

Course title: Accounting for Managerial Decisions				
Course code: PPM 130	No. of credits: 4	L-T-P: 44-16-00	Learning hours: 60	
Pre-requisite course code and title (if any): None				
Department: Policy & Management Studies				
Course coordinator(s): Dr. Shikha Mittal Shrivastav		Course instructor(s): Dr. Shikha Mittal Shrivastav		
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Course Type: Core		Course offered in: Semester 1		
Course Description Accounting is the language of business. It attempts to measure and report corporate performance. Managers use accounting in making decisions; while investors use it for valuing stocks. The bankers and lender rely on accounting information to decide to whether to lend money to business. The accounting information is also crucial in evaluating the performance of employees at various levels in an organization. Thus, this is a very useful course in management education in almost every graduate management program the world over, a full course on accounting and reporting remains an obvious choice. This course is indispensable as the first step towards understanding the financials of business.				
Course objectives The objectives of the course are to ensure that the participants: <ul style="list-style-type: none"> ▪ to understand the conceptual framework of Accounting and the process that leads to the preparation of financial statements; ▪ to develop the ability in them to use financial statements to assess a company's performance; ▪ to understand how the accounting information system works in a firm; ▪ to interpret the need of accounting information in managerial decision-making process; ▪ to analyse the performance vis-à-vis financial health of the firm. 				
Course content				
Module	Topic	L	T	P
1	Accounting and Economic Decisions Accounting, Users of Accounting Information, Financial, Cost and Management Accounting, Accounting Information System, Generally Accepted Accounting Principles, Indian Accounting Standards and IFRS, Forms of Business Organization, Accounting Equation	4	2	0
2	Recording of Business Transactions Types of Accounts, Double Entry System of Accounting, Recording Transactions - Journal, Ledger and Trial Balance	4	2	0
3	Understanding Income Statement Income Measurement, Preparation of Income Statement, Incorporating Adjustments, Format as per Companies Act	3	1	0
4	Understanding Balance Sheet Liabilities and Shareholder's Equity, Classification of Assets and Liabilities, Preparation of Balance Sheet, Format as per Companies Act	3	1	0
5	Revenue Recognition Income and Revenue, Measurement of Revenue, Accrual Principle, Matching Principle, Sale of Goods, Service Revenues, Interests and Dividends; Expense Recognition, Relevant Accounting Standards	2	1	0
6	Inventory Valuation Nature of inventories, Measurement of Inventory Costs, Method of record, keeping of Inventories; Inventory Valuation, Net Realizable Value (NRV), Relevant Accounting Standards	2	1	0

7	Accounting for Fixed Assets (Property, Plant, and Equipment) Fixed Assets, Property, Plant and Equipment, determining cost of Acquisition, Depreciation Accounting- Methods, Accounting including Impairment, Disposal of Assets, Relevant Accounting Standard	3	1	0
8	Cash Flow Statement Cash Flow Statement - Purpose and Use, Operating, Investing and Financing Activities, Preparation of Cash Flow Statement, Relevant Accounting Standard	3	1	0
9	Annual Reports Contents of Annual Reports, The Regulatory Framework, The Disclosure System, Qualitative and Quantitative Reporting, Component wise discussion	2	0	0
10	Financial Statement Analysis Common Size Statement, Comparative Statement Analysis, Trend Analysis and Ratio Analysis- Liquidity, Solvency, Turnover and Profitability, Intra and Inter Firm Comparisons, Du-Pont Analysis	5	3	0
11	Basics of Cost Accounting Cost Concepts, Elements of Cost and Cost Behaviour, Cost Sheet, Cost-Volume-Profit Relationship, Absorption and Marginal Costing and Managerial Decision Making	5	2	0
12	Management Accounting and Control Standard Costing, Variance Analysis- Material and Labour, Budgetary Control	4	1	0
13	Accounting- Role, Ethics and Recent Developments Role of Accounting in Capital Market and Corporate Governance, and Ethical Issues in Accounting, Recent developments in Accounting	2	0	0
14	Project Presentation	2	0	0
	TOTAL	44	16	0
Evaluation criteria:				
<ul style="list-style-type: none"> ▪ Minor Test 1 : Quiz 20% ▪ Minor Test 2 : Written Test 30% ▪ Assignments : 20% ▪ Major Exam : Written Test 30% 				
Learning outcomes:				
<p>Upon completion of this course, the students will be able to:</p> <ul style="list-style-type: none"> ▪ Understanding of the various principles on which financial statements are prepared. ▪ Acquire critical thinking skills to analyse financial data, and demonstrate the ability to communicate such data effectively, as well as the ability to provide knowledgeable recommendations. ▪ Develop an overall understanding of emerging corporate reporting framework in the context of International Financial Reporting Standards (IFRS) ▪ Understanding and interpreting the various cost information for planning and control purposes in managerial decision making. ▪ Understanding the role of managerial accounting in decision making. 				
Pedagogical approach				
The course will be delivered through lectures and discussion of case studies, videos, annual reports of the companies, research papers and newspaper articles.				
References:				
<ul style="list-style-type: none"> ▪ Financial accounting: a managerial perspective by R Narayanaswamy Prentice-Hall of India, Sixth Edition. 				

- Principles and Practice of Cost Accounting by Ashish K. Bhattacharyya, Prentice-Hall of India, Third Edition
- Accounting: Text and Case, Robert N. Anthony, David F Hawkins, and Kenneth A Merchant (AHM), Tata McGraw Hill, Thirteenth Edition.
- Accounting for Management: Text and Cases by S.K. Bhattacharyya and John Dearden, Vikas Publishing House; Third edition
- Cost Accounting - A Managerial Emphasis by Charles T. Horngren, Srikant M. Datar and George Foster, Pearson Education, Thirteenth Edition.
- Introduction to Management Accounting by Charles T. Horngren, Gary L. Sundem, William O. Stratton, Pearson Education, Thirteenth Edition.

Websites and Web resources –

- Maria B. & Alexandru IC. (2005). Economic decision-making and the role of accounting information. retrieved from. <http://www.oeconomica.uab.ro/upload/lucrari/1020081/17.pdf>
- Damodaran A. (2006). Understanding Financial Statements. retrieved from <http://people.stern.nyu.edu/adamodar/pdfiles/valn2ed/ch3.pdf>
- The Institute of Company Secretaries of India. retrieved from <https://www.icsi.edu/>
- Financial Times. Retrieved from <https://www.ft.com/>,
- Learn Accountancy the Easy Way. Retrieved from <http://accounting-simplified.com/>

Additional information (If any): None

Student responsibilities:

All students are expected to read the assigned readings prior to the class. Students are expected to analyse the case following the discussion questions. All students must maintain full attendance and do timely submission of assignments.

Prepared by: Dr Shikha Mittal Shrivastav

Course reviewers:

1. Dr. Anjala Kalsie (Associate Professor), Faculty of Management Studies, University of Delhi
2. Prof. (Dr) Deepak Tandon, Professor, IMI, New Delhi
3. Prof. (Dr) K. P. Kaushik, Professor, AJNIFM, Faridabad