# GUJARAT TECHNOLOGICAL UNIVERSITY

**Program Name: Bachelor of Business Administration**

**Level: UG**

**Course / Subject Code:  BB01001021**

**Course / Subject Name  :  Financial Accounting**

| w. e. f. Academic Year: | 2024-25 |
|---|---|
| Semester: | 1 |
| Category of the Course: | Core Course (CC) |

| Prerequisite: | UG Course |
|---|---|
| **Rationale:** | Financial Accounting is a business language so every students of Business Administration should know this. All students have to take an introductory financial accounting course to develop the managerial perspective of accounting terminology, rules, methodology and preparation as well as analysis of financial statements of various organizations. This course focuses on the understanding and application of financial accounting, which is necessary for every Business Administration students. |

**Course Outcome:**

After Completion of the Course, Student will able to:

| No | Course Outcomes | RBT Level |
|---|---|---|
| CO1 | To remember fundamental Principles of Financial Accounting | Remember |
| CO2 | To Understand preparation of primary as well as secondary books of accounts and Final Accounts of companies | Understand |
| CO3 | To Apply accounting fundamentals to prepare financial accounts of Non-profit organization, Valuation of Inventory, Shares and Cash Flow statement to take effective Managerial Decision | Apply |
| CO4 | To Analyze the financial performance of companies with the help of different tools & techniques of analysis | Analyze |

*Revised Bloom's Taxonomy (RBT)*

**Teaching and Examination Scheme:**

| Teaching Scheme (in Hours) | | | Total Credits L+T+ (PR/2) | Assessment Pattern and Marks | | | | Total Marks |
|---|---|---|---|---|---|---|---|---|
| | | | | Theory | | Tutorial / Practical | | |
| **L** | **T** | **PR** | **C** | ESE (E) | PA / CA (M) | PA/CA (I) | ESE (V) | |
| 3 | 1 | 0 | 4 | 70 | 30 | 50 | 0 | 150 |

**Course Content:**

| Unit No. | Content | No. of Hours | % of Weightage |
|:---:|---|:---:|:---:|
| 1. | **INTRODUCTION OF ACCOUNTING**<br>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, Introduction to Ind Accounting Standard, Types of Transactions, Classification of Accounts, Rules of Debit and Credit and Accounting Equation<br><br>**JOURNALS, SUBSIDIARY BOOKS, LEDGER & POSTING AND TRIAL BALANCE**<br>Preparation of Journal Entries, Cash Book, Purchase Book, Sales Book, Purchase Return and Sales Return Book, Ledger and posting of Journal and Subsidiary Book, Trial Balance | 10 | 25% |
| 2. | **PREPARATION OF FINAL ACCOUNTS**<br>Preparation of Final Accounts (Vertical) - Profit & Loss Account and Balance Sheet (with schedules) including Closing Entries and Adjustment Entries<br><br>**FINANCIAL STATEMENT ANALYSIS TECHNIQUES**<br>Horizontal Analysis<br>Vertical Analysis<br>Trend Analysis<br>Ratio Analysis | 13 | 25% |
| 3. | **FINAL ACCOUNTS OF NON-PROFIT ORGANIZATION**<br>Final Accounts of Non-Profit Organization (Receipt-Payment Account, Income-Expenditure Statement and Balance Sheet)<br><br>**CASH FLOW STATEMENT**<br>Operating Activity, Financing Activity, Investing Activity, Preparation of Cash Flow Statement as per AS-3 | 12 | 25% |
| 4. | **VALUATION OF INVENTORY**<br>Meaning, Applicability, Measurement of Inventory, Methods of Inventory Valuation – FIFO, LIFO & WAC Methods. | 10 | 25% |

| | | | |
|---|---|---|---|
| | **VALUATION OF SHARES:**<br>Need of valuation of Shares, Practical Sums on various Methods for valuation of Shares: Net Assets Method, Yield Method and Fair Value Method. | | |
| 5 | **Practical:** Assignments should be given to prepare Final Accounts, Financial Statements Analysis of different companies, Cash Flow Statements and other topics of the syllabus. Students should select a particular firm of any industry, refer the notes below the financial statements and prepare the report about how accounting principles and above concepts applied to prepare the final accounts and valuation. Students should well-versed to analyze the financial performance of companies using above mentioned tools and techniques. | 15 | NIL |
| | **Total** | **60** | **100** |

**Suggested Specification Table with Marks (Theory):**

| Distribution of Theory Marks (in %) | | | | | |
|---|---|---|---|---|---|
| **R Level** | **U Level** | **A Level** | **N Level** | **E Level** | **C Level** |
| 30 | 30 | 20 | 20 | 0 | 0 |

*Where R: Remember; U: Understanding; A: Application, N: Analyze and E: Evaluate C: Create (as per Revised Bloom's Taxonomy)*

**References/Suggested Learning Resources:**

| S. No. | Title of Book | Author | Publication with place, year and ISBN |
|---|---|---|---|
| 1 | Financial Accounting | V. Rajasekaran & R. Lalitha | Pearson Publication House, Latest Edition |
| 2 | Financial Accounting: A South Asian Perspective | Godwin, Alderman & Sanyal | Cengage Learning, Latest Edition |
| 3 | Introduction to Accountancy | T.S. Grewal | S. Chand and Company, Latest Edition |
| 4 | Total Management by Ratios | Rushikesh Bhattacharya | Sage Publications, Latest Edition |
| 5 | Financial Accounting | Narayanswami | McGraw- Hill, Latest Edition |
| 6 | Financial Accounting | P. C. Tulsiyan | Pearson Education, Latest Edition |

**(b) Open source software and website:**

SWAYAM Platform for Course on Financial Accounting (www.swayam.gov.in)

**Suggested Project/Practical Activity for PA: (50 Marks)**

Students should select a particular firm of any industry, refer the notes below the financial statements and prepare the report about how accounting principles and above concepts applied to prepare the final accounts and valuation. Students should well-versed with reading of Annual reports of the companies and Collection of annual reports of the listed companies, Selection of Companies from different industries for comparative study of financial performance, Analysis of Cash Flow statements of different companies, etc.

**CO- PO Mapping:**

| Semester 1 | Course Name: Financial Accounting (Course Code: ) | | | | |
|---|---|---|---|---|---|
| | POs | | | | |
| Course Outcomes | PO1 | PO2 | PO3 | PO4 | PO5 |
| CO1 | 3 | 1 | - | 1 | 2 |
| CO2 | 2 | 3 | 1 | - | 2 |
| CO3 | 2 | 2 | 1 | - | 1 |
| CO4 | 1 | 1 | 1 | 1 | - |

*Legend:  '**3**' for high,  '**2**' for medium,  '**1**' for low and '**-**' for no correlation of each CO with PO.*

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