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**JAIPURIA INSTITUTE OF MANAGEMENT**

**PGDM, BATCH 2021-23**

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| Course Code and title | 20201: Accounting for Business |
| Credits | 3 |
| Term and Year | I Term, 2021 -22 |
| Course Pre-requisite(s) | Knowledge of spreadsheet, Foundation course in Accounting |
| Course Schedule (day and time of class) |  |
| Classroom # (Location) |  |
| Course Instructor |  |
| Email |  |
| Telephone Number (for office appointments) |  |
| Student Consultation Hours |  |
| Office location |  |

1. **Course Overview**

This course introduces you to the language of business. It will educate you about the need for accounting in a business firm and its methods. The first part of the course imparts knowledge about Financial Accounting. Financial accounting captures business performance and reports it. Learning sessions on Financial Accounting will enable you to identify and estimate the assets, liabilities, expenses and revenue items emanating from economic transactions of the firms and summarize them in the form of financial statements. 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. This part of the course aims to enable you to understand the financial statements. The second part of the course is about Management Accounting. Management Accounting deals with accounting information that is essentially meant for internal use of management and is not provided in the Financial Statements. It will introduce you to a number of cost and management accounting tools and quantitative techniques that can be used to analyse how business processes consume resources, create value for a firm and its customers, and how this value may be enhanced through activity and process improvement. Major topics include cost behaviour, cost analysis and profit planning.

**2. Course Learning Outcomes**

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

1. Apply accounting concepts, principles, and conventions for estimating the items of financial statements
2. Demonstrate an understanding of financial statements
3. Estimate relevant costs for business decisions
4. Prepare financial budgets
5. **Mapping of CLOs with PLOs**

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|  | *PLO1: Communicate effectively* | *PLO2: Demonstrate ability to work in teams to achieve desired goals* | *PLO3: Reflect on business situations and apply relevant conceptual frameworks.* | *PLO4: Deconstruct ethical business practices* | *PLO5: Determine sustainability issues* | *PLO 6: Exhibit innovative and creative thinking* |
|
| **CLO1** |  |  |  |  |  |  |
| **CLO2** | I |  |  |  |  |  |
| **CLO3** |  | I |  |  |  |  |
| **CLO4** |  |  | R |  |  |  |

1. **List of Topics/ Modules**

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| --- | --- |
| **Topic/ Module** | **Contents/ Concepts** |
| **Introductory Session** | Understanding of accounting, its branches and use for business firms & other stakeholders |
| **Module 1: Estimating items of financial statements** | Applying Rules of accounting for estimation of Balance Sheet and Statement of Profit & Loss items like revenues, expenses, current assets, fixed assets, inventory, investments, liabilities, and shareholder’s equity |
| **Module 2: Preparing Financial Statements** | Estimation of cash from different business activities and preparation of income statement, balance sheet and cash flow statement |
| **Module 3: Introduction to Costing** | Goals of cost and managerial accounting; cost classification for manufacturing and services; ABC costing |
| **Module 4: Managerial Decision Making** | Cost-volume profit analysis; use of cost information in decision making; pricing decisions. |
| **Module 5: Tools for Cost Planning and Control** | Standard Costs  Budgetary Planning |

5. **Text Books**

1. Financial Accounting-

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

1. Management Accounting-

James, J. (2012). *Managerial Accounting* (5th Edition). New Delhi: Wiley India Pvt. Ltd.

**6. Assessment Tasks**

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| **Assessment Item** | **Description** | **Weightage** | **CLO** |
| Quiz | To be conducted after the end of the 10th Session.  Administered on Moodle with **sequential layout.** 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 accounting concepts and estimate individual items of the financial statements. | 10 % | CLO1 |
| Group Project | Interpreting an annual report (Management Discussion, Auditor’s Report, Notes to Accounts).  This would be a five-page word document (5000 words, single spaced, 12 font) to be submitted on Moodle.  Submissions without a turnitin report on similarity index will not be accepted. The similarity index should not be more than 10%. | 20% | CLO2 |
| Individual Excel Assignment | Preparation of budgets on Excel using given information. Lab based exercise. Time limit-30 minutes. To be planned beyond 20 sessions. | 10% | CLO4 |
| Board Rom Simulation | Based on Management Accounting Concepts from Module-4 i.e. Managerial Decision Making.  **Description:** Students to simulate a board room and discuss the case/scenario assigned for finding solutions/answers.  **Expectation from the students:** Student should be able to use CVP analysis and cost information for managerial decision making.  **Feedback and return of work:** Feedback and evaluation scores will be given by the faculty on the spot. | 20% | CLO3 |
| End-Term Examination | After 20 sessions. Will be based on full course.  ***Difficulty level of questions:*** *20% basic, 50% intermediate and 30% advanced level* | 40% | CLO1, CLO2, CLO3, CLO4 |

**7. Session Plan**

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| **Session** | **Topic/ Sub Topic** | **Reading Reference** | **Pedagogy** | **Session Learning Outcomes** | **CLO** |
| **Introductory Session** | | | | | |
|  | 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 | At the end of the session, the student will be able to describe the utility & importance of financial statements | CLO1 |
| **Part-I: Financial Accounting** | | | | | |
| **Module 1: Estimating items of financial statements** | | | | | |
|  | 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 |
|  | Estimating revenue from sales, COGS and operating expenses | Chapter 4  Pp.164-175  Chapter 5  Pp. 233-234 | Annual Report, Text Book Exercises, Discussions | At the end of the session, the student will be able to estimate sales and COGS | CLO1 |
|  | Estimating P&L items with adjustments | Case | Class Discussion  Problem exercises | At the end of the session, the student will be able to estimate items of income statement with adjustments | CLO1 |
|  | 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  *Handout upload on moodle-Accounting standard on PPE IND AS 16* | At the end of the session, the student will be able to estimate the amount of depreciation and value of fixed asset | CLO1 |
|  | Cash and cash equivalents, receivables, Inventory costs & valuation  Liabilities in perspective, classification of liabilities: current liabilities, non-current liabilities, contingent liabilities and deferred tax | Chapter 5  Pp.217-218; 222-223; 226-227; 229  Chapter 6  Pp. 255-256; 259-264  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 current assets & liabilities on a balance sheet | CLO1 |
|  | 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 | CLO1 |
| **Module 2: Understanding Financial Statements** | | | | | |
|  | Estimating cash from different business activities | Chapter 12  Pp. 532-549 | 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 |
|  | Income Statement, Balance Sheet, and Cashflow Statement | Integrated Case | Class discussion | At the end of the session, the student will be able to prepare & demonstrate an understanding of the income statement, balance sheet, and cash flow statement from the given business case | CLO2 |
|  | Financial statements, accounting equation and transaction analysis | Chapter 1  Pp. 36-41 | Class discussion  Problem exercises | At the end of the session, the student will be able to demonstrate the effect of business transactions on accounting equation and prepare financial statements | CLO2 |
| **Part-II Management Accounting** | | | | | |
| **Module 3: Introduction to Costing** | | | | | |
| 1. 1&2 | Cost Classification for Manufacturing and Service Companies | Ability to understand and distinguish between product and period costs, direct costs, overheads, and incremental costs | Text Book Ch.2 Pg.37-46 | \*Numerical Exercise  \*Discussion | CLO3 |
| 1. 4-5 | Overview of Activity Based Costing | Ability to distinguish between Traditional and ABC methods.  Understand how overhead costs are applied to jobs/products | Text Book Ch.6  Pg. 218-227 | \*Discussion | CLO3 |
| **Module:4 Managerial decision Making** | | | | | |
| 1. 6 | Cost-Volume-Profit Analysis | Understand common cost behavior patterns  Understand the concept of breakeven analysis, implications of operating leverage from financial decision making perspective and What if analysis for decision making | Text Book Ch.4 Pg121-126  Pg.134-146 | \*Numerical Exercise  \*Discussion | CLO3 |
| 1. 7 | Cost-Volume-Profit Analysis | Understand the concept of breakeven analysis, implications of operating leverage from financial decision making perspective and What if analysis for decision making | Text Book Ch.4 Pg.134-146 | \*Numerical Exercise  \*Case Analysis  \*Discussion | CLO3 |
| 1. 9 | Incremental Analysis | Using incremental costing and understanding qualitative considerations for decision making | Text Book Ch.7 Pg.258-268 | \*Numerical Exercise  Discussion | CLO-3 |
| 1. 10 | Overview of Pricing Decision | Understanding the profit-maximising price, fixation of prices for a special orders; Types of pricing | Text Book Ch.8 Pg.297-309 | \*Discussion | CLO3 |
| **Module 5: Tools for Cost Planning and Control** | | | | | |
|  | Standard Costing | Standard Costs | Case: Champion Industries (Pp. 437)  Text  Ch. 11 Pp. 403-419 | \*Numerical Exercise using Excel  \*Discussion | CLO4 |
|  | Budgetary Planning-Budgets for Financial Planning; Types of Budgets | Making functional budgets and use them as a tool for planning | Text Book Ch.10 Pg.371-384 | \*Numerical Exercise using Excel  \*Discussion | CLO4 |
| 1. 11 & 12 | Budgetary Planning-Budgets for Financial Planning; Types of Budgets | Making master budgets and use them as a tool for planning | Text Book Ch.10 Pg.371-384 | \*Numerical Exercise using Excel  \*Discussion | CLO4 |
| 1. 12 | Budgetary Control Static vs Flexible Budgets | Explaining why and how flexible budgets help in performance evaluation and planning | Text Book Ch.10 Pg.384-389 | \*Numerical Exercise using Excel  \*Discussion | CLO4 |

**RUBRICS**

**Rubrics for Individual Excel Assignment**

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| --- | --- | --- | --- |
|  | **Poor**  **Points 0-3** | **Fair**  **Points 4-6** | **Good**  **Points 7-10** |
| CLO4 | UNSATISFACTORY | MINIMAL | PROFICIENT |
| **Gather Relevant Information** | Struggles to pinpoint the information needed. Gathers information from one source. Minimal evidence of search/selection criteria. | Clearly identifies the information required. Gathers information from multiple valid and reliable sources. Evidence of search/selection criteria. | Demonstrates a sophisticated understanding of what information is needed.  Gathers extensive information from a variety of valid and reliable sources including journals, texts, etc., specific to the subject. Clear evidence of  search/selection criteria. |
| **Select and Use Relevant Concepts and Frameworks** | Has limited knowledge on selecting and using relevant concepts and frameworks. Requires extensive assistance in selecting relevant concepts and  frameworks. | Selects and uses relevant concepts and frameworks. Requires minimal assistance in choosing relevant concepts and frameworks. | Selects and uses relevant concepts and frameworks. Needs no assistance in selecting relevant concepts and frameworks. |

***RUBRICS FOR Board Room Simulation***

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| **Traits** | **Below Expectations** | **Meets Expectations** | **Exceeds Expectation** |
|  | **0-4 pts** | **6-12 pts** | **13-20 pts** |
| **Working with others** | Rarely listens to, shares with, and supports the efforts of others.  Often is not a good team player | Usually listens to, shares, with, and supports the efforts of others. | Almost always listens to, shares with, and supports the efforts of others.  Tries to keep people working well together. |
| **Contribution** | Rarely provides useful ideas when participating in a group task.  May refuse to participate | Usually provides useful ideas when participating in a group task.  A strong group member who tries hard | Routinely provides useful ideas when participating in a group task.  A leader who contributes a lot of effort |
| **Attitude** | Is often publicly critical of the work of other members of the group.  Is often negative about the task(s) | Is rarely publicly critical of the project or the work of others.  Often has a positive attitude about the task(s) | Is never publicly critical of the project or the work of others.  Always has a positive attitude about the task(s) |
| **Gather Relevant Information** | Struggles to pinpoint the information needed. Gathers information from one source. Minimal evidence of search/selection criteria. | Clearly identifies the information required. Gathers information from multiple valid and reliable sources. Evidence of search/selection criteria. | Demonstrates a sophisticated understanding of what information is needed.  Gathers extensive information from a variety of valid and reliable sources including journals, texts, etc., specific to the subject. Clear evidence of  search/selection criteria. |
| **Select and Use Relevant Concepts and Frameworks** | Has limited knowledge on selecting and using relevant concepts and frameworks. Requires extensive assistance in selecting relevant concepts and  frameworks. | Selects and uses relevant concepts and frameworks. Requires minimal assistance in choosing relevant concepts and frameworks. | Selects and uses relevant concepts and frameworks. Needs no assistance in selecting relevant concepts and frameworks. |

### RUBRICS FOR END TERM

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| --- | --- | --- | --- |
| **DIMENSIONS** | **POOR** | **FAIR** | **GOOD** |
|  | **0-3pt** | **4-7pt** | **8-10pt** |
| Explain Financial Accounting Concepts  (10 marks)  CLO1 | Poor command over subject matter.  Provides irrelevant and inadequate information to support arguments. | Good command over subject matter.  Is able substantiate the arguments with relevant and adequate information reasonably  well. | Excellent command over subject matter.  Covers every dimension of the subject matter and uses relevant and comprehensive information to back up the arguments. |
| Estimate costs (10 marks)  CLO3 | Unable to estimate costs | Able to use appropriate method to estimate but could not explain the costs | Able to determine and explain different costs |
| Interpret financial statements  CLO2  (10 marks) | Poor command over subject matter.  Provides irrelevant and inadequate information to support arguments. | Good command over subject matter.  Is able substantiate the arguments with relevant and adequate information reasonably  well. | Excellent command over subject matter.  Covers every dimension of the subject matter and uses relevant and comprehensive information to back up the arguments. |
| Prepare financial Budgets  CLO4  (10 marks) | Has limited knowledge on selecting and using relevant concepts and frameworks. Requires extensive assistance in selecting relevant concepts and  frameworks. | Selects and uses relevant concepts and frameworks. Requires minimal assistance in choosing relevant concepts and frameworks. | Selects and uses relevant concepts and frameworks. Needs no assistance in selecting relevant concepts and frameworks. |

***RUBRICS FOR QUIZ)***

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| --- | --- | --- | --- |
| **QUIZ-1** | **Low**  **1 pts** | **Average**  2 pts | **High**  **3pts** |
| *Explain*  *FA concepts* | Student is able to explain 30% or less of the Financial Accounting concepts | Student is able to explain 40% or less than 70% of the Financial Accounting concepts | Student is able to explain 80% or more of the Financial Accounting concepts |

PLO1: Communicate effectively

PLO2: Demonstrate ability to work in teams to achieve desired goals

PLO3: Reflect on business situations and apply relevant conceptual frameworks

PLO4: Evaluate different ethical perspectives

PLO5: Comprehend sustainability issues

PLO 6: Exhibit innovative and creative thinking