

Proposed Syllabus for M.Com (Banking & Insurance)

Course Name: Analysis of Financial Statements
Course Code: 404

Semester: IV
Marks Distribution: 80+20

Unit:- I: Accounting Theory: Definition- Need- Scope- Functions and Limitations of Accounting- Inter-relationship among various branches of Accounting. Financial Accounting: Nature and functions- Accounting Concepts and conventions relevant to preparation of Financial Statements- Accounting Standards.

Unit:- II: Analysis and Interpretation of Financial Statements:
Meaning and Types of Financial Statements- Formats of the Income Statement and the Balance Sheet- Nature of Financial Statements- Limitations of Financial Statements- Analysis and Interpretation of Financial Statements- Types of Financial Analysis- Steps involved in Financial Statement Analysis- Tools of Financial Analysis. (Problems)

Unit:- III: Ratio Analysis for Analyzing Financial Statements:
Meaning of Ratio Analysis- Classification of Ratios- Profitability Ratios- Liquidity Ratios- Turnover Ratios- Financial Ratios- Advantages of Ratio Analysis – Limitations of Accounting Ratios- Computation of Items of Financial Statements- DU Point Control Chart- Capital Gearing- Inter-firm and Intra-firm Comparison. (Problems)

Unit:- IV: Statement of Changes in Financial Position:
Funds Flow Statement: Need- Meaning- Uses- Differences between Funds Flow Statement and Income Statement- Preparation of Funds Flow Statement- Is Depreciation a Source of Funds? (Problems)
Cash Flow Statement: Meaning- Uses- Preparation of Cash Flow Statement- Difference between Cash Flow Analysis and Funds Flow Analysis- Uses of Cash Flow Statement- Cash Forecasts (Problems)

Unit:- V: Current Issues in Financial Reporting:
Impact of Inflation on Profit Measurement- Human Resources Accounting- Social Accounting.

Reference Books:

1. S.N. Maheshwari, "Management Accounting and Financial Control", Sultan Chand & Sons, New Delhi.
2. Subhash Sharma & M P Vithal, "Financial Accounting for Management- Text and Cases", Macmillan India Limited, Delhi.
3. P C Tulsian, "Financial Accounting", Tata McGraw-Hill Publishing Company Limited, New Delhi.
4. R Narayanaswamy, "Financial Accounting", Prentice Hall of India, New Delhi.