

Accounting 2

Implement start year – 2018-2019

Revision Committee Members, email, extension:

Pat Costello, pcostello@lrhsd.org, Seneca High School, 609-268-4600 X8392

Mike Smith, msmith@lrhsd.org, Lenape High School, 609-654-5111 X8958

Rick Bozarth, rbozarth@lrhsd.org, Shawnee High School, 609-654-7544 X8344

Jack Lamplugh, jlamplugh@lrhsd.org, Cherokee High School, 856-983-5140 X8609

Unit #2 – Acquiring Capital for Growth and Development

Transfer Goal –

Students will be able to independently use their learning to demonstrate an understanding of financial literacy and responsibility as a personal and professional member of society.

Stage 1 – Desired Results

Established Goals

[2014 New Jersey Student Learning Standards, Strand\(s\)/CPI #](#)

9.3.12.FN-ACT.2 Utilize accounting tools, strategies and systems to plan, monitor, manage and maintain the use of financial resources.

9.3.12.FN-ACT.3 Process, evaluate and disseminate financial information to assist business decision making.

9.3.12.FN-BF.2 Manage the use of financial resources to ensure business stability.

21st Century Themes

(www.21stcenturyskills.org)

- Global Awareness
- Financial, Economic, Business and Entrepreneurial Literacy
- Civic Literacy
- Health Literacy
- Environmental Literacy

21st Century Skills

Learning and Innovation Skills:

- Creativity and Innovation
- Critical Thinking and Problem Solving
- Communication and Collaboration

Information, Media and Technology Skills:

- Information Literacy
- Media Literacy
- ICT (Information, Communications and Technology) Literacy

	<p><i>Life and Career Skills:</i></p> <ul style="list-style-type: none"> <u>x</u> Flexibility and Adaptability <u>x</u> Initiative and Self-Direction <u>x</u> Social and Cross-Cultural Skills <u>x</u> Productivity and Accountability <u>x</u> Leadership and Responsibility
<p><u>Enduring Understandings:</u> Students will understand that ...</p> <p><i>EU 1</i> a company's objective is to raise capital.</p> <p><i>EU 2</i> additional capital can be acquired through various sources.</p>	<p><u>Essential Questions:</u></p> <p><i>EU 1</i></p> <ul style="list-style-type: none"> • What are the best ways for a corporation to acquire capital? • What are the pros and cons of investing in a corporation controlled by its founders? <p><i>EU 2</i></p> <ul style="list-style-type: none"> • What are the financial implications when a corporation issues more stock? • What are the advantages and disadvantages of acquiring additional capital through the sale of capital stock and/or bonds? • Why would a business prefer a promissory note to an account receivable?
<p><u>Knowledge:</u> Students will know...</p> <p><i>EU 1, EU 2</i></p> <ul style="list-style-type: none"> • vocabulary and accounting concepts related to acquiring additional capital for a corporation. • the importance of making ethical judgments concerning stock transactions. <p><i>EU 2</i></p> <ul style="list-style-type: none"> • the advantages and disadvantages of issuing bonds versus selling additional stock. • characteristics and purpose of a bond sinking fund. • the risks a corporation faces with excessive debt financing. • the advantages and disadvantages of acquiring additional capital from different sources. 	<p><u>Skills:</u> Students will be able to:</p> <p><i>EU 1, EU 2</i></p> <ul style="list-style-type: none"> • issue preferred stock at par value, more than par value, and less than par value. • record common stock with no par value or stated value. • record bond transactions. • how to record capital stock and bonds payable transactions. <p><i>EU 2</i></p> <ul style="list-style-type: none"> • calculate the interest, maturity date and the maturity value of a note • record journal transactions for notes payable.

Stage 2 – Assessment Evidence

Other Recommended Evidence: *Tests, Quizzes, Prompts, Self-assessment, Observations, Dialogues, etc.*

- Answer unit questions
- Define vocabulary terms and accounting concepts concerning acquiring additional capital for a corporation.
- Completion of accounting problems
- Test and quizzes on unit content
- Practice Set/Reinforcement Activity

Stage 3 – Learning Plan

Suggested Learning Activities to Include Differentiated Instruction and Interdisciplinary Connections: *Consider the WHERETO elements. Each learning activity listed must be accompanied by a learning goal of A=Acquiring basic knowledge and skills, M=Making meaning and/or a T=Transfer.*

In this unit on Acquiring Additional Capital for a Corporation, you are to introduce the Enduring Understanding and Essential questions and the students need to know what considerations need to be made before companies acquire additional capital for their companies.

- Define terms and concepts and classify new accounts for this unit. **(A)**
- Demonstrate the issuance of preferred and common transactions. **(A)**
- Calculate maturity date, maturity value and interest on notes. **(A)**
- Record the issuance of bonds, calculate the interest, and retire a bond. **(A, M)**
- Discuss ethics concerning inside stock information and enforcing stock options. **(A, M)**
- List the factors affecting the issue/market price of stock. **(A, M)**
- Unit Test. **(T)**
- Journalizing capital stock transactions. **(A, M, T)**
- Journalizing notes payable transactions. **(A, M, T)**
- Journalizing bonds payable transactions. **(A, M, T)**
- Find a corporation on the internet and evaluate the type of stock, number of shares outstanding, and total amount of bonds? **(M, T)**
- Compare and contrast capital stock versus bonds as a source of corporate capital. **(M, T)**
- Tell students that they have just won the grand prize of \$10,000 in a local contest, and they have decided to invest the money in the stock market. Would they invest all the money in one stock or buy several different ones? How would they decide which stocks to buy? What financial information would they want to know? How would they analyze this information? Have them follow their stocks for a week and record the fluctuation in price. Did their stocks increase or decrease in value? **(M, T)**
- Take a graded assignment and explain where you made a mistake(s) and what you would do to fix it. **(M, T)**

Ensure that there are ongoing cycles of model, practice, feedback, and adjustment built into the unit.