

Programme..Master of Commerce (MCom)

MCM5401 CORPORATE FINANCIAL STATEMENT ANALYSIS AND REPORTING

Course Code	MCM5401	Semester	IV
Course Title	CORPORATE FINANCIAL STATEMENT ANALYSIS AND REPORTING		
Credits	4	Type	Core

Learning/Course Objective

- To explain the objectives and structure of Corporate Financial Reports.
- To comply with the legal framework of Corporate Financial Reporting in India.
- To analyse the business performance and risk of a company based on its financial statements.
- Describe tools and techniques used in financial analysis, including their uses and limitations.

Course Structure

UNIT I:

Introduction: Objectives of corporate financial reports; Structure of external financial reports; Importance of high quality financial reports; Emerging trends in corporate financial reporting

UNIT II:

Corporate Financial Reporting in India: Compliance with the provisions of the Companies Act, SEBI Act and Accounting Standards issued by the ICAI (including Ind. Ass)

UNIT III:

Segment Reporting and Voluntary Disclosures in Annual Reports: Purpose and concept of segment report and regulatory provisions for the same; Voluntary disclosure in annual reports; factors influencing voluntary disclosures; Trends in voluntary disclosures Case studies in corporate financial reports (at least one should be the best annual reports award given by the ICA) in the previous year

UNIT IV:

Basics: Measuring and objectives of financial statement analysis; Tools and types of financial statement analysis; Benchmarks for comparison. Inter-firm comparison.

UNIT V:

Purpose-wise Analysis – Profitability, Liquidity and Solvency, Growth and Sustainability measurement; Capital Structure, Investment and Cash Flow Analysis

Learning/Course Outcome

- Update with the emerging trends in Corporate Financial Reporting.
- Describe and apply the basic techniques of financial statement analysis.
- Describe the role of financial reporting and financial statement analysis.
- Will gain ability to interpret information contained in management reports.
- Classify, calculate, and interpret activity, liquidity, solvency, profitability, and valuation ratios.

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Books for References :

- 1 J. Lal Corporate Financial Reporting Theory and Practice, Taxman
- 2 B. Lev. Financial Statement analysis; A New Approach, Prentice Hall
- 3 G. Foster, Financial Statement Analysis, Prentice Hall
- 4 Bhabatosh Banerjee, Regulation of Corporate Accounting and Reporting in India, The World Press
- 5 Financial Policy and Management Accounting, Prentice Hall

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