

**Randolph Township Schools
Randolph High School**

**Accounting II Honors
Curriculum**

*“It sounds extraordinary, but it’s a fact that balance sheets can make fascinating reading.”
~ Lady Archer Mary, British Scientist*

**Department of
Science, Technology, Engineering, and Math**
Michael Cascione
Supervisor

Curriculum Committee
Lisa Holloway
Martel Roberts

**Curriculum Developed
July 2013**

**Board APPROVAL
August 20, 2013**

**Randolph Township Schools
Department of Business
Accounting II Honors**

Table of Contents

<u>Section</u>	<u>Page</u>
Mission Statement and Education Goals – District	3
Affirmative Action Compliance Statement	3
Educational Goals – District	4
Introduction	5
Curriculum Pacing Chart	6
Unit Plans	7-16
APPENDIX A - D	17-20

Randolph Township Schools

Mission Statement

We commit to inspiring and empowering all students in Randolph Schools to reach their full potential as unique, responsible and educated members of a global society.

Randolph Township Schools Affirmative Action Statement

Equality and Equity in Curriculum

The Randolph Township School district ensures that the district's curriculum and instruction are aligned to the state's standards. The curriculum addresses the elimination of discrimination and the achievement gap, as identified by underperforming school-level AYP reports for state assessments. The curriculum provides equity in instruction, educational programs and provides all students the opportunity to interact positively with others regardless of race, creed, color, national origin, ancestry, age, marital status, affectional or sexual orientation, gender, religion, disability or socioeconomic status.

N.J.A.C. 6A:7-1.7(b): Section 504, Rehabilitation Act of 1973; N.J.S.A. 10:5; Title IX, Education Amendments of 1972

RANDOLPH TOWNSHIP BOARD OF EDUCATION

EDUCATIONAL GOALS

VALUES IN EDUCATION

The statements represent the beliefs and values regarding our educational system. Education is the key to self-actualization, which is realized through achievement and self-respect. We believe our entire system must not only represent these values, but also demonstrate them in all that we do as a school system.

We believe:

- The needs of the child come first
- Mutual respect and trust are the cornerstones of a learning community
- The learning community consists of students, educators, parents, administrators, educational support personnel, the community and Board of Education members
- A successful learning community communicates honestly and openly in a non-threatening environment
- Members of our learning community have different needs at different times. There is openness to the challenge of meeting those needs in professional and supportive ways
- Assessment of professionals (i.e., educators, administrators and educational support personnel) is a dynamic process that requires review and revision based on evolving research, practices and experiences
- Development of desired capabilities comes in stages and is achieved through hard work, reflection and ongoing growth

Randolph Township Schools

Department of Science, Technology, Engineering, and Math

Introduction

Randolph Township Schools is committed to excellence. We believe that all children are entitled to an education that will equip them to become productive citizens of the 21st century. We believe that an education grounded in the fundamental principles of science, technology, engineering, and math (STEM) will provide students with the skills and content necessary to become future leaders and lifelong learners.

A sound STEM education is grounded in the principles of inquiry, rigor, and relevance. Students will be actively engaged in learning as they use real-world STEM skills to construct knowledge. They will have ample opportunities to manipulate materials and solve problems in ways that are developmentally appropriate to their age. They will work in an environment that encourages them to take risks, think critically, build models, observe patterns, and recognize anomalies in those patterns. Students will be encouraged to ask questions, not just the “how” and the “what” of observed phenomena, but also the “why”. They will develop the ability, confidence, and motivation to succeed academically and personally.

STEM literacy requires understandings and habits of mind that enable students to make sense of how our world works. As described in Project 2061’s *Benchmarks in Science Literacy*, *The Standards for Technological Literacy*, and *Professional Standards for Teaching Mathematics*, literacy in these subject areas enables people to think critically and independently. Scientifically and technologically literate citizens deal sensibly with problems that involve mathematics, evidence, patterns, logical arguments, uncertainty, and problem-solving.

Accounting II Honors

Introduction

This course provides students with a strong foundation in basic accounting theory and procedures, and includes instruction that will prepare students for sound personal financial decisions. The students will learn the essential skills necessary for entry-level employment in the business world. Accounting II students will know how to financially run their own business. Higher level skills such as analytical reasoning, problem solving, critical thinking, interpersonal relationships, and creativity are integrated into various activities and projects. The course is designed for both college-bound and vocational students. Students analyze and prepare financial statements for large businesses, participate in the stock market game, and investigate ethical issues facing accountants. The content of a beginning college accounting program is included in the course. Students can choose to earn college credits through the Middle College Program at Fairleigh Dickinson University.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
Curriculum Pacing Chart
Accounting II Honors

SUGGESTED TIME ALLOTMENT	UNIT NUMBER	CONTENT - UNIT OF STUDY
6.5 weeks	I	The Accounting Cycle
21 weeks	II	Accounting for Assets, Liabilities, and Equity and Ethics
8.5 weeks	III	Understanding Business Information and the Stock Market

RANDOLPH TOWNSHIP SCHOOL DISTRICT
Accounting II Honors
UNIT I: The Accounting Cycle

ENDURING UNDERSTANDINGS		ESSENTIAL QUESTIONS		
All business transactions affect the accounting equation (Assets = Liabilities + Owner's Equity).		<ul style="list-style-type: none"> Why does every business transaction affect at least two accounts? 		
To improve efficiency many businesses use special journals instead of a general journal to record certain business transactions.		<ul style="list-style-type: none"> What is the importance of recording certain transactions in special journals versus recording them in the general journal? 		
Posting enables businesses to review the balances of all the general and subsidiary ledger accounts.		<ul style="list-style-type: none"> How is posting an essential step in the accounting cycle? 		
KNOWLEDGE		SKILLS		NJCCCS
<p>Students will know:</p> <p>Accounting is an important skill in the workplace as well as in their personal lives.</p> <p>Transactions used in accounting correlate to our daily personal activities.</p> <p>The relationship between source documents and business transactions.</p> <p>The steps in the accounting cycle.</p> <p>Differences between various accounting and special journals.</p> <p>Classifications of business accounts and their normal balances.</p> <p>Components of a chart account.</p> <p>The difference between the subsidiary and controlling accounts.</p>		<p>Students will be able to:</p> <p>Record and track their income and expenses to manage their financial stability.</p> <p>Prepare a personal budget.</p> <p>Analyze a source document and determine the debit and credit parts</p> <p>Apply the 10 steps in the accounting cycle to a mid-sized corporation.</p> <p>Analyze and record business transactions in the special journals and the General Journal for a mid-sized corporation.</p> <p>Classify and determine normal account balances.</p> <p>Relate account classifications to specific account numbers in a business's chart of accounts.</p> <p>Differentiate between controlling accounts and operating accounts.</p>		<p>8.1.12.F.1 9.1.12.A.1 9.2.12.A.3 9.2.12.B.1 9.2.12.B.4 9.2.12.B.6 9.2.12.C.1 9.2.12.C.4 9.2.12.C.6 9.2.12.D.3 9.2.12.D.7 9.2.12.D.8 9.2.12.E.1 9.2.12.G.3 9.2.12.G.5 9.2.12.G.6 9.3.12.C.6 9.4.12.D(4).5 9.4.12.F.4 9.4.12.F.15 9.4.12.F.19 9.4.12.F.75 9.4.12.F(1).1 9.4.12.F(1).4 M.9-12.A-SSE.1a</p>

<p>Permanent and temporary account categories.</p> <p>How to record and post business transactions for a corporation.</p> <p>How to prepare a Trial Balance.</p> <p>The relationship between related and contra accounts.</p> <p>How to adjust accounts for year-end closing.</p> <p>How to prepare financial statements for a corporation.</p>	<p>Journalize closing entries of the temporary accounts for a mid-sized corporation.</p> <p>Post transactions from the special journals to the general and subsidiary ledger.</p> <p>Prove the balance in the General Ledger by testing for equality. Prepare a Trial Balance.</p> <p>Determine the related account affected by the corresponding contra account.</p> <p>Identify accounts affected by adjusting entries and record them in the General Journal. Calculate the year-end adjustments for a mid-sized corporation.</p> <p>Prepare an Income Statement. Calculate: Net Sales, Cost of Delivered Merchandise, Cost of Merchandise Available for Sale, Cost of Merchandise Sold, Gross Profit on Sales and Operating Income. Prepare a Statement of Retained Earnings. Prepare a Balance Sheet.</p>	<p>ELA.W.9-10.6 ELA.W.11-12.6 ELA.SL.9-10.1a ELA.SL.11-12.1a ELA.SL.9-10.1b ELA.SL.11-12.1b ELA.SL.9-10.1c ELA.SL.11-12.1c ELA.SL.9-10.1d ELA.SL.11-12.1d</p>
---	--	---

RANDOLPH TOWNSHIP SCHOOL DISTRICT
Curriculum Pacing Chart
Accounting II Honors

SUGGESTED TIME ALLOTMENT	CONTENT-UNIT OF STUDY	SUPPLEMENTAL UNIT RESOURCES
6.5 weeks	Unit I – The Accounting Cycle <ul style="list-style-type: none"> ○ Analyze source documents and journalize business transactions in the special and general journals ○ Post to the general and subsidiary ledgers ○ Prepare a Trial Balance and Post-Closing Trial Balance ○ Prepare financial statements ○ Journalize and post adjusting and closing entries ○ Personal Budget 	Textbook Chapters 1 and 2 Working Papers Chapters 1 and 2 Demonstration Problems Chapters 1 and 2 Personal Budget WebQuest

RANDOLPH TOWNSHIP SCHOOL DISTRICT
Accounting II Honors
UNIT II: Accounting for Assets, Liabilities, and Equity and Ethics

ENDURING UNDERSTANDINGS		ESSENTIAL QUESTIONS	
Adjusting for bad debt, valuating inventory, accruing for interest and depreciating assets adheres to the conservatism principle.		<ul style="list-style-type: none"> • Why do businesses favor one inventory costing method over another? • How does the conservatism principle affect financial statement balances? 	
Issuing notes and bonds is a method used by businesses to acquire funds.		<ul style="list-style-type: none"> • Why would a business prefer a promissory note as opposed to accounts receivable? • Why would a corporation call its bonds before maturity? 	
Ethical business decisions bolster the reputation of the business and gains trust among investors.		<ul style="list-style-type: none"> • In light of the Enron scandal, as an investor, how do you know if a business's financial reports are accurate? 	
KNOWLEDGE	SKILLS		NJCCCS
<p>Students will know:</p> <p>Accounting for cash and short term investments.</p> <p>Incurring bad debt from customers is a part of operating a business.</p> <p>Accounting practices for valuing and estimating inventory should be consistent from year to year.</p>	<p>Students will be able to:</p> <p>Record the establishment and replenishment of a petty cash and change fund. Calculate and report cash short and over in a cash register. Journalize transactions for marketable securities.</p> <p>Journalize transactions using the allowance method for recording bad debt. Journalize transactions using the direct write-off method for recording bad debt. Compute and journalize transactions using the Percentage of Sales method for estimating bad debt. Compute and journalize transactions using Aging Accounts Receivable method for estimating bad debt.</p> <p>Estimate Inventory values by the Retail Method. Estimate Inventory values by Gross Profit Method. Assign cost to Inventory using the Specific Identification, FIFO, LIFO and Weighted Average cost methods for a merchandising business. Formulate a business memo explaining the benefits of using the</p>		<p>8.1.12.F.1 9.1.12.A.1 9.2.12.B.1 9.2.12.B.2 9.2.12.B.8 9.2.12.E.1 9.2.12.E.2 9.4.12.D.4 9.4.12.D.5 9.4.12.D.23 9.4.12.F.15 9.4.12.F(1).1 9.4.12.F(1).4 M.9-12.A-SSE.1a ELA.RI.9-10.1 ELA.RI.11-12.1 ELA.W.9-10.2a ELA.W.11-12.2a ELA.W.9-10.2b ELA.W.11-12.2b ELA.W.9-10.2d ELA.W.11-12.2d</p>

<p>Accruals are made at the end of the year to give a true picture of the business expenses and revenue.</p> <p>Accountants do not want to overstate financial records.</p> <p>Most assets lose value over time.</p> <p>Promissory notes are legal negotiable instruments.</p> <p>Businesses issue bonds and notes to acquire funds.</p>	<p>LIFO or FIFO methods of inventory valuation, implications for changing methods and the principle of consistency.</p> <p>Calculate and record accrued interest. Record accrued and prepaid interest on Notes in the general journal.</p> <p>Explain the consistency and matching principles in accordance with General Accepted Accounting Principles (GAAP).</p> <p>Calculate depreciation using the Straight-line, Declining Balance, Sum-of-the-Years-Digits, and Units of Production. Calculate partial year depreciation. Record the journal entry for depreciation expense. Record the entry to discard an asset with a book value and no book value. Record the entry to sell an asset at a gain or a loss. Record the entry to exchange a plant asset at a gain or a loss. Formulate a business memo explaining the necessity to value assets accurately and why the business chose their depreciation method.</p> <p>Identify and explain the parts of a Note. Compute amounts pertaining to Discounted Notes Receivable. Record a Discounted Notes Receivable. Record the payment of a Dishonored Discounted Notes Receivable. Record the entry for the issuance and payment of an interest-bearing Notes Payable at maturity in the general journal. Renew an interest bearing Notes Payable at maturity and journalize it. Record the entry for the issuance and payment of a non-interest bearing Notes Payable.</p> <p>Journalize the issuance and payment of interest on Bonds at face, a premium or a discount. Record accrued Bond Interest for a merchandising firm. Compute and journalize losses and gains on bond redemptions. Journalize transactions for a Bond Sinking Fund. Determine the maturity date of a note using a time calendar. Calculate interest on a Notes Receivable and determine the notes maturity value. Record transactions affecting Notes Receivable.</p>	<p>ELA.W.9-10.2f ELA.W.11-12.2f ELA.W.9-10.4 ELA.W.11-12.4 ELA.W.9-10.6 ELA.W.11-12.6 ELA.W.9-10.7 ELA.W.11-12.7 ELA.SL.9-10.1a ELA.SL.11-12.1a ELA.SL.9-10.1b ELA.SL.11-12.1b ELA.SL.9-10.1c ELA.SL.11-12.1c ELA.SL.9-10.1d ELA.SL.11-12.1d ELA.SL.9-10.3 ELA.SL.11-12.3 ELA.SL.9-10.4 ELA.SL.11-12.4</p>
--	--	--

<p>Payment of invoices, using the Net Amount Method, should be recorded.</p> <p>The repayment of interest on loans is costly and paid before your principal repayment.</p> <p>Ethical decisions have an effect on all stakeholders.</p> <p>Year-end adjustments affect the operating results reported by a company.</p>	<p>Record invoices at the Net Amount for a merchandising corporation.</p> <p>Journalize the issuance and payment of a mortgage note. Calculate a payment stream of interest and principal on a mortgage note.</p> <p>Formulate an opinion on a real life world renowned ethical case. Hypothesize alternatives pertaining to the ethical case. Convey empathy for victims of accounting fraud. Examine accounting discrepancies and devise solutions to avoid fraud. Evaluate their peer's Enron presentations.</p> <p>Record the year-end adjustment on the worksheet and General Journal.</p>	
---	---	--

RANDOLPH TOWNSHIP SCHOOL DISTRICT
Curriculum Pacing Chart
Accounting II Honors

SUGGESTED TIME ALLOTMENT	CONTENT-UNIT OF STUDY	SUPPLEMENTAL UNIT RESOURCES
21 weeks	Unit II- Accounting for Assets, Liabilities, and Equity and Ethics <ul style="list-style-type: none"> ○ Bad Debt ○ Inventory Valuation ○ Depreciation ○ Notes Receivable and Notes Payable ○ Mortgage Payable ○ Bonds Payable ○ Accrual Basis Accounting ○ Business Ethics 	Textbook Chapters 3-8 and 11 Section 1 Working Papers Chapters 3-8 and 11 Section 1 Demonstration Problems Chapters 3-8 and 11 Section 1 Commerce Bank Note Template Standard & Poor's: www.standardandpoors.com Moody's: www.moodys.com Mortgage Calculator: http://www.mykauairealty.com/default.asp?d=calculators&f=calculators Magnolia Pictures - Enron: The Smartest Guys in the Room Jeopardy Chapters 3-8 and 11

RANDOLPH TOWNSHIP SCHOOL DISTRICT
Accounting II Honors
UNIT III: Understanding Business Information and the Stock Market

ENDURING UNDERSTANDINGS		ESSENTIAL QUESTIONS	
Horizontal, vertical and ratio financial statement analysis highlight unusual, unexpected, or unexplained changes in the performance of a business.		<ul style="list-style-type: none"> • In what ways does vertical and horizontal analysis show important relationships within financial statements? 	
Businesses use cash flow analysis to decide when it has enough cash to pay its current debts and when it needs to borrow additional money.		<ul style="list-style-type: none"> • How is the Statement of Cash Flows useful to managers, investors, and creditors? 	
Investing in the stock market is risky and rewarding.		<ul style="list-style-type: none"> • What are the risks and rewards in investing in the stock market? • Why is it important to be an educated financial consumer? 	
KNOWLEDGE	SKILLS		NJCCCS
<p>Students will know:</p> <p>Comparative income statements for horizontal and vertical analysis are used in business accounting.</p> <p>Variances in Income Statement and Balance Sheet accounts should be investigated and explained.</p> <p>Why ratios are used to analyze the performance of a business.</p> <p>Calculations for commonly used ratios.</p> <p>The purpose of the Statement of Cash Flows.</p>	<p>Students will be able to:</p> <p>Analyze and interpret comparative Income Statements and Balance Sheets. Prepare a horizontal and vertical analysis of an Income Statement and Balance Sheet.</p> <p>Explain variances in various Balance Sheet and Income Statement accounts.</p> <p>Calculate the effect on the various ratios based when certain business transactions occur. Use ratios to analyze the performance of a business.</p> <p>Calculate liquidity ratios and determine the ability of a business to pay its current debt. Calculate merchandise inventory turnover and determine when inventory should be replenished. Calculate profitability ratios and determine the earnings performance of the business. Calculate financial strength ratios and determine the ability of a corporation to pay its debt.</p> <p>Explain the purpose of the Statement of Cash Flows.</p>		<p>8.1.12.F.1 9.1.12.A.1 9.2.12.B.1 9.2.12.B.2 9.2.12.D.1 9.2.12.D.4 9.2.12.D.5 9.2.12.D.7 9.2.12.D.8 9.2.12.D.11 9.2.12.E.1 9.2.12.E.2 9.4.12.D.4 9.4.12.D.5 9.4.12.D.11 9.4.12.D.13 9.4.12.D.14 9.4.12.D.17 9.4.12.D.20 9.4.12.D.23 9.4.12.F.4 9.4.12.F.15 9.4.12.F(1).1 9.4.12.F(1).4</p>

<p>Cash flow is determined by operating and investing activities.</p> <p>How to prepare a Statement of Cash Flows.</p> <p>How to prepare a Schedule of Noncash Investing and Financing Transactions.</p> <p>The benefits of public ownership of companies.</p> <p>The cost, risk and rewards of financial decisions in business.</p> <p>Stock portfolios should be diversified.</p>	<p>Determine cash flow from investing and operating activities.</p> <p>Prepare a Statement of Cash Flows.</p> <p>Prepare a Schedule of Noncash Investing and Financing Transactions.</p> <p>Analyze trends in stock performance of publicly traded companies. Explain the benefits of public ownership of companies.</p> <p>Use the Internet to research and analyze stock information and make a stock purchase decision.</p> <p>Perform ratio analysis to compare businesses in the same sector to help determine which stock to purchase.</p> <p>Trade stock with \$100,000 of hypothetical money.</p> <p>Develop a quantitative and qualitative analysis of company performance.</p> <p>Report trends in industry segments to determine viable investment potential.</p> <p>Critique publicly traded a company's annual report to determine long term investment potential.</p> <p>Present convincing stock analysis of companies in their portfolio to their peers.</p> <p>Determine if a stock portfolio is diversified.</p> <p>Purchase stocks, commodities and mutual funds through the NJ Stock Market Challenge and ensure their portfolio is diversified.</p>	<p>M.9-12.A-SSE.1a ELA.RI.9-10.1 ELA.RI.11-12.1 ELA.W.9-10.2a ELA.W.11-12.2a ELA.W.9-10.2b ELA.W.11-12.2b ELA.W.9-10.2d ELA.W.11-12.2d ELA.W.9-10.2f ELA.W.11-12.2f ELA.W.9-10.4 ELA.W.11-12.4 ELA.W.9-10.6 ELA.W.11-12.6 ELA.W.9-10.7 ELA.W.11-12.7 ELA.SL.9-10.1a ELA.SL.11-12.1a ELA.SL.9-10.1b ELA.SL.11-12.1b ELA.SL.9-10.1c ELA.SL.11-12.1c ELA.SL.9-10.1d ELA.SL.11-12.1d ELA.SL.9-10.3 ELA.SL.11-12.3 ELA.SL.9-10.4 ELA.SL.11-12.4</p>
---	--	--

RANDOLPH TOWNSHIP SCHOOL DISTRICT
Curriculum Pacing Chart
Accounting II Honors

SUGGESTED TIME ALLOTMENT	CONTENT-UNIT OF STUDY	SUPPLEMENTAL UNIT RESOURCES
8.5 weeks	Unit III- Understanding Business Information and the Stock Market <ul style="list-style-type: none"> ○ Horizontal and Vertical Financial Statement Analysis ○ Ratio Analysis ○ Statement of Cash Flows ○ NJ Stock Market Challenge 	Textbook Chapters 12 - 13 Working Papers Chapters 12 - 13 Demonstration Problems Chapters 12 - 13 Stock Market Game Simulation The History Channel Modern Marvels: The Stock Exchange Video

RANDOLPH TOWNSHIP SCHOOL DISTRICT
Accounting II Honors

APPENDIX A - RESOURCES

Textbook:

Glencoe Accounting-Advanced Course
Authors: Guerrieri, Donald; Haber, F. Barry; Hoyt, William and Turner, Robert
ISBN: 0-07-874038-X
Copyright 2007 The McGraw-Hill Companies, Inc.

Working papers:

Glencoe Accounting-Advanced Course Working Papers
Authors: Guerrieri, Donald; Haber, F. Barry; Hoyt, William and Turner, Robert
ISBN10:0-07-86683-4
Copyright 2007 The McGraw-Hill Companies, Inc.

Technology:

- Spreadsheet software such as Excel
- Word processor software such as Word
- Presentation software such as PowerPoint
- NJ Stock Market Challenge
- HoverCam

RANDOLPH TOWNSHIP SCHOOL DISTRICT
Accounting II Honors

APPENDIX B

ASSESSMENT:

- Quiz
- Test
- Case Studies
- Individual Projects
- Group Projects
- Homework
- Online Resources

RANDOLPH TOWNSHIP SCHOOL DISTRICT
Accounting II Honors

APPENDIX C

Opportunities exist for interdisciplinary units with courses such as Personal Finance, Career Pathways, other business electives, and various math courses.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
Accounting II Honors

APPENDIX D

The prerequisite for this course is completion of Accounting I.