

FINANCIAL ANALYSIS AND REPORTING (PRACTICAL)

Semester – IV
2H – 1C

18CMU413A

Instruction Hours / week: L: 0 T: 0 P: 2

Marks: Internal: 40 External: 60

Total: 100

End Semester Exam: 3 Hours

COURSE OBJECTIVES:**To make the students**

1. To Understand the Concept of Financial reporting standards, difference between IFRS and IAS and the elements and users of the financial statements for the decision making.
2. To understand and apply tools and techniques to analyse the financial statement analysis.
3. To critically evaluate the results of the tools applied, interpret the result.
4. To communicate orally and in written form the financial statement analysis, and results interpretation of the results.
5. To utilize the knowledge of financial statement analysis for lifelong.

COURSE OUTCOMES:**Learners should be able to**

1. Comprehend the Concept of Financial reporting standards, difference between IFRS and IAS and the elements and users of the financial statements for the decision making.
 2. Understand and apply tools and techniques to analyse the financial statement analysis.
 3. Critically evaluate the results of the tools applied, interpret the result.
 4. Communicate orally and in written form the financial statement analysis, and results interpretation of the results.
 5. Utilize the knowledge of financial statement analysis for lifelong.
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1. To select a Company – Reason for selecting the company as investor

Download the financial statements
Perform the following financial analysis and interpret
 2. Common-Size Analysis (Vertical and Horizontal), Year-to-Year Change Analysis
 3. Ratio Analysis - Liquidity of Short-Term Assets
Current Assets, Current Liabilities, and the Operating Cycle
Cash - Marketable Securities - Receivables - Inventories - Prepayments - Other Current Assets - Current Liabilities
Current Assets Compared with Current Liabilities
Working Capital - Current Ratio - Acid-Test Ratio (Quick Ratio) - Cash Ratio
 4. Debt-Paying Ability- Times Interest Earned
 5. Debt Ratio - Debt/Equity Ratio
 6. Net Profit Margin - Total Asset Turnover - Return on Assets – Operating Income Margin - Operating Asset Turnover
 7. Return on Operating Assets - Sales to Fixed Assets - Return on Investment (ROI) - Return on Total Equity - Return on Common Equity - Gross Profit Margin
 8. DuPont Return on Assets - Interpretation Through DuPont Analysis - Variation in Computation of DuPont Ratios Considering Only Operating Accounts
 9. For the Investors : Earnings per Common Share, Price/Earnings Ratio, Dividend Payout, - Book Value per Share

SUGGESTED READINGS:

1. Subramanyam, K. R. and John, J.W.(2014), “Financial Statement Analysis”, 10th Edition, Tata McGraw Hill, New Delhi.
2. Stephen H. Penman (2014) “Financial Statement Analysis and Security Valuation”, 4th Edition, Tata McGraw Hill, New Delhi.
3. M.S Narasimhan (2016), Financial Statement Analysis, 1st Edition, Cengage Learning India Private Limited, New Delhi.
4. Charles H. Gibson (2013), Financial Statement Analysis, 13th edition, Cengage Learning India Private Limited, New Delhi.
5. Lawrence Revsine , Daniel Collins , Bruce Johnson , Fred Mittelstaedt , Leonard Soffer (2015), Financial Reporting and Analysis, 6th Edition, McGraw-Hill Education, New Delhi.
6. Deepa Agarwal (2017), Financial Reporting and Auditors Responsibility, 2nd edition, Bloomsbury Professional India, New Delhi.
7. Deepa Agarwal (2018), The Law & Practice of Financial Reporting and Auditor’s Responsibilities under Companies Act, 2013,1st edition, Bloomsbury Professional India, New Delhi.