



# Indian Institute of Management Indore

## INTEGRATED PROGRAMME IN MANAGEMENT (IPM)

### TERM: VII

**TITLE OF THE COURSE:** Accounting

**CREDITS:** 4

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### **COURSE DESCRIPTION :**

Accounting is described as science and art of recording transactions, analysing, summarising and presenting those transactions in a meaningful manner according to certain principles (called generally accepted accounting principles or GAAP) so as to capture the economic reality of an enterprise. The accounting process culminates in preparation of general purpose financial statements consisting of income statement, position of assets and liabilities of an enterprise that enable the users to understand its financial strength or weakness and its operating efficiency. An oft quoted remarks about accounting is – ‘it is the language of businesses. Financial statements ( like language) communicate information of an enterprise in a structured manner that enable the investors, managers, government and other users to make decisions and judgement about its worth from economic standpoint, its viability, sustainability and so on.

The objective of this course is to learn fundamentals of recording various transactions of different enterprises, analysing and summarising them as per GAAP leading to preparation of financial statements. In brief the course aims at learning and understanding the essential business language called ‘Accounting’.

### **COURSE OBJECTIVES**

- 1) To learn the art and science of recording transactions of different enterprises, analyze and summarize them leading to preparation of financial statements that mainly consist of balance sheet (showing position of assets, liabilities and equity) and income statement.
- 2) Within the broad framework the course will cover the basics of some special transactions like lease, hire purchase, preparation of accounts from incomplete records etc.

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