

Amrita School of Business (MBA - 2017-19 Batch)
Financial Accounting (FI101C)
Course Outline

Course description

Financial accounting is the process of recording, classifying and summarizing transactions resulting in the preparation of financial statements for external and internal stakeholders. Good financial accounting provides the owners, managers and other business stakeholders with information required for decision making and keeps the business under control.

The course helps the students understand the conceptual and legal framework of accounting, with focus on accounting for Indian companies, and imbibes in them the required skills for understanding financial statements.

The course also helps students understand how corporate decisions impact accounting and the importance of correct accounting.

Course Objectives

The objective of the course is to enable the students to:

1. understand the concepts and language of accounting and its role in business
2. understand the process of accounting
3. understand the statutory requirements pertaining to financial statements
4. prepare financial statements from given information
5. read and interpret information in financial statements and other information like notes and reports
6. appreciate the use of financial information for decision making

Learning goals

The course supports the program level learning goal of “Critical and Integrative thinking”.

Learning expectations

Students are expected to attend and actively participate in all classes, come prepared to the class with the assigned readings/assignments, submit the assigned work on time. Academic dishonesty will not be tolerated and can lead to ‘nil’ marks in the concerned component or an ‘F’ grade in the course as per the norms of the institution.

Text Book:

R. Narayanaswamy, Financial Accounting, A Managerial Perspective, Prentice-Hall of India, 5th Edition.

Other suggested readings:

1. Paul D. Kimmel, Jerry J. Weygandt and Donald E. Kieso, Financial Accounting, Wiley.
2. Schedule III of the Companies Act, 2013 and accounting standards
3. Annual reports of various Indian companies.
4. Class presentations, handouts distributed and class notes.

Schedule of classes

Sessions	Topics	Readings
1	Introduction to financial statements and accounting terminology	Chapter 1; annual reports
2-3	GAAP, Accounting terminology, the Accounting Equation	Chapter 1; Schedule III of the Companies Act, 2013
4	Journal, Ledger, Trial balance	Chapter 2
5	Rectification of errors; the accrual concept and adjusting entries	Chapter 2, 3
6	Measurement of business income	Chapter 3
7 to 8	Closure of accounts and preparation of financial statements	Chapter 4
9 to 10	Case assigned to groups; Internal control, cash and receivables	Case I distributed in class, Chapter 5
11 to 13	Inventories and fixed assets	Chapter 6-7
14	Case presentation and evaluation	
15	Investments	Chapter 8
16	Liabilities	Chapter 9
17	Shareholders' equity	Chapter 10
18 to 22	Financial Statement Analysis, Cash flow and Fund flow statement	Chapter 11-12
23-24	Review case and make up of topics	Case II

Note: Relevant accounting standards will be discussed during the sessions.