

**SPECIAL PAPER I
ANALYSIS OF FINANCIAL STATEMENTS**

Semester V	✓ Subject Code: BB51705A	Lectures: 60
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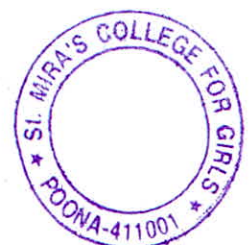
Objectives:

The syllabus aims in equipping students with,

- An understanding of the Financial Statements and significance of financial analysis
- Ability to analyze and interpret the financial statements of Corporate Organizations
- Grasping different techniques involved in financial analysis and its interpretations
- Capacity to understand and prepare Fund Flow Statement and Cash Flow Statement from the financial statements
- Examining the objectives and utility of Fund Flow Statement and Cash Flow Statement
- Ability to understand and comprehend Financial Statements of Banks
- Competency to be an intense user of Financial Statements

Unit 1: Financial Statements of Corporate Organizations	08
<ul style="list-style-type: none"> • Meaning and Definition of Financial Statements • Nature of Financial Statements • Objectives of Financial Statements • Parties interested in Financial Statements • Preparation of Financial Statements as per Schedule VI of the Amended Companies Act 2013 • Revised Schedules • Understanding Company's Financial Statements 	

Unit 2: Ratio Analysis	10
<ul style="list-style-type: none"> • Meaning of Ratio Analysis, Interpretation, Classification of Ratios-Liquidity Ratios, Leverage Ratios, Activity Ratios, Profitability Ratios, Miscellaneous Ratios • Practical Problems-Indirect Problems: Construction of Balance Sheet from the Ratios 	



Unit 3: Fund Flow Analysis	10
<ul style="list-style-type: none"> • Concept of Fund • Meaning of Fund Flow Statement • Uses of Fund Flow Statement • Limitations of Fund Flow Statement • Preparation of Fund Flow Statement-Funds from Operations, Statement of changes in Working Capital, Fund Flow Statement • Practical Problems 	

Unit 4: Cash Flow Analysis	10
<ul style="list-style-type: none"> • Meaning of Cash Flow Statement • Objectives of Cash Flow Statement • Uses of Cash Flow Statement • Limitations of Cash Flow Statement • Preparation of Cash Flow Statement • Methods of Cash Flow Statement – Direct Method and Indirect Method • Cash Flow Activities as per AS3 – Operating, Investing, Financing • Difference between Fund Flow Statement and Cash Flow Statement • Practical Problems on Indirect Method 	

Unit 5: Final Accounts of Banking Companies (Theory Only)	10
<ul style="list-style-type: none"> • Introduction – Banking Company • Legal Provisions • Non-Performing Assets • Books of Accounts • Final Accounts as per Banking Regulation Act 1949 Form 'A' – Form of Balance Sheet Form 'B' Form of Profit & Loss Account • RBI Guidelines for completion of Financial Statements 	

***Contact hours – 12 hours**

Allocation of Marks

Theory – 50%



Practical Problems – 50%

Recommended Text Books:

- ✓ 1. *Financial Management*, Dr. N.M.Vechalekar, Nirali Prakashan
- ✓ 2. *Analysis of Financial Statements*, Saroj Kumar & Priyanka Singh, Thakur Publishers
- ✓ 3. *Analysis of Financial Statements*, Prof. Dr. Y.R.Thorat, Prof. Dr. Govind M.Dumbre, Prof. Dr. Anjali A.Sane, Prof. Dr. M.G.Mulla and Prof. Prabhakar R.Mokal, Success Publications
- ✓ 4. *Advanced Accounting*, Dr. Suhas Mahajan and Dr. Mahesh Kulkarni, Nirali Prakashan
- ✓ 5. *Advanced Accounting*, M.G.Patkar, Phadke Prakashan
6. *Financial Management*, Satish M. Inamdar, Everest Publishing House

Reference Books:

1. Paresh Shah, *Financial Management*, biztantra, Delhi
2. P Periaswamy, *Financial Management*, McGraw-Hill Education (India) Pvt. Ltd., Uttar Pradesh
3. Satish M Inamdar, *Financial Management*, Everest Publishing House
4. Ravi M Kishore, *Financial Management*, Taxmann Allied Services (P) Ltd.
5. A Murthy & S Guruswamy, *Management Accounting*, Tata McGraw Hill Publishing Co. Ltd.
6. M.Y.Khan and P.K.Jain, *Financial Management*, Tata McGraw-Hill Publishing Company Ltd.
7. Prasanna Chandra *Financial Management*-Tata McGraw Hill
8. S.Kr. Paul *New Financial Management* -Central Book Agency (P) Ltd., Kolkata
9. I.M.Pandey *Financial Management*
- ✓ 10. P.V.Kulkarni & B.G.Satya Prasad, *Financial Management*, Himalaya Publishing House

