

Accounting 2

Implement start year – 2018-2019

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Unit #5 End of Fiscal Period Activities for a Merchandising Business Organized as a Corporation

Transfer Goal –

Students will be able to independently use their learning to research various companies for future stock investment.

Established Goals

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

- 9.3.12.FN-ACT.1 Describe and follow laws and regulations to manage accounting operations and transactions.
- 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.

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

Life and Career Skills:

- Flexibility and Adaptability
- Initiative and Self-Direction

	<input checked="" type="checkbox"/> Social and Cross-Cultural Skills <input checked="" type="checkbox"/> Productivity and Accountability <input checked="" type="checkbox"/> Leadership and Responsibility
<p><u>Enduring Understandings:</u> <i>Students will understand that ...</i></p> <p><i>EU 1</i> revenue and expenses associated with earning that revenue are recorded in the same accounting period.</p> <p><i>EU 2</i> checking for accuracy and analyzing financial stability is essential for a profitable business.</p>	<p><u>Essential Questions:</u></p> <p><i>EU 1</i></p> <ul style="list-style-type: none"> • Why do accountants follow GAAP (generally accepted accounting principles) when recording accruals of revenue and expenses? • Why do some revenue and expense transactions result in accruals? <p><i>EU 1, 2</i></p> <ul style="list-style-type: none"> • What financial impact would happen if adjusting, closing and reversing entries were not completed? • How are financial statements used by the stakeholders? • Why are financial statements important to the stakeholders (manager, IRS, potential investors) of a corporation? • What companies are worth investing in? • How can a company get stronger? • What impact does the classification of accounts have on the preparation of financial statements?
<p><u>Knowledge:</u> <i>Students will know . . .</i></p> <p><i>EU 1</i></p> <ul style="list-style-type: none"> • accruals of revenue and expenses in two fiscal periods. • the procedures for analyzing and planning adjusting, closing, and reversing entries. <p><i>EU 2</i></p> <ul style="list-style-type: none"> • The importance of a work sheet. • The process to analyze financial statements. 	<p><u>Skills:</u> <i>Students will be able to . . .</i></p> <p><i>EU 1</i></p> <ul style="list-style-type: none"> • calculate and journalize transactions for accrued interest and revenue. • record adjusting, closing, and reversing entries for interest income and interest expense. <p><i>EU 2</i></p> <ul style="list-style-type: none"> • Enter amounts from the general ledger accounts to the trial balance to check the accuracy of accounts.

- The steps a business must take to prepare for the next fiscal period.
- Who the stakeholders are for various types of business ownership.
- The importance of making ethical business decisions.

- Plan, calculate and enter adjustments.
- Extend the amounts to the correct financial statement columns.
- Calculate federal income tax expense.
- Calculate net income or net loss.
- Use the work sheet accounts to prepare and analyze financial statements.
- Identify temporary accounts that need to be closed and generate closing entries.
- Identify accounts that need to be reversed and generate reversing entries.

Stage 2 – Assessment Evidence

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

- Answer unit questions
- Define vocabulary terms
- Study Guide for review of vocabulary and concepts
- 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 accounting for notes, interest, and accrued revenue, you are to introduce the Enduring Understanding and Essential Questions and the students need to know there are costs involved in borrowing money.

- Define unit terms and concepts (**A**)
- Plan, calculate and record adjusting, closing and reversing entries (**A**)
- Complete journal entries for the accruals of revenue and expenses (**A**)
- Journalize notes payable transactions (**A**)
- Journalize notes receivable transactions (**A**)
- Calculate and record Federal Income Tax (**A**)
- Explain how you calculate amounts for adjustments and what those amounts represent. (**M**)
- Afford opportunities for students to express levels of concern and understanding. (**M**)
- Journalize the interaction of notes payable and notes receivable transactions (**T**)
- Journalize and post entries for accrued interest revenue and expenses for actual businesses. (**T**)
- Journalize and post entries for accrued interest revenue and expenses for a note payable (**T**)
- Analyze financial strength (**T**)
- Unit Test. (**T**)
- Calculate and analyze acceptable component percentages (**A, M**)
- Take a graded assignment and explain where you made a mistake(s) and what you would do to fix it. (**M, T**)
- Use formative assessments and summative assessments for basic student understanding. (**M, T**)
- Journalize and post entries for accrued revenue and expenses (**A, M, T**)
- Prepare a work sheet for a corporation (**A, M, T**)
- Prepare an income statement for a corporation (**A, M, T**)
- Prepare financial statements for a corporation (**A, M, T**)
- Journalize adjusting, closing, and reversing entries for a corporation (**A, M, T**)

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