

**INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR**  
**POST GRADUATE DIPLOMA IN MANAGEMENT**  
**AC501: FINANCIAL ACCOUNTING & ANALYSIS**  
**CREDIT: 3 credits**  
**SESSION DURATION: 90 Minutes**

**TERM: I**  
**YEAR: 2016-2017**

**FACULTY :** Dr. Santanu Das  
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**Office hours:** 9:30 AM to 5:30 PM  
**Consulting hours:** 4 PM to 5: 30 PM

**Course Introduction:** Understanding a business requires a manager to hold knowledge in all functional domains. More so, an in depth understanding of the impact of a business transaction on the firm's value is critical to decision making. This course is designed to impart the student the basic understanding of accounting transactions.

**Learning Outcomes:**

- LO1. Expose the students to the basic accounting transactions
- LO2. Enable them to visualize the balance sheet after each business transaction
- LO3. Expose them to the recent accounting developments across the globe
- LO4. Analyzing financial statements

**Course Pedagogy:**

The course requires ample practice with examples and cases. Therefore, the pedagogy will involve imparting the theoretical background before attempting examples. As this is the introductory course to have knowledge about how the accounting system works, emphasis will be laid on understanding the financial statements and basic accounting. Assignments will be given at the specified intervals and the student is expected to attempt them and come prepared with their solutions. Instant feedback will be provided. During the course, reference shall be made to the financial statements of listed company of India.

**Course Readings:**

Financial Accounting – Libby, Libby and Short, *McGraw Hill* (LLS)  
Financial Accounting – Godwin, Alderman and Sanyal *Cengage Learning* (GS)  
Introduction to Financial Accounting – Horngren, Sundem, Elliot and Philbrick, *Pearson* (HSEP)

**Course Evaluation criteria:**

| Component   | Weightage   |
|---|-------------|
| Quizzes (There will be <b>TWO</b> online quizzes of 10 marks each during the term). | 20%         |
| Assignments   | 10%         |
| Mid-Term Examination  | 30%         |
| End-Term Examination  | 40%         |
| <b>TOTAL</b>  | <b>100%</b> |

**Session Plan:**

| Session No.   | Topic  | Los                | Readings  |
|---------------|--|--------------------|---|
| 1-2           | <b>Introduction to Accounting</b> <ul style="list-style-type: none"> <li>• Importance of accounting for management student</li> <li>• Users of Financial Statements</li> <li>• Financial Statements – Balance Sheet, Income Statement, Cash Flow Statement</li> <li>• Accrual Vs Cash Accounting</li> <li>• The Accounting Equation</li> <li>• Statutory accounting bodies – ICAI, ICAI (Cost), ICSI, MCA</li> </ul> | LO1, LO3           | Chapter 1 (HSEP)<br>Classroom discussion                  |
| 3-6           | <b>The Balance Sheet</b> <ul style="list-style-type: none"> <li>• The Accounting Equation</li> <li>• Components – Assets &amp; Liabilities</li> <li>• Accounting for inventory</li> <li>• Accounting for fixed and intangible assets</li> <li>• Shareholder's Funds</li> <li>• Liabilities - their types and reporting</li> </ul>  | LO2, LO3           | Chapter 2, 7, 8 & 9 (GS)<br>Chapter 7-9 (LLS)             |
| 7-8           | <b>Reporting &amp; Interpreting Owners' Equity</b> <ul style="list-style-type: none"> <li>• Ownership of an Organisation</li> <li>• Types of Shares</li> <li>• Authorised, Issued and Paid-up Capital</li> </ul>   | LO1, LO2, LO3      | Chapter 10 (HSEP) and Chapter 10 (GS)<br>Chapter 10 (LLS) |
| 9-12          | <b>The Income Statement</b> <ul style="list-style-type: none"> <li>• Structure of Income Statement</li> <li>• Operating items Vs Non- operating items</li> <li>• Accounting for Revenue</li> <li>• Appropriation of Profit</li> <li>• Earnings Per Share – Basic &amp; Diluted</li> </ul>  | LO1, LO2, LO3      | Chapter 5 (Stice)<br>Chapter 6 (LLS)                      |
| <b>QUIZ I</b> |  |                    |   |
| 13-15         | <b>Analysing Financial Statements – The Cash Flow Statement</b> <ul style="list-style-type: none"> <li>• Need for Cash Flow Statement</li> <li>• Components of Cash Flow Statement</li> <li>• Preparing Cash Flow Statement</li> </ul>   | LO4                | Chapter 5 (HSEP)<br>Chapter 11 (GS)                       |
| 16-18         | <b>Analysing Financial Statements – Ratio Analysis</b> <ul style="list-style-type: none"> <li>• Use of ratios – inter-firm and intra-firm comparison</li> <li>• Types – Activity, Profitability, Leverage</li> <li>• Valuation Ratios (PE, PB)</li> <li>• DuPont Analysis</li> </ul>   | LO4                | Chapter 12 (HSEP)<br>Chapter 12 (GS)                      |
| 19-20         | <b>QUIZ II (From entire course)</b><br><br><b>RECAP &amp; DOUBT CLEARING</b>   | LO1, LO2, LO3, LO4 | Examples and Exercises                                    |