

PAPER CODE: BB106: FINANCIAL ACCOUNTING

Learning Objectives:

- To develop critical thinking and problem solving competencies, at both the individual and group levels, of financial statement analysis.
- Use Financial Statements to evaluate firm performance.
- To know the difference between Capital & Revenues receipts and payments To understand how ratios help in determining financial position of a company

UNIT-I: INTRODUCTION TO ACCOUNTING:

Meaning & Definition of Financial Accounting - Objectives & Advantages of Financial Accounting, Scope of Accounting Science - Accounting as a Business Information System; - Accounting Equation - Static & Dynamic view. **UNIT-II: CONCEPTUAL**

FRAMEWORK:

Accounting Concepts & Conventions, their Implication on Accounting System; Double Entry System - Recording Business Transactions - Classifications of Accounts- GAAP.

UNIT-III: ACCOUNTING PROCESS:

Accounting Process - Accounting Cycle – Primary entry (Journal) – Journalization of Transactions, Subsidiary Books, Ledger posting, preparation of Trial Balance, Suspense Account;

UNIT-IV: FINAL ACCOUNTS:

Preparation & Presentation of Financial Statement - Profit & Loss account - Preparation of Balance Sheet (Latest Formats), Provisions of the Indian Companies Act regarding Preparation & Presentation of Financial Statements.

UNIT-V: DEPRECIATION:

Definition, Causes of Depreciation, Methods of Depreciation – Straight line method, Diminishing balance method, Sum of Digits Method, Machine Hour Rate Method, Advantages and Disadvantages of Depreciation

REFERENCE BOOKS:

1. S.P. Jain and K. L. Narang, “Financial Accounting and Analysis”, Kalyani Publishers, 2008.
2. N. Ramachandran, Ramkumar Kakani, “Financial Accounting for Management”, 2005
3. Ambarish Gupta, “Financial Accounting for Management”, 2009, 5th Edition, Oxford Univeristy Press

4. Dr. Jawaharlal, "Accounting for Management", Himalaya Publishing House,

Learning Outcomes:

- Use Accounting Principles in recording the transactions.
- Analyze the financial statements of a company
- Use ratio's in analyzing the statements of a company