



Accounting – Unit 2 – Business Transactions

Unit Focus

In this second unit of study, students will learn how to prepare worksheets, end of the month financial documents, adjusting and closing entries, and a post-closing trial balance. Accrual basis accounting recognizes and matches revenue when earned with expenses when incurred, and is crucial to the year-end closing process. In this performance task, students will apply these skills in preparing a service business for their end of fiscal period accounting procedures.

Stage 1: Desired Results - Key Understandings

| Standard(s) | Transfer | |
|--|---|--|
| Connecticut Goals and Standards <i>Accounting: 12</i> <ul style="list-style-type: none"> Distinguish between revenue and gains. <i>ACCT.2.4.A.1</i> Distinguish between expenses and losses. <i>ACCT.2.5.A.1</i> Prepare the financial statements for the different types of business operations under ownership structures. <i>ACCT.3.1.A.1</i> Define comprehensive income and describe its relationship to operating results. <i>ACCT.4.1.A.2</i> Use the statement of cash flow to analyze business activities (operating, investing, financing). <i>ACCT.6.1.A.1</i> Analyze cash flow from operating activities to assess profitability and liquidity. <i>ACCT.6.1.A.2</i> Common Core <i>Mathematics: 9-12</i> <ul style="list-style-type: none"> Perform arithmetic operations on polynomials. Understand that polynomials form a system analogous to the integers, namely, they are closed under the operations of addition, subtraction, and multiplication; add, subtract, and multiply polynomials. <i>CCSS.MATH.CONTENT.HSA.APR.A.1</i> Make sense of problems and persevere in solving them. <i>CCSS.MATH.MP.1</i> Reason abstractly and quantitatively. <i>CCSS.MATH.MP.2</i> Attend to precision. <i>CCSS.MATH.MP.6</i> Madison Public Schools Profile of a Graduate | <i>Students will be able to independently use their learning to...</i> T1 Demonstrate professionalism through exhibiting attentiveness, growing from feedback, and adhering to industry standards (safety). T2 Communicate effectively based on purpose, task, and audience using appropriate vocabulary. | |
| | Meaning | |
| | Understanding(s) | Essential Question(s) |
| | <i>Students will understand that...</i> U1 Preparing accurate financial statements requires attention to detail both in the development and review. U2 Accounting is a language with its own terminology, rules, and standards that journal entries must align with Generally Accepted Accounting Principles (GAAP). U3 The appropriate logical sequence and the accurate and effective use of procedures and language are imperative in the success of the financial statements. | <i>Students will keep considering...</i> Q1 How do I ensure the information on financial statements is accurate? Q2 What are the accounting rules that apply here? How do I use that to guide and evaluate the accuracy of the work? Q3 Why is using the appropriate terminology to explain the logical sequence of tasks performed in accounting important? |
| | Acquisition of Knowledge and Skill | |
| | Knowledge | Skill(s) |
| | <i>Students will know...</i> K1 Fiscal period--the period covered by financial reports | <i>Students will be skilled at...</i> S1 Update general ledger accounts at end of fiscal period for adjustments |

Stage 1: Desired Results - Key Understandings

- Analyzing: Examining information/data/evidence from multiple sources to identify possible underlying assumptions, patterns, and relationships in order to make inferences. (POG.1.2)
- Product Creation: Effectively use a medium to communicate important information. (POG.3.2)

K2 Difference between revenue vs. net income/net loss
K3 4 Procedures to find errors (The difference is 1, difference can be divided by 2, difference can be divided by 9, difference is an omitted amount)
K4 Income statement and balance sheet: financial records that indicate performance of the business

S2 Execute the accounting process to ensure accurate financial records (post adjustments, worksheets,)
S3 Use procedures to find and correct errors in accounting worksheet
S4 Analyze an income statement and balance sheet for a business to determine performance.