

**Department of Commerce**  
**University of Delhi**

<b>Course : B.com (Hons)</b>	<b>Semester : 6<sup>th</sup></b>
<b>Subject : Financial Reporting and Analysis</b>	
<b>Paper No. : BCH 6.4 (a)</b>	

**General Guidelines:**

1. There will be internal choice in all questions.
2. Questions will have not more than two parts.
3. Marking scheme will be as follows-

Unit 1 and Unit 5	→ 20 marks	(Theory)
Unit 2	→ 15 marks	(Practical Problem)
Unit 3	→ 20 marks	(Theory and Practical Problem)
Unit 4	→ 20 marks	(Practical Problem)
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TOTAL	75 marks	
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**Unit wise Guidelines:**

**UNIT I Basics of Financial Reporting**

Purpose of financial reporting

Users of Financial reports

Conceptual Framework of financial reporting  
(Objectives, qualitative features, standards)

**UNIT II Understanding Financial Statements**

Structure of financial statements:

Introduction, statements of Financial Position (Balance Sheet), Statement of Earnings (Profit and Loss Statement), Cash Flow Statement

AS-3

Additional Disclosure Statements

Overview

Need for Additional Statements

Auditor's Report

Director's Report

Disclosure in Corporate Governance Report with reference to Board of Directors, Audit Committee, Remuneration Committee, Grievance Committee, General Body Meeting and other disclosures

### **UNIT III: Elements of Financial Statements**

AS-2 Valuation of inventories

AS-9 Revenue Recognition

AS-10 Accounting for Fixed Asset

AS-22 Accounting for taxes on Income

AS-26 Accounting for Intangible Assets

AS-19 Leases

### **UNIT IV: Analysis and Interpretation of Financial Statements**

#### **Ratio Analysis**

Liquidity

Solvency

Activity

Profitability Analysis

Comparative and Common Size Analysis (Vertical and Horizontal Analysis)

#### **Expanded Analysis**

Financial Ratios used in Annual Reports

Management use of Financial Analysis

Graphing Financial Information

### **UNIT V: Accounting Standards in India and IFRS**

Introduction of Indian Accounting Standards

Concept of accounting standard

meaning of accounting standard

Nature of accounting standard

Objectives of accounting standards  
Advantages of accounting standards  
Disadvantages of accounting standards  
Accounting standard board in India  
Applicability of Indian Accounting standards  
Procedure for issuing accounting standard in India  
AS-1 Disclosure of Accounting policies

**(Only Overview of IFRS)**

IFRS (1 to 8)  
IFRS 1 First Time adoption of IFRS  
IFRS 2 Share Based payment  
IFRS 3 Business Combination  
IFRS 4 Insurance Contract  
IFRS 5 Non Current Asset held for sale and Discontinued operation  
IFRS6 Exploration for and evaluation of Mineral Assets  
IFRS 7 Financial Instruments  
IFRS 8 Operating Segment

US GAAP, Financial Accounting Standard Board  
Difference between GAAP and IFRS  
Comparison between Indian Accounting standards and IFRS  
List of IAS  
Indian IFRS  
Need and convergence towards Global Standard  
Benefit of convergence to IFRS in India