Subject Code: 1MS3010102	Subject Title: Fundamentals of Financial Accounting

1. Course Overview

The growing complexities of modern day business have put heavy demands on the enterprises in the preparation and presentation of their financial statements and other financial reports for the various stakeholders. A business transaction involves economic activities and monetary exchanges which need to recorded. Based on financial information a business formulates its strategies for revenue enhancement, cost economies, efficiency improvements and further expansion / diversification for creating and enhancing the wealth of its shareholders. Understanding the basics of accounting has become paramount importance. Financial Accounting is computerized in most organizations. The student needs to be familiar with one or more of the packages used in maintaining financial accounts. More importantly, the student needs to make sense of the data from such packages & take business decisions. This course is an introductory course.

2. Course Objectives

After the course, participants

- Would know the principles of recording transactions between the business entity & the environment
- Would be able to use a financial accounting package to record routine transactions
- Would be able to understand the meaning, objectives and causes of depreciation and computation of depreciation by various methods
- Would be able to prepare final accounts
- Would be able to reconcile the bank accounts
- Would be able to draw business critical information from Financial Statements, namely Balance Sheet, Profit & Loss Account in terms of ratios
- Would get basic understanding of new developments in accounting

3. Teaching Scheme (Hours per week)

Lecture (Hrs.)	Tutorial	Practical	Credit	Evaluation Scheme (Marks)		Total
				University Assessment	Continuous Assessment	
3	1	0	4	60	40	100

4. Syllabus:

Module No.	Contents	Total Hours	Weight (%)
1	**Introduction to Accounting** Introduction to business as system & process of recording of transactions between the business and the environment	6	10

2	**Introduction to Accounting Mechanics** Introduction to Journal, Ledger, Subsidiary books and Trial balance, Generally Accepted Accounting Practices (GAAP), Preparation of Final accounts with adjustments	6	15
3	**Recording of Transactions** Introduction to financial package like Tally Process of recording the transaction in the package Generating a Report in the package and interpreting a report	6	15
4	**Depreciation Accounting** Meaning and objectives of providing depreciation. Causes of depreciation Computation of depreciation on the basis of Straight Line Method and Diminishing Balance Method	6	15
5	**Reconciliation of Bank Accounts** Causes for difference in the balance as per pass book and balance as per cashbook Procedure for preparation of bank reconciliation statement	6	15
6	**Understanding Financial Statements** Meaning of Financial Statements – Income statement and Balance Sheet, Profitability Ratios, Investment Ratios, Financial Condition Ratios, Overall Measurement Ratios, Limitations of Ratio Analysis	6	15
7	**New Developments in Financial Accounting** Human Resource Accounting, Carbon Accounting, Forensic Accounting, Inflation Accounting	6	15

5. Suggested Readings

- **Text Books**

Author/s	**Publication**	**Title**
Maheshwari&Maheshwari	Vikas	Accounting for Management

- **Reference Books**

Author / s	**Publication**	**Title**
S.K. Bhattacharya & John Dearden	Vikas Publication	Accounting for Management – Text & Cases
Anthony,Hawkins,Merchant	Tata McGraw Hill	Accounting – Text & Cases
Mukherjee, Hanif	Tata McGraw Hill	Modern Accountancy – volume 1

6. Evaluation Scheme

Sr. No.	**Component**	**Weight**
1	**University Examination** *** For the written examination, the open book examination may be opted by the paper setter appropriately**	**60%**

2	**Internal Assessment** -Depending on the need and objectives of the subject, internal assessment should include minimum three of the following sub-components; *Class Test, Quiz, Assignments, Case Presentation, Class Participation, Projects, Team/Individual Assignments.* -The weightage of a sub-component should not exceed 50% of internal assessment component weight. -The bifurcation of sub-components shall be communicated by the instructor before commencement of the academic sessions.	**40%**