They are not botther about to much of this problem. They think that after a long long period once it problem will occure but this is not very serious one.

**Types of food items and types of customer:**

Most of the customer of their shop are EWU's students. Their business will continue 8.00 am to 10.00 pm. When university is closed as well as their business also closed. They do not have so much that areas customer. They do sell tea, cake, cigarate, drycake, bread. But their maximum revenue is coming from the tea and cigarate. These two are prime item for their customer, but most profitable product is tea. Most of the profit is coming from that product.

**Conclusion:**

At the end of my report we can say that this is the very important sector in our country for our economy. If banks or other institutions will help them more and more people remove their poverty, unemployment rate is reduces and more important thing is can contributed to our GDP. If we can develop the country then we are automatically developed. So we can say that this informal sector has huge opportunity to developed our economy as well as by themselves.

# Appendix

## “Entrepreneurial activity in the informal sector (IS)”

Respondent name:  
Location:  
Type of business:  
Length of business:

### All information is used only for research purpose

Characteristics of the IS entrepreneur (adjacent to EWU campus)

1. Age when you start the business  
A. 15-24            B. 25-34            C. 35-44            D. Above 44
  
2. Martial status when you start the business  
A. Single            B. Married            C. Divorced            D. Widow  
If present married then no of dependent.....
  
3. Level of education when you start your buiness  
A. School            B. SSC            C. HSC            D. Graduate            E. Diploma
  
4. Father’s occupation  
A. Unemployed            B. Service            C. Self employed            D. Other
  
5. No of siblings =

### Business Information

6. Motivation to start the business  
A. Unemployment  
B. Extra income  
C. Independence  
D. Poverty  
E. Poor education
  
7. Source of your support to start the business  
A. Parents  
B. Other than parents

- C. Loan from others
  - D. Personal savings
8. Start up capital
- A. 1000-3000
  - B. 3001-6000
  - C. 6001-8000
  - D. More than 8000
9. Daily average sales
- A. 1000-3000
  - B. 3001-6000
  - C. 6001-8000
  - D. More than 8000
10. Source of the material (from where you buy products for your business )
- A. From the retailer
  - B. From the wholesaler
  - C. From the producer
11. Method of pricing
- A. Mark up pricing
  - B. Fixed mark up
  - C. Match competition
12. Customer payment method
- A. Cash on delivery
  - B. Credit
  - C. Both on delivery and credit
13. State of the business in the next five years
- A. No idea
  - B. Out of business
  - C. No change
  - D. Formal sector
  - E. Expansion
14. Interested to obtain additional financing for business (Expansion open new business or others)
- A. Yes
  - B. No

15. If interested for loan the amount is better for me.....
16. Overall performance of the present business
  - A. Very poor
  - B. Poor
  - C. Average
  - D. Good
  - E. Very good
17. Major barrier to start a business is no cooperation from the financial institution regarding loan or any from of financial service
  - A. Strongly Disagree
  - B. Disagree
  - C. Neutral
  - D. Agree
  - E. Strongly agree
18. The credit sales is one of the major problem to expand business
  - A. Strongly disagree
  - B. Disagree
  - C. Neutral
  - D. Agree
  - E. Strongly agree
19. Threat of bribe/terrorist or proper absence of social security is barrier for women enterprenuer
  - A. Strongly disagree
  - B. Disagree
  - C. Neutral
  - D. Agree
  - E. Strongly agree
20. Frequent disturb by the law enforcing agencies to change the location of shop is a regular problem
  - A. Strongly disagree
  - B. Disagree
  - C. Neutral
  - D. Agree
  - E. Strongly agree
21. 

<u>Food Item</u>	<u>Mode</u>	<u>Customer</u>
A. Tea		
B. Cake		

- C. Cigarette
- D. Dry cake
- E. Singara
- F. Burger
- G. Noudels
- H. Chiken fry
- I. Bread
- J. Somucha

***Thank you for your cooperation***