

MBPC1003 FINANCIAL ACCOUNTING AND ANALYSIS (3-0-0)

Course Objectives:

1. To familiarize the students with accounting principles and acquaint them with accounting mechanisms, process and systems so as to develop their skills of preparing financial statements.
2. To develop their ability to read annual reports and develop their skills to interpret financial statements.
3. To familiarize the students with different financial accounting concepts affecting stakeholders.

Module-I:

Introduction to Accounting: Accounting as a language and need for Accounting, Basic Terminologies of Accounting. External and Internal users of Accounting Information, Accounting concepts and conventions, Accounting cycle, Accounting Equations, Nature of GAAP, Need for Accounting Standards, Limitations of Accounting, Ethical Issues in Accounting, Mechanics of Accounting: Introduction, Classification, Double Entry System, Preparing Journal, Subsidiary books, Ledger, preparation of Trial Balance.

Module- II:

Preparation of Financial Statements: Income statement and Balance Sheet, Corporate Accounts: Share and Share Capital, Issue of Shares, Payment in installment, Buyback of shares, Debentures and Bonds, understanding Corporate Income statement and Balance Sheet as presented in the Annual Reports of companies.

Module-III:

Financial Statement Analysis: Analysis and interpretation of Financing Statements, Common size statement, Comparative statement analysis, Trend analysis, Ratio Analysis, Cash Flow Analysis as per IND AS 7.

Course Outcomes:

- CO-1: Explain the role of accounting as a language for financial communication of businesses, and meet the needs of both external and internal users using accounting principles.
- CO-2: Illustrate the complete accounting process, including journalizing transactions, posting them to ledger, maintaining subsidiary books, preparing trial balance and drawing the financial statements for sole traders.
- CO-3: Demonstrate a comprehensive understanding of corporate accounts, including the concepts of shares, share capital, the issuance of shares, instalment payments, share buybacks, and the use of debentures and bonds in corporate financing.
- CO-4: Analyse corporate financial statements using techniques like Common Size Statement, Trend Analysis, Ratio Analysis, and Cash Flow Analysis as per IND AS 7.

Text Books:

1. Financial Accounting for Management; Paresh Shah, Oxford
2. Financial Accounting A managerial Perspective-Bapat & Raitha, McGrawHill
3. Financial Accounting for Managers-Sanjay Dhamija, Pearson
4. Accounting for Business Managers- Sakshi Vasudeva, HPH
5. Financial Accounting for Management, A.K. Bhattacharya
6. Financial Accounting for Management, Narayanswamy
7. Financial Accounting by S.N Maheswari Vikas Publications
8. Financial Accounting by Satapathy, Mohapatra, Patra, Vrinda