

Course: Accounting 3
Unit #/ Unit Name: Unit 1/Organizing and Financing a Corporation

Year of Implementation: 2019-2020

Curriculum Team Members:

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Stage One - Desired Results

Link(s) to New Jersey Student Learning Standards for this course:

<https://www.state.nj.us/education/cccs/2014/career/CareerReadyPractices.pdf>

<https://www.state.nj.us/education/cccs/2014/career>

Unit Standards:

- CRP1. Act as a responsible and contributing citizen and employee.
- CRP2. Apply appropriate academic and technical skills.
- CRP3. Attend to personal health and financial well-being.
- CRP10. Plan education and career paths aligned to personal goals.
- 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.
- 9.3.12.FN-ACT.4 Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop an accounting career.

Transfer Goal(s): 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.

Enduring Understandings

Students will understand that. . .

EU 1

corporations have the legal rights of a person and can be owned by many individuals.

EU 2

stocks play an important role in raising capital for corporations as well as an important role as investments for many people.

EU 3

a company's objective is to raise capital.

EU 4

additional capital can be acquired through various sources.

EU 5

corporations can decide to keep income as retained earnings to improve the business or pay a portion of the income out to its shareholders in the form of dividends.

Essential Questions

EU 1

Why would prospective business owners choose to form a corporation over other forms of businesses?

EU 2

- Is it better to purchase common or preferred stock as an investment?
- Why might an investor still be interested in owning shares of stock in a company that does not pay dividends?

EU 3

What are the best ways for a corporation to acquire capital?

EU 4

- What are the financial implications when a corporation issues more stock?
- It is better to acquire new capital through the sale of capital stock or bonds?

EU 1, EU 5

How can a board of directors affect a company?

EU 5

How can a corporation's decision about the use of net income affect purchases of the company's stock?

Knowledge

Students will know that. . .

EU 1, EU 2, EU 3, EU 4, EU 5 (9.3.12)

vocabulary and accounting concepts pertaining to corporate accounting.

EU 1 (9.3.12)

the process for forming a corporation.

EU 2 (9.3.12)

- the difference between common and preferred stock.
- the difference between par value and stated value stock.

EU 3, EU 4 (9.3.12)

- the importance of making ethical judgments concerning stock transactions.

EU 4 (9.3.12)

- how to record capital stock, treasury stock and bonds payable transactions.
- how to establish and maintain a bond sinking fund.
- the advantages and disadvantages of acquiring additional capital from different sources.

EU 5 (9.3.12)

the importance of the date of declaration, date of record, and date of payment of dividends.

Skills

Students will be able to. . .

EU 1 (9.3.12)

journalize transactions related to starting a corporation.

EU 2, EU 3 (9.3.12)

- issue common and preferred stock at par value, more than par value, and less than par value.
- issue preferred stock for assets other than cash.
- record common stock with no par value or stated value

EU 3, EU 4 (9.3.12)

- record treasury stock transactions.
- record bond transactions.

EU 5 (9.3.12)

- calculate dividends for a corporation.
- journalize transactions of a corporation related to declaring and paying dividends.

Stage Two - Assessment

Other Evidence:

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

Stage Three - Instruction

Learning Plan: **Suggested Learning Activities to Include Differentiated Instruction and Interdisciplinary Connections: 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 Organizing a Corporation and Paying Dividends, you are to introduce the Enduring Understanding and Essential questions and the students need to know what considerations need to be made before a business organizes as a Corporation and how they record dividends.

- Journalizing transactions for starting a corporation. **(A, M) (EU 1)**
- Discuss ethics concerning inside stock information and enforcing stock options. **(M, T) (EU 2)**
- Students take the roles of financial advisors suggesting appropriate stocks for various goals. **(M, T) (EU 2)**
- List the factors affecting the issue/market price of stock. **(A, M) (EU 2)**
- Students will review the business section of the newspaper and explain what the numbers represent and how to read them. **(A, M) (EU 2)**
- Show students examples of stock market success stories. **(A) (EU 1, 2, 3)**
- Journalizing capital stock transactions **(A, M) (EU 2, 3, 4)**
- Demonstrate the issuance of preferred, common, and treasury stock transactions. **(A) (EU 2, 3, 4)**
- Find a corporation on the internet and evaluate the type of stock, number of shares outstanding, and total amount of bonds? **(M, T) (EU 2, 3, 4)**
- Compare and contrast capital stock versus bonds as a source of corporate capital. **(M, T) (EU, 2, 3, 4)**
- Journalizing bonds payable transactions **(A, M) (EU 3, 4)**
- Record the issuance of bonds, calculate the interest, retire a bond. **(A, M) (EU 3, 4)**
- Journalizing treasury stock transactions **(A, M) (EU 4)**
- Journalizing transactions for declaring and paying dividends. **(A, M) (EU 5)**

- Calculating and journalizing the dividends for a corporation. **(A, M, T) (EU 5)**
- Students take the roles of members of the board of directors and make decisions about dividends. **(M, T) (EU 5)**
- Define terms and concepts and classify new accounts for this unit. **(A) (EU 1, 2, 3, 4, 5)**
- Afford opportunities for students to express levels of concern and understanding. **(M) (EU 1, 2, 3, 4, 5)**
- Chapter Test **(T) (EU 1, 2, 3, 4, 5)**
- Use formative assessments and summative assessments for basic student understanding and application. **(M, T) (EU 1, 2, 3, 4, 5)**
- Take a graded assignment and explain where you made a mistake(s) and what you would do to fix it. **(M, T) (EU 1, 2, 3, 4, 5)**