Preface to the Third Edition

I am quite happy with the feedback from students and instructors. They found that the pedagogy used is appropriate for management students studying the subject for the first time. Even those from a Commerce or Business Administration background find the approach new and refreshing. Therefore, I have not changed the structure, presentations, and examples. However, I have added some new examples and simplified the language wherever necessary.

I have substantially revised the chapter on Financial Statement Analysis to simplify the calculations and presentations. I have also used the financial statements for the year 2022-2023. In the ratio analysis, I started with the DuPont Analysis to improve the flow of discussion.

Unfortunately, mistakes crept into the second edition of the book. The publisher and I have made efforts to make the third edition error-free. We are largely successful.

I hope that students and instructors will find the revisions helpful.

Asish K Bhattacharyya

New Delhi

April 15, 2024

Preface to the Second Edition

I have received good reviews for the first edition of the book from instructors and students. They appreciated the content, pedagogy, and lucidity of the presentation. They liked the real-life examples presented in the book. Therefore, I have kept the structure of the book the same. I have not added any new material except a chapter on accounting ethics. Rather I have controlled my temptation to add new material, as I do not want to increase the number of pages in the book. I included questions on ethical issues in chapter-end assignments in the first edition. The new chapter will help students understand ethical principles and ethical issues accountants face and address ethical issues included in assignments.

Copy editing errors crept in the first edition. All those errors have been corrected. The new publisher has decided to improve the production quality to make the book a pleasant read.

I hope that more and more instructors will use the book for UG and graduate programmes in management.

Asish K Bhattacharyya

New Delhi

February 15, 2023

Preface to the First Edition

The title has come out of my experience of teaching Financial Accounting in the first semester of MBA programmes since 1992 in India's top B-schools including Indian Institute of Management Calcutta (IIMC) and SPJIMR, Mumbai. Although, the title covers the standard material being used in MBA programmes, my disposition, which is liked by my students, is little different from others. Presentation of the material in this title reflects the same.

I have presented the material in jargon free language, keeping in mind that students with variety of educational background join MBA programmes and will not opt for Finance specialisation. I have included material that is essential and can be covered in 30-45 hours of classroom learning and explained each concept with simple examples. Some additional materials like lease accounting and consolidation financial statements are added for ambitious students. Indian case studies have been used wherever appropriate.

Learning accounting requires practice. Hence, sufficient questions and problems have been included as review questions and assignments. Solutions to review problems have also been provided. Focus is on variety rather than numbers.

Chapter-end assignments are divided into six sections – conceptual understanding, critical thinking and situation analysis, decision-making, holistic business acuity, ethical issues and problem solving. Few questions are included in sections other than conceptual understanding and problem solving, which instructors can discuss in the class or provide as assignments to enable students to appreciate the linkages between financial accounting and other business functions and ethical issues in decision-making.

Asish K Bhattacharyya

New Delhi