

Course Outline

FINANCE FOR HR

for Accenture

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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 both Finance and Accounting. Instead of covering Finance and Accounting as two independent subjects, I will try to show the linkage between the two. By the end of the course, you will have developed some basic understanding about basic Finance and Accounting.

Course Objectives:

The course provides necessary exposure to the students on the basics of finance and accounting. It is to inculcate a broad level of understanding of accounting principles & policies, financial numbers and their interpretation among the students. The emphasis would be on sound concepts and their managerial implications.

In addition to understanding the basics of Finance, you should also be able to create and implement a financial plan for you.

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 Finance and Accounting by giving small and simple numerical examples. You will get the maximum benefit from this course if you bring a calculator with you to the class and solve the problems along with me. I will also show you – on how one can get useful financial data from the websites.

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. “Financial Accounting for Management” by Ramachandran & Kakani, 2nd Edition, McGraw Hill Publications, 2007 [ISBN: 978-0-07-066691-7]. URL: <http://www.mhhe.com/fam> [henceforth, referred as FAM 2e]
2. “Corporate Finance” by Ross, Westerfield, Jaffe & Kakani, Special Indian Edition, 8th Edition, McGraw Hill Irwin, Tata McGraw Hill Higher Education, 2009 [ISBN: 978-0-07-009124-5]. URL: <http://www.mhhe.com/sie-rwj8e> [henceforth, referred as CF 8e]

Any other good (introductory) book on ‘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. Each one of you has to submit an Excel assignment where you will be creating a financial plan for you. I will explain this in detail in the class. In addition, we will have a Mid-term examination (in the last class on Monday) and an End term Examination. The following table is self-explanatory.

Method of Evaluation	Marks
A) Quiz/ Class Attendance/ Participation	40
B) Take Home Assignment	20
C) End-term Examination	40

TOPICS TO BE COVERED (TENTATIVE):

Session-wise Plan	Suggested Readings
1. Introduction to Accounting (Case Discussion)	Class Notes PPT of Chapter 1 of FAM 2e
2. Balance Sheet	FME BS Complete Book
3. Balance Sheet (Case Discussion)	FME BS Complete Book PPT of Chapter 2 of FAM 2e Class Notes
4. Profit & Loss Statement	FME PLS Complete Book
5. Profit & Loss Statement (Case Discussion)	FME PLS Complete Book PPT of Chapter 3 of FAM 2e Class Notes
6. Cash Flow Statement	FME CFS Complete Book
7. Cash Flow Statement (incl. Case Discussion)	FME CFS Complete Book PPT of Chapter 4 of FAM 2e Class Notes
8. Analyzing Financial Statements – Common Size and Index Base Analysis	FME AFS Book
9. Analyzing Financial Statements – Financial Ratios	FME AFS Book
10. Analyzing Financial Statements (incl. Case Discussion)	FME AFS Complete Book PPT of Chapter 7 of FAM 2e Class Notes
11. Time Value of Money	PPT of Chapter 4 of CF 8e Class Notes
12. Selected Case Study Analysis and Discussion	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.