

STRANDS AND STANDARDS

ACCOUNTING 1



Course Description

Students will develop skills beginning with and understanding of the basic elements and concepts of double-entry accounting systems related to service businesses organized as a sole proprietorship. Skills include understanding the accounting equation, analyzing business transactions, entering transactions in journals, posting to ledgers, compiling end-of-period financial statements, preparing closing entries, and managing cash.

Note: This course is a Core elective, which may be offered for either 0.5 units of mathematics or Career and Technical Education (CTE) credit. Persons who teach this course would be required to have a Mathematics endorsement, a Business and Marketing Core endorsement, or a Business and Marketing (CTE/General) endorsement. The credentials of the instructor do not determine the credit options for students. Students may decide to take this class for mathematics or CTE credit, but not both. However, to generate CTE add-on dollars, a mathematics teacher must also have an approve CTE endorsement.

Intended Grade Level	10-12
Units of Credit	0.5
Core Code	32.02.00.00.010
Concurrent Enrollment Core Code	32.02.00.13.010
Prerequisite	None
Skill Certification Test Number	210
Test Weight	0.5
License Type	CTE and/or Secondary Education 6-12
Required Endorsement(s)	
Endorsement 1	Business and Marketing (CTE/General)
Endorsement 2	Business and Marketing Core
Endorsement 3	N/A

STRAND 1

Students will understand accounting terminology and basic business structures.

Standard 1

Define accounting, explain the purpose of the accounting system, and apply each step of the accounting cycle.

Standard 2

Define and use accounting terminology and generally accepted accounting principles (GAAP).

Standard 3

Identify and explain the three forms of business ownership.

- List the characteristics, advantages, and disadvantages of a sole proprietorship, partnership, and corporation.

Standard 4

Identify and explain three types of businesses.

- List the characteristics of service, merchandising, and manufacturing businesses.

STRAND 2

Students will list and identify characteristics of the three basic accounting equation elements.

Standard 1

Demonstrate an understanding of the fundamental accounting equation.

- Understand the accounting equation: $\text{Assets} = \text{Liabilities} + \text{Owner's}$.
- Equity. Explain why the accounting equation must be in balance.
- Manipulate the accounting equation to find the missing variable.
- Demonstrate mathematical calculations necessary for accounting activities.

Standard 2

Classify accounts as assets, liabilities, or owner's equity.

Performance Objective

- Demonstrate the ability to balance the basic accounting equation.
- Classify items as assets, liabilities, or owner's equity accounts.

STRAND 3

Students will apply the rules of debit and credit double-entry accounting to analyze business transactions.

Standard 1

Apply the rules of double-entry accounting to business.

- Refer to a chart of accounts to identify accounts that are affected.
- Show how and why accounts are increased and decreased and the resulting changes that occur within the accounting equation.

Standard 2

Use T-accounts to analyze business transactions into debits and credits.

- Identify normal balance, increase, and decrease sides of all accounts.
- Calculate changes in account balances.
- Show that the accounting equation is in balance.

Performance Objective

- Explain why the accounting equation must be in balance.
- Analyze transactions that increase/decrease assets, liabilities and owner's capital accounts and record them in T-accounts.
- Prove the equality of debits and credits.

STRAND 4

Students will identify and use source documents to journalize transactions, post journal entries to the ledger, and prepare a trial balance.

Standard 1

Use source documents to analyze business transactions.

- Identify different types of source documents.
- Analyze checks, invoices, memorandums, receipts, and register tapes to determine accounts affected by a transaction.

Standard 2

Explain the purpose of the general journal.

- Use appropriate steps to journalize transactions.

Standard 3

Explain the purpose of the general ledger.

- Organize the ledger according to account classification.

Standard 4

Post information from the general journal to the general ledger.

- Properly calculate and record new account balance.
- Explain the need for post-referencing in accounting.
- Use the audit trail to trace a transaction.

Standard 5

Prepare a trial balance to prove equality of debits and credits.

- Explain the uses and limitations of a trial balance.
- Identify and use mathematical methods for locating and correcting errors shown by the trial balance (e.g., difference is multiple of 1, evenly divided by 9, evenly divided by 2, slide errors, transposition, or an omitted amount).
- Journalize and post correcting entries.

Performance Objective

- Analyze and journalize business transactions using source documents.
- Open general ledger accounts and post business transactions from a general journal to the accounts in the general ledger (including correcting entries).
- Prepare a trial balance.

STRAND 5

Students will prepare, analyze, and interpret financial statements.

Standard 1

Know the elements of the appropriate headings for each financial statement.

Standard 2

Prepare an income statement.

- Calculate revenue.
- Calculate expenses.
- Compute net income/net loss.

Standard 3

Determine the ending capital account balance.

- Accurately compute the change in capital with net income or net loss.

Standard 4

Prepare a balance sheet.

- List and calculate accounts accurately.
- Record ending capital.
- Prove the accounting equation is in balance.

Standard 5

Explain the purposes of each financial statement.

- Use general ledger account information to prepare financial statements.

Performance Objective

- Prepare and explain the purposes of an income statement and a balance sheet.
- Describe how financial statements correlate with each other.

STRAND 6

Students will demonstrate how to close an accounting period.

Standard 1

Prepare, journalize, and post closing entries.

- Journalize and post the entries to bring revenue/sales accounts, expense accounts, and the income summary to zero balance dependent on net income or loss.

Standard 2

Verify that the current balance of the capital account matches the ending capital account balance on the balance sheet.

Standard 3

Identify and describe the purpose of temporary and permanent accounts.

- Calculate the increases/decreases to owner's equity from each of the temporary accounts.

Standard 3

Prepare a post-closing trial balance to prove equality of debits and credits for permanent accounts.

Performance Objective

- Analyze, journalize, and post closing entries.
- Prepare a post closing trial balance.

STRAND 7

Students will demonstrate an understanding of cash control systems.

Standard 1

Understand accounting terminology that relates to banking and cash control and identify the specific details of business-related banking forms/documents.

- Prepare banking documents/forms (e.g., deposit slips, checks).
- Identify types of endorsements (e.g., blank, restrictive, special).
- Prepare a bank statement reconciliation and make necessary journal entries.
- Demonstrate verification of the cash balance using the checkbook, bank statement, and cash account.

Performance Objective

- Prepare banking documents/forms.
- Prepare a bank reconciliation and necessary journal entries.

STRAND 8 (OPTIONAL)

Students will acquire automated accounting competency, or calculator proficiency if computers are not available.

Standard 1

Use spreadsheet and accounting software.

- Maintain accounting records.
- Graph accounting data.

Standard 2

Describe the differences between manual and computerized accounting systems.

- Understand automated posting.
- Understand automated computation.
- Print reports.

Standard 3

Identify types of accounting software.

- Identify industry-standard accounting and tax software.

Standard 4

Explore Internet sites for accounting purposes.

Standard 5

Explore careers in the field of accounting.

Skill Certificate Test Points by Strand

Test Name	Test #	Number of Test Points by Strand										Total Points	Total Questions
		1	2	3	4	5	6	7	8	9	10		
Accounting 1	210	11	8	17	14	9	7	9	-	-	-	75	69