

Course: Accounting 3
Unit #/ Unit Name: Unit 3/Budgetary Planning and Control and Management Decision Making

Year of Implementation: 2019-2020

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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

A budget is a financial projection that allows businesses to plan to meet future goals, control business operations, and coordinate efforts of the business.

EU 2

Managers need to estimate future revenues, costs, and profits to help them plan and monitor operations.

EU 3

Using cost-volume-profit analysis to identify the levels of operating activities is needed to avoid losses, achieve targeted profits, and plan future operations.

Essential Questions

EU 1

- What aspects of budgeting are important to having a successful business?
- How does setting annual goals help with financial stability?
- Why are budgets important and what information is helpful in preparing them?
- When and why would managers use the budgetary process to control expenses?

EU 2

- What financial tools are available to aid in making informed decisions concerning future growth?
- What costs influence management decisions?

EU 2, EU 3

- How is cost-volume-profit analysis used for decision making?

EU 3

- How do different factors affect the breakeven point?

Knowledge

Students will know that. . .

EU 1

- that budgets are estimates of what will happen in the future. **(9.3.12)**

Skills

Students will be able to. . .

EU 1

- prepare and analyze budget schedules. **(9.3.12)**
- prepare, analyze and interpret performance reports. **(9.3.12)**

- That budgets help managers plan to meet company goals. **(9.3.12)**
- the importance of a comparative income statement and a performance report. **(9.3.12)**
- the most commonly prepared budgets are the budgeted income statement and the cash budget. **(9.3.12)**
- when budget adjustments are required. **(9.3.12)**

EU 2, EU 3

- the difference between variable and fixed costs. **(9.3.12)**
- the cost characteristics that influence future financial decisions. **(9.3.12)**
- businesses plan sales for a desired net income. **(9.3.12)**
- the importance of a Breakeven analysis. **(9.3.12)**
- the effects of changes in volume, costs, contribution margin rate, and sale price. **(9.3.12)**
- effective sales mix strategy. **(9.3.12)**

EU 1, EU 2, EU 3

- vocabulary and accounting concepts pertaining to the budgeting and management decisions. **(9.3.12)**

- prepare, analyze and interpret a comparative income statement. **(9.3.12)**

EU 2, EU 3

- calculate sales to earn planned net income. **(9.3.12)**
- determine the sales mix needed to earn planned net income. **(9.3.12)**
- analyze total cost versus unit cost. **(9.3.12)**
- identify variable and fixed cost characteristics. **(9.3.12)**
- calculate the contribution margin per unit. **(9.3.12)**
- prepare an income statement with contribution margin. **(9.3.12)**
- calculate the breakeven point for existing and new products. **(9.3.12)**
- create a Breakeven Income Statement and use it to plan sales mix. **(9.3.12)**
- calculate the effects on net income of changes in unit sales, variable costs, fixed costs, and volume. **(9.3.12)**

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 Budgetary Planning and Control, you are to introduce the Enduring Understanding and Essential questions and the students need to know how to create and use a budget.

- Analyze a comparative income statement (A) (EU 1)
- Plan for a cash budget (A) (EU 1)
- Explain how the budgetary process helps a business control expenses. (M) (EU 1)
- Prepare and analyze Budget Schedules (A, M) (EU 1)
- Prepare and interpret a Performance Report. (A, M) (EU 1)
- Prepare a budgeted income statement and a cash budget with supporting budget schedules for the same company (A, M) (EU 1)
- Prepare a performance report for a specific company (A, M) (EU 1)
- Plan for a budgeted income statement (A, M, T) (EU 1)
- Prepare a sales budget schedule and a purchase budget schedule (A, M) (EU 1)
- Prepare a cash budget with supporting schedules (A, M) (EU 1)
- Prepare an income statement reporting contribution margin (A, M) (EU 1)
- Calculate contribution margin, breakeven point, and plans for net income (A) (EU 2, EU 3)
- Calculate the best sales mix, sales dollars and units sales for planned net income (A) (EU 2, EU 3)
- Calculate Breakeven in Sales Dollars and Unit Sales and Preparing a Breakeven Income Statement. (A) (EU 2, EU 3)
- Calculate Sales to Earn a Planned Net Income. (A) (EU 2, EU 3)
- Calculate the Effect of Volume Changes on Net Income. (A) (EU 2, EU 3)
- Calculate the Effect of Changes in Selling Price. (A) (EU 2, EU 3)
- Determine the effects on net income of changes in unit sales price, variable costs, fixed costs, and volume (A, M) (EU 2, EU 3)
- Calculate Contribution Margin and Breakeven Point. (A) (EU 2, EU 3)
- Evaluate the effects on Net Income of Changes in Unit Sales Price, Variable Costs, Fixed Costs, and Volume. (M, T) (EU 2, EU 3)
- Evaluate Sales Mix. (M, T) (EU 2, EU 3)
- Afford opportunities for students to express levels of concern and understanding. (M) (EU 1, EU 2, EU 3)

- Take a graded assignment and explain where you made a mistake(s) and what you would do to fix it. **(M, T) (EU 1, EU 2, EU 3)**
- Use formative assessments and summative assessments for basic student understanding and application. **(M, T) (EU 1, EU 2, EU 3)**
- Preparing an Income Statement Reporting Contribution Margin. **(A, M, T) (EU 2, EU 3)**
Define terms and concepts and classify new accounts for this unit **(A) (EU 1, EU 2, EU 3)**