



## INDIAN INSTITUTE OF MANAGEMENT KOZHIKODE

### **MBA IN FINANCE (PGP-FINANCE)**

### **COURSE OUTLINE**

<b>Course Code and Course Title</b>	<b>Financial Accounting</b>
<b>Course type</b>	Compulsory
<b>Pre-requisites (if any)</b>	Basic knowledge of commerce and mathematics
<b>Course Credit</b>	3.0
<b>Total no. of sessions</b>	24 Sessions
<b>Session Duration</b>	75 minutes each
<b>Term</b>	I
<b>Year and Batch</b>	1 <sup>st</sup> Year 2021-22, PGPF1
<b>Sections (if any)</b>	–

<b>Instructor(s)</b>	<a href="#">Ram Kumar Kakani</a>
<b>Contact Details</b>	+91-495-2809-421; 421 (intercom)
<b>Office Room</b>	304 i.e., Block 3, Room 04
<b>Consultation Hours</b>	You're welcome, to raise your queries (via email)

#### **Introduction**

Accounting is the language of business. The course provides necessary coverage to students on financial accounting. It is to inculcate 'intermediate level of understanding of accounting principles & policies, preparation of financial accounting numbers, their interpretation and to develop skills in reading annual reports among the students'. The objective of the course is also to acquaint students with key financial accounting standards and reporting practices with emphasis on sound concepts along with their governance-related implications.

#### **Learning Outcomes/Course Objectives**

To gain understanding and to provide working knowledge of accounting concepts, procedures and documentation involved in financial accounting system.

#### **Textbooks and Learning Materials**

##### ***Text Book(s)***

1. ***Financial Accounting for Management*** by Ramachandran, Neelakantan, and Ram Kumar Kakani. 5<sup>th</sup> Edition, McGraw-Hill Education, 2020. [Henceforth, referred as **FAM**].
2. ICAI Publications of Accounting Standards  
Other URL Links of the same will shared from time to time

##### ***Additional Reading(s)***

3. NFRA Audit Quality Review report on IL&FS Financial Services, FY2018, URL: <https://nfra.gov.in/sites/default/files/DHS%20IFIN%20AQR%20Report%20FY%202017-2018.pdf>

4. 'Essentials of Financial Accounting' by A K Bhattacharya
5. 'Financial Accounting: A Managerial Perspective' by R Narayanswamy
6. 'Financial Accounting' by Walter T. Harrison Jr., Charles T. Horngren, C. William Thomas
7. 'Financial Accounting' by Weygandt, Kieso, & Kimmel
8. 'Modern Accountancy' by Hanif & Mukherjee
9. 'Accounting: Text and Cases (The Financial Accounting Chapters)' by Robert N Anthony, David F. Hawkins, Kenneth A. Merchant, and Prakash Singh, McGraw-Hill Education.
10. 'Financial Accounting Information For Decisions' by John Wild

All other good books on Financial Accounting – preferably, introductory. Thus, please check out ... library reference index numbers 657.30 to 658.15.

### **Technology and Software (if any)**

MS Excel will be used sometimes

### **Other Resources (Journals, Internet Websites) (if any)**

The following web based resources have extensive information & data related to Financial Accounting.

- ◆ *Websites of Accounting Bodies, & Related Institutional Websites:* [ICAI](#), [Accounting Standards Board of India](#), [ICWAI](#), [International Accounting Standards Board](#), [Ministry of Company Affairs / Ministry of Finance](#), [Securities and Exchange Board of India \(SEBI\)](#), [National Stock Exchange \(NSE\)](#), and [Bombay Stock Exchange \(BSE\)](#).
- ◆ *Financial Magazines / Financial Newspaper Websites:* [Business Standard](#), [Hindu Business Line](#), [Financial Express](#), [Wall Street Journal](#), [Financial Times](#), [Business Today](#), [Economic Times](#), etc.
- ◆ *Accounting Community Sites:* [CA Club India](#), [Chartered Club](#), [PwC](#), [Deloitte India](#), etc.
- ◆ *'Investors Section' / 'Shareholders Section' of Company Websites:* For instance: [Infosys Ltd](#), [Reliance Industries](#) & [Tata Steel](#).
- ◆ *Other websites:* [Capital Market](#), [Indiainfoline](#), [Indiabulls](#), [Equitymaster](#), [Sharekhan](#), [iInvestor](#), [CRISIL](#), [CMIE](#), [CapitalIdeasOnline](#), [ICICIMarkets](#), [Motleyfool](#), [World Bank](#), [ICICIDirect](#), [5paisa](#), [CARE](#), [MoneyControl](#), [Myiris](#), etc.

### **Pedagogy/Learning Process**

This course is based on mini lectures, class discussions and case analysis (and probably, continuous group assignments). Active participation by students is an important feature of the course. Cases are the key pedagogical instrument.

### **Evaluation Components/Assessment of Student Learning**

<b>Evaluation Component / Assessment Tool</b>	<b>Percentage</b>	<b>Description (How students are assessed on Learning objectives)</b>
End-Term Examination	50%	These components are required to check and evaluate the students' understanding of concepts and application of appropriate tools and techniques.

Continuous Group-based Assignments & Class Participation	25%	Students are expected to work in teams and make periodical submissions as it would provide diverse perspectives on business problems. Students are also expected to participate in class discussion and work on case analysis as it would provide them opportunities to integrate their learnings related to financial accounting.
Individual Project Submissions	25%	Individual financial accounting project ensures that students (using a sequence of accounting transactions) demonstrate the ability to integrate the information and the skills accumulated in their course to finalize the accounts and come with their own financial statements

**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 student to present their case analysis and at other times I will allow students to volunteer to present their work solutions.

### Grading Pattern

*Grading pattern is subject to the compliance with Institute's norms (and will adhere to the same).*

**In case of non-objective questions/assessments:** *I am no God (i.e., perfect) and therefore there are bound to be 'errors' in estimating the true worth of your answers (and hence, evaluation). However, I promise, evaluation will be unbiased. Also, the 'errors' (if any) should cancel out over the length of the evaluation cycle.*

### Session Teaching Plan

Session Schedule	Session-wise Topic and Plan	Sessions Allocated	Suggested Reading in FAM Text Book
1, 2 & 3	Conceptual Basis of Accounting + Case Discussion	3	Chapter 1 (incl. relevant OLC)
4, 5 & 6	Romancing the Balance Sheet + Case Discussion	3	Chapter 2 (incl. relevant OLC)
7 & 8	Dating the Profit & Loss Statement + Case Discussion	2	Chapter 3 (incl. relevant OLC)
9 & 10	Process of Accounting Records + Practice Problems	2	Chapter 5 (incl. relevant OLC)
11 & 12	Statement of Changes in Equity + Accounting for Joint Stock Companies + Case Discussion	2	Chapter 6 (incl. relevant OLC)
13 & 14	Non-Current Assets Accounting, Depreciation & Amortization + Case Discussion	2	Chapter 8 & 9 (incl. relevant OLC)
15 & 16	Inventory Valuation, Manufacturing A/c, Trading A/c + Case Discussion	2	Chapter 8 & 9 (incl. relevant OLC)
17 & 18	Accounting of Revenue Items, Contracts, Leases & Contingencies + Case Discussion	2	Chapter 8 & 9 (incl. relevant OLC)

19	Financial Statement Analysis + Case Discussion	1	Chapter 7 (incl. relevant OLC)
20 & 21	Courtship with the Cash Flow Statement + Case Discussion	2	Chapter 4 (incl. relevant OLC)
22 & 23	Catching up with the other Accounting Standards (Ind AS) + Case Discussion	2	Chapter 9 & 10 (incl. relevant OLC)
24	Understanding of Annual Report	1	Chapter 10 (incl. relevant OLC)

Note:

- ◆ *Prior reading of the suggested reading would help in the class discussion and assimilation process.*
- ◆ *The above sequence is tentative (and would be altered based on initial class experience).*
- ◆ *Additional video clips, lecture sessions, guest lectures by practitioners & tutorial sessions could be arranged on request.*
- ◆ *Class discipline rules include – (a) No usage of any item that could disturb others in the classroom; and (b) PowerPoint presentations & Excel Sheet: If used, Session-wise Pdf files would be e-mailed after the session.*

### **Additional Instructions**

Students are expected to be above reproach in all scholastic activities and disciplinary issues. Students who engage in scholastic dishonesty or indiscipline are subject to disciplinary penalties.

## **ASSURANCE OF LEARNING (AOL)**

In this course, the students would be tested (primarily) on the following dimensions,

- ⌘ Decision Making Ability
- ⌘ Functional Knowledge (Conceptual Understanding & Practical Applications)

### **Decision Making Ability**

This Core Course is characterized by written examinations and assignment submissions, namely:

- Individual Project (Weightage 25%)
- End-Term Examination (Weightage 50%).
- It also encompasses a class participation assessment (Weightage 25%).

At least two submissions and one written examination would include one (1) question which would specifically tests the skills of students in respect of their ability to take decisions (in relation to Financial Accounting concepts). Such questions would be so structured so as to enable the concerned students to demonstrate their skills in respect of the following three key parameters of a decision-making exercise,

- a) Appropriate visualization of the business problem
- b) Conducting critical analysis of the information provided

- c) Narrowing down on a suitable solution.

### **Functional Knowledge**

The Financial Accounting Core Course is characterized by regular written submissions (see, previous sub-section on ‘Decision Making Ability’). It also encompasses regular class participation assessment (Weightage 25%). The functional knowledge of the students would be tested across at least two components – (Individual Project and Periodical continuous assignments). The evaluation components would be so designed so as to ensure that students get adequate opportunity to demonstrate their skills in respect of the following two key attributes related to functional knowledge,

- a) Identifying conceptual frameworks
- b) Application of conceptual frameworks

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