

**JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA**

**PGDM (SM); TRIMESTER I; ACADEMIC YEAR 2019-20**

Course Code and title	FIN101: Accounting Fundamentals
Credits	Three
Term and Year	1 <sup>st</sup> Term, 2019 -20
Course Pre-requisite(s)	Basic Understanding of Business
Course Requirement(s)	
Course Schedule (day and time of class)	As per time table
Classroom # (Location)	104
Course Instructor	Dr. Pratibha Wasan
Email	pratibha.wasan@jaipuria.ac.in
Telephone Number (for office appointments)	0120-4638331
Student Consultation Hours	
Office location	Faculty Room No. __ (First Floor)

### **1. Course Overview**

This course introduces you to the language of business and brings awareness about the need for accounting and its process. It enables you to estimate the items of financial statements and perform basic analysis on the same. Financial accounting captures business performance and reports it. Several categories of users have different perspectives and use information contained in the financial statements accordingly. For instance, Managers for making investment decisions; Bankers in their lending decisions; Investors in their valuation of stocks etc.

You should leave the course with the ability to be able to understand, prepare and analyse financial statements. The course is practical and focusses on enabling you to apply the learning in the class room for preparing and analysing financial statements on your own. Students planning a career in accounting, the financial industry, consulting, or general management, will find the knowledge acquired in this course relevant.

### **2. Course Learning Outcomes**

On successful completion of the course you should be able to:

1. Explain accounting concepts, principles & conventions
2. Estimate individual items of financial statements
3. Prepare financial statements from the given trial balance data
4. Analyze financial statements using ratios
5. Identify ethical issues in accounting

### 3. Mapping of CLOs with PLOs

	PLO 1	PLO 2	PLO 3	PLO4	PLO5	PLO6	PLO7	PLO8
CLO 1								
CLO 2								
CLO 3								
CLO 4			X (M)					
CLO 5						X (L)		

### 4. Text Book

Narayanaswamy R, *Financial Accounting - A Managerial Perspective*, PHI Learning, New Delhi (5<sup>th</sup> edition), 2014.

### 5. Assessment Tasks

Assessment Item	Description	Weightage	CLO
Quiz	Three quizzes with 10% each and sum of best two would be counted.	20 %	CLO1, CLO2 CLO3, CLO4
ESRT (Ethics Situation Reaction Test)	Session 22	10%	CLO5
Individual assignment/case analysis	Announced in 10 <sup>th</sup> session and to be submitted in 15 <sup>th</sup> session	10%	CLO3
Group Project	Announced in 7 <sup>th</sup> session and to be submitted in 20 <sup>th</sup> session	20%	CLO2 CLO4
End-Term Examination	After 24 sessions	40%	CLO1, CLO2, CLO3, CLO4

### Assessment Task Description

#### A. Quiz

**Weightage:** 10% each and total 20% (refer detailed Rubrics for evaluation at the end).

**Description:** There will be ‘three’ quizzes administered through Moodle with **sequential layout** and individual performance will be assessed. Question bank of minimum 30 questions to be created for a quiz of 10 questions. Quiz questions: **20% basic, 50% intermediate and 30% advanced level.**

**Expectation from students:** To be able to identify concepts in situation based quiz, estimate individual items and analyse ratios.

**Submission details:** Moodle based quiz.

**Feedback and return of work:** Marks will be announced immediately after quiz completion. Qualitative Feedback will be given in the succeeding session.

**Pre/In/beyond class:** In Class

**B. ESRT (Ethics Situation Reaction Test)**

**Weightage:** 10% (refer detailed Rubrics for evaluation at the end).

**Description:** 10 MCQs on financial accounting situations involving ethical dilemma would be administered for collecting individual responses from the students.

**Expectation from the students:** Student should be able to identify ethical issues in accounting

**Suggested time to devote to this task:** 11 Weeks

**Submission details:** LMS based test

**Feedback and return of work:** Marks will be announced immediately after ESRT completion. Qualitative Feedback will be given in the succeeding session.

**Pre/In/beyond class:** In class

**C. Individual assignment (case analysis) :**

**Weightage:** 10% (refer Rubrics for evaluation at the end)

**Description:** The students would be required to prepare financial statements (or do case analysis) from the given data/case.

**Academic Integrity:** Submissions without a 'turnitin' report on similarity index will not be accepted. The similarity index should not be more than 20%.

**Late submissions:** will be outright rejected. The onus of confirming submissions lies with the groups. Only one assignment per group will be accepted. Multiple assignments will be seen as failure to comprehend the submission guidelines and will have a reflection in marks awarded to the group.

**Suggested time to devote to this task:** One Week

**Submission details:** Soft copy upload on LMS

**Feedback and return of work:** Feedback will be given within 1 week after assessment.

**Pre/In/beyond class:** Beyond class

**D. Group Project**

**Weightage:** 20% (refer Rubrics for evaluation at the end)

**Description:** This would be a word document (single spaced, 12 font) with supporting Excel data file on sector specific financial analysis using ratios which is to be submitted through Moodle.

**Expectation from the students:** Estimation and analysis of assigned sector using ratios taught in the class

**Academic Integrity:** Submissions without a turnitin report on similarity index will not be accepted. The similarity index should not be more than 20%. Every group has the option to "fire" from the group the members who chose to engage in social loafing and contribute marginally towards the project work. Such students will be required to take a separate project from me to do on their own and 10 marks will be deducted from their overall marks at the end of the term. The marks of the group will be applicable to all its members.

**Late submissions:** will be outright rejected. The onus of confirming submissions lies with the groups. Only one assignment per group will be accepted. Multiple assignments will be seen as failure to comprehend the submission guidelines and will have a reflection in marks awarded to the group.

**Suggested time to devote to this task:** TWO weeks

**Submission details:** Soft copy upload on LMS

**Feedback and return of work:** Feedback will be given within 1 week after assessment.

**Pre/In/beyond class:** Beyond class

**E. End Term Examination**

**Weightage: 40%**

*Level of questions: 20% basic, 50% intermediate and 30% advanced level*

**Description:** Will be based on full course and will consist of accounting concepts, estimation and analysis based questions

**Expectation from the students:** Student should be able to apply accounting concepts for estimation and analysis.

**Suggested time to devote to this task: 4-6 Week (1 Hour daily)**

**Submission details:** End Term Examination (Scheduled by Exam Office)

**Feedback and return of work:** Feedback will be given within 1 week of the exam

**5. Session Plan**

Session	Topic/ Sub Topic	Reading Reference	Pedagogy	Session Learning Outcomes	CLO
<b>Module I: Financial Accounting and the Underlying Concepts</b>					
1.	Financial Accounting: Need for financial accounting, Users of financial statements, Introduction to financial statements, Accounting process	Chapter 1 Pp. 12-22; 42-50	Class discussion  Handout: Auditor's Report	At the end of the session, the student will be able to describe the utility & importance of financial statements	CLO1
2.	Accounting Concepts, Principles and Conventions	Chapter 1 Pp. 22-25 Chapter-3 Pp. 108-111 Chapter 6 Pp.265-266	Class discussion, caselets	At the end of the session, the student will be able to explain the accounting concepts	CLO1
3.	Rules of accounting, Journal, Ledger and Trial Balance	Chapter 2 Pp. 68-71 Chapter-2 pp.80-83	Case	At the end of the session, the student will be able to prepare journal, ledger and trail balance using rules of accounting	CLO1
4.	Accounting equation and transaction analysis	Chapter 1 Pp. 36-41	Class discussion	At the end of the session, the student will be able to demonstrate the effect of business	CLO1

			Problem exercises	transactions on accounting equation	
5.	Estimating revenue from sales, COGS and operating expenses	Chapter 4 Pp.164-175	Annual Report, Text Book Exercises, Discussions	At the end of the session, the student will be able to estimate sales and COGS	CLO2
6.	Estimating revenue from sales, COGS and operating expenses	Chapter 5 Pp. 233-234	Annual Report, Text Book Exercises, Discussions	At the end of the session, the student will be able to estimate operating expenses	CLO2
7.	Estimating P&L items with adjustments	Caselets	Class Discussion Problem exercises	At the end of the session, the student will be able to estimate items of income statement with adjustments	CLO2
8.	Cash and cash equivalents, receivables, Inventory costs & valuation	Chapter 5 Pp.217-218; 222-223; 226-227; 229 Chapter 6 Pp. 255-256; 259-264	Annual Report, Text Book Exercises, Discussions	At the end of the session, the student will be able to estimate cash, receivables and inventory for valuation	CLO2
9.	Fixed assets: cost of acquisition and depreciation methods. Capital and revenue expenditure, overview of revaluation of fixed assets and impairment of assets.	Chapter 7 Pp. 287-322	Annual Report, Text Book Exercises, Discussions  <i>Handout upload on moodle- Accounting standard on PPE IND AS 16</i>	At the end of the session, the student will be able to estimate the amount of depreciation and value of fixed asset	CLO2
10.	Liabilities in perspective, classification of liabilities: current liabilities, non-current liabilities,	Chapter 9 Pp. 382-411	Annual Report, Text Book Exercises, Discussions	At the end of the session, the student will be able to estimate different liabilities on a balance sheet	CLO2

	contingent liabilities and deferred tax				
11.	Shareholder's equity, share capital, preference share capital, reserves and surplus	Chapter 10 Pp. 438-444	Annual Report, Text Book Exercises, Discussions	At the end of the session, the student will be able to estimate the shareholder's equity	CLO2
12.	Review of sessions 1-11	Annual Report	Comprehensive Case	At the end of session, the student will be able to recollect concepts of accounting and the items of P&L statement and balance sheet	CLO1 & CLO2
13.	Income Statement and Balance Sheet	Annual Report	Problem exercises  Notes to Account	At the end of the session, the student will be able to prepare income statement and balance sheet from given business transactions and closing balances of the year	CLO3
14.	Ethics in Accounting	Handouts	Guest Session	At the end of the session, the student will be able identify ethical issues in accounting	CLO5
15.	Cash flow statements-format, need, Cash Vs. Accrual accounting	Chapter 12 Pp. 532-534	Annual Report, Text Book Exercises, Discussions	At the end of the session, the student will be able to describe the need for cash flow statement	CLO1
16.	Cash flow statements-Cash from operating activities	Chapter 12 Pp. 538-543	Annual Report, Text Book Exercises, Discussions  <i>Handout upload on moodle- Accounting standard on cash flow statement IND AS 7</i>	At the end of the session, the student will be able to calculate cash generated from operating activities of a business	CLO2
17.	Cash from investing activities	Chapter 12 Pp. 543-546	Class Discussions	At the end of the session, the student will be able to calculate cash generated from investing activities of a business	CLO2

18.	Cash from financing activities	Chapter 12 Pp.549	Annual Report, Text Book Exercises, Discussions	At the end of the session, the student will be able to calculate cash generated from financing activities of a business	CLO2
19.	Cash flow statement and concept of free cash flows.	Chapter 12 Pp.550-552	Annual Report, Text Book Exercises, Discussions	At the end of the session, the student will be able to interpret the cash flows of a firm	CLO1, CLO4
20.	Financial statement analysis: objectives, source of information, standards of comparison	Chapter 11 Pp. 478-482	Class Discussion	At the end of the session, the student will be able to describe need for financial statement analysis for different stakeholders	CLO1
21.	Profitability analysis	Chapter 11 Pp. 493-497	Annual Report Class discussion Problem Exercises	At the end of the session, the student will be able to Analyse and interpret profitability of a company	CLO4
22.	liquidity Analysis Solvency analysis	Chapter 11 Pp. 500-501 Pp. 503-505	Annual Report Class discussion Problem Exercises  Handouts: Techniques for sector specific financial analysis	At the end of the session, the student will be able to analyse and interpret liquidity and solvency of a company	CLO4
23.	Activity & Efficiency analysis	Chapter 11 Pp. 501-502	Annual Report Class discussion Problem Exercises	At the end of the session, the student will be able to analyse and interpret the efficiency of a company	CLO4
24.	Review Session 13-23	Annual Report	Comprehensive Case	At the end of session, the student will be able to recollect concepts of cash flow statement and ratios for analysing P&L statement and balance sheet	CLO2,3,4

### Time budgeting in course planning:

Please note that while assigning activities and planning teaching schedules following table may be of help. The weightage of items in the table is prescriptive and may vary according to course requirement. Yet it is indicative of how student time per course can be budgeted:

Activity	Description	Time Budgeted
Classes	2-3 hours per week for 12 weeks(as per schedule of programme office)	30 hours
Reading	Prescribed readings and making notes	15 hours
Preparation of set questions, exercises and problems	Including shared and group exercises	30 hours
Preparation of assignment	Reading and writing	15 hours
Study and revision for test and end of Trimester examination	Self-preparations	15 hours
<b>TOTAL</b>		<b>105 hours</b>

### References:

- Anthony R. A, Hawkins D.F and Merchant K.A, Accounting: Text and Cases, Tata McGraw Hill Publishing Company Limited, New Delhi (12th Edition), 2011.

### Internet Resources

- [www.accountingcoach.com/](http://www.accountingcoach.com/)  
This website has details on all accounting topics. It has an exhaustive glossary of accounting terms. Apart from explaining various accounting concepts, this website has host of other interactive tools like Quizzes, Questions & Answers, Crosswords, and templates to practice the concepts.
- [www.aaahq.org](http://www.aaahq.org)  
This is the website of American Accounting Association. The American Accounting Association promotes worldwide excellence in accounting education, research and practice. This website contains a digital library which has exhaustive archive of accounting publications. It also has latest accounting news and research articles.
- [www.accountingtoday.com](http://www.accountingtoday.com)  
AccountingToday.com is a leading provider of online business news for the tax and accounting community, offering breaking news, in-depth features, insightful editorial analysis, and a host of Web-related resources and services. This website would help students to keep abreast with the latest in the field of accounting.
- [www.coursera.org](http://www.coursera.org)  
Students are advised to join a course on Coursera – “An Introduction to Financial Accounting” taken by Brian J Bushee from Wharton (University of Pennsylvania) - <https://class.coursera.org/accounting-001>. The course covers most of the topics as we have in our ADM course and can help students to reiterate and test their learning further.
- The students are also advised to read The Economic Times and Business Today regularly for getting the latest updates.

**Other Resources:**

- Annual reports: Annual reports of two companies, one from service Industry and another from a typical manufacturing company is used for the classroom discussion.
- Cases: Annual reports of different companies are shown and discussed as cases/examples to discuss practical intricacies. In addition, few more cases from book/Ivey/Harvard are used for cementing the basics.

**10. RUBRICS FOR ASSESSMENT COMPONENTS****10.1 RUBRICS FOR QUIZ (20 Marks)**

<b>QUIZ-1 (10 Marks)</b>	<b>Low 1 pts (1-3marks)</b>	<b>Average 2 pts (4-7marks)</b>	<b>High 3pts (8-10marks)</b>
<i>Explain CLO1</i>	Student is able to explain 30% or less of the accounting concepts and conventions	Student is able to explain more than 30% and less than 70% of the accounting concepts and conventions	Student is able to explain 70% or more of the accounting concepts and conventions
<b>QUIZ-2 (10 Marks)</b>	<b>Low 1 pts (1-3marks)</b>	<b>Average 2 pts (4-7marks)</b>	<b>High 3pts (8-10marks)</b>
<i>Estimate CLO2</i>	Student is able to estimate 30% or less of individual items	Student is able to estimate more than 30% and less than 70% of the individual items	Student is able to estimate 70% or more of the individual items
<b>QUIZ-3 (10 Marks)</b>	<b>Low 1 pts (1-3marks)</b>	<b>Average 2 pts (4-7marks)</b>	<b>High 3pts (8-10marks)</b>
<i>Estimate CLO3 and CLO4</i>	Student is able to estimate 30% or less of individual items	Student is able to estimate more than 30% and less than 70% of the individual items	Student is able to estimate 70% or more of the individual items

### 10.2. RUBRICS FOR Individual assignment (10 Marks)

	<b>Low</b> <b>1 pt</b> <b>(1-3marks)</b>	<b>Average</b> <b>2 pts</b> <b>(4-6marks)</b>	<b>High</b> <b>3pts</b> <b>(7-10 marks)</b>
Summarise and prepare financial Statements or case analysis	Student is able to summarise any one of the statement from Income Statement, Balance Sheet, Cash Flow Statement and Statement of changes in equity. For a case, a student should be able to write a page of analysis.	Student is able to summarise and prepare any two of the statement from Income Statement, Balance Sheet, Cash Flow Statement and Statement of changes in equity. For a case, a student should be able to write few pages of analysis indicating the reasons.	Student is able to summarise and prepare all of the financial statements.  For a case, a student should be able to write few pages of analysis along with data, reasons and solutions.

### 10.3. RUBRICS FOR GROUP PROJECT (20 Marks)

	<b>Low</b> <b>1 pt</b> <b>(1-3marks)</b>	<b>Average</b> <b>2 pts</b> <b>(4-6marks)</b>	<b>High</b> <b>3pts</b> <b>(7-10 marks)</b>
Summarise Statements (60%) (10 marks)	Student is able to summarise any one of the statement from Income Statement, Balance Sheet, Cash Flow Statement and Statement of changes in equity	Student is able to summarise any two of the statement from Income Statement, Balance Sheet, Cash Flow Statement and Statement of changes in equity	Student is able to summarise all of the financial statements
Apply Ratios (40%) (10 Marks)	Student is able to apply less than 30% of ratios  Poor Analytical Ability & Low Logical Thinking	Student is able to apply more than 30% and less than 70% of the ratios  Adequate Analytical Ability and Average Logical Thinking	Student is able to apply more than 70% of the ratios  Appropriate Analytical Ability and Healthy Logical Thinking

#### 10.4 RUBRICS FOR ESRT (10 Marks)

Low 1pt	Good 2pts	Excellent 3pts
Marks 1-3	Marks 4-6	Marks 7-10
1-3 ethics code were identified	4-6 ethics codes were identified	7-10 ethics codes were identified

#### 10.5 RUBRICS FOR END TERM (40 Marks)

DIMENSIONS	POOR	FAIR	GOOD
	1-34%	35%- 50% of assigned marks	51 % and above of assigned marks
Explain Accounting Concepts and Conventions (20%)	Student is not able to identify the accounting concept	Student is able to identify the applicable accounting concept	Student is able to define the applicable accounting concept
Estimate Individual Items (20%)	Unable to estimate any items	Able to use the appropriate method to estimate the individual item	Able to determine the individual item
Summarise Statements (30%)	Student is not able to record individual items /summarise any one of the statement from Income Statement, Balance Sheet, Cash Flow Statement, Statement of changes in equity	Student is able to record the individual items but unable to do adjustments in the appropriate Statement	Student is able to record the individual items along with adjustments in the appropriate Statement
Apply ratio analysis on financial statements (30%)	Poor computational skills or wrong use of formulas	Adequate computational skills and appropriate use of formulas	Appropriate Analytical Ability and Healthy Logical Thinking

## **Institute's Policy Statements**

It is the responsibility of every student to be aware of the requirements for this course, and understand the specific details included in this document. It is emphasized that this course requires a significant commitment outside of formal class contact. The learning tasks in this course may include classes (lectures or seminars), required reading, the preparation of answers to set questions, exercises and problems, and self-study. In addition, students may be required to complete an assignment, test or examination.

### **LMS-Moodle/Impartus:**

LMS-Moodle/Impartus is used to host course resources for all courses. Students can download lecture, additional reading materials, and tutorial notes to support class participation.

### **Late Submission**

Assessment tasks submitted after the due date, without prior approval/arrangement, will be not be accepted. Requests for extension of time must be made with the faculty member concerned and based on Special Consideration guidelines.

### **Plagiarism:**

Plagiarism is looked at as the presentation of the expressed thought or work of another person as though it is one's own without properly acknowledging that person.

Cases of plagiarism will be dealt with according to Plagiarism Policy of the institute. It is advisable that students should read **Section .... of Student Handbook** for detailed guidelines. It is also advisable that students must not allow other students to copy their work and must take care to safeguard against this happening. In cases of copying, normally all students involved will be penalised equally; an exception will be if the student can demonstrate the work is their own and they took reasonable care to safeguard against copying.