

Course Outline
FINANCIAL REPORTING &
CONTROL

PGEXP Programme
Part Time Executive Program

Course Instructor: *ram kumar kakani*



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Introduction & Course Objectives:

All managers (irrespective of their specialization areas) need to understand Finance and Accounting. In this course we will get exposed to Financial Reporting and Control. By the end of the course, you will have developed some understanding about Accounting & basic Finance to be able to understand and appreciate.

This module is designed to introduce students to the nature, function, concepts, theory and method of financial accounting. It aims to develop students' ability to handle accounting data and to prepare financial statements. It also examines the role of accounting theory and current debates on alternative approaches that challenge traditional concepts. An important aim to this module is to demonstrate how the accounting system creates value for the organization and how it relates to various parts of the operation and its overall strategy.

Upon successful completion of the module, the student will be able to:

- ◆ Develop skills in handling basic accounting data to prepare financial statements;
- ◆ Appreciate the role of accounting;
- ◆ Understand the importance of business accounting to corporate and business planning;
- ◆ Basic analysis of financial statements;

Course Objectives:

The course provides necessary exposure of *Financial Reporting & Control*. It is to inculcate a broad level of understanding of accounting principles & policies, accounting numbers and their interpretation among the PGEXP students. The emphasis would be on sound concepts and their managerial implications.

Pedagogical Methods:

The course is based on classes, cases, and project work. Active participation by students is an important feature of the course. A variety of take home assignments, illustrative discussions, and case studies are the main pedagogical instruments.

I will explain to you some of the simple principles of Financial Reporting and Control by giving small simple numerical examples. I shall also have extensive case discussions in the class.

Primary Teaching Book & Reading Material:

Ramachandran, N and Ram Kumar Kakani. **Financial Accounting for Management**. 3rd Edition, Tata McGraw Hill Higher Education, 2011 URL: <http://www.mhhe.com/fam3e> [henceforth, referred as **FAM 3e**]

Other Suggested Readings:

1. "How to Read a Balance Sheet" by Ramachandran & Kakani, Finance Made Easy Series, Tata McGraw Hill Professional Publications [an introductory book]
 2. "How to Read a Profit & Loss Statement" by Ramachandran & Kakani, Finance Made Easy Series, Tata McGraw Hill Professional Publications [an introductory book]
 3. "How to Read a Cash Flow Statement" by Ramachandran & Kakani, Finance Made Easy Series, Tata McGraw Hill Professional Publications [an introductory book]
 4. "How to Analyze Financial Statements" by Ramachandran & Kakani, Finance Made Easy Series, Tata McGraw Hill Professional Publications [an introductory book]
 5. 'Financial Accounting for Business Managers' by Asish K Bhattacharya
 6. 'Financial Accounting for Management' by Gupta
 7. 'Financial Accounting: A Managerial Perspective' by R. Narayanswamy
 8. 'Introduction to Accounting' by Marriot
 9. 'Introduction to Financial Accounting' by Horngren, Sydem & Elliott
 10. 'Accounting' by Anthony, Hawkins, & Merchant
- Any other good (introductory) book on 'Accounting', 'Financial Accounting' and 'Financial Reporting & Control'*

Study Material

Students will be given a text book as part of the course material. Additional cases and notes could be distributed in the class from time to time (these will be usually taken from one of the references provided above). Should the students feel that they need more reading material (or detailed notes) for a particular topic – they can get in touch with me.

Other Course Policies:

Exams → End-term exam will typically have cases/problems followed by questions. The end-term exam will be comprehensive meaning you will be responsible for all the material covered in the course.

Class Participation → I will sometimes randomly call on people to present their case/assignment solutions and at other times I will allow people to volunteer to present their worked out solutions. Class participation marks will also be based on participation in class discussion, attendance, and being on time.

Plagiarism/Cheating → Cheating in examinations, quizzes or assignments will be dealt with severely. Please note that aiding and abetting your batch mates in such activities will also be given the same penalties. **NO** subsequent justifications/ arguments will be entertained.

System of Evaluation

There are 3 components of evaluation.

Method of Evaluation	Marks
A) Quiz / Class Attendance / Participation	20
B) Take Home Assignment	30
C) End-term Examination	50

TOPICS TO BE COVERED (TENTATIVE):

Session-wise Plan	Suggested Readings
1. Introduction to Accounting (including Case Discussion)	Chapter 1 of FAM 3e Relevant e-Material
2. Balance Sheet (including Case Discussion)	Chapter 2 of FAM 3e Relevant e-Material
3. Profit & Loss Statement (including Case Discussion)	Chapter 3 of FAM 3e Relevant e-Material
4. Cash Flow Statement (incl. Case Discussion)	Chapter 4 of FAM 3e Relevant e-Material
5. Financial Reporting Practices of Three Financial Statements [Comprehensive Two Period Accounting Case]	All of the Above Relevant e-Material
6. Analyzing Financial Statements – Common Size and Index Base Analysis	Chapter 7 of FAM 3e Relevant e-Material
7. Analyzing Financial Statements – Financial Ratios	Chapter 7 of FAM 3e Relevant e-Material
8. Analyzing Financial Statements (incl. Case Discussion)	Chapter 7 of FAM 3e Relevant e-Material
9. Understanding Quarterly Reports	Class Notes Relevant e-Material
10. Understanding Annual Reports	Appendix A of FAM 3e Relevant e-Material

Note:

- ◆ Please note that the above sequence is tentative (and would be altered based on initial class experience).
- ◆ Prior reading of the suggested reading material would immensely help in the class discussion and assimilation process.
- ◆ PowerPoint presentations and other class discussion material: Session-wise Pdf files would be shared (or e-mailed).