



INSTITUTE OF AERONAUTICAL ENGINEERING

(Autonomous)

Dundigal - 500 043, Hyderabad, Telangana

COURSE CONTENT

FINANCIAL REPORTING AND ANALYSIS								
I Semester: MBA								
Course Code	Category	Hours / Week			Credits	Maximum Marks		
		L	T	P		C	CIA	SEE
CMBD02	Core	4	0	-	4	40	60	100
		Contact Classes: 45		Tutorial Classes: Nil		Practical Classes: Nil		Total Classes: 45
Prerequisite:								

I. COURSE OVERVIEW:

Financial statements are very useful to the business concerns to interpret and analyze the financial growth of different companies. The course focuses on the objectives and importance of financial accounting, accounting concepts, accounting conventions, method of recording transactions under double entry system, accounting process like journal, ledger, trial balance and final accounts that enable students to understand earning position and financial position of business concern. This course includes appreciate and use financial statements as means of business communication. This course uses the analytical techniques of inventory valuation, funds flow and cash flow statements.

II. COURSES OBJECTIVES:

The students will try to learn:

- I. The principles of accounting and utilization of financial information for decision making and forward planning for future.
- II. The financial statements for knowing earning capacity and financial position of the business concern with confidence
- III. The inventory valuation of different companies and make analysis of financial accounts.
- IV. The significance of financial statements as means of business communication.

III. COURSE OUTCOMES:

At the end of the course students should be able to:

- CO1 Discuss about objectives, types, and accounting concepts to prepare proper books of records as per GAAP.
- CO2 Illustrate the significance of pre and final accounts and causes of depreciation on fixed assets to measure its impact on business accounting.
- CO3 Summarize the objectives, significance and valuation methods of inventory for allocation of resources.
- CO4 Describe the features, significance and classification of shares and debentures to maintain records for issue of shares at par and discount.
- CO5 Evaluate the cash flow and funds flow statements for excel analysis of funds from operations.
- CO6 Demonstrate the importance, limitations and types of ratios on financial statements to find the financial soundness of the firm.

IV. COURSE CONTENT:

MODULE - I: INTRODUCTION TO ACCOUNTING (08)

Definitions, meaning, Importance, limitations, objectives, functions of financial accounting and classification of accounts, principles of accounts, accounting concepts and conventions, the generally accepted accounting principles (GAAP), their implications on accounting system; advantages and limitations of double entry system, accounting cycle.

MODULE - II: THE ACCOUNTING PROCESS (10)

Books of original record: journal and subsidiary books, ledger, trial balance, final accounts with adjustments: Methods of depreciation: Meaning, definitions, causes of depreciation, methods of depreciation like fixed installment method, diminishing balance method, annuity method and depreciation fund method (simple problems).

MODULE - III: INVENTORY VALUATION (09)

Meaning, objectives of inventory valuation, methods, merits and demerits of inventory valuation methods like FIFO method, LIFO method, weighted average method, simple average method (problems).

Issue of shares: entries for issue of shares at par, issue of shares at discount and premium, calls in arrears, forfeiture of shares, reissue of forfeiture of shares (problems).

MODULE - IV: FINANCIAL ANALYSIS (09)

Meaning, definitions, significance, limitations of funds flow and cash flow statements, Statement showing changes in working capital, funds from operations, distinction between funds flow and cash flow statements, funds flow and income statement, funds flow and balance sheet, cash profits and book profits; preparation and analysis of funds flow statement and cash flow statement (problems).

MODULE - V: FINANCIAL STATEMENTS AND RATIO ANALYSIS (09)

Analysis and interpretation of financial statements from investor and company point of view, horizontal analysis and vertical analysis of company financial statements; meaning, definitions, significance and limitations of ratio analysis; types of ratios like liquidity, leverage, solvency and profitability ratios (problems).

V. TEXTBOOKS:

1. Paresh Shah, "Financial Accounting for Management", Oxford University Press, 3rd edition, 2019.
2. Prter & Norton, "Financial Accounting", Cengage publications, 9th edition, 2017.
3. N.Ramachandran, "Financial Accounting and Analysis" Tata McGraw-Hill Publishing Limited, 3rd edition, 2015.
4. S.N.Maheswari, "Financial Accounting", IBH Publications, 7th edition, 2015.
5. Maheshwari S. N., and Maheshwari S. K., "Accounting for Management", Vikas Publishing House, 3rd edition, 2014.
6. S Ramanathan, "Accounting for Management", Oxford University Press, 1st edition, 2014.

VI. REFERENCE BOOKS:

1. V.Rajasekharam "Financial Accounting and Analysis" Pearson Education, 13th edition, 2012.
2. Ranjan Kumar Bai: "Financial Accounting and Analysis", S.Chand, 1st revised edition, 2012.
3. S.N.Maheswari and S.K.Maheswari, "Financial Accounting", Vikas publications, 4th edition, 2009.
4. Hanif and Mukarjee, "Financial Accounting", Tata McGraw Hill Ltd., 2nd edition, 2011.
Tulsian P.C., "Financial Accounting", Pearson Education, Revised 1st edition, 2013.

VII. WEB REFERENCES:

1. http://www.koledza.lv/best/download/biblioteka/Financial_Accounting.pdf.
2. http://www.tutorialspoint.com/accounting_basics/accounting_basics_tutorial.pdf.

VIII. E-TEXT BOOKS:

1. <http://www.free-management-ebooks.com/skills-finance.html>.
2. <http://www.amazon.com/Financial-Reporting-Analysis-Lawrence-Revsine-book/dp/B005KLBRDS>.