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Discipline Specific Elective- 3.4(DSE-3.4): Financial Reporting Analysis & Valuation

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
DSE 3.4- Financial Reporting Analysis & Valuation	4	3	1	0	Pass in XII	NIL

Learning Objectives

The course aims to help the learners to understand, analyse and interpret the basic framework of financial reporting and information incorporated in the corporate annual reports.

Learning outcomes

After completion of the course, learners will be able to:

1. Analyse and interpret the information provided in the financial statements of a company.
2. Evaluate the results of financial statements and disclosures of corporate annual reports.
3. Apply principles valuation to tangible and intangible assets.
4. Identify the elements of financial statements.
5. Summarise the emerging areas in financial reporting.

SYLLABUS OF DSE-3.4

Unit 1: Introduction to Corporate Financial Reporting (3 hours)

Meaning of Financial Statement as per Companies Act, 2013; Corporate Financial Reporting - meaning, need and objectives; Users of financial reports, Conceptual Framework for financial reporting. Financial/Accounting information contained in the Financial Statements, their qualitative characteristics; Presentation of financial statements.

Unit 2: Financial Statements and Disclosures (9 hours)

Components and constituents of Basic Financial Statements; Relevant provisions of the Companies Act, 2013 for the preparation of Statement of Profit & loss and Balance Sheet. Contents of annual report, Mandatory and voluntary disclosures through annual report. Report of the Board of Directors and Auditor's Report as per Companies Act, 2013; Business Responsibility and sustainability reporting by listed entities.

Unit 3: Valuation (12 hours)

Valuation of Property Plant and Equipment: Asset valuation techniques : Historical, Fair Value, Net realisable value, Present value. Valuation of Intangible Assets. Valuation of Inventory.

Unit 4: Elements of Financial Statements (12 hours)

Select Elements of Financial Statements: Revenues- Identification and disclosures, Leases and Accounting for Tax.

Unit 5: Emerging Trends in Reporting (9 hours)

Accounting for E-commerce business – Introduction, elements of e-commerce transactions, business models, classification of e-commerce websites, revenue recognition and measurement of costs. Integrated Reporting – Meaning, Purpose, Salient features of framework. Value Added Statement.

Note: Any revision of relevant Accounting Standards/Indian Accounting Standards, which are covered above would become applicable.

Exercises:

The learners are required to:

1. Download annual reports of reputed companies and analyse the contents of financial statements.
2. Examine the voluntary and mandatory information contained in the annual report of the select companies.
3. Collect information regarding the method of valuation of property plant and equipment followed by select reputed companies.
4. Analyse and compare annual reports of ten companies regarding tax related information disclosure.
5. Collect and summarise information from business newspapers and periodicals related to latest developments in financial reporting and valuation.

Suggested Readings:

- Bhattacharjee, A. K. (2022). *Financial Accounting for Business Managers*. Delhi: PHI Learning Pvt. Ltd.
- Gibson, C. H. (2013). *Financial Statement Analysis*. Noida: Cengage Learning India Private Limited.

- Gupta, A. (2018). *Financial Accounting for Management: An Analytical Perspective*. Delhi: Pearson Education.
- Gupta, M., Kaur, H., & Gupta, R. (2019). *Financial Reporting and Analysis*. New Delhi: JSR Publishing House LLP.

- Lal, J., & Gauba, S. (2018). *Financial Reporting and Analysis*. Delhi: Himalaya Publishing House.
- Soffer, L. C., & Soffer, R. J. (2006). *Financial Statement Analysis: A Valuation Approach*. London: Pearson Education.
- Tulsian, P. C., Tulsian, B., & Tulsian, T. (2022). *Analysis of Financial Statements*. New Delhi/NCR: Tcom Prints.
- Tulsian, P. C., Tulsian, B., & Tulsian, T. (2022). *Corporate Accounting*. New Delhi: S. Chand Publication.
- Tulsian, P. C., Tulsian, B., & Tulsian, T. (2022). *Financial Management*. New Delhi: S. Chand Publication.
- Young, S. D., Cohen, J., & Bens, D. A. (2018). *Corporate Financial Reporting and Analysis : A Global Perspective*. USA: Wiley Publications.

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