

TRIBHUVAN UNIVERSITY  
INSTITUTE OF SCIENCE AND TECHNOLOGY  
SCHOOL OF MATHEMATICAL SCIENCES  
**Bachelor in Mathematical Sciences (B.Math.Sc.)**

**Course of Study**

Code No.: MSAC 301  
Paper: **Financial Accounting**  
Nature: Theory

Full Marks: 75  
Pass Marks: 30  
Credit: 3

*Course Description:*

The course covers to Conceptual foundation of company accounting, Financial statement of company, Financial statement analysis of company, Management information and evaluating working capital and function of forecasts and budgets as sources of management information.

*Learning Objectives:*

On successful completion of the course the student will be able to provide students with the basic concepts and practices of financial accounting with a view to develop their skills in preparing and presenting the financial statement of an organization as a part of the accounting information system.

*Mode of Delivery:*

The course will be taught by lecture (48 hrs), and problem solving and class discussion (24 hrs). The use of spreadsheet software for problem solving will be encouraged.

**Contents:**

**Unit 1 Conceptual Foundation of Company Accounting**

**8 hrs**

Company Accounts, Fundamental accounting concepts, Cash and accrual concept of company account, Basic contraction of accounts of different types, Role and principle features of company Accounts, Required to produce annual report and accounts, Value of financial reporting on environmental, social and economic sustainability, Accounting for Depreciation.

**Unit 2 Financial Statement of Company**

**12 hrs**

Statement of Profit and Loss, Simple statement of Financial Position, Cash Flow Statement, Structure and content of insurance company accounts, The terms subsidiary company and associated company, Limitation of access the accounts of company, Share capital, reserves and retained earnings.

**Unit 3 Financial Statement Analysis of Company**

**10 hrs**

Concept, importance and objectives of financial statement Analysis, Internationally accepted standard and financial statement, Ratio Analysis Concept, Use, Importance and Limitation, Types of ratio computation and interpretation: liquidity, leverage,

activity/turnover, profitability earning evaluation ratio for evaluation the financial performance of the company, Ways that reported figures can be manipulated to create a false impression of company's financial position.

**Unit 4 Management Information and Evaluating Working Capital 12 hrs**

Concept of management information system, Working capital position of a company  
Analyze accounts receivable, account payable and inventory ratio, Policies for working capital management, Methods for financing working capital, Short term cash position of a company, Measure to manage the short term cash position of a company, Dividend sustainability.

**Unit 5 Function of forecasts and Budgets as Sources of Management Information 6 hrs**

Purpose of forecast and budgets, Basic examples of forecasts and budgets, Types of budgets, Shortcoming of historical cost accounting.

**References**

1. Porter Gray and Norton Curtis, Financial Accounting, The Impact on Decision makers, The Dryden Process USA.
2. Horngren Harcison, Financial Accounting, The Dorling Kindersley Pvt. Ltd. India.
3. R. Narayanswamy, Financial Accounting, A managerial perspective, practice Hale of India Pvt. Ltd, New Delhi.

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