



# Introducing ... “Accounting & Finance”



Prepared by *Ram Kumar Kakani*

The views  
expressed herein  
are personal

A composite image for the top half of the slide. The left side shows a stack of papers with a blue tint, and the right side shows a clock face with a purple tint. A black-bordered box is overlaid on the center.

# Moving Further ...

A composite image for the bottom half of the slide. The left side shows a stack of papers with a green tint, and the right side shows a clock face with a yellow tint. A black-bordered box is overlaid on the center.

## Entering Finance World ...

Prepared by Ram Kumar Kakani

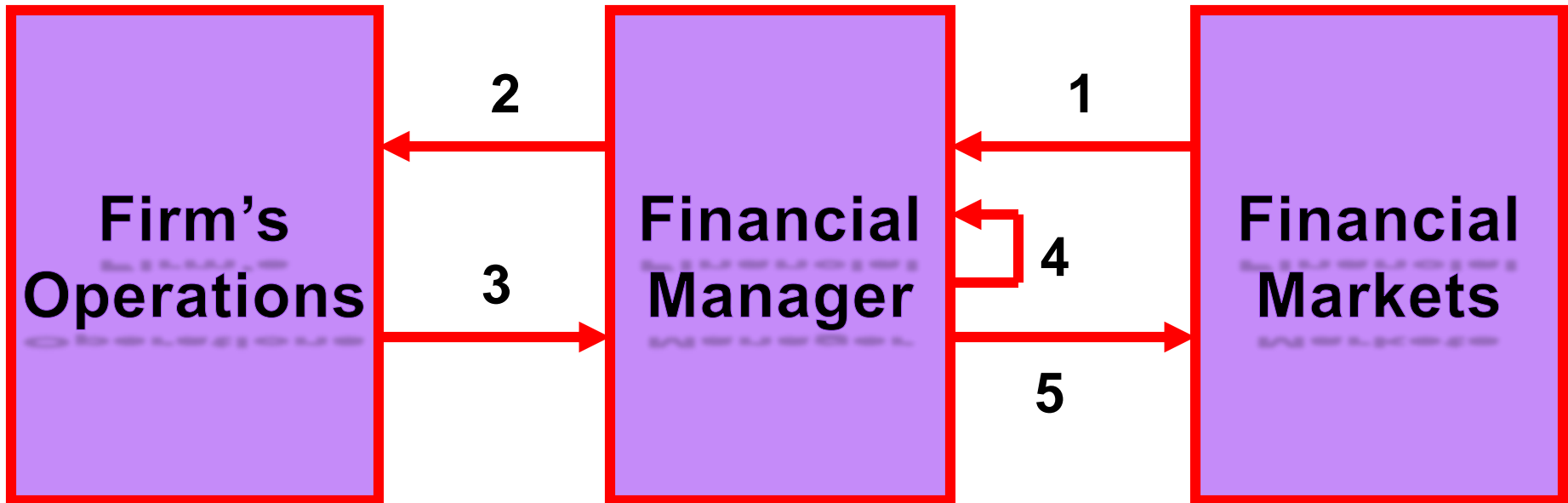


# Structure of Business Entity ...

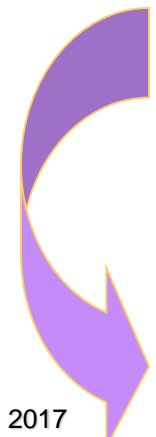
- Sole Proprietorship
  - ... M/s Ladduram & Sons
- Partnership
  - General ... Balaji Industries
  - Limited Liability... International Aviation & Airport Services LLP
- Limited Liability Company
  - Private Limited ... Zomato Media Private Limited
  - Public Limited ... Reliance Industries Limited
- Can non-individuals be shareholders?
- Can organizations move from one structure to another?



# Role of the Financial Manager



1. Cash raised from investors
2. Cash invested in firm
3. Cash generated from operations
4. Cash reinvested
5. Cash returned to investors



# Market Differences ...

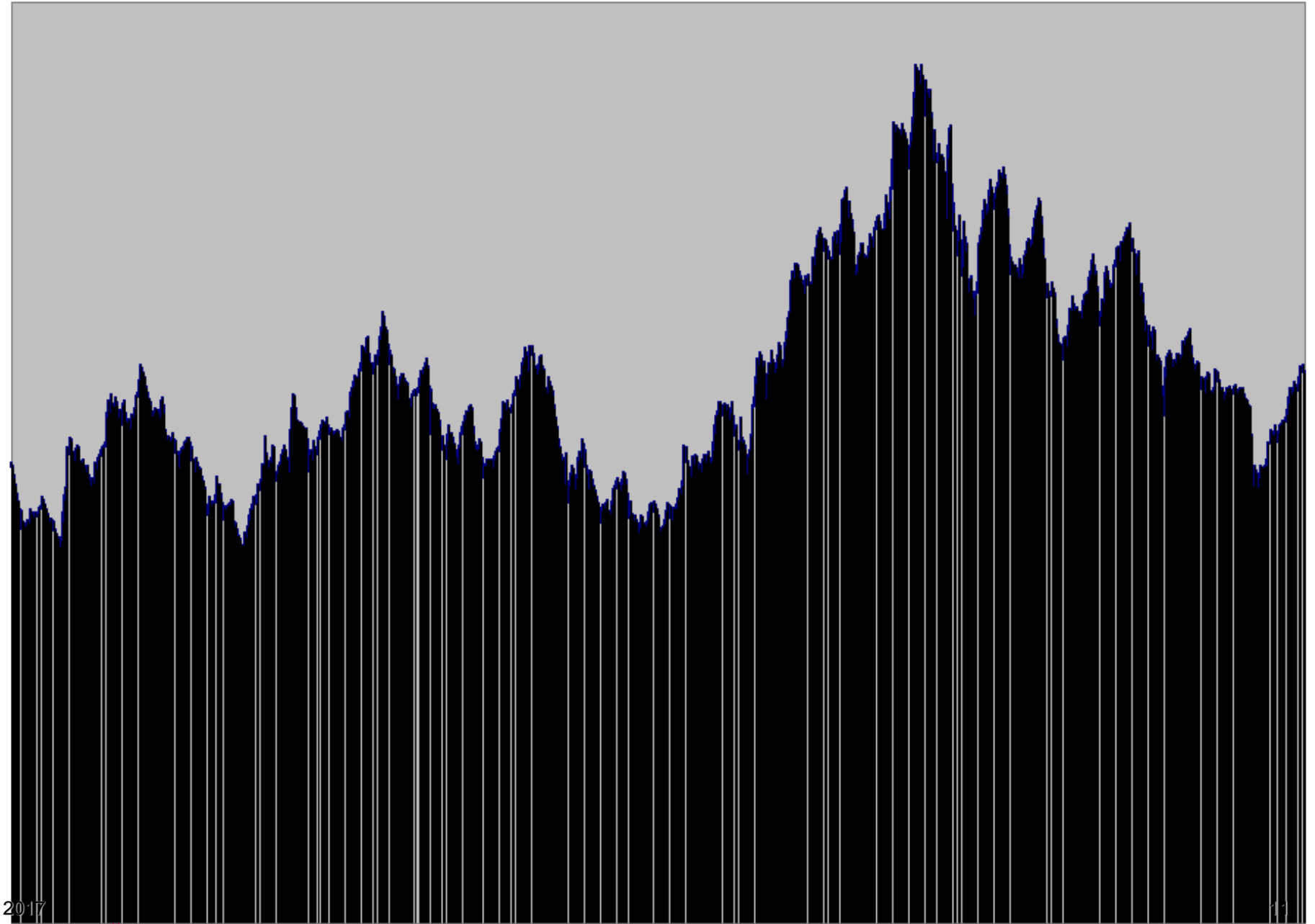
- Primary Vs Secondary
- Money-market Vs Capital-market (G-Sec. market ... Equity market and Bond market)
- U.S. Vs Japanese/German markets
- Indian markets: Pre-liberalization Vs Post-liberalization





# What is Value?

- Liquidation Value
- Operational (Going Concern) Value
- Historical Value
- Replacement Value
- Others Methods (Interlinked to the above)
  - Relative Value
  - More ...



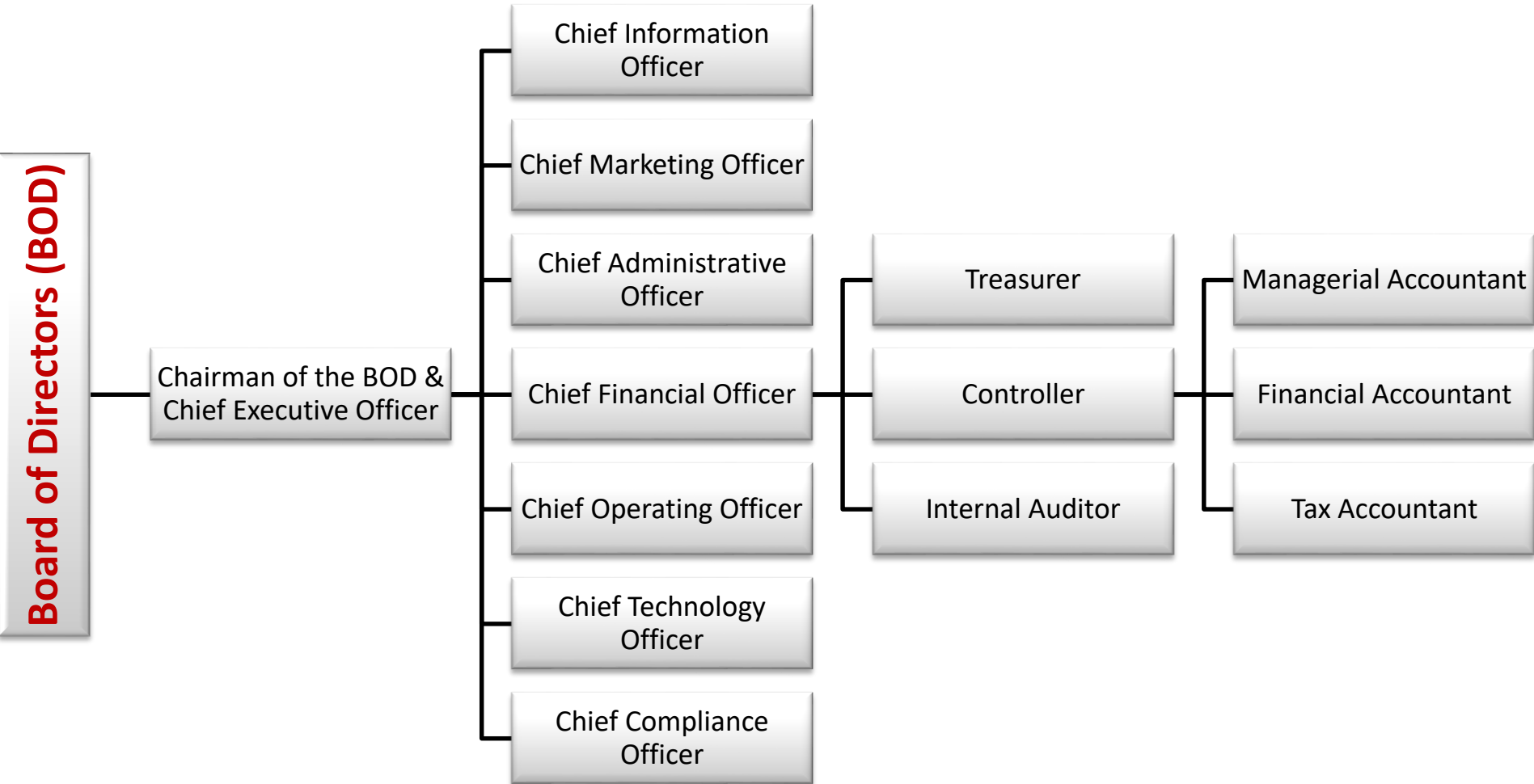
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# Large Corporate Sector ... Organization of the Finance Functions



# Organization of the Financial Management Function

**VP of Finance**

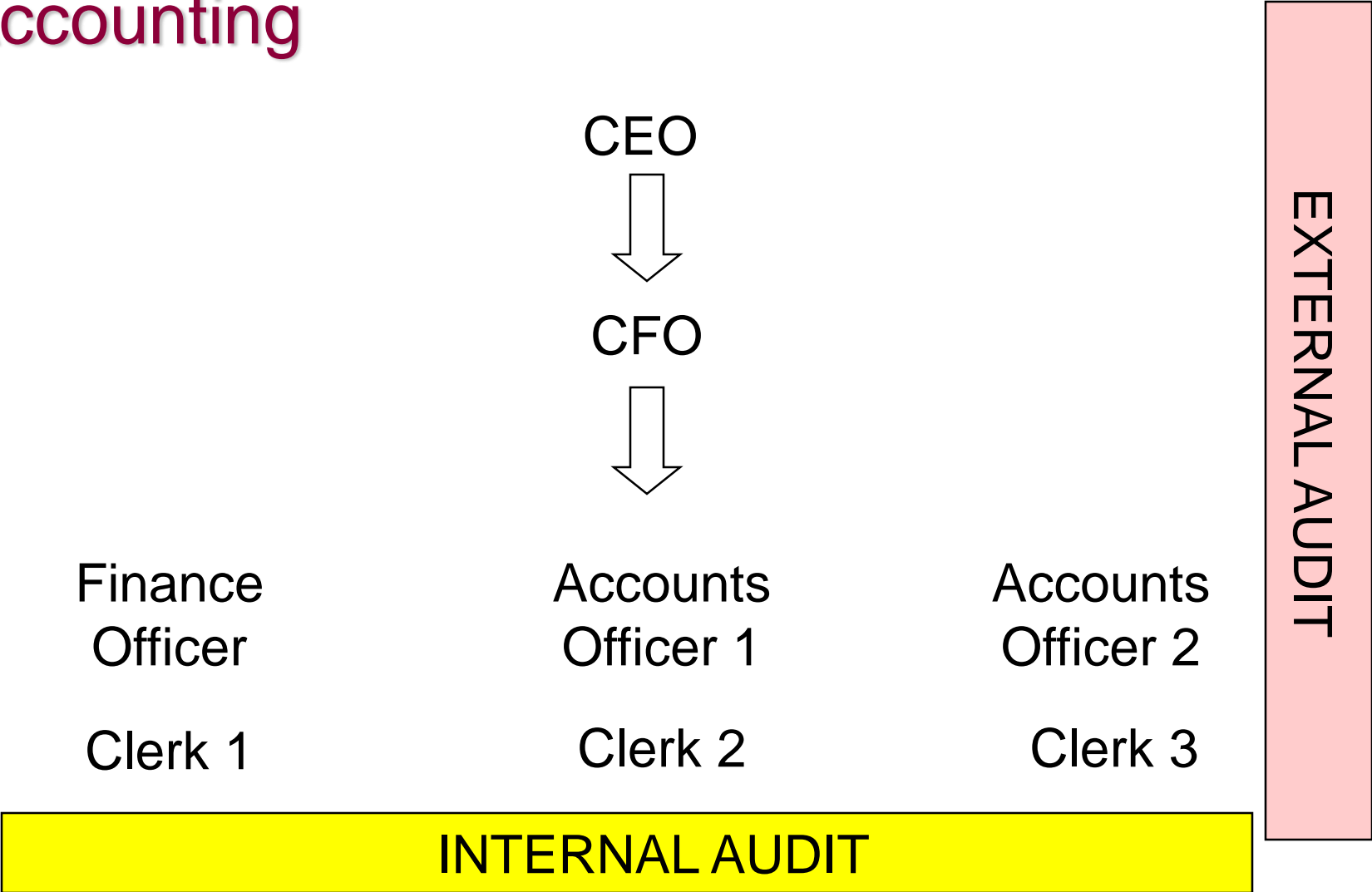
## Treasurer

Capital Budgeting  
Cash Management  
Credit Management  
Dividend Disbursement  
Fin Analysis/Planning  
Pension Management  
Insurance/Risk Mgmt  
Tax Analysis/Planning

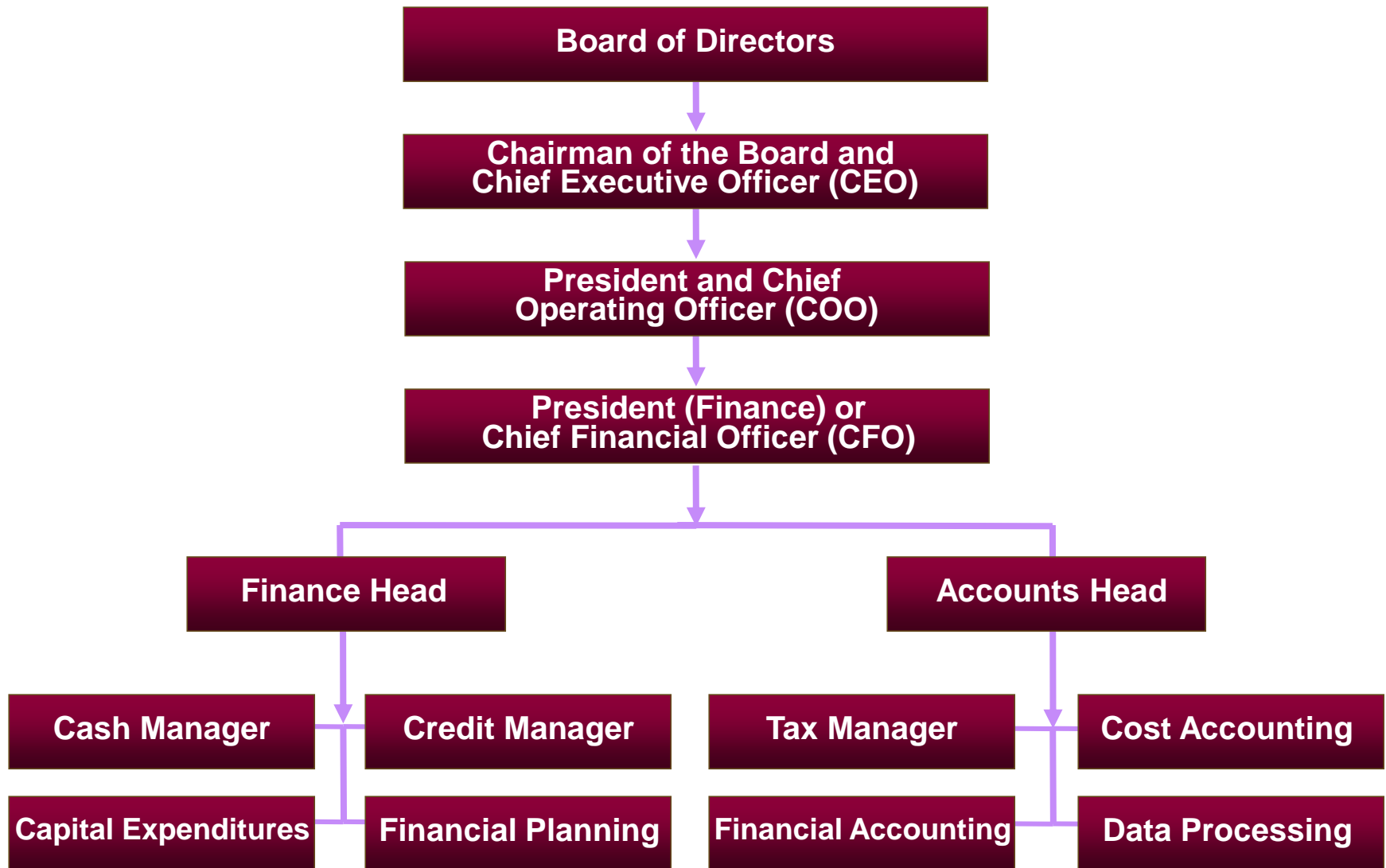
## Controller

Cost Accounting  
Cost Management  
Data Processing  
General Ledger  
Government Reporting  
Internal Control  
Preparing Fin Stmts  
Preparing Budgets  
Preparing Forecasts

# Organizational Structure vis-à-vis Role of Accounting

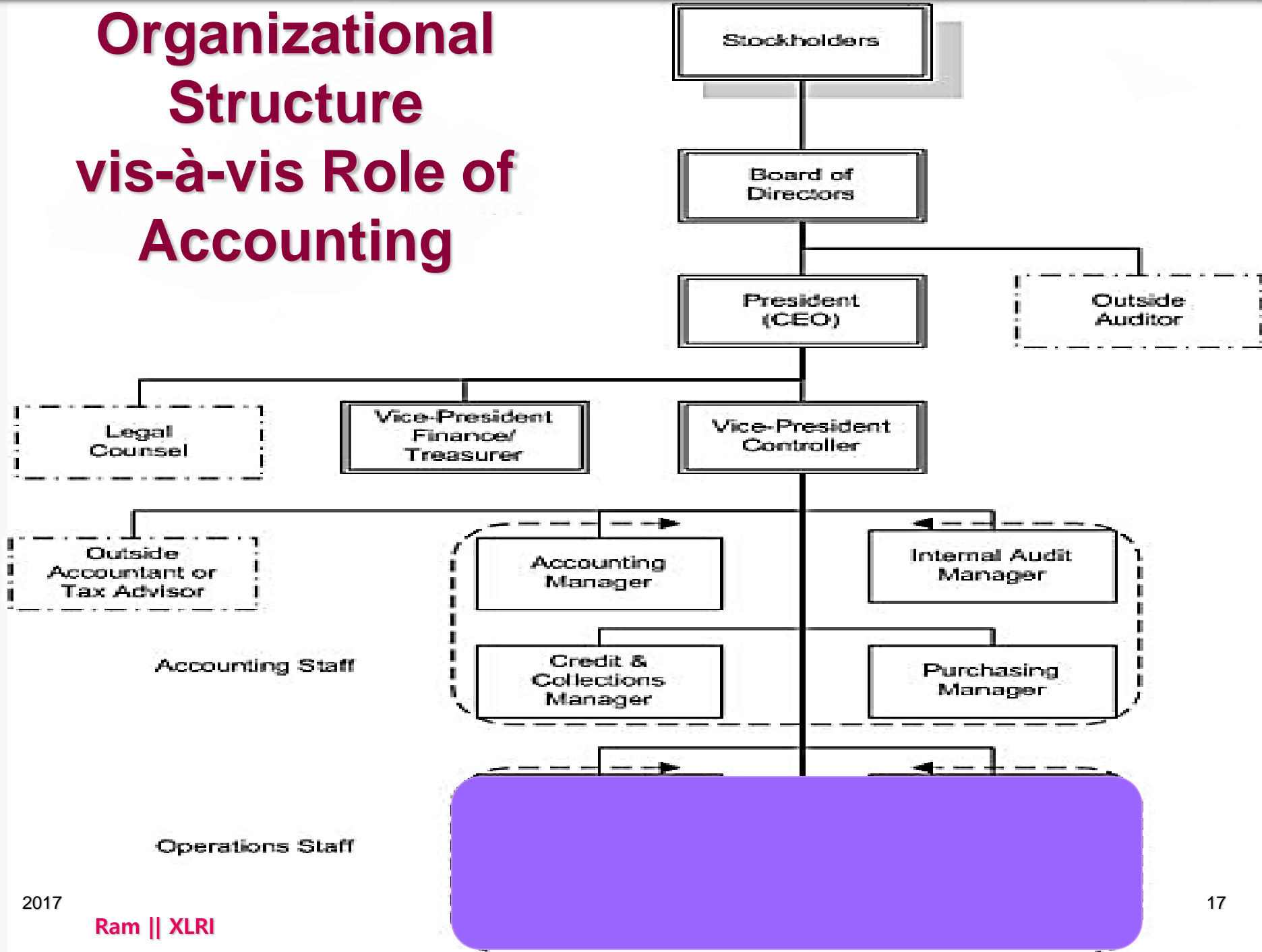


# Hypothetical Organization Chart





# Organizational Structure vis-à-vis Role of Accounting



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search ID: tcrn66

**"It's safe to come out - the auditors have gone."** 18



# Each Course Means ...

- 30 hours – Classroom
- 100 hours – Non-Classroom
- Content and Evaluation is largely left to the faculty ...
- Content is usually a mix of theory and practical inputs
- Pedagogical tools is a decent mix with sprinklings of androgogical methods
- Evaluation is usually a mix of exams (of all types), quizzes, assignments, and projects

# “Finance” Area Core Courses ...

- Term I – Management Accounting I (MANAC I by RKK)
  - Creating Accounting Records and Financial Statements
  - Understanding and Interpreting Financial Statements
- Term II – Management Accounting II (MANAC II by GV)
  - Cost Allocation, Creating Cost Sheet and Budgetary Controls
  - Understanding and Interpreting Cost (& Price) Information
- Term II – Financial Management I (FM-1 by PR/AK)
  - Understanding ‘Corporate Finance’ Objectives
  - Appreciating Financial Markets
  - Developing Skills for Financing Related Decisions
- Term III – Financial Management II (FM-2 by UD/TT)
  - Developing Skills for Corporate Investment Decisions
  - Appreciating Working Capital Management
  - Introduce Valuation, Restructuring, Failure, Leasing, Derivatives, etc.



# “Finance” Area Electives

- Behavioral Finance
- Business Analysis and Valuation
- Capital Expenditure Planning and Control
- Management of Banking
- Commodities Derivatives Market
- Corporate Taxation
- Financial Analysis, Planning and Control
- Financial Decision Making under Information Asymmetries
- Financial Markets
- Financial Modeling Using Excel
- Financial Risk Management

# “Finance” Area Electives

- Financial Technical Analysis and Global Intermarket Analysis
- Fixed Income Securities
- Indian Accounting Standards
- International Business Economics
- International Financial Management
- Issues in Empirical Finance
- Mergers, Acquisition and Corporate Restructuring
- Options and Futures
- Risk Management and Insurance
- Security Analysis and Portfolio Management
- Social Finance, Impact Investing & Insurance





# “Finance” Streams ...

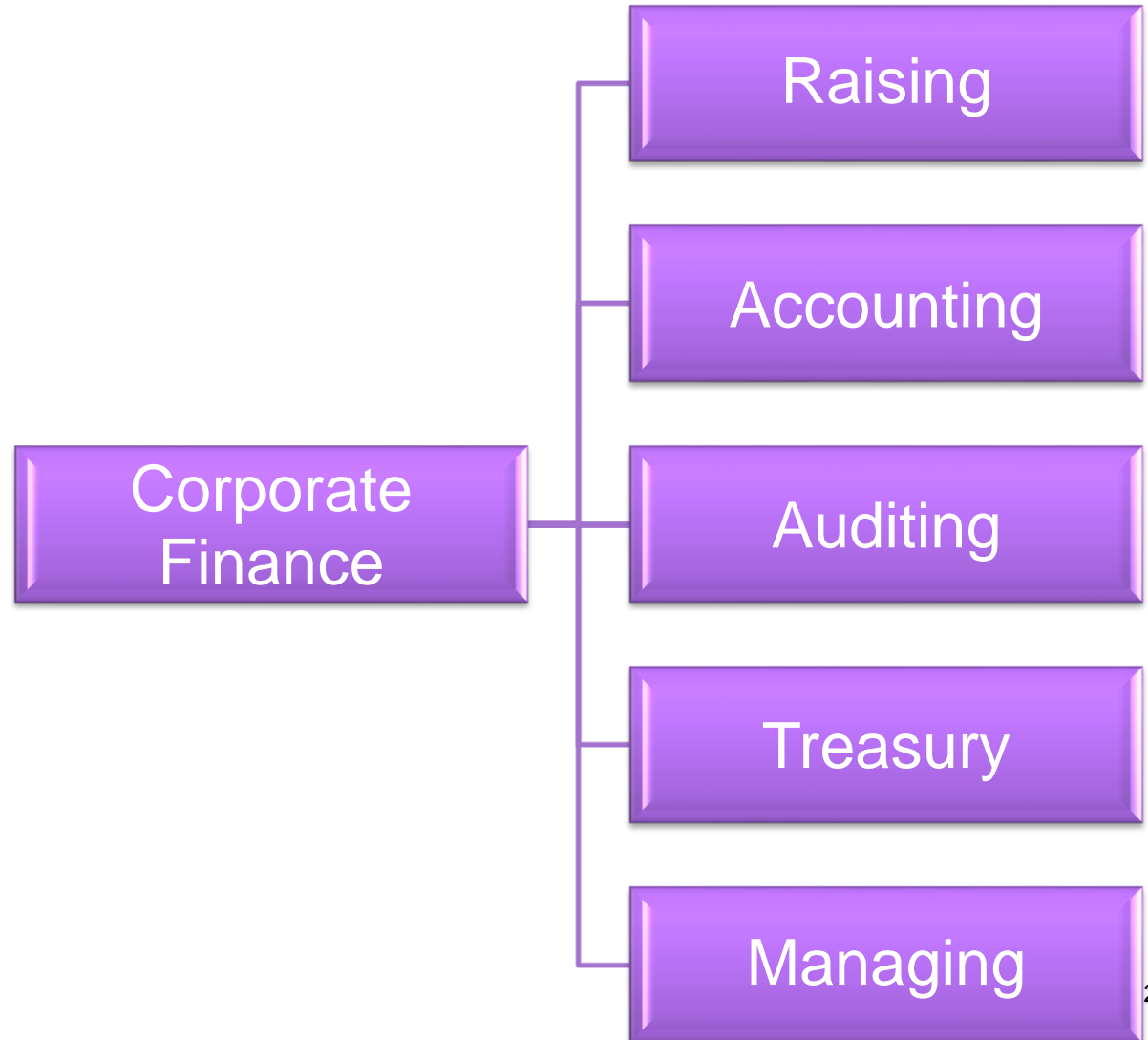
Three Streams

Corporate  
Finance

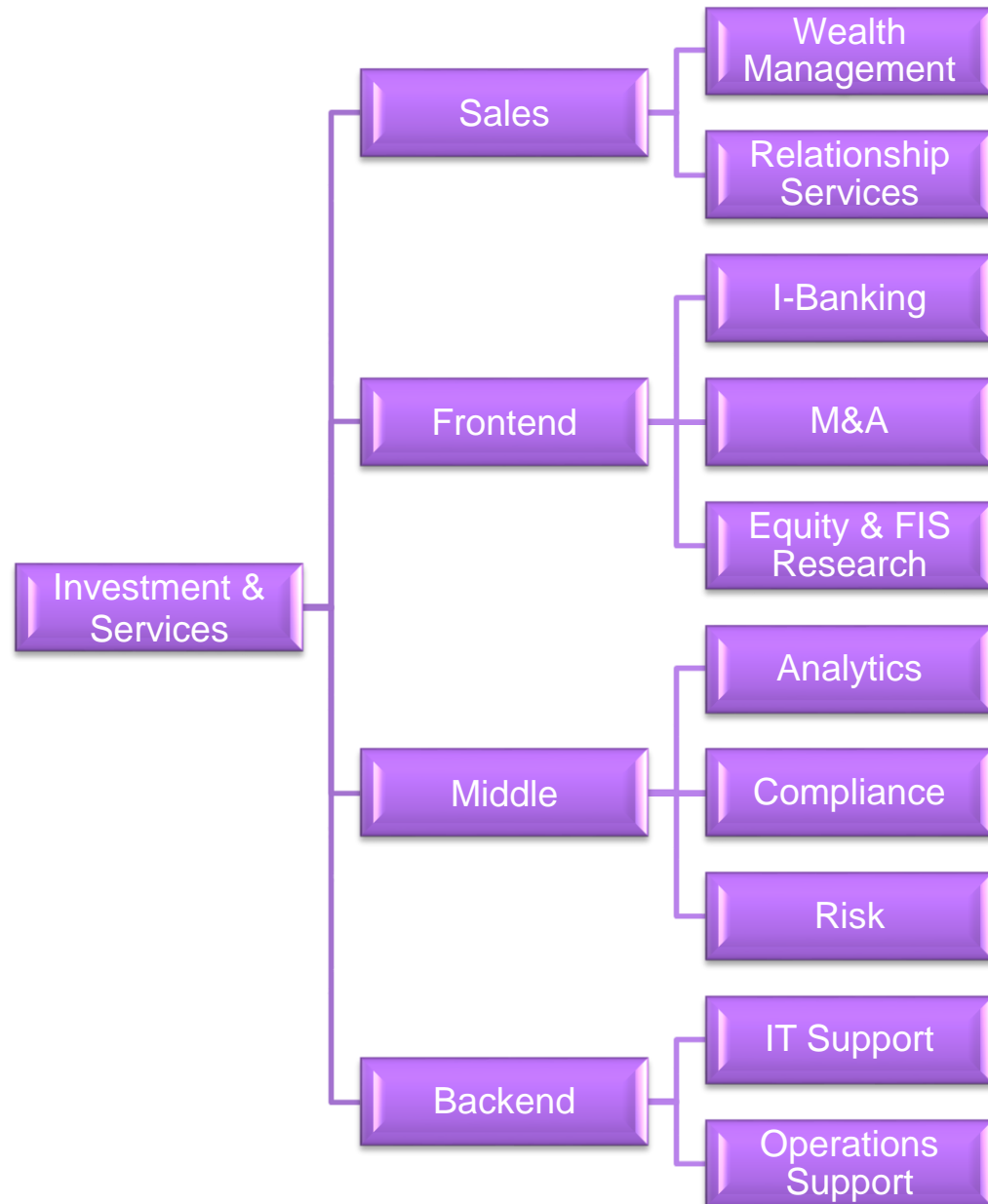
Investment &  
Services

Banking &  
Insurance

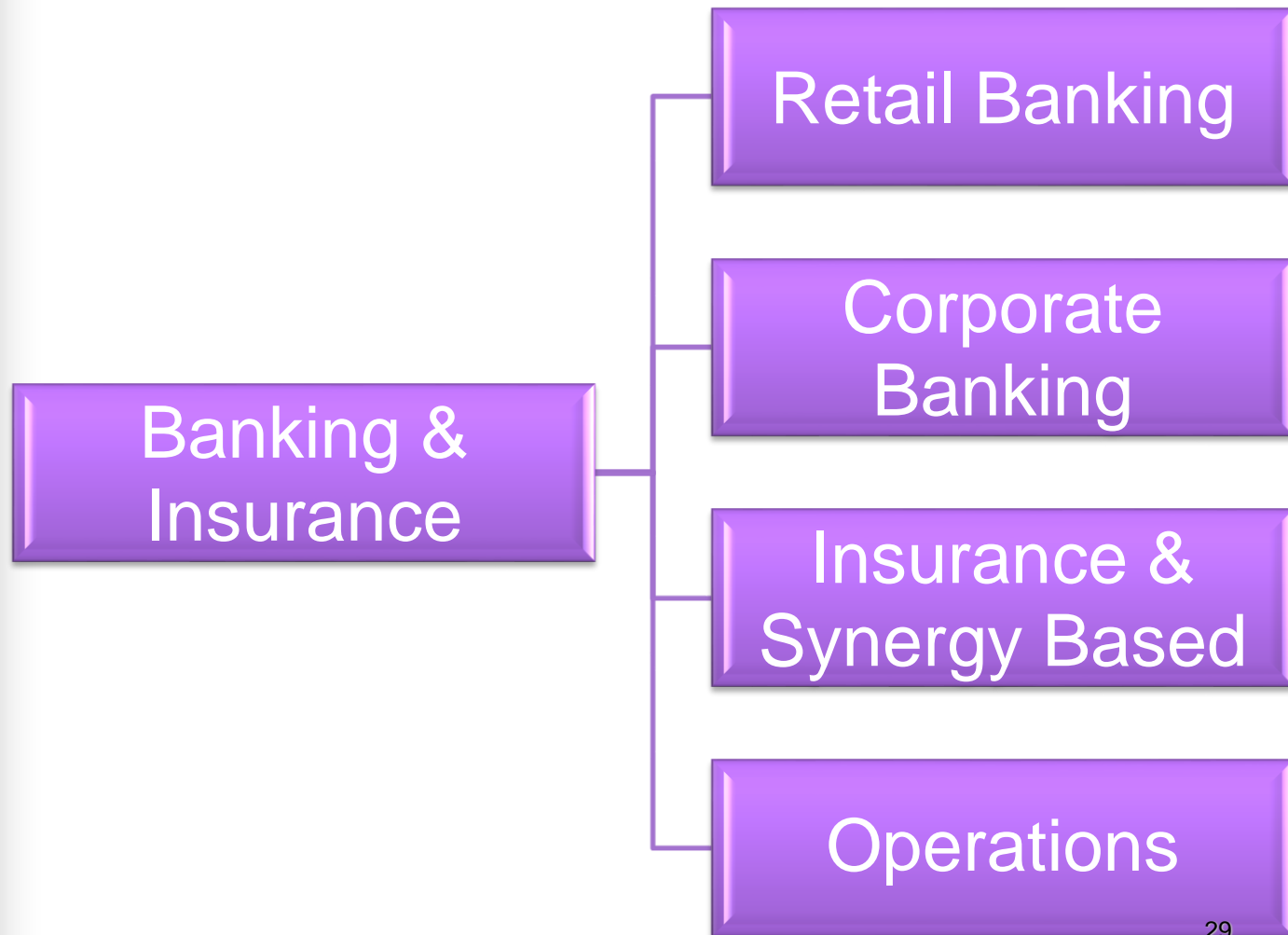
# “Corporate Finance” Streams ...



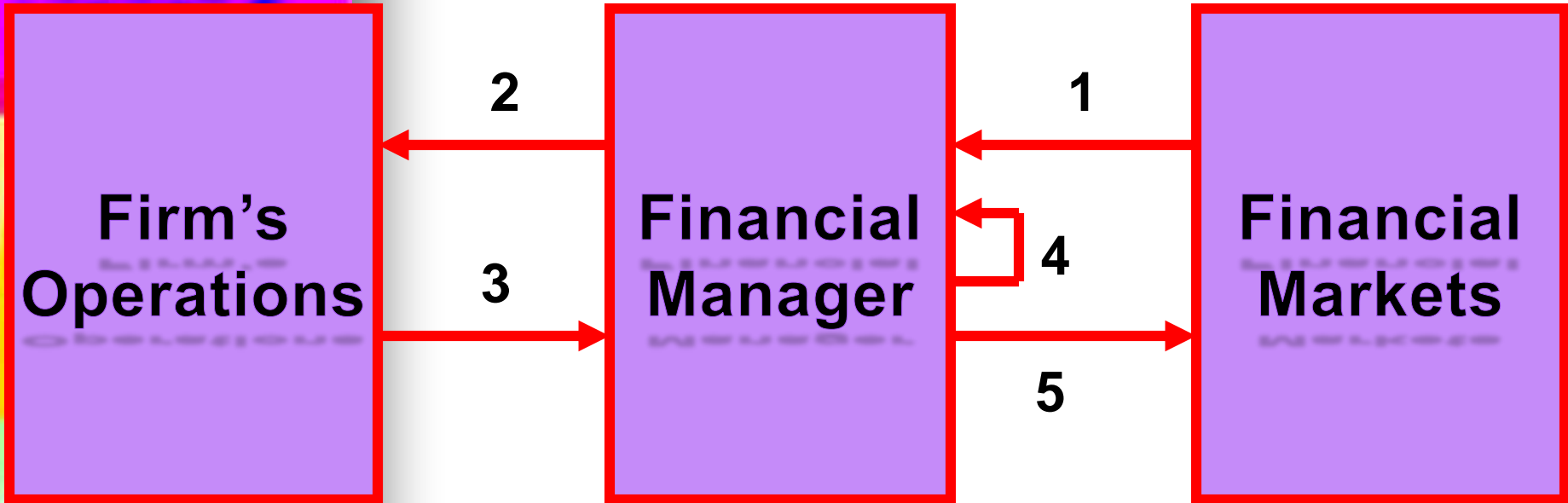
# “Investment & Services” Streams ...



# “Banking & Insurance” Streams ...

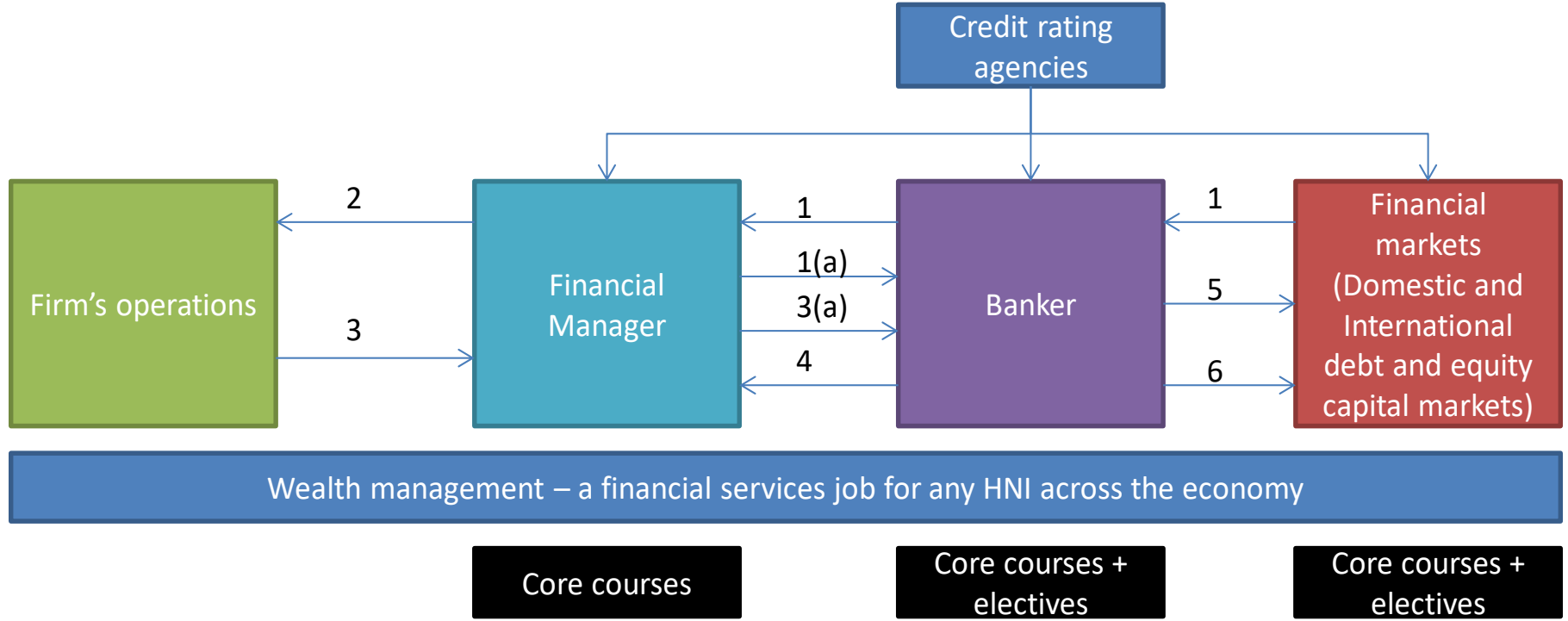


# Role of the Financial Manager



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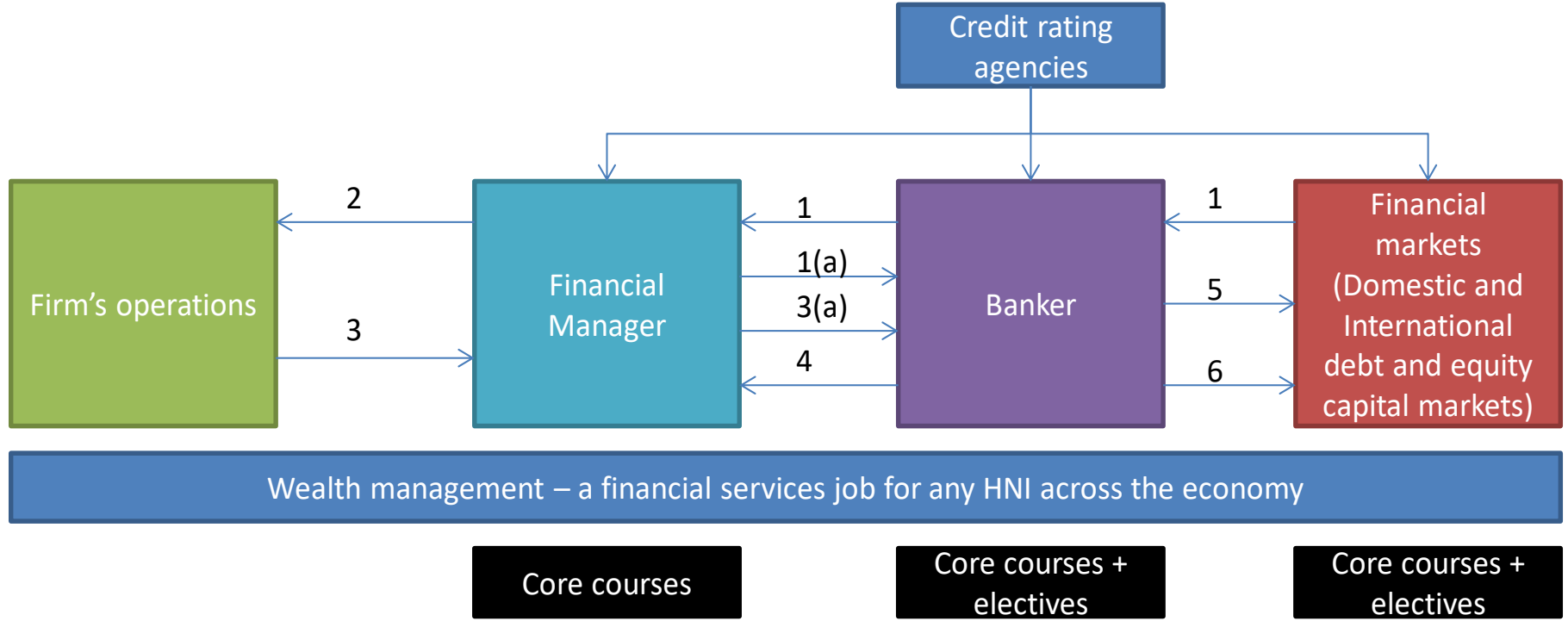




1. Bankers and financial managers raise capital for investors (from capital markets i.e. debt/ equity in INR/ US\$ / foreign currency)
    1. Bankers and financial managers also engage and in hedging needs of the Firm i.e. protecting assets from devaluating due to currencies and liabilities from increasing due to increase in interest rates/ currency
    2. Bankers and financial managers also provide working capital
  2. Financial managers deploy this capital in their business operations – their decision involves capital allocation
  3. (a) Cash generated by the business is to be again protected by Finance Manager (cash management, regular banking)
  4. Banker advises Financial Manager on deployment of cash/ M&A
  5. If no opportunities, Banker advises deploying excess cash in the market
  6. Banks provide research and analytics services to the market
- Options also include services in wealth management and rating agencies which cater to needs to finance managers, bankers and the financial markets

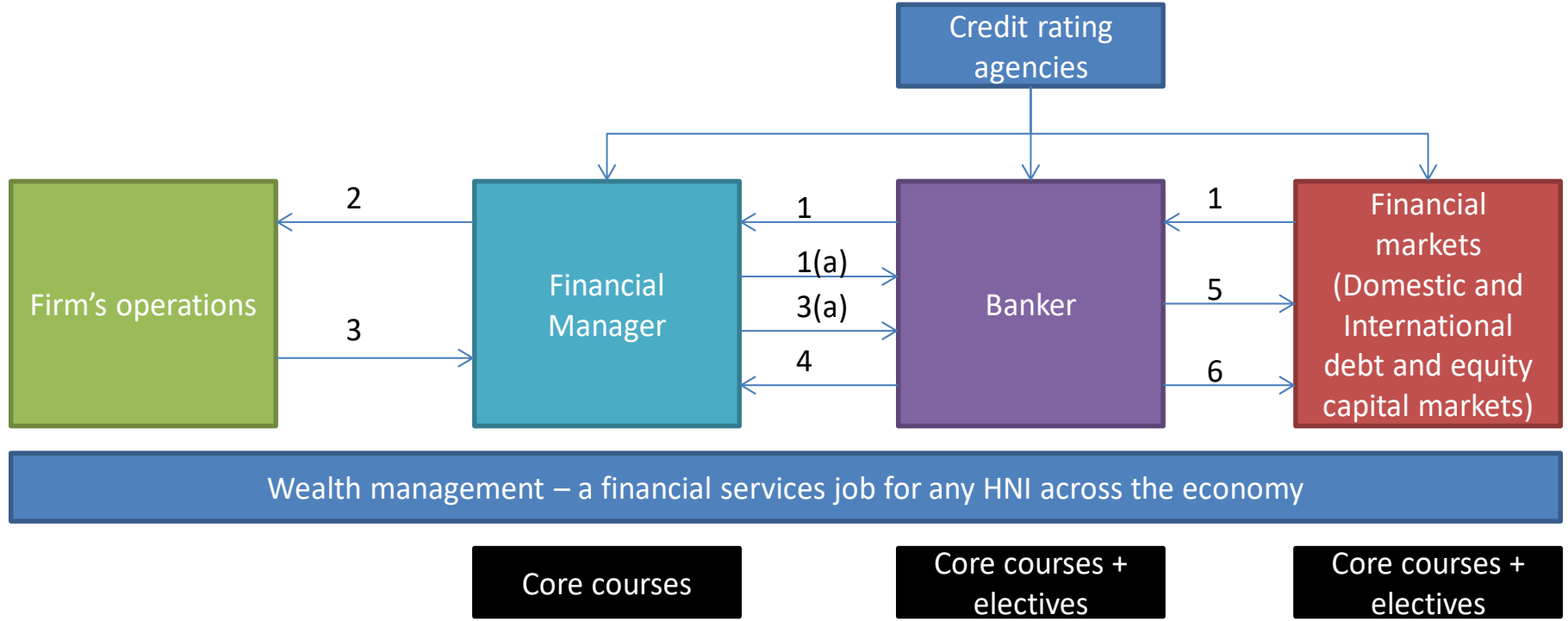






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# Thank You



## Acknowledgements:

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