Maulana Abul Kalam Azad University of Technology, WB
(Formerly known as West Bengal University of Technology)
Syllabus of BBA(Accountancy, Taxation & Auditing)
Effective from academic session 2023-24

SEMESTER VIII[With Honors]

BBA ATA 801:

FINANCIAL STATEMENT ANALYSIS

Course Objectives

1. To introduce the fundamental concepts and scope of financial accounting, including the meaning, classification, and governing principles like GAAP, accounting concepts, and conventions.
2. To develop the ability to record business transactions using the accounting cycle: from journal entries to the preparation of ledger accounts, trial balance, and final accounts.
3. To impart knowledge of cost accounting, including key concepts such as cost unit, cost center, and techniques/methods of costing, with emphasis on preparing and interpreting cost sheets.
4. To familiarize students with accounting standards, including Indian GAAP, Ind AS, IFRS, and IAS, and provide a comparative analysis of Indian GAAP and Ind AS.
5. To build competence in the preparation of financial statements such as Trading Account, Profit & Loss Account, and Balance Sheet in accordance with Schedule VI (old and new), incorporating adjustments and interpretation.
6. To introduce students to advanced topics in corporate reporting, such as Annual Report interpretation, Corporate Social Responsibility (CSR), Human Resource Accounting, and Value Added Statements.
7. To equip students with tools for financial statement analysis, including techniques like comparative and common size statements, trend analysis, ratio analysis, fund flow, and cash flow statements.

Course Outcome

SL NO	Course Outcome	Mapped Module
1	Understand the meaning, classification, and principles of accounting, including accounting concepts and conventions.	Module I, Unit 1
2	Apply the accounting cycle to record transactions and	Module I, Unit 2

	prepare books of accounts like journal, ledger, and trial balance.	
3	Prepare final accounts and interpret financial results based on recorded transactions.	Module I, Unit 2
4	Explain the concepts and techniques of cost accounting and prepare cost sheets for managerial decision-making.	Module I, Unit 3
5	Understand the framework and significance of accounting standards such as Indian GAAP, Ind AS, IFRS, and IAS.	Module II, Unit 4
6	Prepare financial statements like Trading Account, Profit & Loss Account, and Balance Sheet with adjustments.	Module II, Unit 5
7	Analyze and interpret Annual Reports and advanced reporting elements like CSR, Human Resource Accounting, and Value Added Statements.	Module II, Unit 5
8	Evaluate financial health using tools like ratio analysis, trend analysis, fund flow, and cash flow statements.	Module II, Unit 6

MODULE I

Unit 1: Introduction to Financial Statements [5 L]

- Nature and purpose of financial statements
- Types: Income Statement, Balance Sheet, Cash Flow Statement and Fund Flow Statement , Statement of Retained Earnings
- Users of financial statements
- Regulatory framework – Companies Act, Accounting Standards, IFRS basics

Unit 2: Understanding Balance Sheet and Income Statement [10 L]

- Structure and components of Balance Sheet

- Assets: Current and Non-current, Liabilities, Equity
- Format and components of Income Statement (Trading, Profit & Loss)
- Revenue recognition and expense matching concepts
- Limitations of financial statements

Unit 3: Introduction to Cash Flow Statement and Fund Flow Statement [10L]

- Meaning and purpose of Cash Flow Statement
- Direct vs Indirect Method
- Classification: Operating, Investing, Financing activities
- Importance of Notes to Accounts and their interpretation
- Meaning and importance of fund flow analysis
- Concepts of funds and fund flow
- Practical problem of fund flow analysis

Unit 4: Tools and Techniques of Financial Statement Analysis[8L]

- Comparative Financial Statements
- Common-size Financial Statements
- Trend Analysis
- Practical illustrations and interpretation of results

Module II

Unit 5: Ratio Analysis – Liquidity and Solvency Ratios[10 L]

- Importance of ratios in financial analysis
- Current Ratio, Quick Ratio, Cash Ratio
- Debt-Equity Ratio, Interest Coverage Ratio, Debt Service Coverage Ratio
- Practical applications with balance sheet examples

Unit 6: Ratio Analysis – Profitability and Efficiency Ratios[6 L]

- Gross Profit Ratio, Net Profit Ratio, Operating Profit Margin
- Return on Capital Employed (ROCE), Return on Assets (ROA), Return on Equity (ROE)
- Inventory Turnover, Debtors Turnover, Working Capital Turnover
- Case-based numerical examples and interpretation

Unit 7: Market Value Ratios and Earnings Analysis[5 L]

- Earnings Per Share (EPS), Price-to-Earnings (P/E) Ratio
- Dividend Yield, Book Value per Share
- Market Price vs Book Value: Analysis and trends
- Interpretation for investors and stakeholders

Unit 8: Practical Applications and Case Studies[6 L]

- Interpretation of real-life financial statements (Annual Reports)
- Case study analysis of listed companies – profitability, risk, and investment potential
- Project work / assignments based on company financials
- Tools like Excel and basic use of online databases for analysis

Suggested Readings:

- 1. M. Hanif& A. Mukherjee: Financial Accounting. McGraw Hill
- 2. S. K. Paul: Financial Accounting, New Central book Agency
- 4. P. M. Rao: Financial Statement Analysis and Reporting. PHILIPS
- 5.“Financial Accounting” by T.S. Grewal & S.C. Gupta, S.Chand& Sons
- 6.“Financial Statement Analysis” by K.R. Subramanyam, McGraw Hill

Module No	Content	Total Hours	%age of questions	Covered CO	Covered PO	Blooms Level (if applicable)	Remarks (Ifany)
Module 1/ Unit 1	Introduction to financial statements	5	13	1	7		
Module 1/ Unit 2	Understanding Balance Sheet and Income Statement	10	15	2	7		
Module 1/ Unit 3	Introduction to Cash Flow Statements and fund flow statements	10	15	3	7		
Module 1/ Unit 4	Tools and techniques of financial statement analysis	8	15	4	7		

Module 2/ Unit 5	Ratio analysis- liquidity and solvency ratios	10	10	5	7		
Module 2/ Unit 6	Ratio analysis- profitability and efficiency ratios	6	10	6	7		
Module 2/Unit 7	Market value ratios and earning analysis	5	10	7	7		
Module 2/Unit 8	Practical applications and case studies	6	12	8	7		

BBA ATA 802

Course Objectives

FINANCIAL DERIVATIVES

1. To introduce students to the **fundamental concepts of derivatives**, their historical development, and the global and Indian derivative markets.
2. To enable students to understand the **importance, uses, and critiques of derivatives**, along with the **evolution of derivative trading** in India and the recommendations of key regulatory committees (e.g., Dr. L.C. Gupta Committee).
3. To provide knowledge about **forward and futures contracts**, including their features, pricing mechanisms, trading practices, and the distinctions between them.
4. To develop a clear understanding of **options contracts**, including valuation techniques, trading positions (naked and covered), and factors affecting option pricing.
5. To familiarize students with **swap agreements**, including the nature, types, and structure of financial swaps such as interest rate, currency, commodity, and equity index swaps.
6. To equip students with the conceptual and practical tools needed for **hedging strategies**, including the understanding of long and short hedges, cross-hedging, basis risk, and the design and effectiveness of hedging techniques.

Course Outcome

SL NO	Course Outcome	Mapped Modules
1	Understand the fundamental concepts, history, and evolution of derivatives, and their role in financial markets.	Module I, Unit 1
2	Explain the importance, benefits, and criticisms of derivatives, particularly in the Indian context.	Module I, Unit 1
3	Describe and differentiate between forward and futures contracts, including their pricing, features, and trading mechanisms.	Module I, Unit 2
4	Analyze the futuresmarketstructure in India and evaluate the roles of different types of traders.	Module I, Unit 2
5	Understand the concept of options, their types, valuation, pricing factors, and option trading strategies.	Module I, Unit 3
6	Demonstrate knowledge of different swapinstruments, their structure, and their use in financial markets.	Module II, Unit 4
7	Apply hedging techniques including long and short hedge models, and evaluate basisrisk, hedgingeffectiveness, and strategy formulation.	Module II, Unit 5
8	Integrate derivative instruments in riskmanagementandinvestmentdecisions using real-world strategies and market mechanisms.	Module I: Units 2 & 3 Module II: Units 4 & 5

MODULE 1

UNIT 1: INTRODUCTION [15 L]

Derivatives - History of Derivatives Markets - Uses of Derivatives - Critiques of Derivatives -Need for Derivatives-Evolution of Derivatives in India - Major Recommendations of Dr. L.C. Gupta Committee - Benefits of Derivatives in India - Types of Derivatives - Derivatives Trading at NSE/BSE

UNIT 2: FORWARD AND FUTURES [15 L]

Financial Derivatives - Features, Types - Forward: Pricing and Trading Mechanism - Forward Contract - Featuresof Forward Contract - Classification of Forward Contracts - Forward Trading Mechanism. Futures: Types ofFinancial Futures Contract - Evolution of Futures Market in India - Traders in Futures Market in India - Functionsand Growth of Futures Markets - Futures Market Trading Mechanism - Forward Contract Vs. Futures Contracts.

UNIT 3 OPTIONS [15L]

Concept of Options - Types - Option Valuation - Option Positions: Naked and Covered Option - Underlying Assetsin - Exchange-traded Options - Determinants of Option Prices - Basic Principles of Option Trading.

MODULE 2

UNIT 4: SWAP [15 L]

Concept, Nature, Evolution and Features of Swap - Types of Financial Swaps - Interest Rate Swaps - CurrencySwap - Debt Equity Swap - Commodity Swaps - Equity Index Swaps

UNIT 5: HEDGING [15 L]

Concepts - Model - Basic Long and Short Hedges - Cross Hedging - Basis Risk and Hedging - Basis Risk Vs. PriceRisk - Hedging Effectiveness - Devising a Hedging Strategy - Hedging Objectives - Management of Hedge.

Suggested Readings:

1. Financial Derivatives- R. Amuthan.
2. “Financial Derivatives: Theory, Concepts and Problems” by S.L. Gupta
3. “Financial Derivatives” by M. Ranganatham& R. Madhumathi
4. “Derivatives and Financial Risk Management” by OP Agarwal

Module No	Content	Total Hours	%age of questions	Covered CO	Covered PO	Blooms Level (if applicable)	Remarks (Ifany)
Module 1/ Unit 1	Introduction	15	13	1	3		
Module 1/ Unit 2	Forward and futures	15	20	2	3		
Module 1/ Unit 3	Options	15	23	3	3		
Module 2/ Unit 4	Swap	15	17	4	3		
Module 2/ Unit 5	Hedging	15	17	5	3		

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BBA ATA 803:

ADVANCED AUDITING

Course Objectives

- To introduce the fundamental concepts of auditing, including the relevance and application of auditing standards, IFRS, and US-GAAP.
- To develop an understanding of internal control systems, methods to evaluate them, and the importance of coordination between internal and external audits.
- To familiarize students with audit sampling techniques and the use of analytical procedures in audit processes.
- To provide insight into auditing in a computerized environment and strategies for improving audit effectiveness using technology.
- To enable learners to understand the procedures and legal framework involved in auditing limited companies, including statutory compliance.
- To introduce the concept of government audits and differentiate them from independent financial audits, while explaining the basics of special and efficiency audits.
- To explore the special audit considerations in sectors such as public sector undertakings (PSUs), banks, NBFCs, insurance companies, co-operative societies, and tax audits.
- To provide an understanding of cost audits, efficiency audits, and the role of professional ethics, auditing regulations, and awareness of current issues in auditing.

COURSE OUTCOME

SL NO	Course Outcome	Mapped Modules
1	Understand the fundamentals of auditing, auditing standards, IFRS, and an introduction to US-GAAP.	Module I, Unit 1
2	Evaluate internal control systems and explain the coordination between internal and external audits.	Module I, Unit 2
3	Apply audit sampling techniques and perform analytical procedures during the audit process.	Module I, Unit 3

4	Analyze auditing practices in computerized environments to improve audit effectiveness.	Module I, Unit 4
5	Conduct audits of limited companies according to applicable laws and regulations.	Module I, Unit 5
6	Compare government audits with independent financial audits and understand special and efficiency audits.	Module II, Unit 6
7	Identify special features and requirements of audits in PSUs, banks, NBFCs, insurance companies, cooperatives, and tax audits.	Module II, Unit 7
8	Understand the relevance of special audits, efficiency	Module II, Unit 8

	audits, cost audits, and the importance of professional ethics and current issues in auditing.	

MODULE I

Unit 1:

Auditing: introduction, auditing standards and IFRS, their relevance, Introduction to US-GAAP **(5 L)**

Unit 2:

Internal Control, Evaluation of internal control procedures and establishing coordinationbetween internal audit and external audit. **(10L)**

Unit 3:

Audit Sampling, Analytical procedures **(10L)**

Unit 4:

Auditing in computerized environment, improving audit effectiveness **(10L)**

Unit 5:

Audit of limited companies **(10 L)**

MODULE II

Unit 6:

Government audit, government and independent financial audit: comparison, Introduction to Special Audit and Efficiency Audit **(10L)**

Unit 7:

Special features of audit of public sector undertakings, audit of banks, audit of non-bankingfinancial companies, insurance companies, co-operative societies, Tax audit **(10L)**

Unit 8:

Special Audit, Efficiency Audit, Cost audit and its relevance. Professional Ethics andRegulations 10. Current issues in auditing **(10 L)**

Suggested Readings:

1. David Coderre, Internal Audit: Efficiency through Automation, John Wiley & Sons,

2. Emile Woolf, Moira Hindson, Audit and Accountancy Pitfalls: A Casebook for PractisingAccountants, Lawyers and Insurers, John Wiley & Sons.

3. Iain Gray, Stuart Manson, The Audit Process: Principles, Practice and Cases, CengageLearning EMEA. Jeanette Franzel, Single Audit: Opportunities Exist to Improve the SingleAudit Process and Oversight, DIANE Publishing

4. Susan Switzer, Internal Audit Reports Post Sarbanes-Oxley: A Guide to Process-DrivenReporting, John Wiley & Sons, 2007.

Module No	Content	Total Hours	%age of questions	Covered CO	Covered PO	Blooms Level (if applicable)	Remarks (Ifany)
Module 1/ Unit 1	Auditing	5	13	1	7		
Module 1/ Unit 2	Internal control	10	15	2	7		
Module 1/ Unit 3	Audit sampling and analytical procedure	10	10	3	7		

Module 1/ Unit 4	Auditing in computerized environment	10	15	4	7		
Module 1/Unit 5	Audit of limited companies	10	12				
Module 2/ Unit 6	Government audit and financial audit	10	15	5	7		
Module 2/Unit 7	Special features of audit of public sector undertakings,	10	10	6	7		
Module 2/ Unit 8	Special Audit, Efficiency Audit, Cost audit and its relevance	10	10	7	7		