

Moon Area School District Curriculum Map

Course: College in High School, Financial Accounting

Grade Level: 10-12

Content Area: Business Education

Frequency: Full-Year Course

Big Ideas

1. How is a fundamental understanding of Financial Accounting going to provide an individual with an advantage in the world of business?

Essential Questions

2. Do you know what is expected of you?
3. What opportunities are available for individuals in the Accounting Field?
4. What are the options to view in the MyAccountingLab site?
5. What are the similarities and differences of the types of business organizations?
6. How is the accounting equation used to record business transactions?
7. What do financial statements report and how are they prepared?
8. What is it important to understand accounting if I am entering a career in business?
9. Is the normal balance always a debit or credit?
10. What can a blank post reference in the ledger indicate?
11. Should debits and credits always equal on the trial balance?
12. What is the minimum number of accounts that are affected for each transaction?
13. What does the matching principle require the companies to match?
14. Why does the time period in which revenue is recognized matter?
15. Under what basis, cash or accrual, would deferrals come into play?
16. Why do companies prepare adjusting entries?
17. What are some similarities and differences between assets and expenses?
18. What accounts will appear on the financial statements of a merchandiser that will not appear on those of a service-oriented company?
19. What are the reasons why a merchandiser might prefer to use a perpetual inventory system over a periodic inventory system?
20. Why do businesses use subsidiary ledgers?
21. What do the terms 2/10 and n/30 mean?
22. What kind of account is Sales Returns and Allowances and where would it appear on the financial statements?
23. Define a debit and credit memorandum and give an example of when it would be used.
24. What is the difference between a single-step and multi-step income statement?
25. What situation might explain why a company's gross profit percentage went down from 60% to 40% from one year to the next?
26. Why does inventory need to be counted?
27. What would happen if the count was done incorrectly?
28. What do the terms FIFO and LIFO have to do with inventory?

29. How are the financial statements of a manufacturer different from those of a merchandiser with respect to inventory?
30. Why is cost-flow assumption necessary in accounting for inventory?
31. In a period of rising prices, which cost-flow assumption would produce the highest net income? Why?
32. Describe some business and economic conditions that might make the lower-of-cost-or-market rule more likely to be used.
33. Under which inventory methods, periodic or perpetual, would a company be better equipped to detect shrinkage? Why?
34. If a company is having a harder time selling its products, even at discounted prices compared to last year, would this year's inventory rate be higher or lower than last year's rate? What about the gross profit rate?
35. Is there a distinction between personal and professional ethics?
36. How can the three components of the fraud triangle be helpful in fighting fraud in an organization?
37. Do you think the risk factors for management fraud are the same as the risk factors for employee fraud? Why?
38. What effect does the Sarbanes-Oxley Act of 2002 have on the role and influence of the CEO in the corporation?
39. Define the difference between the rules-based and principle-based system of accounting rules and explain under what circumstances each would be preferable.
40. What duties should be segregated in the purchasing process?
41. After preparing the bank reconciliation, which reconciling items will require journal entries?
42. What would be the surest way to eliminate the possibility of having any bad debts?
43. Why does the allowance method of accounting for bad debts conform to GAAP while the direct write-off method does not?
44. Why is it important for companies to report net realizable value of A/R on the balance sheet?
45. How would the net realizable value of A/R change when an account is written off under the allowance method?
46. What would be the expected effect of a recession on A/R turnover ratios?
47. What does it mean to capitalize an expenditure?
48. What determines whether an expenditure can be capitalized?
49. How does a company determine how much to allocate to each asset purchased in a lump-sum purchase?
50. What is depreciation and why is it used in accounting?
51. Are useful life and physical life the same thing relative to plant assets?
52. What makes a repair "extraordinary" as opposed to ordinary?
53. What is the financial statement effect of recording a repair as an extraordinary repair instead of an ordinary repair?
54. How is gain or loss on disposal of assets calculated?

55. If a machine that cost \$10,000 was estimated to have a salvage value of zero after a useful life of 10 years and was sold for \$4,500 after it had been owned for 6 complete years, what would be the amount of gain or loss recognized on the sale?
56. What is the difference between a current liability for an uncertain amount and a contingent liability?
57. What happens to the difference between the carrying amount of bonds and the principal amount of bonds over time?
58. What are the differences between an operating lease and a capital lease?
59. What are some ways that companies might use improper recording of liabilities to manipulate financial statements?
60. What are some differences in issuing bonds or additional stock when you are considering raising additional capital to expand your company?
61. What accounts are involved in the journal entry to record the issuance of stock at a price above par value of the stock?
62. What are some reasons for issuing a stock dividend?
63. Where would treasury stock be reported on the financial statements?
64. What can you conclude if a company reports more shares of stock issued than outstanding?
65. Why are preferred dividends subtracted from the numerator in calculating the return on the common equity ratio?
66. What are some reasons why a statement of cash flows may be important to users of financial statements?
67. If a company issued bonds during the year, would this be reported as a source or use of cash on the statement of cash flows?
68. Why is net income a good place to start when attempting to determine the cash flows from operating activities using the indirect method?
69. When using the indirect method, why are gains on the sale of plant assets subtracted from net income in the operating activities section of the statement of cash flows?
70. Why would a decrease in accounts payable be shown as a decrease in cash when using the indirect method of calculating the cash flows from operating activities?
71. If a company's cash conversion cycle increased from 55 days in Year 1 to 68 days in Year 3, what are the implications of this increase?

Primary Resource(s) & Technology:

Financial Accounting, 5th Edition, Kemp and Waybright., 2019, Myaccountinglab.com Course Materials, Current Microsoft Office Software, Microsoft Teams, Promethean Boards, Student Laptops/iPads

Pennsylvania and/or focus standards referenced at:

www.pdesas.org
www.education.pa.gov

Big Ideas/ EQs	Focus Standard(s)	Assessed Competencies (Key content and skills)	Timeline
1,2,3, 4,5,6, 7,8	15.4.12.A 15.1.12.A 15.1.12.B 15.1.12.E 15.1.12.N	Unit 1: Business, Accounting, and You <ul style="list-style-type: none"> • Business, Accounting, and You <p style="text-align: center;"><u>Skills</u></p> <ul style="list-style-type: none"> • Relate course to the real-world opportunities • Understand how to navigate through myAccountingLab site • Understand the nature of business and the role of accounting in business • Know how a business operates • Know the different types and forms of businesses • Know the key accounting principles and concepts • Know how accounting functions in a business • Understand and be able to prepare basic financial statements • Understand the purpose of studying accounting 	18 Days
1,9,10, 11,12	15.4.12.A 15.1.12.C 15.1.12.D 15.1.12.E 15.1.12.L 15.1.12.Q	Unit 2: Analyzing and Recording Business Transaction <ul style="list-style-type: none"> • Analyzing and Recording Business Transaction <p style="text-align: center;"><u>Skills</u></p> <ul style="list-style-type: none"> • Define accounts and understand how they are used in accounting • Explain debits, credits, and the double entry system of accounting • Demonstrate the use of the general journal and the general ledger to record business transactions • Use a trial balance to prepare financial statements 	13 Days
1,13, 14,15, 16,17	15.4.12.A 15.1.12.E 15.1.12.H 15.1.12.O	Unit 3: Adjusting and Closing Entries <ul style="list-style-type: none"> • Adjusting and Closing Entries <p style="text-align: center;"><u>Skills</u></p> <ul style="list-style-type: none"> • Understand the revenue recognition and matching principles 	14 Days

		<ul style="list-style-type: none"> • Understand the four types of adjustments and prepare adjusting entries • Prepare financial statements from an adjusting trial balance • Prepare closing entries and a post-closing trial balance 	
1,18,19,20,21,22,23,24,25	15.4.12.A 15.1.12.E	<p>Unit 4: Accounting for a Merchandising Business</p> <ul style="list-style-type: none"> • Accounting for a Merchandising Business <p style="text-align: center;"><u>Skills</u></p> <ul style="list-style-type: none"> • Describe the relationship among manufacturers, wholesalers, retailers, and customers • Define periodic and perpetual inventory systems • Journalize transactions for the purchase of inventory • Journalize transactions for the sale of inventory • Understand shipping terms and journalize transactions for freight charges and other selling expenses • Prepare a multi-step income statement and a classified balance sheet • Compute earnings per share, the gross profit percentage, and the net income percentage 	14 Days
1,26,27,28,29,30,31,32,33,34	15.4.12.A 15.1.12.E 15.1.12.H 15.1.12.J 15.1.12.K	<p>Unit 5: Inventory</p> <ul style="list-style-type: none"> • Inventory <p style="text-align: center;"><u>Skills</u></p> <ul style="list-style-type: none"> • Describe the four different inventory costing methods • Compute Inventory costs using first-in, first-out (FIFO), last in, first-out (LIFO); and average costing methods and journalize inventory transactions • Compare the effects of the different costing methods on the financial statements • Value inventory using the lower-of-cost-or-market (LCM) rule • Illustrate the reporting of inventory in the financial statements • Determine the effect on inventory errors on the financial statements 	14 Days

		<ul style="list-style-type: none"> • Use the gross profit method to estimate ending inventory • Compute the inventory turnover and days-sales-in-inventory 	
1,35, 36,37, 38,39	15.4.12.A 15.1.12.E	<p>Unit 6 The Challenges of Accounting: Standards, Internal Control, Audits, Fraud, and Ethics (Midterm)</p> <ul style="list-style-type: none"> • The Challenges of Accounting: Standards, Internal Control, Audits, Fraud, and Ethics <p style="text-align: center;"><u>Skills</u></p> <ul style="list-style-type: none"> • Understand the importance of US GAAP and how it differs from accounting standards in other countries (IFRS) • Understand the importance and role of internal control • Define fraud and describe the different types of fraud in business • Know what a Certified Public Accountant (CPA) is and does • Know the legal and ethical responsibilities of an accountant, including the requirements of the Sarbanes-Oxley Act (SOX) • Know the difference between book value and market value of stockholders' equity 	12 Days
1,40, 41,42, 43,44, 45,46	15.4.12.A 15.1.12.E 15.1.12.F 15.1.12.P	<p>Unit 7: Cash and Receivables</p> <ul style="list-style-type: none"> • Cash and Receivables <p style="text-align: center;"><u>Skills</u></p> <ul style="list-style-type: none"> • Discuss internal controls for cash and prepare a bank reconciliation • Report cash on the balance sheet • Identify the different types of receivables and discuss related internal controls for accounts receivable • Use the direct write-off and allowance methods to account for uncollectable accounts • Report Accounts Receivable on the balance sheet • Account for notes receivable • Calculate the current ratio, quick ratio, accounts receivable turnover, and receivable collection period • Account for the petty cash fund 	19 Days

1,47, 48,49, 50,51, 52,53, 54,55	15.4.12.A 15.1.12.E 15.1.12.F	<p>Unit 8: Long-Term and Other Assets</p> <ul style="list-style-type: none"> • Long-Term and Other Assets <p style="text-align: center;"><u>Skills</u></p> <ul style="list-style-type: none"> • Describe the difference between fixed assets, intangible assets, and natural resources • Calculate and record the cost of acquiring fixed assets • Calculate and record the depreciation of fixed assets • Account for repairs to fixed assets • Account for the disposal of fixed assets • Account for intangible assets • Account for natural resources • Account for other assets • Report long-term assets on the balance sheet • Calculate the return on assets and the fixed asset turnover 	19 Days
1,56, 57,58, 59	15.4.12.A 15.1.12.E 15.1.12.G	<p>Unit 9: Current Liabilities and Long-Term Debt</p> <ul style="list-style-type: none"> • Current Liabilities and Long-Term Debt <p style="text-align: center;"><u>Skills</u></p> <ul style="list-style-type: none"> • Distinguish between known, estimated, and contingent liabilities • Account for current liabilities of a known amount • Account for liabilities of an uncertain amount • Account for contingent liabilities • Account for Long-Term Debt • Report liabilities on the balance sheet • Compute the debt ratio and interest coverage ratio 	16 Days
1,60, 61,62, 63,64, 65	15.4.12.A 15.1.12.E 15.1.12.I 15.1.12.T 15.1.12.U 15.1.12.V	<p>Unit 10: Corporations: Paid-in Capital and Retained Earnings</p> <ul style="list-style-type: none"> • Corporations: Paid-in Capital and Retained Earnings <p style="text-align: center;"><u>Skills</u></p> <ul style="list-style-type: none"> • Review the characteristics of a corporation • Describe the two sources of stockholder's equity and the different classes of stock • Journalize the issuance of stock 	18 Days

		<ul style="list-style-type: none"> • Account for cash dividends • Account for stock dividends and stock splits • Account for treasury stock • Report stockholders' equity on the balance sheet • Evaluate return on stockholders' equity 	
1,66, 67,68, 69,70, 71	15.4.12.A 15.1.12.E 15.1.12.W	<p>Unit 11: The Statement of Cash Flows (Final)</p> <ul style="list-style-type: none"> • The Statement of Cash Flows <p style="text-align: center;"><u>Skills</u></p> <ul style="list-style-type: none"> • Identify the purposes and importance of the statement of cash flows • Differentiate between cash flows from operating, investing, and financing activities • Prepare the statement of cash flows using the indirect method • Prepare the statement of cash flows using the direct method • Evaluate a company's performance with respect to cash 	17 Days