

## **MBG5103 FINANCIAL ANALYSIS AND REPORTING**

Course Code	MBG5103	Semester	I
Course Title	<b>FINANCIAL ANALYSIS AND REPORTING</b>		
Credits	3	Type	Core

**This is a practice-oriented, problem-solving and employability-based course.**

### **Course Description**

The course will acquaint students with basic concepts of accounting and familiarize the application of these in the current business scenario

### **Course Outcome**

After completing this course the student will be able to

1. Knowledge gained:
  - Identify the basic accounting concepts and conventions
  - Familiarise with basic accounting methods such as Journal, Ledger, income statements.
2. Skill gained:
  - Compute and compare the status of an organization with respect to its liquidity, profitability and leverage through ratio analysis
  - Interpret performance of accounts based on Cost Volume Profit analysis and Break-Even Analysis.
3. Competency gained:

Have the ability to classify and organize various financial data based on the latest applications in the corporate field.

### **Course Structure**

#### **Module I**

Book-keeping and Accounting – Meaning – Definition – Objectives of Financial Accounting – Branches of Accounting : Financial, Cost and Management Accounting – Accounting Concepts and conventions – journal – Ledger – Trial Balance

#### **Module II**

Preparation of Annual Accounts - Profit and Loss Account and Balance Sheet. Adjustment Entries. Form of Company Annual Accounts as per Companies Act. Segment Reporting. International Financial Reporting Standards.

#### **Module III**

Analysis of Financial Statement: Financial Statements - Meaning, Nature and Limitations. Meaning of Financial Analysis. Significance of Financial Analysis to Different Parties. Vertical vs. Horizontal Analysis. Internal Vs. External Analysis. Trend percentages and Common size statement.

#### **Module IV**

Techniques of Financial Analysis: Accounting Ratios - Meaning, Significance and

Limitations. Classification, Computation and interpretation of Liquidity Ratios, Leverage Ratios, Activity/ turnover Ratios and Profitability Ratios. Funds Flow Statement - Meaning and Need. Preparation and Interpretation. Cash Flow Statement - Meaning, Need, Preparation and Interpretation.

### **Module V**

Marginal costing – Cost Volume Profit Analysis – Breakeven Analysis – Decisions involving Alternative Choices: Budgetary Control- Types of budgets- Variance Analysis

### **Testing & Evaluation (if any)**

- Assignments
- Case analysis/ Problems
- Seminar/Project
- Discussions/ Group activity
- Internal Tests

### **References**

1. Antony Atkinson and Robert S Kalplan, Management Accounting: Information for Decision Making and Strategy Execution, Student Value Edition (6th Edition) Prentice Hall, 2013.
2. Gupta RL & Gupta VK, Principles and Practice of Accounting, Sultan Chand & Sons, 2013.
3. Rawat, DS, Accounting Standards, Taxmann's, 2018, 33rd Edition.
4. Shukla & T.S. Grewal, Advanced Accounting, S.Chand&Company, 2013
5. S.N. Maheswari, Management Accounting & Financial Accounting, Vikas Publishers, 2018, 6th Edition.
6. Manmohan&Goyal, Principles of Management Accounting, Shakithabhavan Publication, 2017.
7. Ravi M Kishore, Management Accounting and Financial Analysis, Taxmann's, 2016, 6th Edition.