

Accounting Curriculum

Course Description:

This course is designed to build a basic understanding of manual and automated accounting principles, concepts, and procedures. Activities include using the accounting equation, completing the accounting cycle, entering transactions to journals, posting to ledgers, preparing end-of-period statements and reports, completing banking activities, calculating taxes, automated accounting and a comprehensive study of selecting companies to invest in the stock market.

**This course is available for dual credit available through Missouri State University.*

Grades: 10-12

Course Expectations & Rationale:

- Students will be able to journalize closing entries for income statement accounts with credit balances, income statement accounts with debit balances, to record net income or loss to close the income summary account, closing the owner's drawing account or dividends.
- Students will be able to post the adjusting and closing entries to complete the general ledger at the end of fiscal period and prepare a post closing trial balance.
- Students will investigate the US tax system and the steps in payroll taxes.
- Students will understand investing and creating a portfolio of investments including the stock market.

Course Resources & Materials: DESE [BMIT: Business Education](#) model curriculum: (CIP Code: 52.0803), [National Business Education Association](#), www.ngpf.org & teacher created resources

Course Essential Questions:

- How are account balances related to the accounting equation?
- What are basic accounting concepts?
- How do financial statements help management make effective business decisions?
- Why do we pay taxes?
- What do financial statements tell an investor about a company?
- How do I diversify a portfolio of investments?

Course Priority Standards:

NBEA 2020 National Business Education Association Standards

The Accounting Profession

ACHIEVEMENT STANDARD 1: Explain the role accounting plays in business and society.

- I.1 Describe the regulatory framework for accounting.
- I.2 Explain how current events impact the accounting profession.
- I.3 Explain the need for a code of ethics in the accounting profession.
- I.4 Explain how the rapid advances in technology are changing the accounting profession.

ACHIEVEMENT STANDARD 2: Explain career opportunities in the accounting profession.

- II.1 Define different types of student organizations for those seeking accounting degrees.
- II.2 Demonstrate an understanding of agencies for accountants.
- II.3 Explain the different educational levels required for different professions in accounting.
- II.4 Explain why many accounting firms are shifting their hiring process to focus more on technology skills.

ACHIEVEMENT STANDARD 3: Demonstrate the business and professional skills and competencies required to succeed in the accounting profession and/or in an accounting-related career.

- III.1 Demonstrate ethical decision making skills in a business scenario.
- III.2 Apply critical decision-making skills.
- III.3 Demonstrate the ability to work in a team.
- III.4 Use information technology appropriately.

Financial Reports

ACHIEVEMENT STANDARD: Use an annual report and financial statements to make informed business decisions.

- State the sources for obtaining financial reports.
- Explain the use for financial reports.
- Identify the sections of an annual report and reasons why they are used.
- Explain the relationship between assets, liabilities and owners equity.
- State and explain an income statement.
- State and explain a balance sheet.
- State and explain a statement of owner's equity.
- Explain different types of ownership and reasons why they are important.
- Explain how different types of business operations are reflected in financial statements.
- Explain the difference between a net loss and net gain.

Financial Analysis

ACHIEVEMENT STANDARD: Assess the financial condition and operating results of a company and analyze and interpret financial statements and information to make informed business decisions.

- Discuss the information that can be obtained from analyzing financial statements.
- Perform a horizontal analysis and vertical analysis of an income statement and balance sheet.
- Assess profitability by calculating financial ratios.
- Compare and contrast multiple years of financial statements.

Accounting Principles

ACHIEVEMENT STANDARD: State and explain generally accepted accounting principles (GAAP) and explain how applying GAAP impacts the recording of financial transactions and the preparation of financial statements.

A-Conceptual Framework for Financial Reporting

- **I.1** Explain the framework for GAAP.
- **I.2** Define assets, liabilities, owners equity, revenue, expenses, gains and losses.
- **I.3** Distinguish between accrual accounting and cash basis accounting and the impact each has on financial statements.

B-Assets

- **II.1** Explain the accounting methods used to determine the asset balances to be used on the balance sheet.
- **II.2** Calculate the balances for different asset accounts.
- **II.3** Explain the purpose of cost allocation.

C-Liabilities

- **III.1** Explain the account methods used to determine the liability account balances to be used in the balance sheet.
- **III.2** Calculate the balances for various accounts payable accounts.

D-Equity

- **IV.1** Record equity related transactions.
- **IV.2** Explain how operating results, capital contributions and owner withdrawals impact the equity accounts.

E-Revenue

- **V.1** Explain the criteria for determining revenue
- **V.2** Determine the amount of revenue earned
- **V.3** Record revenue on an Income Statement

F-Expenses

- **VI.1** Explain the criteria for determining expenses
- **VI.2** Record expense related transactions

Accounting Cycle

ACHIEVEMENT STANDARD: Complete the steps of the accounting cycle.

- Explain the purpose of the accounting cycle
- Explain the purpose of journal entries and ledger accounts
- Analyze how business transactions impact the accounting equation
- Record business transactions and complete a trial balance
- Prepare closing entries

- Explain and record adjusting entries
- Use ledgers and financial statements to determine the business transactions that occurred in an accounting period

Course Goals, & Objectives (DESE):

Account Cycles-The Accounting Cycle Process (CIP CODE: 52.0803)

- Students will explain the ethics associated with accounting practices.
- Students will define the three forms of ownership.
- Students will apply the accounting equation to business transactions.
- Students will classify accounts and utilize a chart of accounts.
- Students will explain the importance of following the Accounting Concepts/ Generally Accepted Accounting Principles (GAAP).
- Students will explain the double entry system of accounting.
- Students will apply debit and credit rules to business transactions.
- Students will define terminology related to the accounting cycle process.
- Students will be able to analyze transactions and journalize them into the correct journal based on the source document that supports the transaction.
- Students will post to the correct ledger, ledger account, and derive the account's correct balance.
- Students will prepare a worksheet.
- Students will prepare an income statement for a service business organized as a proprietorship.
- Students will prepare an income statement for a merchandising business organized as a corporation.
- Students will analyze an income statement using component percentages and financial ratios.
- Students will prepare a balance sheet for service business organized as a sole proprietorship.
- Students will prepare a balance sheet for a merchandising business organized as a corporation.
- Students will prepare a schedule of accounts receivable and a schedule of accounts payable.
- Students will prepare a statement of stockholder's equity for a merchandising business set up as a corporation.
- Students will journalize adjusting entries for supplies (office and store), prepaid insurance, allowance for uncollectible accounts, merchandise inventory, depreciation (office and store equipment), and federal income taxes.
- Students will post adjusting entries for supplies (office and store), prepaid insurance, allowance for uncollectible accounts, merchandise inventory, depreciation (office and store equipment), and federal income taxes.

Course Essential Vocabulary: GAAP, T-account, accounting cycle, accounting equation, debit, credit, asset, liability, owner equity, revenue, expenses, chart of accounts, trial balance, general ledger, adjusting entries, capital, general journal, worksheet, balance sheet, income statement, profit and loss, income, net income, net loss, managerial accounting

Unit 1	Accounting for a Service Business Organized as a Proprietorship - 20 Weeks Students will gain a better understanding of the accounting cycle for a proprietorship.
Unit 1 Enduring Understandings	<ul style="list-style-type: none"> ● Business transactions affect the accounting equation. ● Journalize various transactions for a business.
Unit 1 Essential Question	How do transactions impact accounting for a business?
Unit 1 Student Learning Goals	Concept 1: Changes that affect the accounting equation
	A. Students will identify how business activities change the accounting equation.
	B. Students will evaluate how transactions change owner's equity in an accounting equation.
	Concept 2: Analyze transactions into debit and credit parts
	A. Students will use T-accounts.
	B. Students will analyze how transactions affect accounts.
	C. Students will analyze how transactions affect owner's equity accounts.
	Concept 3: Journalizing transactions
	A. Students will record transactions in the general journal.
	B. Students will record transactions affecting prepaid insurance and supplies.
	C. Students will record transactions affecting owner's equity and asset accounts.
	Concept 4: Posting to a general ledger
	A. Students will use accounts and prepare and maintain a chart of accounts.
	B. Students will post from a general journal to a general ledger and prove cash

	C. Students will journalize correcting entries.
	Concept 5: Cash control system
	A. Students will create a checking account.
	B. Students will record a bank reconciliation.
	C. Students will record petty cash transactions.
	Concept 6: Worksheet and adjusting entries for a service business
	A. Students will create a worksheet.
	B. Students will plan adjusting entries on a worksheet.
	C. Students will journalize adjusting entries.
	Concept 7: Financial statements for a proprietorship
	A. Students will prepare an income statement.
	B. Students will prepare a balance sheet.
	C. Students will research and analyze financial statements for different companies.
	D. Students will explore career pathways in accounting.
Unit 1 Vocabulary	GAAP, T-account, accounting cycle, accounting equation, debit, credit, asset, liability, owner equity, revenue, expenses, chart of accounts, trial balance, general ledger, adjusting entries, capital, general journal, worksheet, balance sheet, income statement, profit and loss, income, net income, net loss, managerial accounting
National Business	The Accounting Profession

Education Standards

ACHIEVEMENT STANDARD 1: Explain the role accounting plays in business and society.

- **I.1** Describe the regulatory framework for accounting.
- **I.2** Explain how current events impact the accounting profession.
- **I.3** Explain the need for a code of ethics in the accounting profession.
- **I.4** Explain how the rapid advances in technology are changing the accounting profession.

ACHIEVEMENT STANDARD 2: Explain career opportunities in the accounting profession.

- **II.1** Define different types of student organizations for those seeking accounting degrees.
- **II.2** Demonstrate an understanding of agencies for accountants.
- **II.3** Explain the different educational levels required for different professions in accounting.
- **II.4** Explain why many accounting firms are shifting their hiring process to focus more on technology skills.

ACHIEVEMENT STANDARD 3: Demonstrate the business and professional skills and competencies required to succeed in the accounting profession and/or in an accounting-related career.

- **III.1** Demonstrate ethical decision making skills in a business scenario.
- **III.2** Apply critical decision-making skills.
- **III.3** Demonstrate the ability to work in a team.
- **III.4** Use information technology appropriately.

Financial Reports

ACHIEVEMENT STANDARD: Use an annual report and financial statements to make informed business decisions.

- State the sources for obtaining financial reports.
- Explain the use for financial reports.
- Identify the sections of an annual report and reasons why they are used.
- Explain the relationship between assets, liabilities and owners equity.
- State and explain an income statement.
- State and explain a balance sheet.
- State and explain a statement of owner's equity.
- Explain different types of ownership and reasons why they are important.
- Explain how different types of business operations are reflected in financial statements.
- Explain the difference between a net loss and net gain.

Accounting Principles

ACHIEVEMENT STANDARD: State and explain generally accepted accounting principles (GAAP) and explain how applying GAAP impacts the recording of financial transactions and the preparation of financial statements.

A-Conceptual Framework for Financial Reporting

- **I.1** Explain the framework for GAAP.
- **I.2** Define assets, liabilities, owners equity, revenue, expenses, gains and losses.
- **I.3** Distinguish between accrual accounting and cash basis accounting and the impact each has on financial statements.

B-Assets

- **II.1** Explain the accounting methods used to determine the asset balances to be used on the balance sheet.
- **II.2** Calculate the balances for different asset accounts.
- **II.3** Explain the purpose of cost allocation.

C-Liabilities

- **III.1** Explain the account methods used to determine the liability account balances to be used in the balance sheet.
- **III.2** Calculate the balances for various accounts payable accounts.

D-Equity

- **IV.1** Record equity related transactions.
- **IV.2** Explain how operating results, capital contributions and owner withdrawals impact the equity accounts.

E-Revenue

- **V.1** Explain the criteria for determining revenue
- **V.2** Determine the amount of revenue earned
- **V.3** Record revenue on an Income Statement

	<p>F-Expenses</p> <ul style="list-style-type: none"> ● VI.1 Explain the criteria for determining expenses ● VI.2 Record expense related transactions <p>Accounting Cycle</p> <p>ACHIEVEMENT STANDARD: Complete the steps of the accounting cycle.</p> <ul style="list-style-type: none"> ● Explain the purpose of the accounting cycle ● Explain the purpose of journal entries and ledger accounts ● Analyze how business transactions impact the accounting equation ● Record business transactions and complete a trial balance ● Prepare closing entries ● Explain and record adjusting entries ● Use ledgers and financial statements to determine the business transactions that occurred in an accounting period
Assessments	All formative and summative assessment are through Cengage Learning MindTap online resources/course
Curricular Resources Utilized in Unit 1	National Business Education Association Curriculum Cengage Learning MindTap

Unit 2	Taxes (8 Weeks) Students will explore the US tax system.
Unit 2 Enduring Understandings	<ul style="list-style-type: none"> ● Income taxes provide revenue for public expenses. ● The progressive tax code, current tax brackets, and different taxes between states lead to individuals paying varying amounts of taxes. ● Common IRS forms are used in the tax cycle. ● W-4 withholdings impact your paycheck. ● There are factors that determine whether or not someone has to file a tax return.

Unit 2 Essential Question	Why do citizens pay taxes and what are taxes used for?
Unit 2 Student Learning Goals	Concept 1: The U.S. tax system
	A. Students will explain where income taxes are collected from and how they provide revenue for public expenses.
	B. Students will describe progressive tax code and tax brackets.
	C. Students will investigate the difference between local, state and federal taxes.
	Concept 2: Important tax forms
	A. Students will distinguish between different tax forms.
	B. Students will explain the purpose of a W-2 and W-4 form.
	Concept 3: Do I need to file a tax return
	A. Students will define a dependent and what it means.
	B. Students will solve different scenarios for taxpayers based on situations.
	Concept 4: Tax simulator
	A. Students will use tax simulator software to practice the steps of filing individually.
	B. Students will explore career pathways in tax accounting.
Unit 2 Vocabulary	W-2, W-4, I-9, dependent, IRS, flat tax, progressive tax
National Business Education Standards	<p>ACHIEVEMENT STANDARD: Earning Income Concept 3: Taxes and Deductions</p> <ul style="list-style-type: none"> • Compare gross and net income. • Explain how taxes provide for public goods and services.

	<ul style="list-style-type: none"> • Explain the purpose of standard deductions on income taxes.
Assessments	Formative: Next Gen PF Tax Packet 10.01 Formative: TurboTax Simulator Summative: Test Your Knowledge on Taxes: Scenarios
Curricular Resources Utilized in Unit 2	National Business Education Association Curriculum

Unit 3	Investing (12 Weeks) Students will understand the importance of managing finances.
Unit 3 Enduring Understanding	Students will enrich their understanding of investing in the stock market.
Unit 3 Essential Question	How do company financial statements help investors?
Unit 3 Student Learning Goals	Concept 1: Why invest
	A. Students will define investing and distinguish from saving.
	B. Students will identify reasons for investing.
	C. Students will analyze how compounding builds wealth over time.
	Concept 2: What is a stock
	A. Students will explain what stocks are, how profits are earned from them and risks of investing.
	B. Students will summarize long-term trends of the stock market.

	<p>C. Students will consider how personal values play a role in investing.</p> <p>Concept 3: Risk management</p> <p>A. Students will explain what risk is and its role in investing.</p> <p>B. Students will analyze effective strategies to manage investment risk.</p> <p>C. Students will identify strategies to use in managing risk when we start investing.</p> <p>D. Students will investigate career pathways in investment and money management.</p>
Unit 3 Vocabulary	Stock, trade, NYSE, risk, invest, bull market, bear market, trade, return on investment, P/E ratio, opening price, closing price, 52-week high and low, ticker symbol, dividend
National Business Education Standards	<p>Savings and Investing</p> <p>ACHIEVEMENT STANDARD: Evaluate savings and investing options for short and long term goals.</p> <ul style="list-style-type: none"> ● IV.1.3 Describe the difference between saving and investing. ● IV.1.5 Apply the concept of Time Value of Money ● IV.2.5 Explain advantages and disadvantages of different ways to invest. ● IV.4.8 Analyze the power of compounding over time in investments. ● IV.3.10 Distinguish between right and responsibilities of owners of investments. ● IV.3.12 Explain why individuals may want to change their investment plan throughout life. ● IV.3.13 Describe how saving and investing influence economic growth. ● IV.3.15 Identify costs for investments. ● IV.3.16 Identify income sources for investments.
Assessments	<p>Formative: Why invest activity packet</p> <p>Formative: What is a stock activity packet</p> <p>Summative: Project: Stock Market Game</p>
Curricular Resources Utilized in Unit 3	<p>National Business Education Association Curriculum</p> <p>Next Gen Personal Finance curriculum resources</p> <p>The Stock Market Game</p>

