

FR-MB21
MBA-BM 2021-23: Term-I

Financial Reporting (FR)

Credits	3
Faculty Name	D V Ramana: Sec A & B
Program	MBA BM
Academic Year and Term	Term I

1. Course Description:

Accounting is important to managers, organizations and societies. The role of accounting has changed over the years from being a just the process of recording the transactions to a comprehensive communication tool. It not only provides information but also helps in the decision-making process. The financial statements have emerged as an important means of organizational communication with the stakeholders. The primary objective of this course is to help the students to understand business decisions through the financial statements and to make the best use of the accounting information for taking decisions.

Course Content

The course content would largely include the following:

- a) Understanding business
- b) Understanding Accounting System
- c) Understanding Financial statements
- d) Preparation of financial statements
- e) Application of relevant Ind As / IFRS
- f) Interpretation of financial statements

Course Learning Outcomes (CLO)

The following are expected learning outcomes of the course. After going through the course the students are expected to be able to

- CLO -1: Understand the GAAP
- CLO-2: Convert the business decisions into financial statements
- CLO-3 :Understand the link between business decisions and the financial statements
- CLO-4 Analyse the financial performance of a business entity

Reading and References

- Textbook: Financial Accounting – A Managerial Perspective(e-book) by R. Narayanaswamy, Sixth Edition, PHI
- Financial Accounting- Libby, Libby & Hodge; MGH, 9e
- Case Studies(to be provided)
- Annual Reports of companies

Pedagogy and Students Workload

Pedagogy includes class-room discussions, problem solving exercises, business cases, assignments etc. Course inputs will be given over a period of 30 hours. As this course requires a lot of practice, students are expected to spend at least another 60 hours (outside the class hours) and actively participate in the class. Though a text book has been provided, students are free to read any other financial accounting book suitable for this course.

4. Session Plan:

Session Number	Topics	Reading/Case List, etc.
1.	Accounting Environment and Forms of Business Organization, <ul style="list-style-type: none"> • Sole Proprietorship/Partnership • Joint Stock Company • Conceptual Framework 	R.Narayanaswamy -Ch.1, page 12-17; selected end of chapter exercises
2.	Accounting Equation and Accounting Concepts <ul style="list-style-type: none"> • Accounting Equation • Financial items <ul style="list-style-type: none"> ◦ Assets/Liabilities/Equity ◦ Incomes/Expenses 	R.Narayanaswamy -Ch.1, page 18-36; selected end of chapter exercises
3.	Accounting Equation and Financial Statements <ul style="list-style-type: none"> • Balance Sheet • Income Statement • Cash Flow Statement • Statement of changes in equity 	R.Narayanaswamy -Ch.2, page 47-60; selected end of chapter exercises
4-5	Introduction to Business Decisions and Financial Statements <ul style="list-style-type: none"> • Operating Decisions • Investment Decisions • Financing Decisions • Impact on financial statements 	R.Narayanaswamy -Ch.2, page 47-60; selected end of chapter exercises
6	Operating Decisions: Focus on Revenue and COGS <ul style="list-style-type: none"> • Revenue • COGS • Impact on financial statements 	R.Narayanaswamy -Ch.5, page 182-200; selected end of chapter exercises

7	Operating Decisions Focus on Revenue and COGS <ul style="list-style-type: none"> • Methods of inventory valuation • Impact on Profit • Impact on financial statements 	R.Narayanaswamy -Ch.5, page 182-200; selected end of chapter exercises
8	Investing Decisions: Focus on PPE <ul style="list-style-type: none"> • Cost of Acquisition • Methods of Acquisition • Depreciation • Impact on financial statements 	R.Narayanaswamy -Ch.6, page 215-237; selected end of chapter exercises
9	Investing Decisions: Focus on PPE <ul style="list-style-type: none"> • Impairment • Revaluation • Derecognition • Impact on financial statements 	R.Narayanaswamy -Ch.6, page 238,239 & 247; selected end of chapter exercises
10	Investing Decisions: Focus on Intangibles <ul style="list-style-type: none"> • Different types of intangible assets: R&D, Goodwill, Patents etc • Initial Recognition • Subsequent Recognition 	R.Narayanaswamy -Ch.6, page 239-244; selected end of chapter exercises
11	Financing Decisions: Focus on Equity <ul style="list-style-type: none"> • Capital • Equity Capital/Preference • Authorized/Issued/Paid up • Premium/Par/Discount • Issue for different considerations • Impact on financial statements 	R.Narayanaswamy -Ch.11, page 383-400; selected end of chapter exercises
12-13	Financing Decisions: Focus on Equity <ul style="list-style-type: none"> • Dividend: Cash and Stock • Right Issue • Stock Split • Book Value • Buy back of shares • Impact on financial statements 	R.Narayanaswamy -Ch.11, page 383-400; selected end of chapter exercises
14	Financing Decisions: Focus on Liabilities <ul style="list-style-type: none"> • Types: Bonds/ Debentures/ Loans/Convertibles • Recognition: Initial Subsequent Recognition • Impact on financial statements 	R.Narayanaswamy -Ch.10, page 360-368; selected end of chapter exercises
15	Revisiting Cash Flows: FD/ID/OD <ul style="list-style-type: none"> • Understanding cash flows: CFO/CFF/CFI/FCF • Interrelationship between IS/BS/CFS 	R.Narayanaswamy -Ch.13, page 459-478; selected end of chapter exercises
16	Revisiting Cash Flows: FD/ID/OD <ul style="list-style-type: none"> • CFO and Profit: Indirect method of determining cash flow operating activities 	R.Narayanaswamy -Ch.13, page 459-478; selected end of chapter exercises

17	Specific Accounting Issue: Leasing <ul style="list-style-type: none"> Leasing Accounting for leasing Impact on the financial statement 	R.Narayanaswamy -Ch.10, page 369-372; selected end of chapter exercises
18	Specific Accounting Issue: Leasing <ul style="list-style-type: none"> Leasing Accounting for leasing Impact on the financial statement 	R.Narayanaswamy -Ch.10, page 369-372; selected end of chapter exercises
19	Specific Accounting Issue: Income Tax <ul style="list-style-type: none"> Deferred Tax Deferred Tax Liability Deferred Tax Assets Impact on the financial statement 	R.Narayanaswamy -Ch.9, page 333-343; selected end of chapter exercises
20	Annual Report: <ul style="list-style-type: none"> Numbers and Narratives; GAAP and Non GAAP 	Annual Reports

Assessment Scheme

Component	Weightage (%)	Assessment of Course Learning Outcome(s) (CLO)
Quizzes	10%	CLO 1& CLO 2
Mid-term	30%	CLO1& CLO2
Assignment	20%	CLO3
End-Term	40%	CLO 1, CLO 2 and CLO3

Academic Discipline and Integrity

- Students are expected to come to class on time. **Late Comers** will not get attendance and sometimes will be barred from the class.
- Any plagiarism beyond 20% found in the assignment (including reproduction from books, online sources, journals or from peers) will be awarded zero.

Mapping Course Learning Outcomes (CLO) with the Program Learning Goals (PLG)

PLG#	Program Learning Goal	Trait	Addressed by Course	
			Yes	No
PLG1	Functional and Business Skills	The students will demonstrate understanding of elements of all functional areas	Yes	
PLG2	Analytical Skills	The students will use analytical techniques to identify a business problem, and suggest a solution	yes	
PLG3	Collaboration and teamwork attributes	The students will exhibit voluntary cooperation and effective teamwork in a group setting	yes	
PLG4	Ethical responsibility	The students will understand the ethical complexities of conducting business. The students will adopt techniques in scenarios involving ethical dilemma and offer resolution	Yes	
PLG5	Communication	The students will produce reasonably good quality business documents. The students will become effective and confident communicators		No