15. Syllabus

PAPER- CCFNF 1

BASICS OF FINANCIAL ACCOUNTING AND FINANCIAL STATEMENT ANALYSIS

MAX. MARKS: 100

EXTERNAL: 70

INTERNAL: 30

PASS: 40%

Credit-6

OBJECTIVE

This course aims to provide learners with a sound understanding of the fundamental principles and practices of financial accounting. It enables students to record business transactions, prepare financial statements, and interpret accounting information accurately. The course further develops analytical skills required to evaluate financial statements and understand the financial performance and position of business organizations.

COURSE OUTCOME

CO1 Explain basic accounting concepts, principles, and conventions.

CO2 Record business transactions and prepare books of accounts.

CO3 Prepare financial statements of business entities.

CO4 Analyse financial statements using analytical tools and ratios.

CO5 Interpret annual reports for financial decision-making.

SECTION-A

Basics of Financial Accounting

Introduction to Financial Accounting- Meaning, Importance, Scope and Limitations of accounting. Users of Accounting Information, Need for Generally Accepted Accounting Principles, Basic Concepts and Conventions, The Accounting Equation.

Understanding of basic terms (Assets, Liabilities, Revenues, Expenses). Understanding Capital Expenditure, Revenue Expenditure, Deferred Revenue Expenditure, Capital Receipts, and Revenue Receipts. Nature of Accounts and Rules of Debit and Credit.

Recording Transactions in General Journal. Journal entries passed for accounting of GST. Opening and Closing Entries. Recording Transactions in three-column Cash Book. Preparation of Ledger Accounts. Preparation of Trial Balance.

SECTION-B

Understanding of Financial Statement and Analysis of Financial Statement

Preparation of Financial Statements: Preparing Trading Account, Profit & Loss Account and Balance Sheet. Understanding of financial Statements of a Joint Stock Company as per Companies Act 2013.

Analysing Financial Statement : Objectives of Financial Statement Analysis; Sources of information; Standards of Comparison; Understanding the contents of a Corporate Annual General Report**.**

Financial statement Analysis Tool

- Horizontal analysis
- Vertical Analysis
- Trend Analysis
- Cash Flow Statement
- Ratio Analysis (Dupont analysis)

REFERENCE

- Wild, J. J., & Singh, P. (2014). *Financial accounting* (11th ed.). McGraw Hill Education India.
- Tulsian, P. C. (2015). *Financial accounting* (1st ed.). Pearson Education India.
- Penman, S. H. (2013). *Financial statement analysis and security valuation* (4th ed.). Tata McGraw Hill Education.

- Subramanyam, K. R., & Wild, J. J. (2009). *Financial statement analysis* (10th ed.). McGraw Hill Education.
- Narasimhan, M. S. (2012). *Financial statements and analysis* (2nd ed.). Cengage Learning India.
- Gibson, C. H. (2013). *Financial statement analysis* (13th ed.). Cengage Learning India.
- Harrison, W. T., Horngren, C. T., Thomas, C. W., & Tietz, W. M. (2020). *Financial accounting: Theory & analysis* (12th Global ed.). Pearson International.