

NIRMA UNIVERSITY

Institute Name	Institute of Commerce
Name of Programme	B. Com (Hons)
Course Code	4CC103IE25
Course Name	Understanding Financial Statements
Course Type:	Interdisciplinary Minor Elective
Year of Introduction	2025-26

L	T	Practical Component				C
		LPW	PW	W	S	
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Course Learning Outcomes (CLOs):

After successful completion of this course, the students will be able to:

1	Explain alternative accounting policies and their impact on financial statements and information.	BL – 3
2	Apply appropriate tools for financial statement analysis.	BL – 3
3	Examine the financial statements results from the perspectives of different stakeholders.	BL – 4
4	Estimate the impact of selected transactions on financial reports of the firm.	BL – 5

Content

Teaching Hours

Unit I: Overview of Financial Statements

8

- An overview of financial statements including notes to financial statements
- Users of financial statements
- Financial reporting in Indian scenario

Unit II: Statement of Profit and Loss

12

- Accounting period, format and matching and accrual concepts
- Income & Expenditure accounting and valuation
- Depreciation, taxation provisions
- Earnings per share and diluted EPS
- Analyze the results and interpretate

Unit III: Balance Sheet

15

- Balance sheet formats
- Assets: types and valuations
- Reserves and Liabilities: types, provisions and valuation
- Analyze the results and interpretation

Unit IV: Statement of Cash Flows and Equity Valuation

10

- Cash Flow Statement: format and activities
- Analyzing the cash flow statement
- Equity valuation models

Suggested Readings:

1. Ahuja, N.L. & Dawar, V. (2023). *Taxmann's Financial Accounting & Analysis*. New Delhi: Taxmann..
2. Martin S. & Fridson, F. A. (2011). *Financial Statement Analysis Workbook: A Practitioner's Guide*, . New Delhi: Wiley Finance Book.
3. Narasimhan, M. (2023). *Financial Statements and Analysis*. New Delhi: Cengage Learning.
4. Penman, S. H. (2017). *Financial Statement Analysis and Security Valuation*. New Delhi: McGraw Hill.
5. Wild, S. A. (2024). *Financial Statement Analysis* . New Delhi: McGraw Hill.

w.e.f. Academic Year 2025-26 and onwards