

SEMESTER: VI	
COURSE NAME: FINANCIAL REPORTING AND FINANCIAL STATEMENT ANALYSIS	
COURSE TYPE: Major (Core)	COURSE CODE: C3BC230631T
CREDIT: 4	MARKS:100
No. of Weekly Lectures: 4	
Pedagogy: Classrooms lectures & Seminars	

COURSE DESCRIPTION:

The course aims to enable the learners to understand, develop, and apply the tools and techniques of Financial Reporting and Financial Statement Analysis with respect to business entities. It seeks to develop students' competence toward reporting of financial statements and analysing them.

LEARNING OBJECTIVE:

LO 1: It helps the analyst to learn about the financial strengths and economic weaknesses of the company by establishing a correlation between the strategic entries recorded in the Balance Sheet, Income Statement, or Cash flow statements.

LO 2: It also develops the understanding of the role of different financial statements.

LO 3: It will help the learners to comprehend financial information and utilise the necessary information to make informed decision.

COURSE OUTCOMES:

On successful completion of the course the learner will be able to:

SECTION 1: FINANCIAL REPORTING

CO 1: Understanding Framework for preparation and presentation of financial statements of Ind AS compliant companies.

CO 2: A complete understanding of Ind AS 1

CO 3: Understanding the reporting aspects of interim financial reporting

CO 4: Familiarity with the understanding of events occurring after reporting date and aspect of accounting of same as per Ind AS 10.

CO 5: An understanding of the fundamental concept of Business Responsibility and sustainability reporting.

CO 6: An understanding of the fundamental concept of fair value measurement in accounting.

SECTION 2: FINANCIAL STATEMENT ANALYSIS

CO 7: Understanding nature and components of financial statement analysis under traditional approach and modern approach.

CO 8: A complete understanding of ratio as a tool of analysis for interpretation of financial statements

CO 9: Understanding cash flow statement and its implication in financial statement analysis.

CO 10: Familiarity with the understanding of the annual reports.

DETAILED SYLLABUS:

UNIT NO.	UNIT NAME	TOPIC	Number of Lectures
SECTION 1: FINANCIAL REPORTING (50 MARKS)			
Unit 1	Conceptual Framework for Financial Reporting	Introduction – Purpose, and applicability, Qualitative Characteristics of useful financial information, Financial Statement and the Reporting Entity- Objectives and scope of Financial Statement Consolidated and Standalone Financial Statement, Elements of Financial Statements- Assets, Liabilities, Equities, Incomes, and Expenses, Recognition – Process, and Criteria- De-recognition, Measurement of Assets and Liabilities, Presentation and Disclosure- Objectives, Principles, and Classification.	5
Unit 2	Presentation of Financial Statement	Introduction to IndAS- Concept and Carve in and Carve-out, IndAS- 1: Concept, Objectives, Scope, and different terms used in General Purpose Financial Statement, Complete set of Financial Statement- Frequency in Reporting- Comparative information- consistency in presentation- presentation as per Division II of Schedule III to the Companies Act, 2013, Structure and Content.	5

Unit 3	Interim Financial Reporting	Concept of Interim Financial Reporting, Objectives and Scope, Forms and Contents [To be studied with reference to Ind AS 34]	5
Unit 4	Events Occurring after Reporting Period	Introduction- Objectives- Scope and Approval, Types of Events, Recognition and Measurement of Adjusting Events, Presentation and Disclosure of Non-Adjusting Events [To be studied with reference to Ind AS 10]	5
Unit 5	Business Responsibility and Sustainability Reporting	BRSR – Guidelines, Objectives, benefits and applicability, Sustainability Reporting- Concept and Purpose, Contents.	4
Unit 6	Fair Value Measurement-Fundamental Concept	Concept and Definition, Valuation premises, Valuation Techniques [To be studied with reference to Ind AS 113]	4
SECTION TWO: FINANCIAL STATEMENT ANALYSIS (50 MARKS)			
Unit 1	Introduction to Financial Statements Analysis	Nature and Component of Financial Statement; Meaning and Need for FSA, Traditional & Modern approaches to FSA, Parties interested in FSA, Comparative Statement – meaning, preparation, uses, merits and demerits, Common-size Statement – meaning, preparation, uses, merits and demerits, Trend Analysis – meaning, determination, uses, merits and demerits.	8
Unit 2	Accounting Ratios for FSA	Meaning, objective, Classification of Accounting Ratios, Advantages & Limitations, Preparation of Classified Financial Statements and Statement of Proprietor's Fund from the given Ratios, Computation, Analysis and Interpretation of important ratios for measuring –Liquidity, Solvency, Capital Structure, Profitability and Managerial effectiveness.	8

Unit 3	Cash Flow Statement including Cash Flow Ratios	Concept of Cash Flow Statement, Differentiation between Operating, Financing, and Investing Activities, Various Elements of Cash and Cash Equivalent, Preparation of Cash Flow Statement both under Direct and Indirect Method, Cash Flow Ratio and Interpretation.	8
Unit 4	Understanding Annual Report	Understanding Qualitative information of Annual report and disclosure requirements, Including MDA – concepts and contents.	4

Suggested Readings

- Financial Reporting and Financial Statement Analysis Mukherjee Hanif Tata McGraw
- Compendium of Accounting Standards issued by ICAI VOL II
- Commercial Financial Reporting Made Easy by CA Ravi Kantha Miriyala and Sunitanjani Miriyala
- Taxmann Financial Reporting by Kapileshwar Bhalla
- Richard Lewis and David Pendrill -Advanced Financial Accounting- Pearson Education
- Steven M. Bragg-GAAP: Interpretation and Application of Generally Accepted Accounting Principles – Wiley.
- Ashis K Bhattacharya -Indian Accounting Standards- McGraw-Hill Education (India).
- Maheshwari & Maheshwari, Advanced Accountancy Vol. II, Vikash Publishing
- R. L. Gupta & Radheswamy, Advanced Accountancy Vol. II
- Sehgal & Sehgal, Advanced Accountancy Vol. I II, Taxman Publication
- Lev, B. Financial Statement Analysis: A New Approach, Prentice Hall
- Foster, G., Financial Statement Analysis, Prentice-Hall.
- Bernstein and Wild, Financial Statement Analysis: Theory, Application and Interpretation, McGraw Hill
- Foulke, R. A. Practical Financial Statement Analysis, Tata McGraw Hill
- Myer, J.N. Financial Statement Analysis, Prentice Hall

SECTION A: FINANCIAL REPORTING

Course Outcome (CO)	Unit No.	Unit Name	CO Statement	Key Action Verbs	Cognitive Level
CO1	Unit 1	Conceptual Framework for Financial Reporting	Understanding Framework for preparation and presentation of financial statements of Ind AS compliant companies.	Describe, Explain, Interpret	Understand (K2)
CO2	Unit 2	Presentation of Financial Statement	A complete understanding of Ind AS 1.	Implement, Execute	Apply (K3)
CO3	Unit 3	Interim Financial Reporting	Understanding the reporting aspects of	Demonstrate, Summarize	Understand (K2), Apply

			interim financial reporting.		(K3)
CO4	Unit 4	Events Occurring after Reporting Period	Familiarity with the understanding of events occurring after reporting date and aspect of accounting of same as per Ind AS 10.	Differentiate, Organize	Analyze (K4)
CO5	Unit 5	Business Responsibility and Sustainability Reporting	An understanding of the fundamental concept of Business Responsibility and sustainability reporting.	Judge, Critique	Evaluate (K5)
CO6	Unit 6	Fair Value Measurement-Fundamental Concept	An understanding of the fundamental concept of fair value measurement in accounting.	Solve, Execute	Apply (K3)

SECTION B: FINANCIAL STATEMENT ANALYSIS

Course Outcome (CO)	Unit No.	Unit Name	CO Statement	Key Action Verbs	Cognitive Level
CO 7	Unit 1	Introduction to Financial Statements Analysis	Understanding nature and components of financial statement analysis under traditional approach and modern approach.	Describe, Explain	Understand (K2)
CO 8	Unit 2	Accounting Ratios for FSA	A complete understanding of ratio as a tool of analysis for interpretation of financial statements.	Implement, Execute, Solve	Apply (K3)
CO 9	Unit 3	Cash Flow Statement including Cash Flow Ratios	Understanding cash flow statement and its implication in financial statement analysis.	Organize, Formulate	Analyze (K4), Create (K6)
CO 10	Unit 4	Understanding Annual Report	Familiarity with the understanding of the annual reports.	Judge, Justify	Evaluate (K5)