

# Course Outline

## ACCOUNTING

### *Executive Management Programme (EMP) for The Defence Officers (DO)*

Course Instructor: *ram kumar kakani*



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*School of Business & Human Resources*

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#### **Introduction & Course Objectives:**

All managers (irrespective of their specialization areas) need to understand Finance and Accounting. In this course we will get exposed to Accounting. Instead of covering Accounting independently – I shall try to link Accounting with Finance. By the end of the course, you will have developed some basic understanding about Accounting and basic Finance.

#### *Course Objectives:*

The course provides necessary exposure of *Accounting*. It is to inculcate a broad level of understanding of accounting principles and policies, accounting numbers and their interpretation among the EMP (DO) students. The emphasis would be on sound concepts and their managerial implications.

#### **Pedagogical Methods:**

The course is based on classes, cases, and project work. Active participation by students is an important feature of the course. A variety of quizzes, take home assignments, tests, and case studies are the main pedagogical instruments.

I will explain to you some of the simple principles of Accounting by giving small simple numerical examples. I shall also have extensive case discussions in the class.

#### **Primary Teaching Book & Reading Material:**

*“How to Read a Balance Sheet” by Ramachandran & Kakani, Finance Made Easy Series, Tata McGraw Hill Professional Publications [henceforth, referred as FME BS]*

And

*“How to Read a Profit & Loss Statement” by Ramachandran & Kakani, Finance Made Easy Series, Tata McGraw Hill Professional Publications [henceforth, referred as FME PLS]*

And

*“How to Read a Cash Flow Statement” by Ramachandran & Kakani, Finance Made Easy Series, Tata McGraw Hill Professional Publications [henceforth, referred as FME CFS]*

And

*“How to Analyze Financial Statements” by Ramachandran & Kakani, Finance Made Easy Series, Tata McGraw Hill Professional Publications [henceforth, referred as FME AFS]*

### Other Suggested Readings:

1. Ramachandran, N and Ram Kumar Kakani. **Financial Accounting for Management**. 3rd Edition, Tata McGraw Hill Higher Education, 2011 [ISBN: 978-0-07-133341-2] URL: <http://www.mhhe.com/fam3e> [henceforth, referred as FAM 3e]
2. ‘Accounting Theory’ by Porwal
3. ‘Financial Accounting for Business Managers’ by Asish K Bhattacharya
4. ‘Financial Accounting for Management’ by Gupta
5. ‘Financial Accounting: A Managerial Perspective’ by R. Narayanswamy
6. ‘Introduction to Accounting’ by Marriot
7. ‘Introduction to Financial Accounting’ by Horngren, Sydem & Elliott
8. ‘Accounting’ by Anthony, Hawkins, & Merchant

*Any other good (introductory) book on ‘Accounting’, ‘Financial Accounting’, and ‘Management Accounting’*

### Study Material

Students will be given a set of four text booklets i.e., FME BS, FME PLS, FME CFS, and FME AFS; as reading books as part of the course material. It may be noted that the above text book material should not be considered as exhaustive under any circumstances. Additional cases and notes could be distributed in the class from time to time (these will be usually taken from one of the references provided above). Should the students feel that they need more reading material (or detailed notes) for a particular topic – they can get in touch with me.

### Other Course Policies:

Students are expected to have their own calculators during the class/examinations.

**Exams** → End-term exam will typically have cases/problems followed by questions. The end-term exam will be comprehensive meaning you will be responsible for all the material covered in the course.

**Class Participation** → I will sometimes randomly call on people to present their case/assignment solutions and at other times I will allow people to volunteer to present their homework solutions. Class participation marks will also be based on participation in class discussion, attendance, and being on time.

**Plagiarism/Cheating** → Cheating in examinations, quizzes or assignments will be dealt with severely. Please note that aiding and abetting your batch mates in such activities will also be given the same penalties. **NO** subsequent justifications/ arguments will be entertained.

### System of Evaluation

There are 3 components of evaluation.

Method of Evaluation	Marks
A) Quiz / Class Attendance / Participation	30
B) Take Home Assignment <sup>^</sup>	30
C) End-term Examination* <sup>^</sup>	40

<sup>^</sup> Please note that non-submission of take home assignment or not attending the end-term examination will lead to 'incomplete' grade being awarded

\* Please note that some questions will carry negative marks (for wrong answers)

### TOPICS TO BE COVERED (TENTATIVE):

Session-wise Plan	Suggested Readings
1. Introduction to Accounting	Class Notes PPT of Chapter 1 of FAM 3e Chapter 1 of FAM 3e
2. Introduction to Accounting (Case Discussion)	Class Notes PPT of Chapter 1 of FAM 3e Chapter 1 of FAM 3e
3. Balance Sheet	FME BS Complete Book Chapter 2 of FAM 3e
4. Balance Sheet (Case Discussion)	FME BS Complete Book PPT of Chapter 2 of FAM 3e Chapter 2 of FAM 3e
5. Profit & Loss Statement	FME PLS Complete Book Chapter 3 of FAM 3e
6. Profit & Loss Statement (Case Discussion)	FME PLS Complete Book PPT of Chapter 3 of FAM 3e Chapter 3 of FAM 3e
7. Cash Flow Statement	FME CFS Complete Book Chapter 4 of FAM 3e
8. Cash Flow Statement (incl. Case Discussion)	FME CFS Complete Book PPT of Chapter 4 of FAM 3e Chapter 4 of FAM 3e
9. Revision [Comprehensive Two Period Accounting Case]	Class Notes All of the Above
<i>Deadline for the Comprehensive Assignment Part I</i>	
10. Introduction to Costing and Cost Sheet	Class Notes
11. Cost-Volume-Profit Analysis	Class Notes

12. Standard Costing and Budgeting	Class Notes
13. Budgeting, Transfer Pricing and Responsibility Centers (Case)	Class Notes
14. Analyzing Financial Statements – Common Size and Index Base Analysis	FME AFS Book Chapter 7 of FAM 3e
15. Analyzing Financial Statements – Financial Ratios Part I	FME AFS Book Chapter 7 of FAM 3e
16. Analyzing Financial Statements – Financial Ratios Part II	FME AFS Book Chapter 7 of FAM 3e
17. Analyzing Financial Statements (incl. Case Discussion)	FME AFS Complete Book PPT of Chapter 7 of FAM 3e Chapter 7 of FAM 3e
18. Understanding Quarterly Reports	Class Notes All of the Above
<i>Deadline for the Comprehensive Assignment Part II</i>	
19. Understanding Annual Reports	Appendix A of FAM 3e All of the Above
20. Selected Case Study Analysis and Discussion (VIP)	Appendix D of FAM 3e All of the Above

**Note:**

- ◆ Please note that the above sequence is tentative (and would be altered based on initial class experience).
- ◆ **Prior reading of the suggested reading material would immensely help in the class discussion and assimilation process.**
- ◆ PowerPoint presentations: Session-wise Pdf files would be shared (or e-mailed) after the session.