

COURSE TITLE	FINANCIAL & ACCOUNTING REPORTING & ANALYSIS
COURSE CODE	05MF0102
COURSE CREDITS	4

Objective:

- 1 To understand about how to read and interpret Financial Statement.
- 2 To impart a thorough understanding about Ratio Analysis and analysis the Result of Ratio Analysis.
- 3 To understand about how to learn entries of Financial Data in Accounting Software.
- 4 To learn about Management Accounting with its objectives.
- 5 To analysis various Financial Data.

Course Outcomes: After completion of this course, student will be able to:

- 1 Students will gain proficiency in reading and interpreting financial statements, comprehend the distinctions between financial accounting and management accounting, and grasp fundamental concepts of financial reporting and compliance.
- 2 Students will learn to interpret financial data using ratio analysis, appreciate the significance of ratio analysis, analyze financial statements to forecast future financial data, and apply practical exercises utilizing Excel for the aforementioned concepts.
- 3 Students will gain proficiency in entering financial data into accounting software, perform entries for every financial transaction, understand inventory management in manufacturing concerns, and acquire skills in stock analysis, generating MIS reports, exporting accounting software data, and conducting financial data analysis.
- 4 Students will grasp the concept of management accounting and its objectives, acquire knowledge of marginal accounting and its application in managerial decision-making, learn to determine the break-even point graphically and practically, understand budgeting and standard costing principles, and gain practical experience in applying these concepts using Excel.
- 5 Students will grasp the fundamentals of finance and accounting, discerning between the two and understanding the significance of financial statements. They'll explore ratio analysis and its practical applications, leveraging technology for analysis. Additionally, they'll gain hands-on experience with Tally Software and delve into managerial accounting concepts like marginal costing and variance analysis.

Pre-requisite of course:Basic Knowledge about Finance & Accounting

Teaching and Examination Scheme

Theory Hours	Tutorial Hours	Practical Hours	ESE	IA	CSE	Viva	Term Work
2	0	4	50	30	20	0	50

Contents : Unit	Topics	Contact Hours
1	Introduction of Financial Statement & Analysis of Financial Statement Introduction of Finance & Accounting, Difference between Accounting & Finance, what is Financial Statements, Basics about Reporting & Compliance, Importance & Drawback of Financial Statement, what are the users of it?, Components of Financial Statements, what is Fundamental Analysis, Need and Importance of Fundamental analysis, Introduction to analysis of Financial Statement, What is Ratio Analysis, Its uses, Advantages, Practical of Ratio analysis, Use of Technology for ratio analysis, Comments on ratio analysis.	15
2	Financial Accountancy Using ERP & Management Accounting Introduction of Tally Software and creating a company. Give detail idea about Tally Software., Entry in Accounting software, All transaction, cash, credit, payment, receipt, stock entry, Stock Data, Stock Analysis, Cash Analysis, Sales Register, Purchase Register, Bank Reconciliation, MIS Report, Overview about Managerial Accounting with Objective, Concept of Marginal Costing and how it is useful in managerial decision., Concept of Variance – Standard Costing. Practical of Material Variance, Labor Variance, Overhead Variance and Sales Variance.	15
Total Hours		30

Suggested List of Experiments:

Contents : Unit	Topics	Contact Hours
1	Unit 1 Explain Financial Statement with its component., Explain difference between Financial Accounting and Management Accounting., Calculate 1. Current Ratio & Liquid Ration for Balance sheet, Calculate 1. Current Ratio 2. Liquid Ration 3. Capital gearing ratio 4. Debt equity ratio 5. Proprietary Ratio for Balance sheet, Explain need for Fundamental Analysis., Calculate 1. Current Ratio 2. Liquid Ration 3. Capital gearing ratio 4. Debt equity ratio 5. Proprietary Ratio for Balance sheet, Calculate 1. Current Ratio 2. Liquid Ration 3. Capital gearing ratio 4. Debt equity ratio 5. Proprietary Ratio for Balance sheet	30

Suggested List of Experiments:

Contents : Unit	Topics	Contact Hours
2	<p>Unit 2</p> <p>Cash-Bank Transactions i) Started a new business with capital of Rs. 1,00,00,000 in cash. ii) Opened a Bank Account in HDFC Bank and Deposit Rs. 60,00,000/- iii) Purchase following fixed assets by issuing cheques: Furniture Rs. 10,00,000/- Machinery Rs. 20,00,000/- Computer Rs. 5,00,000/- iv) Purchase Stationery by cash worth Rs. 15,000/- v) Receiving Consulting Fees Rs. 1,50,000/-, Purchase Entry i) Purchase Goods worth Rs. 12,000/- from Raj & Co ii) Purchase Goods worth Rs. 18,000/- from Raj by Cash. iii) Paid Rs. 11,500/- to Raj & Co iv) Purchase Goods worth Rs. 30,000 from Jayesh. v) Paid Remaining to Raj & Co., Sales Entry i) Sold Goods worth Rs. 5,000/- to Pinal Shah. ii) Sold Goods worth Rs. 3,000/- by cash. iii) Sold Goods worth Rs. 1,200/- to Shah & Co. iv) Sold Goods to Mahesh Rs. 20,000/- and Receive Rs. 12,000/- cash. v) Receive Rs. 1,200/- from Shah & Co., Create Following Items with given Opening stock: Group: Shampoo Unit: Numbers – 0 Item Name Opening Stock Godown Rate Amount Vatica 2000 Main Location 20 30000 Sun Silk Pink 1500 40 60000 Sun Silk Black 2200 45 67500 Lux 4500 10 15000 Clinic Plus 1500 20 30000 Head& Shoulder 2100 15 22500 Nile Herbal 1400 20 30000 Ultra 1300 35 52500 Chick 1600 25 37500 Pantine 1400 20 30000 Transfer All Shampoo in given 5 Godown in given ratio. (Stock Journal - Alt + F7) Maningar 10% Vatva 15% Paldi 20% Vadaj 25% Odhav 30%, Explain Advantages of Accounting Software which is useful in Company., You are required to calculate the break-even Point from the following information: Selling Price per unit Rs.20 Variable Cost per unit Rs. 4 Fixed Cost for the year Rs. 80,000/- Estimated sales for the period Rs. 2,00,000/- The number of units involved coincides with the expected volume of output., Calculate Contribution from the following data: (a) Sales Rs. 1,50,000/-, P/V Ratio = 40% (b) Fixed Cost Rs. 40,000/-, Profit = Rs. 30,000/- (c) Fixed Cost Rs. 50,000/-, Loss = Rs. 20,000/-, Calculate P/V Ratio from the following: (a) Sales Rs. 80,000/-, Variable Cost Rs. 60,000/- (b) Sales Rs. 1,00,000/-, Fixed Cost Rs. 30,000/-, Profit Rs. 20,000/- (c) Sales Per unit Rs. 10, Variable Cost Per Unit Rs. 7 (d) Variable Cost 60%, Calculate BEP in rupees: I Year II Year Sales Rs. 80,000/- Rs. 90,000/- Profit Rs. 10,000/- Rs. 14,000/-, Find out BEP in units from the following information: Fixed Cost Rs. 3,60,000/- Variable cost Rs. 2,64,000/- Sales Rs. 6,60,000/- Units Sold 66,000 units, Calculate Margin of Safety in the following cases: (a) Profit = Rs. 15,000/-, P/V Ratio = 40% (b) Sales = 20,000 units, BEP = 15,000 units (c) Sales= Rs. 3,00,000/-, BEP Rs. 4,50,000/-, X Ltd. Made sales during a certain period for Rs. 1,00,000/-. The net profit for the same period was Rs. 10,000/- and the fixed overheads were Rs. 15,000/-. Find out (a) PV Ratio (b) Break-Even Point (BEP) Sales (c) Number of units to be sold to earn a profit of Rs. 15,000/- and (d) Net Profit from the sales of Rs. 1,50,000/-.</p>	30
Total Hours		60

Textbook :

- 1 Financial Accounting: An Integrated Approach, Ken Trotman, Pearson, 2020

References:

- 1 Financial Statement Analysis and Security Valuation, Financial Statement Analysis and Security Valuation, Stephen H. Penman, McGraw-Hill Education, 2012
- 2 Analysis of Financial Statements, Analysis of Financial Statements, Leopold A. Bernstein and John J. Wild, McGraw-Hill Education, 1999
- 3 Financial Statement Analysis: A Practitioner's Guide, Financial Statement Analysis: A Practitioner's Guide, Martin S. Fridson and Fernando Alvarez, Wiley, 2022
- 4 Financial Shenanigans: How to Detect Accounting Gimmicks & Fraud in Financial Reports, Financial Shenanigans: How to Detect Accounting Gimmicks & Fraud in Financial Reports, Howard M. Schilit and Jeremy Perler, McGraw-Hill Education, 2018

Suggested Theory Distribution:

The suggested theory distribution as per Bloom’s taxonomy is as follows. This distribution serves as guidelines for teachers and students to achieve effective teaching-learning process

Distribution of Theory for course delivery					
Remember / Knowledge	Understand	Apply	Analyze	Evaluate	Higher order Thinking / Creative
10.00	20.00	25.00	25.00	10.00	10.00

Instructional Method:

- 1 Board Work
- 2 PPT
- 3 Demo

Supplementary Resources:

- 1 <https://www.fasb.org/>
- 2 <https://www.investopedia.com/articles/investing/032113/basics-financial-analysis-report.asp>