



**InnoVision Executive Education**

## **Finance for Non-Finance Executives**

**DURATION: 18 HOURS**



## Learning Outcomes

- I. Appreciate the presentation of business information and data in a logical, structured and professional manner.
- II. Construct Balance Sheet, Income Statement, and Cash Flow Statement; understand the inter-linkages between the three statements.
- III. Understand relational analyses of financial variables and other tools in assessing financial health across time from the perspectives of multiple stakeholders and also inter-firm comparison.
- IV. Use management accounting information to recommend appropriate decisions.
- V. Build budgets and analyses variances to support planning and decision-making.

## Module Description

Financial Accounting imparts knowledge about the impacts of economic events, i. e., transactions in an entity on its financial state of affairs, earnings, and earning abilities. It helps participants to understand the concepts, processes, regulatory standards, etc. for identifying, measuring, recording and reporting transactions. It is considered to be the foundation upon which several courses in business management, such as Management Accounting, Corporate Finance, MIS for decision support system, etc. are built.

This module is designed to prepare participants to interpret and analyze financial statements for tasks such as credit and security analyses, lending and investment decisions, and other decisions that rely on financial data. This module explores in greater depth financial reporting from the perspective of financial statement users.

The contents of this module shall help business managers to meet such compliance requirements, take decisions with long- and short-term ramifications, and effectively and efficiently discharge their stewardship role.



## Topics to be covered.

- I. Understanding the Accounting Equation
- II. Applying accounting equations to record business transactions.
- III. Presentation of Financial Statements
- IV. Balance Sheet
- V. Classifying assets, liabilities, and equity
- VI. Preparing balance sheet
- VII. Income Statement
- VIII. Classifying income and expenses
- IX. Preparing income statement
- X. Statement of Cash Flows
- XI. Understanding the inflow and outflow of funds under the broad categories of Operating, Investment, and Financing.
- XII. Ind AS 7 Statement of Cash Flows
- XIII. Analysis of the Financial Statement of a Company
- XIV. Computation of Common size statement,
- XV. Trend Analysis, different categories of Ratios calculation and interpretation, Du Pont Analysis
- XVI. Altman Z-score, Beneish M
- XVII. Assessing Operating Risks; Financial risks; Combined risks; Implications to the industry
- XVIII. Understanding Economic Value Added- The concept of Measuring Economic Value Added Measurement Challenges in implementing EVA.
- XIX. NPV versus EVA
- XX. Marginal Costing and Relevant Costing
- XXI. Cost-volume-profit analysis and Break-even analysis, Make-or-buy, outsourcing decisions, Decision to drop a product, Decision from among alternatives, Product mix decisions Resource Constraints
- XXII. Budgeting Master budgets as a tool for planning and control; budgeting process, what-if analysis.
- XXIII. Operational and financial budgets
- XXIV. Types of budgets: Sales budget, Production budget, Material usage budget, Material purchase budget, Manpower budget
- XXV. Flexible Budgeting and Variance analysis
- XXVI. Evaluation of various budget-related concepts
- XXVII. Preparation of the flexible budget

# Finance for Non Finance Executives



## Reference Books

- I. Financial Accounting for Management by N Ramachandran and Ram Kumar Kakani, 5th Edition, McGraw Hill, 2020 (RK)
- II. Accounting- Text and Cases, Robert Anthony, David Hawkins, Kenneth Merchant, Prakash Singh, McGraw Hill, 13th edition (AHMS) 2017
- III. Other Materials: Concept Builder Exercises