

# GUJARAT TECHNOLOGICAL UNIVERSITY

## INTEGRATED MASTER OF BUSINESS ADMINISTRATION

Year – First (Semester – I) (W.E.F. Academic Year 2017-18)

Subject Name: ELEMENTS OF FINANCIAL ACCOUNTING (EFA)

Subject Code: 2517107

### 1. Course Objectives:

- To acquaint the students with the language of accounting.
- To develop the ability of students to use accounting data as a decision-making tool.
- Emphasis on developing the skills of problem solving and decision making
- Emphasis on the utilization of financial and accounting data for planning and control.

2. **Course Duration:** The course duration is of **45 sessions of 60 minutes** each.

### 3. Course Contents:

Module No.	Modules with its Contents/Chapters	No. of Sessions	Marks (out of 70)
I	<b>INTRODUCTION OF ACCOUNTING</b> Meaning and Definition of Accounts, Nature and scope of Accounts; Users of Accounting information, Branches of Accounting, Accounting Concepts and Conventions, Accounting Process; Accounting Terminology, Meaning and Importance of GAAP, US-GAAP and Indian GAAP  Types of Transactions, Classification of Accounts, Rules of Debit and Credit and Accounting Equation  Preparation of Journal Entries	10	14
II	<b>SUBSIDIARY BOOKS, LEDGER &amp; POSTING AND TRIAL BALANCE</b> Cash Book, Purchase Book, Sales Book, Purchase Return and Sales Return Book, Ledger and posting of Journal and Subsidiary Book, Trial Balance	10	14

<p style="text-align: center;"><b>III</b></p>	<p style="text-align: center;"><b>PREPARATION OF FINAL ACCOUNTS AND FINANCIAL STATEMENT ANALYSIS</b></p> <p>Preparation of Final Accounts - Trading Account, Profit &amp; Loss Account and Balance Sheet including Closing Entries and Adjustment Entries</p> <p style="text-align: center;"><b>Financial Statement Analysis Techniques</b></p> <p>Horizontal Analysis</p> <p>Vertical Analysis</p> <p>Trend Analysis</p> <p>Ratio Analysis</p>	15	28
<p style="text-align: center;"><b>IV</b></p>	<p style="text-align: center;"><b>INVENTORY AND DEPRECIATION</b></p> <p><b>Valuation of Inventory</b></p> <p>Meaning, Applicability, Measurement of Inventory, Disclosure in final account, Methods of Inventory Valuation – FIFO, LIFO &amp; WAC Methods.</p> <p><b>Depreciation Accounting</b></p> <p>Meaning of depreciation &amp; Depreciable Assets, Causes of depreciation, Applicability of the standards, Methods of Depreciation – SLM and WDV</p>	10	14
<p style="text-align: center;"><b>V</b></p>	<p><b>Practical:</b></p> <p>Students should select a particular firm, refer the notes below the financial statements and prepare the report about how accounting principles and assets valuation are used. Students should well-versed with accounting software.</p>	-	Internal Evaluation of CEC (30 marks)

#### 4. Teaching Methods:

The course will use the following pedagogical tools:

- a) Lectures & Presentations
- b) Computer Lab
- c) Projects/ Assignments/ Quizzes/ MCQs etc.

## 5. Evaluation:

The evaluation of participants will be on continuous basis comprising of the following Elements:

A	Projects/ Assignment/ Quizzes/ Class participation etc.	Weightage 50 Marks (Assessment of CEC)
B	Internal Examination (Mid-Semester Examination)	Weightage 30 Marks (Internal Assessment)
C	End – Semester Examination (University Examination)	Weightage 70 Marks (External Assessment)

## 6. Text / Reference Books:

Sr. No.	Author	Name of the Book	Publisher	Year of Publication
1	V. Rajasekaran & R. Lalitha	Financial Accounting	Pearson Publications	Latest
2	Godwin, Alderman & Sanyal	Financial Accounting: A South Asian Perspective	Cengage Learning	2016
3	T.S. Grewal	Introduction to Accountancy	S. Chand and Company	Latest
4	Narayanswami	Financial Accounting	Tata McGraw Hill	Latest
5	Tulsiyani, P. C	Financial Accounting	Pearson Education	Latest

Note: Wherever the standard books are not available for the topic appropriate print and online resources, journals and books published by different authors may be prescribed.

## 7. List of Journals/Periodicals/Magazines/Newspapers, etc.

- a) Compendium of Statement and Standard of Accounting, ICAI
- b) Interpretation of Final Accounts from the annual reports from the websites such as [www.moneycontrol.com](http://www.moneycontrol.com), [valueresearchonline.com](http://valueresearchonline.com) etc.
- c) Magazines such as Dalal Street, Outlook Money etc. can be used.

**8. Session Plan: (45 sessions of 60 minutes)**

<b>Session No.</b>	<b>Topics to be covered</b>
1-2	Meaning and Definition of Accounts, Nature and scope of Accounts; Users of Accounting information, Branches of Accounting
3-5	Accounting Concepts and Conventions, Accounting Process; Accounting Terminology, Meaning and Importance of GAAP, US-GAAP, IFRS and Ind Accounting Standards, Importance of Computer Accounting
5-6	Types of Transactions, Classification of Accounts, Rules of Debit and Credit and Accounting Equation
7-10	Preparation of Journal Entries
11-13	Cash Book, Purchase Book, Sales Book, Purchase Return and Sales Return Book
14-20	Preparation Trading Account, Profit & Loss Account and Balance Sheet including Closing Entries and Adjustment Entries
21-28	Preparation of Final Accounts - Trading Account, Profit & Loss Account and Balance Sheet including Closing Entries and Adjustment Entries
29-35	Financial Statement Analysis Techniques
36-40	Valuation of Inventory
41-45	Depreciation Accounting