

Financial Statement Analysis and Reporting

Program in which it is offered: B.Com

Course Category: Elective

Schedule of Offering: Semester ...

Course Credit Structure: 3

Course Code: CK253

- **Lecture: 2 hours**
- **Practical: 1 Hour**

Contact Hours per week: 4 hours

Instructor:

1. Introduction

This course aims at equipping students with a solid grounding in the concept Financial Statement Analysis and reporting. This course will provide accurate and timely financial and statistical information to managers to make short-term and long-term decisions. It deals with both theoretical and practical understanding of Financial Statement Analysis and Financial Reporting. Through a blend of interactive discussions this course would enable the students to understand the various tools and techniques used by managers for decision making.

2. Course Objectives

- To acquaint the students with management accounting techniques for the analysis and interpretation of financial statements.
- To impart the students, knowledge about the use of financial, cost and other data for the purpose of managerial planning, control and decision making.
- To enable the students to understand the need and method of presentation of financial statements in accordance with International Financial reporting Standards

3. Pre-requisites

Since this course will be taught in English, students taking this course must be comfortable with basic usage of English. Apart from this, fundamental knowledge in Mathematics and Accountancy is also essential.

4. Readings

Recommended Texts:

1. Manmohan & Goyal, S.N., Management Accounting, Sahitya Bhawan Publication, New Delhi.
2. Lal, Jawahar, Corporate Financial Reporting, Theory & Practice, Taxmann Applied Services, New Delhi.

3. J Madegowda, Advanced Management Accounting, Himalaya Publishing House, Mumbai
4. Arora, M. N., Cost Accounting and Management Accounting, Vikas Publishing House Pvt. Ltd, New Delhi.
5. S P Gupta, Management Accounting, Sahityabhavan, Agra.
6. Raiyani, J. R., &Lodha, G., International Financial Reporting Standard (IFRS) and Indian Accounting Practices, New Century Publications.
7. Pillai R S N and Bagavathi- Management Accounting- S Chand & Company
8. Management Accountant (Journal), Institute of Cost Accountants of India, Kolkata.
9. Maheshwari, S.N. and S.N. Mittal. Management Accounting. Shree Mahavir Book Depot, New Delhi.
10. Singh, S. K. and Gupta Lovleen. Management Accounting – Theory and Practice. Pinnacle Publishing House.

5. Module-wise topics

Module 1: Financial Statement Analysis (14 hours)

- Financial Statements: Nature and limitations
- Analysis and Interpretation of Financial Statements
- Types of Financial Analysis: Internal, External, Horizontal, Vertical
- Techniques for Analysis: Comparative Statements, Common Size Statement, Trend Analysis
- Ratio Analysis: Liquidity Ratios, Solvency Ratios, Activity Ratios, Profitability Ratios
- Preparation of Trading and Profit and Loss Account and Balance Sheet by using Ratios

Learning Outcome:

- Students will learn how to analyse financial statements using ratios.

Module 2: Fund flow Statement (12 hours)

- Meaning and Definition of Fund
- Need & Managerial Uses for Fund Flow Statement - Limitations
- Schedule of Changes in Working Capital
- Funds from operations
- Preparation of Fund Flow Statement.

Learning Outcome:

- Students will be able to prepare the Fund Flow Statement

Module 3: Cash Flow Statement (10 hours)

- Meaning & Uses of Cash Flow statement
- Comparison between Fund Flow Statement and Cash Flow Statement
- Preparation of Cash Flow Statement as per AS 3 and Ind AS 7– Direct Method and Indirect method.

Learning Outcome:

- Students will be able to prepare the Cash Flow Statement

Module 4: Financial Reporting (12 hours)

- Financial Reporting: Meaning and objectives
- Emerging trends in Reporting
- Interim reporting-Segment reporting –Corporate Reports – Corporate Social Responsibility Reporting - Concept of Triple Bottom Line Reporting
- Indian Accounting Standards – First Time Adoption of Indian ASs (Ind AS 101)
- Disclosure related accounting standards: Cash Flow Statement (Ind AS 7), Segment Reporting (Ind AS 14), Related party disclosure (Ind AS 24), Consolidated Financial Statements (Ind AS 27), Earning per share (Ind AS 33), Interim financial reporting (Ind AS 34), Discontinuing operation (Ind AS – 35)

Learning Outcomes:

- Students will understand an overview on the Financial Reporting
- Also they will learn the Disclosure related Indian Accounting Standards

Module 5: International Financial Reporting Standards (12 hours)

- International Accounting standard
- International Financial Reporting Standards - relevance of IFRS to India, process of setting IFRS
- An overview on different International Financial Reporting Standards
- IFRS and Ind AS: similarities and differences (brief study only)

Learning Outcomes:

- Students will have an introductory knowledge on the IFRS.

6. Pedagogy

With rich pedagogy and an easy-to-understand approach, this course meets the specific requirements of the undergraduate students. The sessions would be a blend of in-class discussions, interactive lectures, discussions on readings and presentations. The learnings in this course would greatly depend upon discussions with fellow participants, faculty as well as by way of your observation and innovations.

7. Evaluation Pattern

• Mid Term Examination	:	25%
• Student's Assignment	:	20%
• Student's Presentation	:	15 %
• End-Term Examination	:	40 %
Total	:	100 %