

**Business Education Standards**

**Accounting**

**Course Overview:**

This course will provide a basic understanding of the double entry accounting system. Students will learn concepts including: accounting rules, the accounting equation, the accounting cycle, transaction entry into journals, posting to ledgers, end-of-period financial statements and reports, payroll systems, banking activities, taxes, depreciation, uncollectible accounts, inventories, notes, and interest. An automated accounting system will be integrated into the classroom activities. This course provides accounting fundamentals to give students the foundation for advanced coursework in the fields of business or accounting after high school.

**Bold standards are essential standards that all students will learn as they complete the course.**

**Unit 1: A Proprietorship Organized as a Service Business (60 days)**

**Description:** This unit will define accounting. Students will learn the accounting equation and the definitions for assets, liabilities, and owner’s equity. They will learn the difference between debits and credits. The unit will teach the steps in the accounting cycle and the rules of accounting (GAAP). Students will focus on a service business with a single owner—a proprietorship. Students will break down transactions and learn to journalize and post. They will use a worksheet to plan adjusting entries to help set up to prepare financial statements including a balance sheet and income statement. Closing entries will be taught, as well as the difference between permanent and temporary accounts. This unit will also go over cash control systems and reconciling accounts. Additionally students will be required to learn the 10 key pad.

**Standards**

1. Identify current structures and regulations affecting accounting principles and their effects on businesses. (AF1.a)
2. **Analyze the effects of changes in assets. (AF1.b)**
3. **Analyze the effects of changes in liabilities. (AF1.c)**
4. **Analyze the effects of changes in owner’s equity. (AF1.d)**
5. **Prepare and analyze financial reports for different forms of business ownership. (AF2.a)**

**Unit 2: A Merchandising Business Organized as a Corporation Part I & II (100 days)**

**Description:** This unit will build on the previous unit and add more complex concepts moving from a service business to a merchandising business with inventory. Instead of operating with a single general journal specialized journals will be introduced. Students will continue to analyze transactions with the additional step of determining which journal is most appropriate and whether or not a special column should be used. A section on payroll accounting will also be taught in this unit. The concepts of uncollectible accounts, sales of stocks, acquiring plant assets, depreciation, tracking inventory, accruals, and deferrals will all be covered. The end of period statements will again be taught with the many changes from the previous unit with all the new account additions. Students will also learn to do horizontal and vertical analysis of financial statements.

**Standards**

1. **Analyze the effects of changes in assets. (AF1.b)**
2. **Analyze the effects of changes in liabilities. (AF1.c)**
3. **Prepare and analyze financial reports for different forms of business ownership. (AF2.a)**
4. Assess the financial condition and operating results of a company while interpreting financial statements. (AF2.b)
5. Prepare a payroll. (AF3.a)
6. Analyze how employer taxes impact business operations. (AF3.b)
7. **Perform financial calculations. (BCA1.a)**
8. Select and use standard math principles. (BCA1.c)
9. Access and collect currency rate information. (BCA2.a)
10. Compare and contrast number systems. (BCA2.b)
11. Create and analyze spreadsheets. BCA3.a)

**Unit 3: Accounting for Partnerships (20 days)**

**Description:** In this brief unit students will learn about the specific accounting guidelines for partnerships. For practical purposes the applications are similar to a proprietorship. Students will look at partnership agreements and journalize transactions for initials partner investments. Students will also prepare financial statements for partnerships specifically the distribution of net income/loss. Students will also look at dissolution of partnership transactions. If time allows students will complete a simulation in addition to the reinforcement problem completed at the end of each unit.

**Standards**

1. **Analyze the effects of changes in assets. (AF1.b)**
2. **Analyze the effects of changes in liabilities. (AF1.c)**
3. **Prepare and analyze financial reports for different forms of business ownership. (AF2.a)**
4. **Perform financial calculations. (BCA1.a)**
5. Select and use standard math principles. (BCA1.c)
6. Summarize the characteristics of owning and operating a business. (BLE2.a)