

Far Western University
Faculty of Management
Master of Business Administration (MBA) Program

Course Details of Second Semester
(Syllabus: MBA 2nd Semester)



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Far Western University
Faculty of Management
Master of Business Administration (MBA) Program
Semester-wise Course Cycle (Revised on 2023)

Semesters	Course Code and Name of Courses	Credits
Semester I	MGT 501: Managerial Communication	3
	MGT 502: Emerging Concepts in Management	2
	STT 512: Statistics for Management	3
	ECO 522: Managerial Economics	2
	MGT 532: Organizational Behaviour	2
	MGT 535: Business, Society and Ethics	2
	MKT 551: Marketing Management	2
Semester II	ACC 511: Managerial Accounting and Control	3
	ACC 512: Financial Reporting and Analysis	3
	MGT 533: Human Resource Management	2
	MGT 534: International Business	2
	FIN 541: Financial Management	3
	MIS 554: Management Information System	3
	Semester III	RES 631: Business Research Methods
MGT 632: Operations Management and Supply Chain	2	
MIS 633: E-Business	2	
ENT 634: Entrepreneurship	3	
INT 635: Internship	2	
	Concentration I (ONE subject from any one concentration area):	
	Concentration Area: Banking and Finance	
	FIN 636: Financial Markets and Institutions	3
	FIN 637: International Financial Management	3
	Concentration Area: Marketing	
	MKT 636: Consumer Behaviour	3
	MKT 637: Advertising and Sales Promotion	3
	Concentration Area: Accounting	
	ACC 636: Corporate Accounting	3
	ACC 637: Corporate Taxation	3
	Concentration Area: Human Resource Management	
	HRM 636: Employment Relations	3
	HRM 637: Human Resource Development	3
Semester IV	MGT 641: Strategic Management	3
	ENT 642: Business Plan for New Venture Development - Seminar	1
	ACC 643: Taxation and Tax Planning - Workshop	1
	RES 649: Thesis	3
	Concentration II (ONE subject from any one concentration area):	
	Concentration Area: Banking and Finance	
	FIN 644: Investment Analysis and Portfolio Management	3
	FIN 645: Commercial Bank Management	3
	FIN 646: Marketing of Financial Services	3
	Concentration Area: Marketing	
	MKT 644: Service Marketing	3
	MKT 645: Social Marketing	3
	MKT 646: Strategic Brand Management	3
	Concentration Area: Accounting	
	ACC 644: Accounting Information System	3
	ACC 645: Advanced Management Accounting	3
	Concentration Area: Human Resource Management	
	HRM 644: Performance Management	3
	HRM 645: Conflict Management and Negotiation	3
	Concentration III (ONE seminar related to concentration area)	
	FIN 648: Seminar in Banking and Finance	3
	MKT 648: Seminar in Marketing	3
	ENT 648: Seminar in Accounting	3
	HRM 648: Seminar in Human Resource Management	3

ACC 511: Managerial Accounting and Control

Program/Semester: MBA/Second Semester

Course Title: Managerial Accounting and Control

Course Code: ACC 511

Credit Hours: 3

Lecturer Hour: 45

Course Objectives

The main objective of this course is to equip students with the depth knowledge and skill in management accounting concepts, tools and techniques. The course also aims to encourage the students in application of the management accounting concepts, tools and techniques in planning, decision making and management control system in different business organizations. The course will enable students to prepare business plan and critical analysis in the conditions of uncertainties.

Course Description

This course includes scope of management accounting and their applications; control ship function; management accounting information system; cost estimation; cost allocation; income measurement and reporting under variable and absorption costing; cost volume profit analysis under conditions of uncertainties; profit planning and master budget; standard costing and management accounting concepts in business decision; and the capital budgeting technique.

Learning Outcomes

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

- Understand the nature and behaviour of costs and costs allocation and their uses for different purposes of planning, decision making and controlling.
- Analyze different costs variances as techniques of management control process.
- Analyze the relationship between costs and revenues under conditions of uncertainties.
- Understand the concept of profit planning and prepare the master budget.
- Analyze the relevant costs for business decisions making under different alternative courses of actions.
- Apply capital budgeting techniques for long-term investment decisions.

Course Contents

Following issues and topics have been selected in relation to existing literature, its relevance in Nepalese context, and the likely impact on current managerial accounting and control practices in Nepal:

Unit 1: Concept of Management Accounting

LH 4

Concept, objectives, scope and limitations of management accounting; management accounting vs financial accounting vs cost accounting; changing role of management accounting in an organization; planning, decision making and controllership functions of management accounting, professional ethics and social responsibility.

Unit 2: Cost Management and Reporting

LH 8

Cost concept and classification, segregation of mixed cost: two-point method, regression method, co-efficient of determination, standard error of estimates, standard errors of

regression co-efficient, reporting of net income under different situations for internal and external use, reconciliation of net income.

Unit 3: Cost -Volume-Profit-Analysis **LH 10**

Concept, objectives, assumptions and limitation of cost-volume-profit-analysis; approaches to cost volume profit analysis; Break even analysis: Graphical and Formula Method; accounting treatment of step fixed cost; CVP analysis for multi-product organization; CVP analysis under resource constraints and CVP analysis under uncertainty.

Unit 4: Budgeting for Profit Planning **LH 8**

Concepts, need, importance and objectives of budgeting; concept of zero-base budgeting; budgeting for profit planning: preparation of master budgets for manufacturing and non-manufacturing firms, projected income statement and balance sheet.

Unit 5: Decision Making **LH 5**

Concept and process of business decisions; concept of relevance cost related to decision making; business decision regarding alternative choice: decision to accept or reject the special order, decision to make or buy and decision to drop or continue; other business decision regarding alternative choice; pricing decisions: concept and factors affecting pricing decisions; cost based pricing (variable cost, manufacturing cost and full cost) and transfer pricing (general, negotiated and external market price).

Unit 6: Management Accounting and Control System **LH 10**

Technical considerations of management accounting and control system: the value chain, target costing, kaizen costing and benchmarking; behavioural consideration of management accounting and control system; Balanced Scorecard: concept, objectives and perspectives; standard costing: concept, objectives, importance, limitation and computation of material, labour and overhead variances; flexible budgets: concept, features, significance and preparation of flexible budget.

Required Textbooks and Materials

Prescribed text books:

Atkinson, A. A., Kaplan, R. S., Matsumura, E.M., Young, S.M & Kumar, G. A. (2012). *Management Accounting (6th ed.)*. New Delhi: Pearson Education Pvt. Ltd. Hilton, R. W., Ramesh,

G., & Madugula, J (2011). *Managerial Accounting*. New Delhi: Tata Mc Graw Hill Pvt. Ltd.

Hornngren, C.T., Datar. S.M., Foster, G., Rajan, M.V., & Ittner, C. (2011). *Cost accounting: A managerial emphasis*. New Delhi: Pearson prentice hall.

Suggested references:

Drury C. (2000). *Management and Cost Accounting* (5th ed.). London Business Press, Thomson Learning.

Garrison R.H., Noreen, E.W. and Brewer, P.C. (2015). *Managerial Accounting* (15th ed.). New York: McGraw Hill Education.

Hilton, R.W., Ramesh. G, & Madugula, J (2011). *Managerial Accounting*. New Delhi: Tata Mc Graw Hill Education Pvt. Ltd.

Jawahar L (2016). *Advanced Management Accounting* (4th ed.). S. Chand Publications.

Shah, P. (2015). *Management Accounting* (2nd ed.). Oxford Publications



MIS 554: Management Information Systems

Program/Semester: MBA/Second Semester

Course Title: Management Information Systems

Course Code: MIS 554

Credit Hours: 3

Lecturer Hour: 45

Course Objectives

The course aims to provide knowledge about the management information systems, role of information systems in organizations and issues raised with the usage of management information systems in the organization and methods to deal with those issues. Students learn how information systems give an organization a competitive edge by providing technologies that help managers plan, control, and make decisions.

Course Description

This course is an application-oriented course that provides an overview of (1) the role of information systems in business process design, (2) the current technologies used for obtaining, storing, and communicating information in support of operations and decision-making within a business organization, and (3) the concepts and principles for programming, developing, and using popular spreadsheet and database tools. Applications focus on important problems and issues found in business disciplines, including accounting, finance, marketing, supply chain operations, and general management. The course also explores current information systems concepts and technologies.

Learning Outcomes

Upon successful completing this course, students will be able to do the following:

- Identify managerial challenges and opportunities for organizational advancement that may be resolved by the application of current new technologies.
- Identify opportunities for and successfully apply various information technologies to gain competitive advantage.
- Define and recognize key enabling technologies that may advance organizations now and in the future.
- Explain applications as groupware, the internet, executive information systems, telecommunications, and other organizational support technologies and relate them to solving organization problems.
- Make required personal and organizational changes to implement the new technologies in established and in new organizations.
- Identify new opportunities and champion the introduction and application of advancing technologies in an organization.

Course Contents

In line with the objectives of the course, the following topics have been selected:

Unit 1: Foundation concepts for Management Information System **LH 6**

Information Systems: Concepts, need, components, types, Information System Resources and activities; Management information system: concept, information technology for competitive advantage, role of information technologies on the emergence of new organizational forms, IT-enabled organizational transformation, information and knowledge economy, enterprise and global management of information technology.

Unit 2: Information Technology Infrastructures **LH 5**

Concept of IT Infrastructure, IT infrastructure components, computer hardware: computer systems, types of computer systems and enterprise computing; computer peripherals: input, output, and storage technologies; computer software: concept and types of software system, business application software, software alternatives, contemporary hardware and software trends.

Unit 3: Data Resource Management and Relational Database Management System **LH 7**

Concept of data and databases, traditional vs database approach, database models, data database structures, relational database management system, data warehouses and data mining, traditional file processing, the database approach to data management, database management systems, ER diagram, using databases to improve business performance and decision making, database system architectures: centralized systems, client server systems, distributed systems.

Unit 4: Computer Network and Telecommunications in Business **LH 6**

Need of computer networks and telecommunications in business; communication technologies in business: wired and wireless technologies; bandwidth and media; networks and their types; protocols; internet networking services; future of networking technologies; networking components, broadband telephony, VOIP, RFID and convergence.

Unit 5: Enterprise Information Systems and Supporting Decision Making **LH 6**

Types of information systems in the organisation; TPS, DSS, MIS and ESS, functional perspective of IS; enterprise systems; strategic uses of information systems; economic organisational and behavioural impacts; IT impact on decision making; leveraging technology in the value chain; MIS and core competencies; strategic information systems (SIS); developing IT strategies and IT solutions; outsourcing the IT function.

Unit 6: E-business Systems and E-commerce Systems **LH 9**

Defining e-commerce, e-commerce versus traditional commerce, scope of e-commerce, advantages and disadvantages of e-commerce, essential e-commerce processes, e-commerce technologies, access control and security, e-commerce business models, major categories of e-commerce: business-to-consumer (B2C), business-to-business (B2B), consumer-to-consumer (C2C), consumer-to-business (C2B) and government and government (G2G); e-commerce supporting technologies: electronic payment systems, Web marketing, mobile marketing, search engine optimization; social media information systems, digital markets and digital goods in a global marketplace. electronic payment

systems: overview of the electronic payment technology - requirements for internet-based payments - electronic payment medias - electronic commerce and banking.

Unit 7: Security and ethical challenges in information Systems

LH 6

Security, ethical and societal challenges of IT, security management of information technology, understanding social and ethical issues, relationship between ethical, social and political issues, moral dimensions of information age, technology trends that raises ethical issues.

Note: Term Paper/ Case Study Report - The student or student group (at most 5 students) needs to finish a written case study report (2500 – 3000 words) on the use of Information Systems or Mobile technology or Ecommerce in a firm or society. The report must reflect understanding of students on basic concepts taught in the course and capability of using them to analyze practical cases.

Required Textbooks and Materials

Prescribed text books:

Laudon, Kenneth C., Laudon, Jane P. (2013). *Management information systems, 12th ed.* United Kingdom: Pearson Education Ltd.

O'Brien, J. A., & Marakas, G. M. (2006). *Management information systems.* Boston: McGraw-Hill Irwin.

Suggested reference:

R. Kelly Rainer, Efraim Turban & Richard E. P. (2006). *Introduction to information systems: supporting and transforming business.* John Wiley & Sons.



FIN 541: Financial Management

Program/Semester: MBA/Second Semester

Course Title: Financial Management

Course Code: FIN 541

Credit Hours: 3

Lecturer Hour: 45

Course Objectives

The objective of this course is to provide the students with an understanding of the concept and principles of finance together with a knowledge of the analytical techniques so developing skills in their application required for making investment, financing, and dividend decision.

Course Description

This course provides an overview of corporate financial management with a special emphasis on nature of finance, financial analysis, valuation, cost of capital, capital budgeting, cash flow estimation, current assets management, and dividend policy. The course also provides the overview of these topics in the context of Nepal.

Learning Outcomes

Students who successfully complete this course will be able to:

- Understand the goal of the firm and functions to be performed by finance manager.
- Conduct financial analysis of the given firm.
- Analyse the value of corporate securities.
- Understand the application of cost of capital in capital budgeting situations.
- Evaluate capital budgeting project by estimating cash flows.
- Undertake efficient management of current assets.
- Devise corporate dividend policy.

Course Contents

Following issues and topics have been selected in relation to existing literature, its relevance and the likely impact on current practices of different aspects of financial management in Nepalese business organizations:

Unit 1: Introduction to Financial Management

LH 3

An overview of Financial Management, the finance functions, finance within an organization, the main financial goal: creating value for investors, agency relationship and problems, balancing shareholder interests and the interests of society.

Unit 2: Financial Analysis

LH 6

An overview of the firm's financial statements: income statement, balance sheet, cash flow statement and statement of shareholders' equity; financial analysis: the common-size statements, ratio analysis and tying the ratios together – the DuPont equation; benchmarking of performance: trend analysis, comparison to industry average and peer-group comparison; uses and limitations of financial ratio analysis.

Unit 3: Valuation of Financial Assets **LH 10**

Concept of financial assets; key features of bond, preferred stock and common stock; timelines to visualize cash flows from investment; time value of money: compound interest and terminal values, discounting and present values, the internal rate of return/yield; bond valuation: value of perpetual bond, pure discount bonds, coupon bonds and bonds with semi-annual coupon payment, bond's yield to maturity; valuation of preferred stock; valuation of common stock using the discounted dividend model for different growth phases; measuring risk and return of stock investment: expected return, investor's required rate of return and risk of an investment.

Unit 4: Cost of Capital **LH 6**

Investor's required return and the firm's cost of capital; significance of cost of capital; computation of specific costs debt, preferred stock and equity (internal and external equity); choice of book value and market value weights, determination of weighted average cost of capital; marginal cost of capital and breaks in marginal cost of capital.

Unit 5: Capital Budgeting Decision (Including Cashflow Estimation) **LH 12**

Concept of capital budgeting; the typical capital-budgeting process; types of projects, independent and mutually exclusive projects; cashflow estimation: initial investment, interim operating cashflows and terminal cashflow; incremental cash flows; project evaluation and selection criteria: payback period, discounted payback period, Net Present Value (NPV), Profitability Index (PI), Internal Rate of Return (IRR), Modified Internal Rate of Return (MIRR), comparison between NPV and IRR.

Unit 6: Working Capital Management **LH 4**

Working capital management: an overview of working capital management, types of working capital and trade-off between profitability and risk; working capital conversion cycle; cash management: significance, motives for holding cash, factors determining cash needs; receivables management: meaning, need of receivable management, credit policies, credit standards, credit terms and collection policies; inventory management: meaning, significance, costs of holding inventory and Economic Order Quantity.

Unit 7: Dividend Policy **LH 4**

Meaning and significance of dividend policy, timelines to visualize dividend payment procedures, dividend distribution policies, stock dividend and stock split, repurchases of stock, factors influencing a firm's dividend policy, dividend payment patterns in Nepal.

Required Textbooks and Materials

Prescribed text books:

Titman, Sheridan, Keown, Arthur J., Martin, John D. (2018). *Financial Management: Principles and Applications, 13th ed.* (13). United Kingdom: Pearson Education Ltd.

Van, H. J. C. (2008). *Financial management and policy.* New Delhi: PHI Learning.

Suggested reference:

Brigham, E. F., & Houston, J. F. (2019). *Fundamentals of financial management.* Cengage Learning, Inc



MGT 534: International Business

Program/Semester: MBA/Second Semester

Course Title: International Business

Course Code: MGT 534

Credit Hours: 2

Lecturer Hour: 30

Course Objectives

The objective of this course is to introduce students to various issues and challenges associated with the formulation and implementation of strategies in business organizations which operate across national borders. This course examines the inner workings of international business from a strategic point of view.

Course Description

This course examines various issues and challenges of international business and surveys a number of managerial issues related to international operations. Strategic decision making and alliance formation are studied as are other functional areas like finance, marketing and human resources. The formulation and implementation of strategies across borders and how they impact people in foreign countries will also be studied. The course also includes the economic, geographical, social, cultural, political, and legal influences on global business; international business opportunities and modes of entry; the risks associated with global business; international marketing issues, international production and distribution.

Learning Outcomes

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

- Understand the concept of international business and discuss the different types of economic, political, cultural and legal systems and their impact on business organization.
- Identify and use appropriate sources to gather information and data needed for international business decisions.
- Analyse the opportunities and challenges in global business.
- Compare and contrast major trade theories and trade policies and their effect on business.
- Examine the economic challenges, including currency exchange, devaluation, and global financial fluctuations.
- Critically analyze the opportunities and risks associated with international business activities.
- Identify the international financial system and major international financial organisations.
- Understand the marketing positioning of the product in international market.
- Clarify the approaches, planning and strategies of international business venture for expansion.

Course Contents

In line with the contemporary focus of the course, the following topics have been selected:

Unit 1: Introduction to International Business

LH 4

International business: concept, nature, evolution and components; domestic vs. international business; international business environment: social, cultural, political,

economic, technological, and legal environment; international trade relations, tariffs and quota; international law and business firm.

Unit 2: Globalization of Business and Trade Theories **LH 10**

Globalization: concept, characteristics, forms, drivers of globalization, advantages and disadvantages of globalization; globalization, privatization, liberalization, localization and regionalization; trade theories and global trade relations: introduction, mercantilism theory, theory of absolute cost advantages, comparative cost advantages theory, relative factor endowments theory, country similarity theory, product life cycle theory, global strategic rivalry theory, Porter's national competitive advantages theory, Nepal's foreign trade and relations.

Unit 3: International Business: Modes of Entry, Opportunities and Challenges **LH 5**

Mode of entry of international business: licensing, franchising, contract manufacturing, management contract, turnkey contracts, fully owned manufacturing facilities, joint venture, mergers and acquisitions, foreign direct investment; Opportunities of international business; prospectus, risks and challenges of global business.

Unit 4: International Financing System **LH 4**

International finance, global capital structure, foreign exchange rate determination, balance of payment, World Bank, International Monetary Fund, United Nations Conference on Trade and Development (UNCTAD), International Development Association.

Unit 5: International Business Operations **LH 7**

Global business operations and the risks associated with global business: free trade vs. protection trade, world trade value, merchandise export and imports, service exports and imports, foreign direct investment; Global production: location, scale of operations and cost of production; Globalization of markets and marketing mix strategies; International human resource management: selection, training and development; Expatriate workforce; Financial management in the international business: investment and financing decisions for international business and risk (economic risk, political risk and exchange rate risk); International business venture: planning for new venture, developing global strategies and expansion of business venture.

Required Textbooks and Materials

Prescribed text books:

Griffin, Ricky W. & Pustay, Michael W. (200). *International business: a managerial perspective*. Reading, Mass: Addison-Wesley.

Hill, C. W. L. & Jain, A.K. (2014). *International business*, 10th ed., New Delhi: McGraw Hill Education.

Suggested References:

Daniels, J.D., Radebaugh, L.H., Sullivan, D.P. Salwan, & P. (2017). *International business: environments and operations*, 15th ed., Noida, India.

Rao, P.S. (2014). *International business*. Mumbai, India: Himalaya Publishing House Pvt. Ltd.

Cherunilam, F. (2009). *International business*. New Delhi: PHI Learning Private Limited.



MGT 533: Human Resource Management

Program/Semester: MBA/Second Semester
Course Title: Human Resource Management
Course Code: MGT 533
Credit Hours: 2
Lecturer Hour: 30

Course Objectives

The objective of the course is to equip students with knowledge, skill and competencies to manage people in organizations. This course focuses on the crucial role of effective human resource management in achieving organizational success. It emphasizes the way human resource management can provide a competitive edge for an organization and be the cornerstone of its corporate strategy.

Course Description

Students are introduced to the management of an organization's workforce through the design and implementation of effective human resources policies and procedures. Current Nepalese issues and practices are examined. This course includes topics like the need for human resources management and its growing professionalism; human resource planning including job design and analysis; recruitment and selection; compensation; employee development; workplace health and safety; and employee relations. This course also explores issues related to human resource strategy, managing diversity, managing behavior and the economic, social, legislative, and attitudinal changes affecting human resources.

Learning Outcomes

After the completion of the course, students should be able to:

- Understand how to be a more effective partner with management in implementing competitive human resource strategy.
- Analyze and interpret competitive, environmental, and organizational changes influencing human resource strategies.
- Understand the evolving roles of human resource staff in achieving business change.
- Explain how to manage people within the organizational structure for competitive advantage in a customer-focused, business environment.
- Recognize how future trends in linking strategy and human resource management may impact you organization.
- Understand how to assess current human resource practices and formulate plans for their improvement.
- Specify human resource problem areas and identify alternative solutions to facilitate management processes.

Course Contents

In line with the contemporary focus of the course, the following issues or topics have been selected. Each issue or topic will be explored in relation to existing literature, its relevance in the

Nepalese context, and the likely impact on current HR practices in Nepal.

Unit 1: Introduction **LH 4**

Concept of Human Resource Management (HRM) and Strategic HRM; HRM system and its components; internal and external factors influencing HRM; HRM vs Strategic Management; Emerging trends in HRM and Human Resource Management practices in Nepal.

Unit 2: Human Resource Planning, Recruitment and Selection **LH 5**

Human Resource (HR) planning: concept, importance and process; job analysis and job design; HR needs forecasting: concept and techniques; recruitment: meaning, sources and methods of recruitment; concept of e- recruitment; selection: meaning and process; gender consideration in recruitment and selection; recruitment and selection practices in Nepal.

Unit 3: Training, Development, Compensation and Performance Management **LH 7**

Concept of training and Human Resource Development (HRD); methods of training and HRD; methods for evaluating training programmes; training practices in Nepalese organizations; compensation and reward management: concept and factors affecting employee compensation; types of compensation; concept of reward and its types; performance appraisal: concept, criteria, types and methods of performance appraisal; 360-degree performance appraisal system for improving employee performance;

Unit 4: Work-Life Integration and Labour Relations **LH 7**

Work-life integration: meaning, importance and developing work-life integration strategy; mentor relationship: meaning, role and responsibilities of a mentor; diversity management: meaning, importance, issues and challenges of diversity management; labour relations: meaning and objectives of labour relations, duties of employer towards labour in respect of occupational health and safety and sexual harassment at work place.

Unit 5: Employee Grievances, Discipline and Changing Paradigm in HRM **LH 7**

Employee grievances: meaning, causes and handling of employee grievances; employee discipline: concept, types of indiscipline behaviours and provision of employee disciplinary actions in Nepal; changing paradigm in HR: viability of HR function, HR efficiency and ways to improve employee efficiency, HR competencies and important HR competencies.

Required Textbooks and Materials

Prescribed text books:

DeCenzo, D. A., & Robbins, S. P. (2007). *Human resource management: Concepts and practices*. Hoboken, NJ: John Wiley & Sons.

Dessler, G. & Varkkey, B. (2017). *Human Resource Management*. New Delhi: Pearson Education.

Suggested references:

Redman, T., Wilkinson, A., & Dundon, T. (2017). *Contemporary human resource management: Text and cases*. Pearson Education Limited.

Zinni, D. M., Jackson, J. H., Mathis, R. L., & Mathis, R. L. (2011). *Human resources management*. Toronto: Nelson Education.



ACC 512: Financial Reporting and Analysis

Program/Semester: MBA/Second Semester

Course Title: Financial Reporting and Analysis

Course Code: ACC 512

Credit Hours: 3

Lecturer Hour: 45

Course Objectives

The main objective of the course is to provide basic concepts and practice of financial reporting so that students can understand and analyze financial performance. The course intends to discuss the effect on financial statement with alternative methods of revenue recognition, accounting for assets and liabilities, and accounting for shareholders equities in compliance with generally accepted accounting principle (GAAP) and accounting policies. The course also aims to provide foundation for specialization course in accounting and finance.

Course Description

Financial reporting and analysis course includes concepts and scope of accounting applications; managerial needs of accounting information; generally accepted accounting principles (GAAP) and accounting methods, the accounting principles cycle and use of work sheet, preparation of financial statements, accounting for different assets, liabilities and equities; accounting notes and disclosures, and the critical analyses and interpretation of financial statements for business decision making and control.

Learning Outcomes

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

- Understand the need and scope of accounting information for financial planning, controlling and decision making.
- Interpret the information contained in financial statements and annual reports.
- Understand the effect of GAAP, accounting policies and methods in financial statements.
- Understand the accounting cycle, journals, ledgers, and the trial balance.
- Prepare financial statements with adjusting entries in compliance with accounting standards.
- Recognize appropriate methods of accounting for assets, liabilities and equities.
- Analyze financial statements from different user's perspectives for business decisions.

Course Contents

In line with the contemporary focus of the course, the following issues or topics have been selected. Each issue or topic will be explored in relation to existing literature, its relevance in Nepalese context, and the likely impact on current financial reporting and practices in Nepal.

Unit 1: Conceptual Foundation

LH 5

Concept of business entities: sole proprietorship, partnership and corporation; meaning of financial accounting; importance, scope, and limitations of financial accounting; accounting concepts and principles; Generally Accepted Accounting Principles (GAAP), Accounting standards: Nepal Accounting Standards (NAS), International Accounting Standards (IAS), Nepal Financial Reporting Standard (NFRS), and International Financial Reporting Standards (IFRS); financial reporting: concept, objectives, types, importance, and elements; ethics in accounting.

Unit 2: Accounting Process and Financial Reporting **LH 12**

Sources of accounting information: concept, types and purpose; accounting cycle: recording of transactions in primary books, general journals, posting to ledger accounts, cash book and preparation of trial balance; preparation of financial statements: income statement, statement of retained earnings, balance sheet, and cash flow statement; preparation of financial statements as per NFRS.

Unit 3: Financial Statement Analysis **LH 8**

Financial statement: concept, objective, importance, and limitations; users and uses of accounting information: internal users and external users; analysing financial statements through ratios: liquidity analysis ratios, profitability analysis ratios, capital structure ratios, activity analysis ratios and coverage ratios; analysis of annual reports: concept, procedure, importance and evaluation.

Unit 4: Accounting for Long-lived Assets **LH 8**

Accounting for investment: short-term investment and long-term investment, meaning of long-lived assets and cost of tangible long-lived assets; depreciation of tangible long-lived assets: straight-line method, diminishing balance method, and depreciation fund method; effect of depreciation on tax, and provisions for depreciation as per Income Tax Act of Nepal.

Unit 5: Accounting for Long Term Liabilities **LH 6**

Long term liabilities: concept, features and types of bonds/debentures; accounting entries for issuance, and retirement of bonds/debenture; balance sheet presentation of bonds/debenture; leases: concept, types of acquisition of capital lease, depreciation of leased asset, amortization of lease obligation and balance sheet presentation of lease obligation.

Unit 6: Accounting for Shareholders' Equity **LH 6**

Concept of equity capital, component of equity: common stock, preferred stock, additional paid-in capital, and retained earnings; accounting record for issue of stock, accounting record for treasury stock, accounting record for cash and stock dividend; stock split: concept and effect of stock split on shareholder's equity; presentation of shareholders' equity in the balance sheet.

Required Textbooks and Materials

Prescribed Text Book:

Porter, G. & Norton, C. L. (2013). *Introduction to Financial Accounting*. Delhi: Cengage Learning India Private Limited.

Suggested References:

- Accounting Standards Board (2018). *Nepal Accounting Standards*. Kathmandu: ASB.
Accounting Standards Board (2014). *Nepal Financial Reporting Standard*. Kathmandu: ASB.
Greunung, V., Darrel, S. & Simonet, T. (2011). *International Accounting Standards. A Practical Guide*, USA: World Bank.
Kimmel, P. D. Weygandt, J. J., and Kieso, D. E. (2012). *Financial Accounting*. New Delhi: Wile India Pvt. Ltd.
Narayanaswamy, R. (2011). *Financial Accounting: A Managerial Perspective*. New Delhi: PHI Learning Private Limited.

