INDIAN INSTITUTE OF MANAGEMENT KOZHIKODE
Executive Post Graduate Programme in Management
Course Outline

Course Code and Course Title	EPGP-105, Financial Accounting (FA)
Course type	Compulsory
Pre-requisites (if any)	
Course Credit	2
Total no. of sessions	16
Session Duration	75 minutes
Quarter	I
Year and Batch	EPGP-13 2020-21, Ist year
Sections (if any)	Sec C & D

Instructor	*Ram Kumar Kakani*
Contact Details	ramkumar@iimk.ac.in;
Office	Ext: 421
Consultation Hours	Any time with prior appointment

Introduction

Managers (irrespective of their specializations) need to understand Finance and Accounting. It is an introductory course on Financial Accounting. Accounting is the language of business. Planning, controlling and reporting in business uses accounting and hence understanding business, require understanding of accounting. Financial Accounting is used for reporting results of the business to external stakeholders. This course aims at developing reasonable skills to understand, evaluate and use financial information aimed at both managers and external stakeholders.

Accounting is based on a sound methodology. Understanding this methodology is an essential for understanding accounts and business information. Emphasis in this course is on achieving conceptual clarity in accounting. Since, fiscal year 2016-17 onwards India is implementing Indian version of International Financial Reporting Standers (IFRS) called IndAS in a phased manner. This course is proposed based on IndAS and referred to IFRS as and when required.

Learning Outcomes/Course Objectives

By the end of the course, perhaps, you will have developed basic understanding about Financial Accounts and its analytical-cum-managerial aspects. At the end of the course, the students would be able to:

- ❖ To create an awareness of the importance and usefulness of the accounting function
- ❖ To develop an understanding of the three types of financial statements and the principles-cum-concepts underlying them
- ❖ Understand the construction of financial statements and measurement of revenues, expenses, assets and liabilities.
- ❖ To lay foundation for developing skills to interpret Financial Statements
- ❖ Understand the basics of financial statement analysis techniques.

Pedagogical Methods:

Financial Accounting course is based on mini lectures, case analysis, continuous individual assignments and vivid illustrations. Active participation by students is an important feature of the course. A variety of cases & an individual comprehensive project are the key pedagogical instruments.

Textbooks and Learning Materials

Text Book(s)

❖ Ramachandran, Neelakantan & Ram Kumar Kakani. *Financial Accounting for Management. 5th Edition,* McGraw-Hill Education, 2020. [Henceforth, referred as **FAM**]

Reference Book(s)

❖ Accounting Text and Cases, Robert N Anthony, David F Hawkins and Kenneth A Merchant, McGraw Hill
❖ Financial accounting by Weygandt, Jerry J., Paul D. Kimmel, and Donald E. Kieso. John Wiley & Sons.
❖ Financial Accounting for Business Managers by Bhattacharya
❖ Financial Accounting: A Managerial Perspective, PHI Learning Private Limited, New Delhi by R Narayanaswamy
❖ Introduction to Financial Accounting by Horngren, Sundem & Elliott

Additional Reading(s)

❖ International GAAP: Generally Accepted Accounting Practice under International Financial Reporting Standards (IFRS) [Paperback], Ernst & Young (Editor), Wiley Publications

Other Resources (Journals, Internet Websites) (if any)

Journals:

❖ The Chartered Accountant by ICAI
❖ Accounting Review
❖ Journal of Business Finance and Accounting

Web Resources:

The following web based resources have extensive information & data related to Accounting.

- ❖ *Accounting Bodies: [ICAI](#) and [International Accounting Standards Board](#).*
- ❖ *Government & Related Institutional Websites: [Securities and Exchange Board of India (SEBI)](#), [National Stock Exchange (NSE)](#), and [Bombay Stock Exchange (BSE)](#).*
- ❖ *Financial Magazines / Financial Newspaper Websites: [Business Standard](#), [Hindu Business Line](#), [Financial Express](#), [Economic Times](#), etc.*
- ❖ *'Investors Section' / 'Shareholders Section' of Company Websites: For instance: [Infosys Ltd](#), [Reliance Industries](#) & [Tata Steel](#).*

Evaluation Components/Assessment of Student Learning

Assessment Tool	Percentage
END-TERM EXAMINATION	50%
Comprehensive Take Home Assignment^	25%
Class Participation & Related Weekly Home Work (*based on* **Annual Report**)	25%

Grading Pattern*

Grading pattern will be a normal distribution and is subject to the compliance with the IIMK norms.

We are no Gods (i.e., perfect) and therefore there are bound to be 'errors' in estimating the true worth of your answers (and hence, evaluation). However, we promise, evaluation will be unbiased. Also, the 'errors' (if any) should cancel out over the length of the evaluation cycle.

Session Plan

Session Nos. (each of 1.25 hours)	No. of Sessions	Session-wise Plan	Suggested Reading
1	1	Introduction to Accounting with Case Discussion	Chapter 1 of FAM
2	1	Balance Sheet	Chapter 2 in FAM
3-4	2	Balance Sheet (Case Discussion)	Chapter 2 in FAM
5	1	Profit & Loss Account	Chapter 3 in FAM
6-7	2	Profit & Loss Account (Case Discussion)	Chapter 3 in FAM
8	1	Accounting Process using Equation Method (Illustration-Based)	Chapters 2-3, 5 in FAM

Session Nos. (each of 1.25 hours)	No. of Sessions	Session-wise Plan	Suggested Reading
9	1	Statement of Changes in Equity	Chapter 6 in FAM
10	1	Statement of Changes in Equity (Case Discussion)	Chapter 6 in FAM
11-13	3	Financial Statement Analysis	Chapter 7 in FAM + Separate Material to be emailed
14	1	Cash Flow Statement	Chapter 4 in FAM
15	1	Cash Flow Statement (Case Discussion)	Chapter 4 in FAM
16	1	Annual Report Analysis (Case Discussion)	Chapters 1-7, 10 in FAM

Note:

♦ *Prior reading of the suggested reading material would help in the class discussion and assimilation process.*

♦ *The above sequence is tentative (and would be altered based on initial class experience).*

♦ *PowerPoint presentations & Excel Sheets Used (if any): Session-wise Pdf files would be e-mailed after the session.*