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Abyssinian Tourism Logo

Acknowledgment

This project has passed through enormous traps, obstacles, challenges and difficulties to reach at this point. Somehow with the complete dedication and commitment of the group members to do the task and with non-stop help and aid of many people the project has been done. At this point we want to express our deepest gratitude to the people who have helped us. First of all, we want to thank Almighty God for letting and motivating us to start and finish the project. Secondly we would like to express our deepest gratitude and big respect to our Instructor Yared.A(Msc.) who taught us the course and give us the project as well has showed his perpetual help and contribution to the achievement of the project. Then we want to thank all the shareholders for believing in us and investing in the system. Besides we want to thank all the partners who will work with us. Lastly , we also want to describe our million thanks to all the people who have helped us in many ways.

Abstract

‘Ethiopia!’. The name conjures up images of poverty, starvation, and conflict – remnants of the horrors of the ill-fated communist Derg era of the 1970’s. Yet the Ethiopian economy is growing at one of the highest rates in the world driven by massive infrastructural investment, much of which is financed by the Chinese Governmental and non-profit organizations long term loans and when it comes to its best giving fund raises for free by NGOs. Non the less tourism is playing a great role in the economical basement of different countries, which means if Ethiopia use her resources wise-fully in proper management circumstance, it would elevate the economy of the country to a whole climax point. Urgent attention is drawn to the opportunity cost of not developing the tremendous inherent potential of this industry.

However the soot-less industry encompasses countless problems in its hug. This project is mainly concerned with searching, identifying and clarifying the problems of the tourism system and providing as much possible solutions to minimize the problems as well as to eradicate them and waking up the dormant tourism sector which has slept for over several decades. It provides a range of recommendations to develop the tourist industry by developing a wholesome tourism management system which will take-off the backward growing tourism sector into a dynamic and radical growth which enables Ethiopia to erase her bad and awkward name and pictures in the global arena as well as generate continual income and reduce poverty.

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Chapter One- Executive summary

1.1 Brief description of the project

Tourism Management System is an integrated software developed for tourism business. It is a dynamic and responsive system and it addresses the challenges of managing the records, missing records due to human errors, etc. The purpose is to build a system that performs all operations related to traveling, booking, sightseeing, etc. This system connects customers and agents directly, provides a feedback mechanism for tourists, maintains and controls the database of tourists' information, and gives a variety of travel services. Our tourism management is named "Abyssinia Tourism Management System".

The system is centered at Addis Ababa, Ethiopia. The company, the system, is mainly established and developed to eradicate the bad pictured that the world has for Ethiopia. Besides removing all the traps that are endangered on the Ethiopian tourism sector by developing a system that is capable of addressing a way of controlling a solving the challenges, in other words paving the way to the Ethio-tourism sector to sit on a peak climax point, to where it belongs to sit.

The project has several phases and steps before it achieves its goals. The first phase will be making a brief description about the supposed project to supposed-shareholders to be engaged in the project by means of money, idea, knowledge, labour and by any means that will help in achieving the objectives. Once it's done the requirement gathering, designing, coding, testing and deploying will be carried out sequentially. Then the team will establish an office, whether by buying or renting a particular working area. At the end the company is established and ready to give services as it has planned.

1.2 Brief profile of the Entrepreneur

Our team of entrepreneur is called "Abyssinia Entrepreneurs". The team is composed of 5th year students of bachelor of software engineering at Wollo university, Kombolcha

institute of technology (KIoT). The team has a great knowledge on how to develop a system. The team members are Abel Tilahun, Yossef Kassay, Abubeker Sufiyan, Moti Tulu ,Samuel Dejen and Bezawit Solomon. All of these members are hardworking and fast learners. The team has been established since we have been learning the course "Entrepreneurship". The Abyssinia Entrepreneurs is mainly established to help Ethiopia grow in the Software Technologies. At the moment team has an objective of developing a tourism management system for Ethiopia. Hence this project is the first entrepreneurship idea for the team. The team is currently on its infancy stage. However, the members are hardly certain that they will be one of the best entrepreneurs in the country.

1.3 Projects contributions to the economy

The tourism management system has easily-visible benefits and importance to Ethiopia in Economic, Social, Cultural, Image Build and so many ways. Hence at this point, we will explain the contribution of the system to the economy. The following are some of the contributions:

- ✓ Country's improved brand image – the country's image will be radically changed, when tourists of the whole world know who is the real Ethiopia.
- ✓ Tourism activity creates demand – as tourists come from different places , they will be an addition to the population, which will create an extra demand
- ✓ Tourism induces more consumption – as there will be more demand, consequently there will be more consumption
- ✓ Alleviate poverty – tourism will awesomely alleviate the GDP, literally poverty will be reduced.
- ✓ Preserve cultural heritage and protect natural resources – as we give more attention and concern to the tourism sector, we will be preserving cultural heritages, which means the system also enables a wise utilization of cultural , natural and man-made heritages. Where all of these things, indirectly, will generate a sustainable and stable source of economy and income to Ethiopia
- ✓ Generate employment both directly and indirectly – tourists will use different organizations and companies while their stay in the country, which will create further employment

- ✓ Its potential to earn foreign currency – tourists will bring a sweet amount of foreign currency to the country
- ✓ Plants a sense of cultural exchange between foreigners and citizens - as tourists come from different places, there will be cultural exchange between our nation with different nations. Which can serve as basis for later friendship and diplomatic relations. Indirectly, this will contribute to the economy.
- ✓ Develops the infrastructures of a country – as their will be alerted demand and consumption, many companies, factories, hotels, lodges, resorts, hospitals, banks . . . . etc. in which, all of these use infrastructure. Which will end in development in the infrastructures.
- ✓ Promotes different national companies and organizations in the global arena

Finally, all the above raised points will contribute to the GDP of Ethiopia.

Chapter Two- Marketing plan

2.1 Brand name of business plan

The system brand name is called Abyssinia tourism management system.

2.2 Motivation to start our project

Our country Ethiopia is a land of human kind and the whole world knows by himself the cradle of human kind belongs to the lowlands of Abyssinia. Where as, besides the pivot of human kind, Ethiopia is owner of 3000 years prosper and amusing histories, in which every of the stories including the ancient , medieval as well as the modern histories left there findings and works to the coming generations. How can a human being be able to construct 11 rock-hewn churches from one rock stomb. How can a king built its castle using an egg as a cement for the bricks?? how can a king thinks about steam bath in a time where a proper method of shower doesn't exist? These are little of the facts about the history and heritage of Ethiopia. To add to what already have been discussed , the following facts are evidences that can show what Ethiopia have did and have been in the last centuries. Zipporah – Moses's wife – was an Ethiopian. Queen of Sheba – an Ethiopian – had a son with King Solomon of Israel.

King Solomon's reign dates back from 970 until 931 BC. Emperor Menelik I, King Solomon and Queen of Sheba's son, founded the dynasty that ruled Ethiopia until the 1970's.

- ✓ The Ark of the Covenant was brought from Jerusalem to Ethiopia by Menelik I, following his visit to his father King Solomon.
- ✓ The holiest shrine in Ethiopia is the Cathedral of St. Mary of Zion in Axum, where The Ark of the Covenant is kept.
- ✓ The Ark of the Covenant contains Moses Ten Commandments stone tablets.
- ✓ Ethiopia is often mentioned in the Bible.
- ✓ In the Acts of the Apostles – the fifth book of the New Testament – an Ethiopian was the first person baptized into the Christian faith.
- ✓ Apostle Matthew evangelized Ethiopia during the first century AD.
- ✓ During the reign of Emperor Ezana, Christianity became Ethiopia state religion in the fourth century AD.

- ✓ Ethiopia borders Eritrea, Somalia, Sudan, South Sudan, Kenya and the Republic of Djibouti.
- ✓ Ethiopia is the second African country by population.
- ✓ Ethiopia is considered the cradle of humanity, as the oldest specimens of Homo sapiens were discovered there in 2003.

World Heritage Sites in Ethiopia: Aksum, Fasil Ghebbi, Gondar Region, the Fortified Historic Town of Harar Jugol, Konso Cultural Landscape, Lower Valley of the Awash, Lower Valley of the Omo, Rock-Hewn Churches of Lalibela, Tiya and Simien National Park. Despite all these resources Ethiopia is having a small revenue from the tourism sector due to many reasons. Our neighboring country Kenya is getting too much income from the same sector that covers around 60% of annual budget. In fact, Kenya has less tourism spots when compare to Ethiopia. One of the biggest traps and obstacles that Ethiopia is not gaining from tourism is due to inadequate promotions and advertisement and absence of a well trusted tour and travel guide agency which can promote the country's resources as well as the provides every hustles to the tourists , from transport up to financially aiding them in emergency situations, kitchen sink included. Our plan is to let our country be known world wide for its resources and tourism places by developing an online tourism management system

2.3 Description of the service

Our system the so called "the 13 month sunshine country" is a tourism management which is specifically designed for automating the manually working tourism management system. Which has set out its objective to make Ethiopia one of the most visited sites through out the world. The system will provide the following functionalities :-

- ✓ It will allow to visitors to legally register and have access to the credentials of the site by fulfilling some criteria
- ✓ The system will provide information about where the tourism place founds
- ✓ The system will provide information about different accommodations related to that specific tour
- ✓ The system will provide cost-minimizing packages to visit the place

- ✓ The system will notify the hazards and dangers that visitors could face before going to that place
- ✓ The system also provide information about the most rated and trusted tour and travel agencies to go the heritage places
- ✓ The system also provides the address and phone numbers of the police stations and officers and fire brigade incase of emergency
- ✓ The system also saves the tourists from unwanted waste and exaggerated payment asked by selfish tour guiders
- ✓ The system also provides clear and evidence based information about each and every places as well as visit-able things that is free from any ambiguity and any false folk late.

2.4 Comparison of the software with its competitors

The system has the following strengths when compared with its competitors.

- ✓ Economical Feasible – which means the system is built by a fair amount of expense and it will generate a high amount of money
- ✓ Environmentally Feasible – as our company will give an aid of around 5% of its income to national parks, its environmentally feasible
- ✓ Technical Feasible
- ✓ User Friendly – the system is ease to use as users will get it clear on how to use it
- ✓ Reliable – the system is over free from failures and can perform what is asked by the users.
- ✓ Availability – the system is available 24/7
- ✓ Portability – the system works on different platforms of Mobile and Computer
- ✓ Maintainability – the systems architecture is designed to enable bug fixing and upgrades easy.
- ✓ Highly secured – the system uses strong algorithms of security
- ✓ Provide service with small amount of payment per transaction

2.5 Location

The system will be accessed online through all over the world. For the sake of meeting and interviewing or getting information personally, anyone can call us

- ✓ Tell = +251-9-44-74-16-21 or +251-9-38-91-60-08,
- ✓ Email = AbyssinaEntrepreneurs2022@gmail.com
- ✓ Website = WWW.AbyssinaTourism.com

Our newly opening office will be centered at Addis Ababa, Ethiopia. We will announce the location of our office when it is opened.

2.6 Market Area

A market area is a surface over which a demand or supply offered at a specific location is expressed. A market area is a geographic zone containing the people who are likely to purchase a firm's goods or services. Our major market area is centered in Addis Ababa, Ethiopia. Hence our o0ffice will be centered at Ethiopia, the major market area will be in the lands of Abyssinia. Every tourism places can be considered as our market areas and places. Such as Gonder, Fasilledes , Lalibela rock-hewn churches, Sof oumer cave, the dallol lowlands , the jegol wall , the semen chain of mountains, the obelisk of Axum . . . . . etc. All these kind of places are our market area.
We will give the service being from Ethiopia to both domestic and foreign visitors. There are two basic points when we deal with market area : -

- ✓ **Market threshold** :- Minimum demand necessary to support an economic activity such as a service. Since each demand has a distinct location, a threshold has a direct spatial dimension. As of 2019 statistical data of tourists that visited Ethiopia , there were about 812,000 Tourists, generating a revenue to Ethiopia of 3.53 bn $, which literally means 4,346 $ per tourist, which made up 3.7% of the total GNP. The size of a market has a direct relationship with its threshold.
- ✓ **Market range** :- The maximum distance each unit of demand is willing to travel to reach a service or the maximum distance a product can be shipped to a customer. In the sense of this project , we provide service instead of product.

Somehow , tourists visit places coming from different places, as they can be domestic, continental or world-wide visitors. However , most of the tourists come from other countries crossing continents and oceans , who must take a long distance travel to reach their destination. In this perspective , our project might be really profitable.

2.7 Main customers

Tourists are our main customers. In a sense both domestic and foreign visitors aiming to visit Ethiopia using the system are our main customers.

2.8 Total demand

The total demand of our projects cannot be simply described in just short words. There is plenty of demand seeking for getting a well-organized and structured data and information about the tourism destination of the Ethiopia.

Tourism demand refers to the total number of people who travel or wish to travel, and use tourist facilities and services at places away from their places of work or residence. For a better understanding of tourism demand, it is useful to differentiate between the demand for travel to a destination and the demand for particular tourism related products or services within the destination e.g. hotel rooms, restaurant meals, tours, health cares, shopping, security guards and the main police stations and offices near by around the destination places . . . etc. The following are the major demands in the tourism sector :-

- ✓ The tourists need a proper and safe way of tour and travel medium of transportation
- ✓ The tourists need information about the country and the visitable spots that the tourists are going to visit. Hence having detailed information helps to motivate the tourist to go to that place where as deemed and small amount of information will create a bias and blurred view of the tourist destinations which will reduce the tourist's interest of visiting the place.
- ✓ Once the tourist decides which place to visit, accordingly he or she will be throwing their eyes looking for the accommodations related to the tour

- ✓ The tourists seek to know where they will be housing, in a sense they want to know affordable prices and places of hotels, motels, tents, guest houses, lodges, camps, resorts and etc. . . ..
- ✓ The tourists want to know the native traditional and in the flip side, the international recipe available in the country. They like to know the existence of international food companies that give service in the country, for example McDonald Burger, Pizza Hut, Kaldi's coffee, Starbucks. . . .
- ✓ The tourists would like to know the presence of international payment and banking methods, in order to make a convenient transaction. International payment methods like *PayPal*, VISA card, EZ remit, Western Union. . ..etc
- ✓ The tourists want to know any dangers they could face in their way , for instance natural hazards and disasters around that place , for example in our country if some one is going to the lowlands and volcanic places of dallol , the tourist will be informed that something harsh which could cost his life would happen.
- ✓ The tourists also want to ensure there is no domestic violence in the area, because no one wants to go war zone
- ✓ The tourists seek for checking there is no epidemic and pandemic disease in the country
- ✓ The tourists want to know the location of their mother country's embassy founds, to communicate with the consular service ,incase of emergency or any further help
- ✓ The tourists also want to have an estimation of all their expenses and costs during their stay
- ✓ The tourist seek to know that there is available hospitals and clinics if they are sick
- ✓ The tourists want to know the weather behavior and climate of the country
- ✓ The tourists would like to see reviews and comments of previous visitors of that country , for the sake of having more practical information

2.9 Market share of the service

Thus, there is no significant and exact information about how many Tourism Management Systems are available, working and giving service at the moment.

Somehow, we tried our best to know how many systems are there in the line. We have found that there are few websites that are used by particular tour and travel agencies. Therefore, we assume that If we do as we have planned to do, we are certain that we will control the market by having the bigger arms of the market share.

2.10 Selling price

We, the group of the software developers do not think to sell the software. Rather, we aim to give services by our software product. From each transaction of the system, we will be receiving some amount of money. Maybe if other non-competent company (centered outside the country) . . . . we will be selling the system if we get a fair price that can match our product's quality.

2.11 Sale forecast

Sales forecast is **an expression of expected sales revenue**. We will be providing services to around estimated number of 60,000 people in our system. Also we will be selling some cultural items of estimated number of around 2000 items.

2.12 Promotional Measures

There are so many ways we would like to promote our system. The main way of promotion will be transmitting promotions via television and radio as they are the most trusted and used way of medias in the context of our country. Also, we will be promoting through newspapers, magazines, brochures and flyers. What noteworthy, is we will also be introducing the service through social medias , in a means of uploading the promotional information in the company's official pages. Laterally , we will be promoting our service through famous and popular sites which has many followers , aiming to deliver the promotion to the majority of people. Also we will be preparing a TikTok social media challenge to give chance to famous users of the TikTok to prepare a promotional video, and those who got most view and like will be awarded.

2.13 Market strategy

Marketing strategy is a plan of action designed to promote and sell our service. we use a number of marketing strategies to grow our business. Marketing strategy is a process that can allow our company to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. There are major 4Ps. These are

- ✓ **Product** : which is service in our context. Our service is tourism management system
- ✓ **Price** : Price is the cost of a product or service. Total amount income from our system per year which 31,100,000 Etb
- ✓ **Place** : the system will be deployed in the internet for helping tourists mainly in tourism areas, where tourists can visit.
- ✓ **Promotion** : this is how we advertise our system.

2.14 Marketing Budget

A marketing budget outlines all the money a business intends to spend on marketing-related projects over the quarter or year. Marketing budgets can include expenses such as paid advertising, sponsored web content, new marketing staff, a registered blog domain, and marketing automation software. The company allocated around an estimated budget of 50,000 Etb for marketing related tasks plus 8,500 Etb for recruiting promotional and advertisement expert.

2.15 SWOT analysis

SWOT analysis is a strategic planning and strategic management technique used to help a person or organization identify Strengths, Weaknesses, Opportunities, and Threats related to business competition or project planning. It is sometimes called situational assessment or situational analysis. The following summary describes the strengths, weakness, opportunities and threats of our project

Figure 1 : SWOT analysis

Chapter Three – Production plan

3.1 Production Process

3.1.1 Requirement Gathering

Its made clear and neat that all the projects objective is to build a tourism management software. There are several steps to be tasked out during the software development life cycle. The very first step of the production process will do requirement gathering. Where requirements are gathered from the stakeholders of the system. Then these requirements are analyzed for their correctness and validity. Then the requirements will serve as input for the next phase of the software development life cycle.

3.1.2 Design Phase

The Design Phase is an essential phase of the Software Development Life Cycle

- ✓ Architecture – Specifies programming language, industry practices, overall design, and use of any templates or boilerplate
- ✓ User Interface – Defines the ways customers interact with the software, and how the software responds to input
- ✓ Platforms – Defines the platforms on which the software will run, such as Apple, Android, Windows version, Linux, or even gaming consoles
- ✓ Programming – Not just the programming language, but including methods of solving problems and performing tasks in the application
- ✓ Communications – Defines the methods that the application can communicate with other assets, such as a central server or other instances of the application
- ✓ Security – Defines the measures taken to secure the application, and may include SSL traffic encryption, password protection, and secure storage of user credentials

Prototyping can be a part of the Design phase. A prototype is like one of the early versions of software in the Iterative software development model. It demonstrates a basic idea of how the application looks and works. This “hands-on” design can be shown to stakeholders. Use feedback o improve the application. It’s less expensive to

change the Prototype phase than to rewrite code to make a change in the Development phase.

3.1.3 Software Development

This is the actual writing of the program. A small project might be written by a single developer, while a large project might be broken up and worked by several teams. Use an Access Control or Source Code Management application in this phase. These systems help developers track changes to the code. They also help ensure compatibility between different team projects and to make sure target goals are being met.

The coding process includes many other tasks. Many developers need to brush up on skills or work as a team. Finding and fixing errors and glitches is critical. Tasks often hold up the development process, such as waiting for test results or compiling code so an application can run. SDLC can anticipate these delays so that developers can be tasked with other duties.

Software developers appreciate instructions and explanations. Documentation can be a formal process, including wiring a user guide for the application. It can also be informal, like comments in the source code that explain why a developer used a certain procedure. Even companies that strive to create software that's easy and intuitive benefit from the documentation.

3.1.4 Testing

It's critical to test an application before making it available to users. Much of the testing can be automated, like security testing. Other testing can only be done in a specific environment – consider creating a simulated production environment for complex deployments. Testing should ensure that each function works correctly. Different parts of the application should also be tested to work seamlessly together—performance test, to reduce any hangs or lags in processing. The testing phase helps reduce the number of bugs and glitches that users encounter. This leads to a higher user satisfaction and a better usage rate.

3.1.5 Deployment

In the deployment phase, the application is made available to users. Many companies prefer to automate the deployment phase. This can be as simple as a payment portal and download link on the company website. It could also be downloading an application on a smartphone.

Deployment can also be complex. Upgrading a company-wide database to a newly-developed application is one example. Because there are several other systems used by the database, integrating the upgrade can take more time and effort.

3.1.6 Operations and Maintenance

At this point, the development cycle is almost finished. The application is done and being used in the field. The Operation and Maintenance phase is still important, though. In this phase, users discover bugs that weren't found during testing. These errors need to be resolved, which can spawn new development cycles.

In addition to bug fixes, models like Iterative development plan additional features in future releases. For each new release, a new Development Cycle can be launched.

3.2 Fixed Capital

Fixed capital is any kind of real, physical asset that is used repeatedly in the production of a product. In economics, fixed capital is a type of capital good that as a real, physical asset is used as a means of production which is durable or isn't fully consumed in a single time period. In the context of our project, the need of fixed capital will be invested on the following expenses: -

- ✓ The payment for the salary and wages of software professionals involved in the development of the software
- ✓ The expenses needed to buy and have the hardware and software for the proper deployment of the system
- ✓ The expenditures of renting and if possible buying shared or private servers or IP addresses
- ✓ The cost of promotional and advertisement of the service

- ✓ The cost of field tasks , like when gathering the requirement there will be an expense while carrying out the task including cost of daily wages , transport costs , food and other accommodations for the gatherer party

The above mentioned expenses are of the major expenses that will emerge through out the process. Though the real fixed capital that we have in hand is only the capital of payment needed for the software professionals. In a sense , we are the professional of the software , hence we don't have to recruit and pay other professionals since we can build the system Besides theses we don't have any capital for any other expenses mentioned in the above sections. Therefore we will be looking for a sponsors who would like to support us or investors who would like to be part of the system by buying shares of the proposed company. The following table will express the estimated costs of the expenditures

Id	Items	costs
1	Payment for software professionals	500,000-1000,000 Etb
2	Hardware and software costs	300,000-1000,000 Etb
3	Promotional and advertisement expenses	100,000-800,000 Etb
4	Costs of field tasks	50,000-100,000 Etb
5	Other costs	100,000-200,000 Etb
Total Estimated cost of the capital needed = 1,150,000-3,000,000 Etb		

Table 1 : Capital needed

3.3 Life of fixed capital

These assets are considered fixed in that they are not consumed or destroyed during the actual production of a good or service but have a reusable value. Fixed-capital investments are typically depreciated on the company's accounting statements over a long period of time. Our companies life of fixed capital refers to the knowledge of our professionals. Therefore the life of our fixed capital will be lasting till whether the member of the group leaves or the member dies hence knowledge never depreciates or run out. Because of these the company laid its basis on a strong perpetual life of fixed capital. Besides the estimated costs of the expenses that range between 1,150,000-

3,000,000 Etb will be able to manage the system for a long period of time , at least for 5 years and above , unless there is unexpected loss or expense.

3.4 Maintenance and repair

Software maintenance is the process of changing, modifying, and updating software to keep up with customer needs. Software maintenance is done after the product has launched for several reasons including improving the software overall, correcting issues or bugs, to boost performance, and more. What makes the software engineering unique from other disciplines is that there is an ever-demanding of changes which means maintenance is backbone of the system as soon as it is launched. There are so many reasons why maintenance is required repeatedly, some of them are jotted down as follows: -

- ✓ Correction of 'bugs': The most important part of the service is the correction of errors or in other words 'bugs'. ...
- ✓ Improving opportunities for a changing environment
- ✓ Remove obsolete functions
- ✓ Performance improvement
- ✓ Satisfy change in requirements of stakeholders and incorporate the changes in the system
- ✓ There might be incompatibility between the application software and the operating system, as the OS changed or upgraded its version, to solve this maintenance is needed to make compatible
- ✓ Further modification and addition of operations to the system

The major maintenance or repair will be carried out in the systems design and implementation. So, the maintenance task will be redesigning and reimplementing the system, that’s all about the repair and maintenance of the system

3.5 Source of equipment

Source of equipment of our project will be classified in to two top classes. Which are hardware and software equipment. The hardware equipment needed to develop system are discussed as follows : -

3.5.1 Computer

Most current computers and laptops have high enough specifications to be used to create a website. The most important specification to check on the computer would be the size of the RAM, which should be over 2GB, though more is better. This will ensure that the computer runs quickly and smoothly, even with heavier programs such as website editors or photo editors. The computer should have a keyboard and mouse attached and working as well. Alongside , speakers and microphones , for online conferencing with stakeholders will help a lot.

3.5.2Mobile or Cell phone

While not necessary, many free website creation software's allow users to adjust, update and work on their website from a mobile device. If you are on the go often and would like to be able to make adjustments to your site from wherever you are at, you may want to look into getting a web-enabled smartphone or device.

3.5.3 Internet

In order to create a website, access to a high-speed Internet connection can be vital. This allows you to transfer the files that will make up your website to the online server that will be hosting your website, post updates on your website and look at your website live online to make sure that it is displaying correctly.

3.5.4 External Hard Drive or DVDs for Backup

You should always keep a fairly current backup of your website in case there is an issue where the site crashes or files become corrupted. You can keep this backup on an external hard drive or a set of DVDs, depending on your preference. It is possible for an external hard drive to crash, losing your backup, but DVDs can be more unwieldy and can also scratch causing data loss. How often you should create a backup depends on how often you update your website, but once a month for a regularly-updated site can be a good amount of time.

3.5.5 Camera

Unless our website is going to consist only of text, we will want to have a way to get some digital photos and videos for your website. While we can buy stock photos and videos, these can end up being expensive if you need many of them, and they may not be as specific as the shots we need. A digital camera with video capability will allow us to take photos of the tourism destinations, the hotels, the motels, the eagle's view of different landscapes and videos that can be downloaded to the computer and added to our website. Because we took the photos and shot the videos ourself, we don't need to worry about copyright infringement of other people's media.

3.5.6 Server

We will need a server computer to host our website on to make sure that it is available all the time for anyone trying to access it. While we can set up a computer to act as a web server, this is a highly complicated task, and it is far easier, more reliable and cost-effective to simply purchase a hosting package from a web hosting company. They will keep and maintain the server computer, and you will be able to access it to change files on our website.

3.5.7 System requirements

Item	Characteristics and properties
operating system	Windows 8 or later, for mac - macOS Sierra 10.12 or later, for linux – ArchLinux, Debian , Fedora , SparkyLinux
Processor	Intel Pentium 4 or Intel later
Memory	2 GB minimum, 4 GB recommended
Screen resolution	1280x1024 or larger
Application window size	1024x680 or larger
Internet connection	Required

Table 2 : System requirements

3.6 Planned capacity

Capacity planning is the process of determining the production capacity needed by an organization to meet changing demands for its products. In the context of capacity planning, design capacity is the maximum amount of work that an organization is capable of completing in a given period. Capacity planning is the process of determining the production capacity needed by an organization to meet changing demands for its products. But these definitions mainly applies to manufacturing companies that produce hardware and tangible devices. When it comes to our project , the proposed company will provide intangible and software , which is completely different from another companies ,as it does not involve in the use of huge machineries , recruitment of many labourer, use of raw materials as an input for the production as well as it does not require a plot land for building the company, as it needs only 2 or 3 average size offices where we can sit and build the system.

Thus the demand by is a software that can be used to manage the tourism affairs. What noteworthy is , the single software can allow itself to be used by many users concurrently at the same time. This is the amazing behavior of a software system. On the other hand , companies needed to produce duplicate of the same product to deliver it to the users, as the devices can not be used and shared by multiple users at the same time concurrently. To sum up all the above raised points, once there is demand of the system , and we are able to satisfy that demand 100%. There might be further modifications and change requirements. Also in this case we have the capacity of addressing the demand and fulfilling the wants 100%.

3.7 Raw material needed

- ✓ Computer
- ✓ Smart mobile or cell phone
- ✓ 4k and UHD camera
- ✓ External hard drive
- ✓ Purchasable software
- ✓ Server

3.8 Cost of raw materials

These are costs of raw materials used by the companies. Our system will require hardware and software materials to be developed. The overall estimated costs of the raw material are depicted in the following table.

ID	Items	Quantity	Cost
1	Computer	5	200,000 Etb
2	Smart mobile or cell phone	5	100,000 Etb
3	4k & UHD Camera	2	300,000 Etb
4	External hard drive	2	10,000 Etb
5	Server	1	500,000 Etb
6	Purchasable software	Undefined	Undefined
Total costs of raw materials >= 1,110,000 Etb			

Table 3 : Cost of raw materials

3.9 Raw material availability

All the above discussed raw materials are available in the market of our country. But they are a bit expensive. Somehow if we find any method of buying the system from other countries like China, Dubai or America we can buy the materials with cheaper price. However, for the sake of telling and approving the availability of the materials, we can give our word to the stakeholders that most of the materials can be purchased from our country. Non the less, some of the software needs might be unavailable in our country, but we can buy it from other countries online market. Yet this is made sure that is available and affordable.

3.10 Labour

The service to be developed is software. Therefore , to develop the system we will be demanding software professionals who are able of carrying out the SDLC phases. Hence for the requirement gathering phases we will need a requirement gatherer and

analyzer , which we already have in hand , in our team. For the design part , we be needing a professional with a deep knowledge of design. We will give more emphasis and attention when assigning the design task to the professional as it is the core part of the SDLC. The herald is that we have a good designer in our team. Then when it comes to the implementation part, we will be needing a coder that will implement the design , and takedown the ideas of the requirements to ground. The tester will be needed to look for possible bugs , defects , errors and failures along with security (Authentication and Authorization) breaches.

3.11 Cost of labour

This cost will go to the expenses that are going to be paid for the workers involved in the development of the system. The main workers are the software requirement gatherers ,designers, implementors or coders and testers. Hence we are software professionals by ourselves, we don't have any wage or salary expenses as we are owners of the system. Then we will recruit janitors, security guards, runners, camera man, production promotional expert, secretary. The following table depict the costs related to cost of labor.

Id	Job	Number	Salary
1	Camera man	2	10,000 Etb for each × 2 = 20,000 Etb
2	Security guards	2	3000 Etb for each × 2 = 6000 Etb
3	Janitors	2	2500 Etb for each × 2 = 5000 Etb
4	Secretary	1	5000 Etb
5	Runner	1	2000 Etb
6	Production promotional expert	1	8500 Etb
Total Number of employee = 9 Employee Total amount of salary = 46,500 Etb			

Table 4 : Cost of labour

3.12 Labour availability

The main labour demand of the system is software professionals. Thus we are already members of the development team and owner of the company, which means we are available. Camera man with better skills and experiences are also available in the market. Security Guards are also available. Secretary who can do the paper works of the office is also available in the market. The secretary must have a proper knowledge of secretarial science and experience. Runner are those who manage tasks like delivering mail and messages or working at the front desk. This labour is also available in the market. Finally production promotional expert who is responsible for the advertisement and promotion of the company and the service is needed. This personnel is also available in the market. Hence we are giving this information , we have made a deep study in the availability of the labours in the market.

3.13 Labour Productivity

Workplace productivity relates to the amount of work that your staff can produce over a certain period. In other words, it's the measure of the total output (goods and services) versus the total input (labor and costs). As there is few employees in our company , not more than 15 employees, producing a huge , multipurpose system that will benefit so many sectors and part of the population, the labour productivity is high to the peak. When we talk about labour productivity we are comparing the inputs to develop or to do the task and the results of the task. Therefore a small group of people developing a system that can produce a huge merit and benefit can be considered as high labour productivity.

Chapter Four – Organization and management plan

4.1 Form of business

A software company is a company whose primary products are various forms of software, software technology, distribution, and software product development. They make up the software industry. A partnership is a single business where two or more people share ownership. Each partner contributes to all aspects of the business, including money, property, labor or skill. In return, each partner shares in the profits and losses of the business. Consequently, our company would like to work in partnership with many companies.Some of the companies that we plan to work in partnership are :-

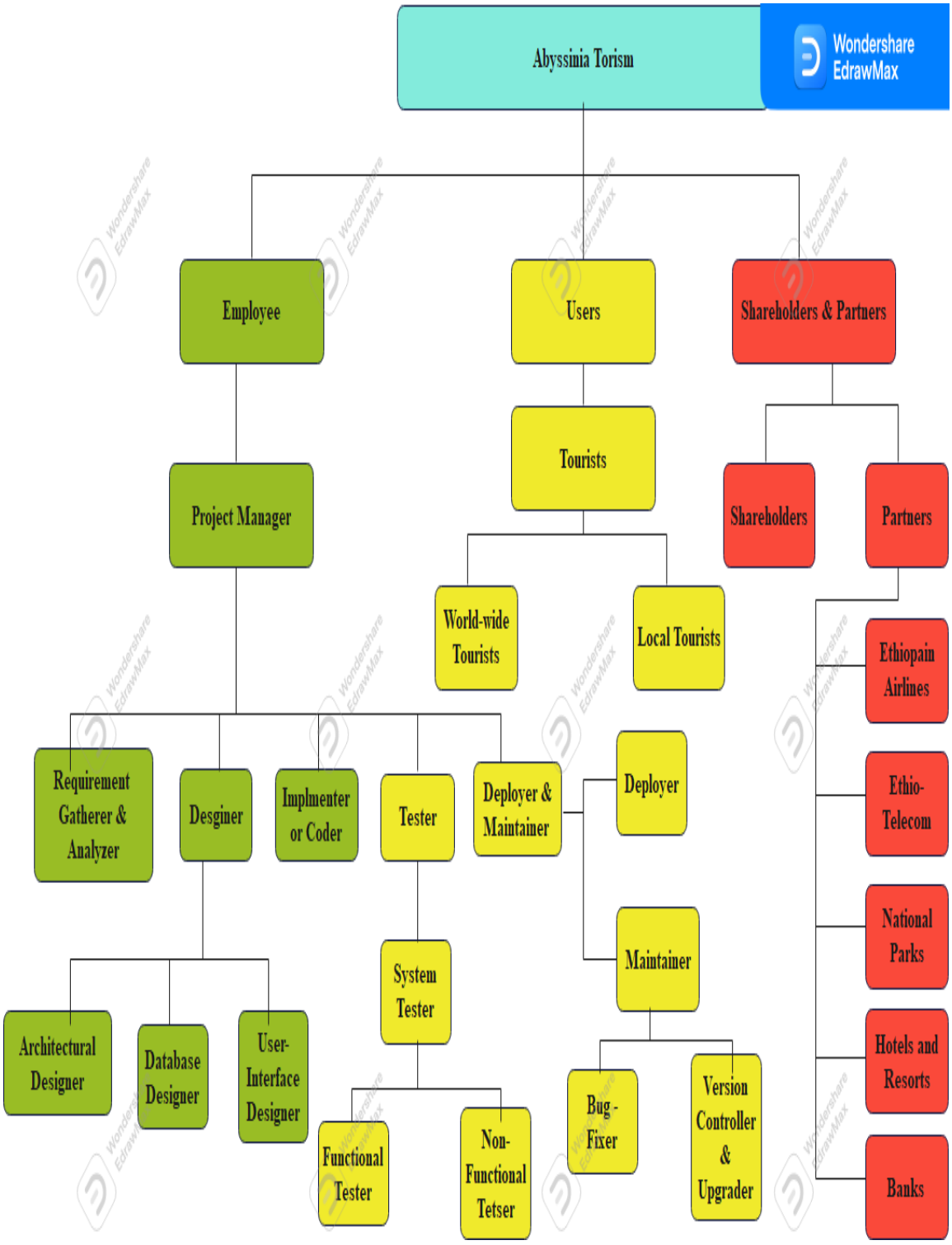
- ✓ Ethiopian airlines
- ✓ Tour and travel agencies
- ✓ Ethiopian national parks
- ✓ Ethiopian national museums
- ✓ Ethio-telecom
- ✓ Several banks
- ✓ Hotels, lodges, resorts
- ✓ Police
- ✓ Television and Radio stations
- ✓ Ethiopian culture and tourism minister

Working in partnership with the above mentioned major companies will play a major role for the productivity and success of the company. Our company aims to provide tourism management service to Ethiopia and visitors of Ethiopia.

4.2 Organizational Structure

This is how our organization is structured into various segmented parts. The following diagram depicts our organizational structure.

Figure 2 : Organizational Structure



4.3 Office equipment

These equipments belong to the office materials that will be used for carrying out the daily activities of the office. These includes the following materials: -

- ✓ Paper
- ✓ Pen , pencil , marker, highlighters, erasers
- ✓ Chair and tables
- ✓ 2Carpet and mat
- ✓ Ventilators and air conditioners
- ✓ Computers , speakers , microphones
- ✓ Telephone device
- ✓ Document shelf
- ✓ Printer
- ✓ Dust bin and baskets
- ✓ Camera
- ✓ Albums and magazines of the company's profile

4.4 Administrative expenses

This are expenses in the office , that will be run out for purchasing out the office equipment. The expenses in our company will go to the above mentioned materials and equipment. There expected expenses are defined and described as follows :-

Id	Item	Quantity	Price
ABY1	Paper	10 Pack of papers, each containing 500 pieces of papers	300 Etb per each pack 300 × 10 = 3000 Etb
ABY2	4Chair	10 chairs	1000 Etb per each chair 1000 × 10 = 10,000 Etb
ABY3	Table	6 tables	850 Etb per each table 850 × 6 = 5100 Etb
ABY4	Pen	5 pack of Ipen, each pack containing 12 pens	10 Etb per each pen, 10 × 12 × 5 = 600 Etb
ABY5	Pencil	5 pack of color pencils, each pack containing 12 pencils	7 Etb per each pencils , 7 × 5 × 12 = 420 Etb

ABY6	Highlighter	3 pack of highlighters, each containing 8 highlighters	15 Etb per each highlighter, 15 × 3 × 8 = 360 Etb
ABY7	Marker	2 pack of markers, each pack containing 6 markers	25 Etb per each marker , 25 × 2 × 6 = 300 Etb
ABY8	Eraser	5 white board erasers	50 Etb per each eraser, 50 × 5 = 250 Etb
ABY9	Printer	2 printer	7,000 Etb per printer, 7,000 × 2 =14,000 Etb
ABY10	Carpet	5 carpets	2000 Etb per each carpet, 2000 × 5 = 10,000 Etb
ABY11	Mat	6 mat	1000 Etb per each mat, 1000 × 6 = 6000 Etb
ABY12	Ventilator and air conditioner	3 air conditioners	5000 Etb per each conditioner , 5000 × 3 =15,000 Etb
ABY13	Computer	5 computers	35,000 Etb per each computer, 35,000 × 5 = 185,000 Etb
ABY14	Camera	2 cameras	150,000 Etb per each camera, 150,000 Etb × 2 = 300,000 Etb.
ABY15	Telephone device	2 wired office telephones and 5 smart phones	999 Etb per each wired phone, 2 × 999 = 1998 Etb 15,000 Etb per each smart phones , 15,000 × 5 = 75,000 Etb
ABY16	Document shelf	1 document shelf	10,000 Etb
ABY17	Dustbin and basket	5 basket bay	65 Etb per dustbin , 65 × 5 = 325 Etb
Total amount of administrative expenses = 637,353 Etb			

Table 5 : Administrative costs

Chapter Five – Financial Plan

5.1 Project cost

This cost is the summation of all costs that are consumed in all steps and phases of the project, emanating from the very first steps and phases of the SDLC to every labour , advertisement , royalties , administrative costs and the like. The following table summed up all these costs of the project.

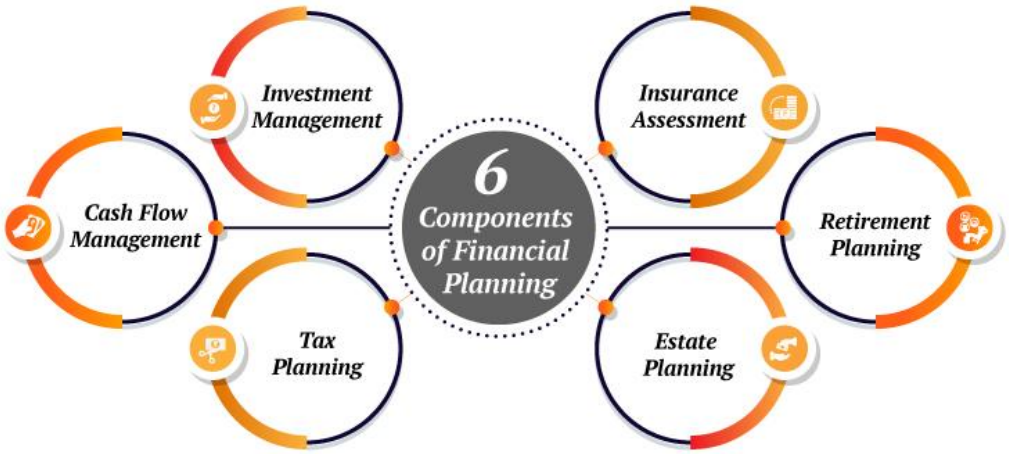
Project Cost	
Cost	Amount
Cost of raw materials	1,100,000 Etb
Salary and wages	46,500 Etb ×12 = 558,000 Etb
Administrative cost	637,353 Etb
Promotional and advertisement expenses	50,000 Etb
Royalties	13,400 Etb × 12 = 160,800 Etb
Costs of field tasks	50,000-100,000 Etb
Other costs	100,000-200,000 Etb
Total amount of project cost >= 2,656,153	

Table 6 : Project cost

5.2 Financing plan and loan requirements

A financial plan is a comprehensive picture of our current finances, our financial goals and any strategies we've set to achieve those goals. Good financial planning should include details about our cash flow, savings, debt, investments, insurance and any other elements of our financial life. The 13 months sunshine company has settled out its financing plans. They are discussed as follow.

Figure 3 : Financial planning



5.2.1 Goal Identification

We must understand and identify our desires and goals. The efficiency of the plan depends on the clarity of our aims. Listing down our goals might assist us in getting clarity. The company's main objective and goal is to change the bad picture of Ethiopia by replacing best picture, letting the world know who the real land of Abyssinia is and what it means. This laterally means upgrading the capital of Ethiopia by improving the tourism sector and placing up to the high limits, to where it belongs. Secondly, the company's objective is to cut its own shares from every transaction and visit through the system and finally generate a delicious merit of cash and psychological satisfaction.

A. **Short-term**: Goals that we want to achieve in the next 5 years are considered short-term goals. These goals are communicating and convincing stakeholders specially investors to be partners with us. Settlement of plans of antecedent debts, purchasing luxury or small assets. Approval of budgets and cash flows to carry out the tasks of the company. Then we plan to gather requirements of the proposed system and finally build it then deploy it. After this, in the first five years of the short-term , we will deploy the system and let the users have their first experiences with the system

B. **Mid term** - Become an entrepreneur, purchasing property and other goals with a high investment amount that we plan to fulfil in 5-10 years. At this stage we'd

become an entrepreneur opening and providing vacancies and employments to many peoples. Once we achieved our short term goals, we would like to expand our companies structure recruiting more employees and opening new offices, branches, opening other related-task performing sister companies.

C. **Long terms** : The period of long-term goals is considered to be more than 10 years. These goals include , completely changing the bad picture of Ethiopia, make Ethiopia one of the most visited countries in the worlds, let Ethiopia gain as much as she has to gain out of tourism, and finally let our company be one of the successful software companies with a strong net worth and fixed assets. Then at the end of the day , we will retire doing the things finish our work by selling 80% of the total shares of the company and shift to another business sector.

5.2.2 Listing Assets and Liabilities

Listing down assets and liabilities gives a clear picture of our current financial value. Products , services or materials we possess and could bargain to raise capital are considered assets.

Fixed assets also known as long-lived assets, tangible assets or property, plant and equipment, are a term used in accounting for assets and property that cannot easily be converted into cash. Fixed assets are different from current assets, such as cash or bank accounts, because the latter are liquid assets. At the moment, the fixed assets available in our company are only 3 computers.

A liability is something a person or company owes, usually a sum of money. Liabilities are settled over time through the transfer of economic benefits including money, goods, or services. Liabilities are the debts, mortgage property, and unpaid loans. The three different types of Liabilities are:

a. Current liabilities: Debts that are to be settled in a short period, i.e. one year in most cases.
b. Non-current liabilities: These are long-term liabilities that are to be paid over a few years.

c. Contingent liabilities: Occurring of liabilities depends on the outcomes of events that are to be held in the future. Also, there is an equal probability of the liability to arise depending on the circumstances.

5.2.3 Insurance Planning

A fixed amount of your salary might be considered investment money or an emergency fund. Insurance policies could be the potential assets that would support you in unfortunate and tough times. Selecting the type of insurance policies depends on the goals you are planning to achieve. The following are the insurances we aim to have :

Term Life Insurance Plan

Term life insurance plans are one of the simplest and affordable insurance plans that we can purchase. The policy covers death risk, and the maturity amount is transferred to the nominee in case of the applicant's death. The benefits of the term insurance can be stretched via purchasing add-ons.

ULIP

Unit-linked insurance plans are abbreviated as ULIP. This policy comes with three levels of benefits: insurance coverage, wealth expansion, tax-saving. ULIPs are customizable according to your investment and insurance requirements.

Retirement Plan

These insurance policies are our income source after your retirement. They are long-term policies and mature after the age of 6o in Ethiopia. The payouts of retirement plans can be one time or in parts, i.e. monthly or quarterly. A retirement plan gives us the security to live independently.

5.2.4 Monitoring and Optimization

It is the only way to confirm that our current plans are effective and growing in a positive direction. Keeping a regular check on our assets, enrolled plans, and invested stocks and mutual funds. Using your valuable assets to increase the liquidity ratio.

Analyzing our expense to income ratio and cutting down the overhead expenses for future investment. Goals are the final services of your investment, and there are times when you might experience that your goals can be more structured and optimized. In such situations restructuring, our current plans would be a wise decision. One such example is to plan an early retirement; you can customize our premium amount and request for early maturity.

5.3 Profit and loss statement

- ✓ Total cost = total fixed cost + total variable cost
- ✓ Profit cost = (total tour + total information given) – total cost
- ✓ Gross profit = total cost – variable cost(production cost)
- ✓ Profit/loss statement = gross profit – fixed cost (overhead cost)

Cost	Type	Amount
abay salary	Fixed cost	46,500 Etb/month
Total costs of raw materials	Variable cost	1,110,000 Etb/half a year
Royalties	Fixed cost	160,800 Etb/year
Total amount of administrative expenses	Fixed cost	637,353 Etb/year
Costs of field tasks	Variable cost	75,000 Etb/term
Promotional and advertisement expenses	Variable cost	50,000 Etb/term
Total interest rate	Fixed cost	838,569 Etb/year
Other costs	Fixed cost	100,000 Etb/half year

Table 7 : Profit and loss statement-I

Total cost(Tc)/year

Fixed cost(Fc)

Variable cost(Vc = Total cost of raw materials (1,110,000 Etb × 2) + Cost of field task (75,000 Etb × 3) + Other costs (50,000 Etb × 3)

= 2,220,000 Etb + 225,000 Etb + 150,000 Etb

TVc = 2,595,000 Etb

Fixed cost = Total amount of salary(46,500 × 12) + Royalties(160,800 Etb) + Total amount of administrative expenses (637,353 Etb) + Other costs (100,000 Etb)

= 558,000 Etb + 160,800 Etb + 637,353 Etb + 100,000 Etb + 838,569 Etb

TFc =2,294,722 Etb

Total cost = TVc + TFc

=2,595,000 + 2,294,722

=4,889,722 Etb

Rank	Income Source	Amount
1	View vital tourist information/view	300 * 200* 30 * 12 = 21,600,000Etb
2	Monthly/quarterly/yearly membership fees	3,000,000 Etb
3	Advertisement of sponsors	3,000,000 Etb
4	Commision from linking 3rd party service & products to tourists	2,500,000 Etb
5	Online marketing	1,000,000 Etb
Total Amount of income = 31,100,000 Etb		

Table 8 : Profit and loss statement-II

Profit cost = Total amount of income – Total cost

= 31,100,000 Etb - 4,889,722 Etb

Profit/Loss = +26,110,278 Etb

Gross profit = Total amount of income – Variable cost

= 31,100,000 Etb – 2,595,000 Etb

= 28,505,000 Etb

Profit/Loss = Gross profit – Fixed cost

= 28,505,000 Etb – 2,294,722 Etb

= +26,110,278 Etb

5.4 Cash flow statement

The term cash flow refers to the net amount of cash and cash equivalents being transferred in and out of our company. Cash received represents inflows, while money spent represents outflows. A company's ability to create value for shareholders is fundamentally determined by its ability to generate positive cash flows or, more specifically, to maximize long-term free cash flow (FCF). FCF is the cash generated by a company from its normal business operations after subtracting any money spent on capital expenditures (CapEx).

Cash flow is the amount of cash that comes in and goes out of a company. Businesses take in money from sales as revenues and spend money on expenses. We may also receive income from interest, investments, royalties, and licensing agreements and sell products on credit, expecting to actually receive the cash owed at a late date.

5.4.1 Cash Flows From Operations (CFO)

Cash flow from operations (CFO), or operating cash flow, describes money flows involved directly with the production and sale of goods from ordinary operations. CFO indicates whether or not a company has enough funds coming in to pay its bills or operating expenses. In other words, there must be more operating cash inflows than cash outflows for a company to be financially viable in the long term.

Operating cash flow is calculated by taking cash received from sales and subtracting operating expenses that were paid in cash for the period. Operating cash flow is recorded on a company's cash flow statement, which is reported both on a quarterly and annual basis. Operating cash flow indicates whether a company can generate

enough cash flow to maintain and expand operations, but it can also indicate when a company may need external financing for capital expansion.

Note that CFO is useful in segregating sales from cash received. If, for example, a company generated a large sale from a client, it would boost revenue and earnings. However, the additional revenue doesn't necessarily improve cash flow if there is difficulty collecting the payment from the customer.

5.4.2 Cash Flows From Investing (CFI)

Cash flow from investing (CFI) or investing cash flow reports how much cash has been generated or spent from various investment-related activities in a specific period. Investing activities include purchases of speculative assets, investments in securities, or the sale of securities or assets.

Negative cash flow from investing activities might be due to significant amounts of cash being invested in the long-term health of the company, such as research and development (R&D), and is not always a warning sign.

5.4.3 Cash Flows From Financing (CFF)

Cash flows from financing (CFF), or financing cash flow, shows the net flows of cash that are used to fund the company and its capital. Financing activities include transactions involving issuing debt, equity, and paying dividends. Cash flow from financing activities provide investors with insight into a company’s financial strength and how well a company's capital structure is managed.

5.4.4 Cash Flow vs. Profit

Contrary to what you may think, cash flow isn't the same as profit. It isn't uncommon to have these two terms confused because they seem very similar. Remember that cash flow is the money that goes in and out of a business.

Profit, on the other hand, is specifically used to measure a company's financial success or how much money it makes overall. This is the amount of money that is left after a company pays off all its obligations. Profit is whatever is left after subtracting a company's expenses from its revenues.

5.5 Balance Sheet

A balance sheet is a financial statement that communicates the so-called "book value" of an organization, as calculated by subtracting all of the company's liabilities and shareholder equity from its total assets.

A balance sheet offers internal and external analysts a snapshot of how a company is currently performing, how it performed in the past, and how it expects to perform in the immediate future. This makes balance sheets an essential tool for individual and institutional investors, as well as key stakeholders within an organization and any outside regulators.

Most balance sheets are arranged according to this equation:

Assets = Liabilities + Shareholders' Equity

5.5.1 Assets

An asset is anything a company owns which holds some amount of quantifiable value, meaning that it could be liquidated and turned to cash. They are the goods and resources owned by the company.

Assets can be further broken down into current assets and non-current assets.

- ✓ Current assets are typically what a company expects to convert into cash within a year's time, such as cash and cash equivalents, prepaid expenses, inventory, marketable securities, and accounts receivable.
- ✓ Non-current assets are long-term investments that a company does not expect to convert into cash in the short term, such as land, equipment, patents, trademarks, and intellectual property.

Assets = Liabilities + Shareholders' Equity

= 1,726,153 Etb + 930,000 Etb

= <u>2,656,153 Etb</u>

5.5.2 Liabilities

A liability is anything a company or organization owes to a debtor. This may refer to payroll expenses, rent and utility payments, debt payments, money owed to suppliers, taxes, or bonds payable.

As with assets, liabilities can be classified as either current liabilities or non-current liabilities.

- ✓ Current liabilities are typically those due within one year, which may include accounts payable and other accrued expenses.
- ✓ Non-current liabilities are typically those that a company doesn't expect to repay within one year. They are usually long-term obligations, such as leases, bonds payable, or loans.

Liabilities = Assets – shareholders equity

= 2,656,153Etb – 930,000 Etb

= 1,726,153

5.5.3 Shareholders' Equity

Shareholders' equity refers generally to the net worth of a company, and reflects the amount of money that would be left over if all assets were sold and liabilities paid. Shareholders' equity belongs to the shareholders, whether they be private or public owners.

Shareholders equity = Assets – Liabilities

=2,656,153 Etb – 1,726,153 Etb

=930,000 Etb

5.6 Loan Repayment schedule

Repayment is the act of paying back money previously borrowed from a lender. Typically, the return of funds happens through periodic payments, which include both principal and interest. The principal refers to the original sum of money borrowed in a loan. Its clear that we are students and we are broke when it comes financial security. Thus we will be needing ways of fulfilling our economical interests by various means. One of them is loan. Surely there will be uncertain amount of loan in the name of the

company. Which means, the loaned money will be paid at some point in the future. Therefore the company has its own plans on how to pay the loans.

In the coming years, when the company started its service and generates money, the company's pocket and balance will be buffing up. For now we have planned to get loan from different banks and we have shareholders money for the start-up of the company.

Shareholders	Amount(Sold shares)	Percentile out of project cost
Samuel Dejen	60,000 Etb	2.258%
Anonymous Sponsor	500,000 Etb	18.824%
Mensur Jemal	350,000 Etb	13.176%
Team members	20,000 Etb	0.752%
	total amount = 930,000 Etb	Total Percentile = 35.01 %

Table 9 : Loan repayment schedule-I

Banks	Amount (Loaned)	Loan payment year	Interest per year	Total interest in given year	Total amount when payed	Percentile out of total project cost
Commercial Bank of Ethiopia	1000,000 Etb	10 years	7%	700,000 Etb	1,700,000Etb	37.648%
Abyssinia Bank	500,000 Etb	5 years	5%	125,000 Etb	625,000 Etb	18.824%
Abay Bank	226,153 Etb	2 years	3%	13,569 Etb	213,569Etb	8.514%
All banks	1,726,153 Etb			838,569 Etb	2,538,569 Etb	Total Percentile = 64.99%

Table 10 : Loan repayment schedule-II

To sum up the above table, we scheduled to pay our loan and debts according to our loan agreements with the banks.

- ✓ Commercial Bank of Ethiopia 1000,000 Etb debt, we have scheduled to pay our debt with in 10 years at a rate of 7% annual interest
- ✓ Bank of Abyssinia 500,000 Etb debt, we have scheduled to pay our debt with in 5 years at a rate of 5% annual interest
- ✓ Abay Bank 226,153 Etb debt , we have scheduled to pay our debt with in 2 years at a rate of 3% annual interest

5.7 Breaking even point

The break-even point in economics, business—and specifically cost accounting—is the point at which total cost and total revenue are equal, i.e. "even". There is no net loss or gain, and one has "broken even", though opportunity costs have been paid and capital has received the risk-adjusted, expected return

TVc= 200/Tourist

TFc= 365 day

Income = 300 Etb/Tourist

Breaking even point in unit = $\frac{\text{Fixed cost}}{\text{Income} - \text{Variable cost}}$

$= \frac{\text{365 day}}{\text{300Etb/Tourist} - \text{200/Tourist}}$

= 3.65 Visit of tourist

Breaking even point in birr = Income × Breaking even point in unit

= 300Etb/visit × 3.65

Total income = 1095 Etb

TVc = 200/visit × 3.65

= 730

Total cost = TVc + TFc

= 730 + 365

= 1095 Etb

Profit/Loss = Total income – Total cost

= 1095 – 1095

= 0

Figure 4: break-even point

5.8 Financial Analysis

Financial analysis is the process of evaluating businesses, projects, budgets, and other finance-related transactions to determine their performance and suitability. Typically, financial analysis is used to analyze whether an entity is stable, solvent, liquid, or profitable enough to warrant a monetary investment.

Revenues

Revenues are probably your business's main source of cash. The quantity, quality and timing of revenues can determine long-term success.

- ✓ Revenue per employee (revenue ÷ average number of employees**).** This ratio measures your business's productivity. The higher the ratio, the better. Many highly successful companies achieve over $1 million in annual revenue per employee.

  Revenue per employee = 31,100,000 Etb / 9 employee = 3,455,555.55 Etb per employee

Profits

If you we produce quality profits consistently, our business may not survive in the long run.

- ✓ **Gross profit margin (revenues – cost of goods sold) ÷ revenues.** A healthy gross profit margin allows us to absorb shocks to revenues or cost of goods sold without losing the ability to pay for ongoing expenses.

$$GPM = \frac{(31{,}100{,}000 \text{ Etb} - 1{,}000{,}000 \text{ Etb})}{31{,}100{,}000 \text{ Etb}} = 0.96$$

N:B – A healthy GPM ranges between 50% - 70%. Therefore , our company's GPM of 0.96 is healthy GPM.ot

- ✓ **Operating profit margin (revenues – cost of goods sold and service provided – operating expenses) ÷ revenues.** Operating expenses don't include interest or taxes. This determines your company's ability to make a profit regardless of how you finance operations (debt or equity). The higher, the better.

$$OPM = \frac{(31{,}100{,}000 \text{ Etb} - 1{,}000{,}000 \text{ Etb} - 2{,}656{,}153 \text{ Etb})}{31{,}100{,}000 \text{ Etb}} = 0.88$$

Operational Efficiency

Operational efficiency measures how well you're using the company's resources. A lack of operational efficiency leads to smaller profits and weaker growth.

- ✓ **Accounts receivables turnover (net credit sales ÷ average accounts receivable).** This measures how efficiently you manage the credit you extend to customers. A higher number means your company is managing credit well; a lower number is a warning sign you should improve how you collect from customers.

ARM = 25,000,000 Etb /1,328,076.5 Etb = 18.82

Capital Efficiency and Solvency

- ✓ **Return on equity (net income ÷ shareholder's equity).** This represents the return investors are generating from your business.

ROE = 28,561,431 Etb / 930,000 Etb = 30.71

- ✓ **Debt to equity (debt ÷ equity).** The definitions of debt and equity can vary, but generally this indicates how much leverage you're using to operate. Leverage should not exceed what's reasonable for your business.

= 2,538,569 Etb / 930,000 Etb = 2.72

Liquidity

Liquidity analysis addresses your ability to generate sufficient cash to cover cash expenses. No amount of revenue growth or profits can compensate for poor liquidity.

Current Ratio

Current Ratio = Current Assets / Current Liabilities

= 637,353 Etb / 2,538,569 Etb = 0.25

Quick Ratio

Quick Ratio = (Cash + Accounts Receivables + Marketable Securities) / Current Liabilities

$$= \frac{20{,}000 \text{ Etb} + 2{,}636{,}153 \text{ Etb} + 637{,}353 \text{ Etb}}{2{,}538{,}569 \text{ Etb}} = 1.29$$

Cash Ratio

Cash Ratio = (Cash + Marketable Securities) / Current Liabilities

$$= \frac{(20{,}000 \text{ Etb} + 637{,}353 \text{ Etb})}{2{,}538{,}569 \text{ Etb}} = 0.25$$

Conclusion

To sum the project in short words, our company is named "Abyssinia Tourism". Its main objective is to facilitate the tourism sector and help Ethiopia to gain as she would have to gain from it. The project clearly jotted down some of the problems that exist in our way. It also points out those problems can be mitigated and solved. The system provides most of the services demanded by tourists. In the project, many shareholders and stakeholders have participated. Hopefully, when time passes and the company become stable by lying on its two legs, it will amazingly change the tourism of Ethiopia.

Recommendation

Based on the findings of the study and conclusions made the following recommendations were forwarded.

- ✓ The Government should do a lot on how trained personnel are to be produced in the right number, in the needed specializations and occupations.
- ✓ Tourism development should be community oriented.
- ✓ Special emphasis should be given the statistical measurements of tourism
- ✓ To make tourism able to solve the balance of payments problems, government should follow promotional policies (overseas promotion) and development policies (infrastructure development).
- ✓ There should be focus on revitalized facilities to provide quality services and experiences, enhanced attractions, upgraded hotels, and improved roads and air ports.
- ✓ Emphasis should be given to protect and preserve historical places and cultural heritages
- ✓ . Tourists should not be asked additional fee to have a service or an access to a service . This problems is concretely viewed in our country frequently, which gives a bad picture to our hospitality. Therefore we must both domestic and foreign tourists equally by same eye-glass.

Encouraging private investment in the hospitality industry by providing incentives like reduction of tax on import goods, providing loan and insurance services are very important

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