

Course Outline

FINANCE AND ACCOUNTING FOR DECISION MAKING

Course Instructor: *ram kumar kakani*



Contact: Email: kakani@xlri.ac.in Tele: +91-657-665-3197

Introduction:

Business is about making money and playing with money. Hence, as healthcare operations (unit-in-charge) executive, one needs to have a fair idea of essential things about finance. This course provides necessary exposure to the student(s) on the basics of accounting & finance for operational decisions. It is to inculcate a broad level of financial awareness among the executives. Therefore, I will strongly advise you **not** to take the course just as another hurdle that you must clear to get a bullet point on the CV. If you need any extra help in the course, do not hesitate to get in touch with me.

Course Objectives:

The objective of the course is to acquaint the healthcare operations (unit-in-charge) executive with the key finance and accounting concepts and techniques such as understanding financial statements, financial analysis, time value of money, budgeting, cost sheet, shareholder value maximization and capital budgeting techniques, where emphasis is laid on sound concepts and their managerial implications. Thus, the **FADM Course Key Themes are**

- Understanding Financial Statements

- Appreciating Basic Techniques & Tools for Financial Analysis & Business Performance
- Evaluation & Risk Analysis of Capital Spending Decisions
- Cost-Based Decision Making
- Budgeting Principles & Applications

Pedagogical Methods:

FADM 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 quizzes, class illustrations, and case studies are the main pedagogical instruments.

Study Material

Students will be given four books as part of the course material. It may be noted that these book set should not be considered as exhaustive under any circumstances. List of suggested readings are given in the next few sections. URLs & folders of more reads will follow.

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 exercises, class illustrations, and case studies are the main pedagogical instruments.

Primary Teaching Book & Reading Material:

1. “Finance Made Easy” Series (Set of Four Books) by Ramachandran & Kakani, 2nd Edition, McGraw Hill Education, 2013, ISBN: 9789332901421.
 - a. Ramachandran, Neelakantan & Ram Kumar Kakani. *How to Read a Balance Sheet. Finance Made Easy Series, 2nd Edition.* McGraw Hill, 2013
 - b. Ramachandran, Neelakantan & Ram Kumar Kakani. *How to Read a Profit & Loss Statement. Finance Made Easy Series, 2nd Edition.* McGraw Hill, 2013
 - c. Ramachandran, Neelakantan & Ram Kumar Kakani. *How to Analyze Financial Statements. Finance Made Easy Series, 2nd Edition.* McGraw Hill, 2013
 - d. Ramachandran, Neelakantan & Ram Kumar Kakani. *How to Read a Cash Flow Statement. Finance Made Easy Series, 2nd Edition.* McGraw Hill, 2013

Primary Supporting Material:

2. Assortment of reading articles and caselets by the author. Students will be given a few pdf files of short readings (or, sample submissions) as part of the course material at the end of each session.
3. "Financial Accounting for Management" 3/e by Ramachandran & Kakani, McGraw Hill, 2016
4. "Fundamentals of Financial Management" by Van Horne & Wachowicz, EEE Publication
<https://www.dropbox.com/s/ofcklbei5qeljrc/fundamentals-of-financial-management.pdf?dl=0>

Other Suggested Readings:

5. "Corporate Finance" by Ross, Westerfield, Jaffe, & Kakani, 11th Edition, Special Indian Edition, McGraw Hill Education, 2018.
Any other good introductory book on Corporate Finance OR Financial Management

System of Evaluation:

Method of Evaluation	Course Marks
A) Class Participation & Related Home Work	80
B) End-term Examination	20
Total	100

Grading Pattern

Range of Marks	0-30	31-35	35-40	41-45	46-50	51-60	61-70	71-80	81-100
Grades	F	D	D+	C	C+	B	B+	A	A+

Note: Adjustments in the above could be made to meet the norms of the institute.

Sources of Financial & Accounting Information:

The following sources have extensive information about corporate financial world, economy and markets.

- ◆ **Government & Related Institutional Websites** such as Regulator and Stock Exchanges
- ◆ **Financial Magazines / Financial Newspaper Websites**
- ◆ Other capital market websites
- ◆ **'Investors Section' / 'Shareholders Section' of Company Websites**

Session Plan:

Session Nos.	Deliverables	Session-wise Plan	Suggested Reading
First Visit by Faculty: Day 1			
1		Introduction (Warren Buffet & Amar Akbar)	Book: How to read a Balance Sheet
2		Balance Sheet (RSL; PPT PDF HO)	Book: How to read a Balance Sheet
3	AR Analy.	Balance Sheet Analysis (UAE Co. & Four Co.)	Books: How to read a Balance Sheet
4		Profit & Loss Statement (RSL; PPT PDF HO)	Books: How to read a Profit & Loss Statement
First Visit by Faculty: Day 2			
5	AR Analy.	Profit & Loss Statement Analysis (UAE Co. & Four Co.)	Book: How to read a Profit & Loss
6	AR Analy.	Interlinking Financial Statements (UAE Co, UltraTech & Four Co.)	Book: How to read a Profit & Loss
7		Financial Statement Analysis – Profitability (UltraTech & Cement)	Book: How to analyze Financial Statements
8	AR Analy.	Financial Statement Analysis – Solvency (UltraTech & Cement)	Book: How to analyze Financial Statements
Second Visit by Faculty: Day 1			
9		Review and Discussion on the Role of Financial Manager	Short Reading Note
10	AR Analy.	Financial Statement Analysis – Working Capital Management (UltraTech & Cement)	Book: How to analyze Financial Statements
11	AR Analy.	Drivers of Financial Wealth (SVM Framework)	Short Reading Note
12		Time Value of Money (HO)	Short Reading Note
Second Visit by Faculty: Day 2			
13	Self Exp.	Time Value & Cost of Capital Intro. (PPT PDF HO)	Short Reading Note
14		Capital Budgeting Techniques Intro. (HO)	Short Reading Note
15	AR Analy.	Cash Flow Statement (RSL; PPT PDF HO; & UAE Co.)	Book: How to read a Cash Flow Statement
16	Self Exp.	Cash Budgeting (Excel Sheet of Hospital)	Short Reading Note

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: Session-wise Pdf files would be e-mailed after the session.*

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