

ST. JOSEPH'S COLLEGE OF COMMERCE (AUTONOMOUS)

NOTES OF LESSON ON CORPORATE KNOWLEDGE INTEGRATION

Programme	:	Corporate Knowledge Integration at SJCC	Semester	:	I (Full-time)
Module	:	III B.com	Tutor	:	Prof. L. Augustin Amaladas
Batch	:	2015-16(Nov.2015- March 2016)			
Core Book (s)	:	Corporate Knowledge Integration by Prof. Augustin and K. Shanthi., 1 st edition, 2009			
1. Anthony Robert (2007) <i>Accounting Text and Cases; 12th Edition</i>, Tata McGraw Hill (R-3)					
2. Drury Colin <i>Management and Cost Accounting; 6th Edition</i> Thomson Learning (R-2)					
3. Pandey I.M (2005) <i>Financial Management; 9th Edition</i>; Vikas Publishing House, New Delhi. (C-1)					
4. Chandra Prasanna (2008) <i>Financial Management: Theory and Practice; 7th Edition</i>; Tata-McGraw Hill, New Delhi. (C-2)					
Reference Reading (s)	:				
1. Walsh Ciaran (2001) <i>Key Management Ratios</i>; McMillan Publication. (R-1)					
2. Anthony Robert (2007) <i>Accounting Text and Cases; 12th Edition</i>, Tata McGraw Hill (R-3)					
3. Coyle, Brian Series editor <i>Basic Accounting, Multiple Choice Questions</i>. (R-4)					

Sessions	Topic	Learning Outcome(s)	Reading for the week (Core/Ref Text)
November 2 nd and third and third week	<ul style="list-style-type: none"> • Basic accounting concepts: The Balance Sheet. • Basic accounting Concepts: The Income Statement • A very brief on the books of accounts. The concept of Debit, Credit & trial balance. <p>Gross Block, Net Block, Capital WIP, Investments, Inventory, Receivables, Equity, Reserves Etc.</p> <p>Case Study-1 Manoranjan Daily Changes In Balance Sheet Answer For Manoranjan</p>	<ul style="list-style-type: none"> • Understand the underpinning principles that lead to the way accountants construct the Balance Sheet explaining clearly as to the “what” and the “why” of a balance sheet construction. • Understand the basic principles that highlight the way accountants record transactions that lead to formulation of the Income statement at the end of a period. • The session would help visualize the process leading to the construct of financial statements. 	<p>R-3: Chp-2 (Pgs 25 to 43)</p> <p>Cases: 1. Maynard Company (A) 2. Music Mart Inc</p> <p>Cases: 1. Mukthi Bhasha- Fish case study 2. Dhandayuktha pani</p> <p>(Home work)</p>

December
1st and 2nd
week)

- The Nature of Management / Cost Accounting.
 - Cost Behavior / Cost concepts and systems.
Net Sales, COGS, GP, Operating Expenses,
NP/Loss
- 1.09 Inventory Valuation**
- 1.10 Value Added Tax**
Example
- 1.11 Accounting Entries For VAT**
Exercise 1 and 2
- 1.12 Inventory Methods And Their Financial Impact**
FIFO, LIFO and Average Cost.
Illustration (Financial Impact)
- 1.13 Why Is Valuation Of Inventory Important?**
Illustration, Ratios Related To Inventory And An
Exercise.
- Impact Of Inventories On Financial Statements**
Case Study-2
- 1.17 FIFO, LIFO Does Not Matter**
Case Study-3
- Credit Management**
Case Study-7 (Credit Period Extension)
- 1.31 Credit Terms
Credit Period
Cash Discount
Case Study-8 (Credit and Discount)
- 1.32 Monitoring The State Of Receivables**
Illustration
- 1.33 Credit Evaluation**
Type-I And II Errors
Case Study -9 (Vella Junction-Impact Of Accounts
Receivables In Business And Balance Sheet)
- 1.34 Credit Policy**
Illustration
- 1.35 Discount And Allowances**
Trade And Cash Discount
Nominal Cost
Illustration
Effective Cost $(1 + \text{Periodic Rate})^N - 1$
Exercise-1 To 5
Case Study-10 (Collection Box System)
Exercise-6

- This session provides the basics of the cost terms used in cost analysis.
- This is a case of two new entrepreneurs who start a new venture & the analysis of the financials firstly from the point of its construct and its simple interpretation.

R-2: Chp-1 & 2, Part-1 (Pgs 5 to 21 & to 39).

Case: Mango case study-1 and 2
(Home work)

December (third week)	Understanding Financial Statements & Introduction to Various Financial Concepts used in Financial Analysis.	This session helps understand the financial statements when created. The function of Finance in an organization emerges from this session and the next.	The Doctors for Infotech Ltd.(Home work) Case: Financial Detectives Income statement and ratios are taught by taking a company
January(1 st week and second week)	<p>Introduction to Financial Ratio Analysis and its Use in Interpretation of Financial Statements</p> <p>Illustration-1 (Tim Tea Ltd.) Illustration-2 (Tim Ltd. Forward Contract) Illustration-3 (Purchase Of Raw Material And Closing Inventory)</p> <p>EOQ</p> <p>Illustration-1 (Why Divide By 2) Derivation Of The Formula Illustration-2 Illustration-3 Exercise- 1 (Review Of Stock Policy Of XYZ) Illustration-4 (Stock With Probability-A Dress Dealer) Exercise-2 (Under-stocking And Overstocking) Illustration-5 (Normal Capacity)</p> <p>1.24 Common Journal Entries In Inventory Accounting 1.25 Key Stock Ratios Illustration-4</p>	Calculation of EOQ with discount and without discount	
January(Middle)	Mid-Term Assessment Discussion- The above 4 sessions is the portion for the mid-term assessment.	Tutor to discuss the mid-term assessment with the students and ensure all doubts have been clarified.	Previous years old question papers are discussed.
January(Third week)	Cash Flow Analysis	The session brings out the importance of looking at the Cash flow statement in conjunction with the other statements that is the Income statement and the Balance sheet.	Case study: The Doctors for Infotech Ltd.

February 1 st and 2 nd week	<ul style="list-style-type: none"> • Flow of Costs: Direct/ Prime costs; Allocation of Costs: Overhead Analysis • Inventory Valuation & Income Effects of Costing Techniques-Standard Costs/ Variable Costing / Marginal / Absorption Costing. 	<ul style="list-style-type: none"> • The session provides the basics of cost terms used in cost analysis & relevant for Inventory Valuation. • The session introduces the various methods of valuing inventory and explaining its impact on the profits depending on the method adopted by a company. 	
Feb	Introduction to working capital management.	The relevance of working capital management and understanding the basics of the operating cycle relevant to a business.	C-1: Chp-27 (Pgs 577 to 592) C-2: Chp-26 (Pgs 653 to 666)
Feb	Management of Receivables, Inventory and Cash	This Session helps focus on the individual components of the working capital cycle examining the relevance and importance of the management of cash, inventories and receivables.	

<p>February 2nd and</p>	<p>Depreciation And Amortization-Asset Valuation 1.48 Depreciation Calculations 1.49 Deferment Of Depreciation, Rigid Provision, Method Of Depreciation 1.50 Block Asset Method, Time Concept 1.51 Option Of Depreciation Method 1.52 Depreciation On Leased And HP Asset 1.53 Auditing And Depreciation 1.54 Unabsorbed Depreciation 1.55 Depreciation And Financial Implications 1.56 Depreciation And Tax Planning 1.57 Carry Forward And Set Off Of Business Loss 1.58 Set Off And Carry Forward Of Speculation Loss 1.59 Compulsory Filing Of Loss Of Return 1.60 Other Tax Benefit</p>	<p>Better understanding on fixed assets</p>	<p>IFRS-discussed</p>
	<p>) 1.63 Capital Structure 1.64 Target Capital Structure 1.65 Factors Influence The Firm's capital Structure 1.66 Explanations Business Risks, Tax, Financial Flexibility And Leverage 1.67 How To Determine The Optimal Capital Structure Exercise 1.68 Gearing Ratio 1.69 Advanced Investor Ratio 1.70 Interest Coverage Ratio Case Study-16 (Advanced) –Revised Cash Flow Case Study-17 (Ratio Analysis) Exercise</p>		<p>Owned Funds Vs Borrowed Funds Vs Case Study-12 (IT And Companies Act) Case Study-13 (Block Asset Method, Ca Budgeting, Borrowed Funds) Exercise-1 And 2 Case Study-14 (Owned Funds Vs Borrov Case Study-15 (Lease Vs Purchase) (Home work)</p>

	<p>Differentiation Of Function 3.07 Marginal Revenue, Profit And Cost Illustration 3.08 Number Of Business Problems By Using Calculus (Notes are supplied)</p>		<ol style="list-style-type: none"> 1. Increase Of Toll Money Exercise 2. Boating Problem 3. Tennis Court Problem Exercise 4. Opera House Concert Ticke 5. Multiplex Theatre Problem Exercise 6. Dog Kennel Problem 7. Dealer's Problem 8. Apartment Rental Problem Exercise 9. Road Toll Problem(Home w 10. Air Show Problem Exercise-1 And 8 Case Study- 25 (Leasing Probl Case Study- 26 (Banking Prob Exercise-9 To 11 11. Meeting Point Of Cars Problem
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09 Learning Curve Application

3.10 The Experience Curve

3.11 Experience Curve (Graphical Solution)

3.12 Advantages
 Case Study-27 (Learning Curve- CVP Analysis)
 Case Study-28 To 30

3.13 Time Value Of Money (TVM)- Business Applications

3.14 Introduction To TVM

3.15 What Does Index 120 Indicate?

3.16 How Do We Find Out Whether Purchase Power Of Money Comes Down?

3.17 TVM And Inflation

3.18 How Purchase Power Of Money Comes Down When Inflation Goes Up?

3.19 Time Value Of Money Applications
 Calculation Of Future Value
 Years To Double
 Determination Of Inflation Rate
 Future Living Expenses
 Comparison Of Investment Plan
 Calculation Of Earnings On Savings
 EMI And EAI
 Retirement Planning
 Semi-Annual Compounding
 Amortization Of Loan

3.20 Types Of Interest
 Simple Interest
 Compound Interest

3.21 Compound Interest And TVM

3.22 Short Cut Techniques To Calculate Future Value, Present Value
 Illustration

3.23 Future Value
 Exercise

3.24 Some Facts Of Time Value Of Money
 Exercise

3.25 How To Use Four Annuity Tables (Common Rules)

3.26 Annuity Tables
 Tables-1 To 4

3.27 TVM –Exercises

3.28 Objective Type Questions On TVM

	<p>Costing And Management Accounting Techniques 4.01 Cost Sheet – L. Clothing Pvt.Ltd. 4.02 Relevant Costing 4.03 Relevant Cost And Relevant Benefits</p>	<p>Understanding of the relevance of relevant costing and real life and business applications</p>	<p>Activity 1 –Five Engineers Activity-2 –Survey Conducted Activity-3 – A Machine Just Purchased Activity-4 -20,000 Units Of Shirt Activity-5 –Just Joined A Course Activity-6 -Metro Train And Just Purchased A Car Activity-7 –Special Order Activity-8 –A Mini Computer Activity-9 –Manufacturing 30,000 Shirts Activity-10 –Make Or Buy Activity-11-Mr.X ---- Current Job Activity-12-Make Or Buy Bath Tubs Exercises-1 To 9</p>
<p>March</p>	<p>Introduction to Cost –Volume – Profit Analysis and its Relevance in Managerial Decision Making.</p>	<p>This Session helps understand the relationship between costs & volumes and their impact on profits. The basics of break-even analysis are the scope of this Session clearly examining its limitations as well.</p>	

<p>March</p>	<p>Corporate Financial Knowledge Integration By Illustration , Exercise And Case Studies City Developers And Builders)</p>	<p>Study various case studies to understand all modules</p>	<p>Corporate Financial Knowledge Integration By Illustration , Exercise And Case Studies</p> <p>Exercise:1 (Miscellaneous) Exercise:2 (Old Plant And Machinery) Exercise:3 Case study-55 (Mr. Coorgee Khan) Exercise-1 To 9 Case Study-56 (Plant and Machinery Purchased) Case Study -57(Mr.Lee And Sean (Picnic Problem Flexible Budget)) Case Study-58(Festivity At SJCC) Case Study-59(Merger-Advanced) Case Study-60 (LIFO, FIFO,CF Ratios)</p> <p>Case Study-61 (Statistical And Economic Applications) Case Study- 62 (HSR Club) Case Study-63 (Situation Based LCD) Case Study-64 (SJCC Tours And Travels(Transport Costing)) Case Study-65 (KPN Travels Mini Buses) Case Study-70(Aiswarya City Developers And Builders)</p>
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March 2015	Review of the Module Model question and answers papers-1 to 4 distributed in February. Model Question and answers 5 and 6 distributed in March	Re-cap of all the sessions in the module.	- Previous Years' Questions (1) Midterm Test- January 2011 (2) Semester Examination- May 2009 (3) Semester Examination -April 2010 Case Study-68 (JJ Travels Limited) Case Study-69 (Vanakam Travels)

Notes:

1st internal class test - Monday 7th December 2015 during class hours : 5 questions 2 marks each

2nd internal class test - Monday 15th Feb 2016 during class hour: 5 questions 2 marks each

Internal Re-test will not be conducted. In order to make up internal marks class room discussion and case study participation are required. Class room participation carries some weightage in the internal marks. Maintenance of a separate notebook is compulsory. Student's involvement in the class room discussion and case study discussion are the most important. Failed to fulfill the above norms the student may lose 5 marks in the internal. Special classes after the regular hours may be conducted. Date and time will be informed well in advance. Students will not meet the staff at the end of the semester for no reason to improve their internal score if they miss regular tests/ examination/assignments. Periodical Assignments will be given and tested in the internal tests. Any doubts related to subject you can meet me in my chamber on any working day with prior appointment.