

COURSE TITLE	FINANCIAL ANALYSIS
COURSE CODE	04BC0352
COURSE CREDITS	3

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

- 1 Interpret various financial statements including balance sheet, profit & loss account, and cash flow statements to evaluate the financial health of BFSI entities.
- 2 Apply ratio analysis techniques to assess profitability, liquidity, solvency, and market valuation for lending and investment decisions in financial institutions.
- 3 Analyze cash flows and prepare budgets to support financial planning, lending appraisals, and working capital management relevant to BFSI operations
- 4 Evaluate borrower creditworthiness and investment opportunities using advanced tools such as CAMELS model, TVM, IRR/NPV, and financial dashboards.

Pre-requisite of course:NA

Teaching and Examination Scheme

Theory Hours	Tutorial Hours	Practical Hours	ESE	IA	CSE	Viva	Term Work
3	0	0	50	30	20	50	0

Contents : Unit	Topics	Contact Hours
1	Introduction to Financial Statements Objectives of Financial Analysis in BFSI Sector, Understanding Financial Statements: Balance Sheet, P&L, Cash Flow, Users of Financial Statements – Lenders, Investors, Credit Analysts, Vertical and Horizontal Analysis, Types of Financial Statement Analysis – Internal vs. External, Case Study: Analyzing the financial statements of HDFC Bank, Case Study : Financial statement formats specific to the Banking and Insurance industries	10
2	Ratio Analysis & Interpretation Profitability Ratios: Gross Profit, Net Profit, ROE, ROA, Liquidity Ratios: Current Ratio, Quick Ratio, Solvency Ratios: Debt-to-Equity, Interest Coverage, Efficiency Ratios: Inventory Turnover, Debtor Turnover, Market Ratios: EPS, P/E Ratio, Book Value, Case Study: Credit risk analysis using ratios for a loan applicant (NBFC)	10

Contents : Unit	Topics	Contact Hours
3	Cash Flow Analysis & Budgeting Understanding Cash Flow Statement – Direct & Indirect Method, Operating, Investing & Financing Activities, Importance of Cash Flow in Financial Planning, Basics of Budgeting & Forecasting Techniques, Preparing a Personal Budget for Financial Planning, Corporate Budgeting: Fixed, Flexible & Zero-Based, Analyzing Free Cash Flow & Its Importance in BFSI, Case Study: Cash flow forecasting for a retail insurance agency	15
4	Financial Analysis for Lending & Investment Credit Appraisal and Financial Screening in Banks, Assessing Borrower’s Financial Health – CAMELS Model, Investment Decisions – Time Value of Money (TVM), IRR, NPV, Tools used by Financial Analysts – Excel, Tally, ERP, Power BI (Intro), Case Study: Loan rejection due to financial red flags – Banking Scenario	10
Total Hours		45

Textbook :

- 1 Essentials of Financial Accounting and Analysis, Ashish K. Bhattacharyya, PHI Learning, 2022
- 2 Fundamentals of Financial Management, Prasanna Chandra, McGraw Hill Education, 2023

References:

- 1 Financial Management, Financial Management, Rajiv Srivastava & Anil Misra, Oxford University Press, 2022

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
0.00	0.00	35.00	35.00	30.00	0.00

Instructional Method:

- 1 Boardwork, PPT