

IMPC1003 BASIC FINANCIAL ACCOUNTING - II (3-0-0)

Course Objectives:

1. To comprehend the significance of corporate accounting in financial reporting and management.
2. To master the processes involved in the issuance, management, and redemption of shares and debentures.
3. To apply advanced tools and techniques for financial statement analysis, including ratio analysis and cash flow statement evaluation.
4. To evaluate financial performance and make informed decisions based on comprehensive financial analysis.

Module-I: Accounting for Share Capital

Meaning and Importance of Corporate Accounting, Issue of shares, Payment in instalment, Journal entries for calls in Arrear and call-in advance, Forfeiture and Re-Issue of shares. Buyback of shares, understanding corporate Income statement and Balance sheet as presented in the Annual report of Companies.

Module-II: Accounting for Debentures

Issue of Debenture and Its classification, Different terms of issue of debenture, Redemption of debenture, Final accounts of limited liability companies as per the existing company Act, 2013 Contingency and events occurring after the balance sheet.

Module- III: Financial Statements analysis

Meaning, definition, objectives and uses of financial statement analysis, Tool or Techniques and Types of financial statement analysis. Ratio analysis: Meaning, advantages and disadvantages, Types of ratios, Interpretation of ratio. Cash flow statement analysis, meaning, format, cash flow from operating activities, Investing Activities and Financing Activities (Indirect Method).

Course Outcomes:

- CO-1: Demonstrate proficiency in recording transactions related to share capital, including installment payments, calls in arrears, and advanced calls.
- CO-2: Apply knowledge of debenture issuance, classification, redemption, and compliance with regulatory requirements under the Companies Act, 2013.
- CO-3: Utilize financial statement analysis tools and techniques to interpret corporate income statements, balance sheets, ratio analysis, and cash flow statements.
- CO-4: Evaluate financial performance, liquidity, profitability, and solvency using advanced financial analysis methods, preparing them for roles in financial management and reporting.

Reference Book:

1. Double Entry Book-Keeping, Juneja, Arora, Chawla, Sahoo, Kalyani
2. Financial and Management Accounting, Satapathy & Sahoo, Vrinda
3. Financial Accounting and Analysis, Athma, HPH