



**College Accounting I
June 2022 Revised**

Grades 10 - 12

Dr. Mark Toback, Superintendent

*This curriculum may be modified through varying techniques, strategies,
and materials as per an individual student's Individualized Educational
Plan (IEP)*

**Approved by the Wayne Township Board of Education at the regular
meeting held on November 15, 2018.**

Wayne School District

Curriculum Format

Content Area/ Grade Level/ Course:	Business/10-12/College Accounting I Financial Accounting Fairleigh Dickinson University Middle College Program-3 college credits
Unit Plan Title:	Introduction to Accounting and Business
Time Frame	4 weeks

Anchor Standards/Domain* *i.e: ELA: reading, writing i.e.: Math: Number and Operations in Base 10

Standard 8.2 Design Thinking This standard, previously standard 8.2 Technology Education of the 2014 NJSL – Technology, outlines the technological design concepts and skills essential for technological and engineering literacy. The new framework design, detailed previously, includes Engineering Design, Ethics and Culture, and the Effects of Technology on the Natural world among the disciplinary concepts

Career Readiness, Life Literacies, and Key Skills Practices Career Readiness, Life Literacies, and Key Skills Practices describe the habits of the mind that all educators in all content areas should seek to develop in their students. They are practices that have been linked to increase college, career, and life success. These practices should be taught and reinforced in all content areas with increasingly higher levels of complexity and expectation as a student advances through a program of study

Standard 9.1 Personal Financial Literacy: This standard outlines the important fiscal knowledge, habits, and skills that must be mastered in order for students to make informed decisions about personal finance. Financial literacy is an integral component of a student's college and career readiness, enabling students to achieve fulfilling, financially-secure, and successful careers

Standard 9.2 Career Awareness, Exploration, Preparation and Training This standard outlines the importance of being knowledgeable about one's interests and talents, and being well informed about postsecondary and career options, career planning, and career requirements

Standard 9.3 Career and Technical Education: This standard outlines what students should know and be able to do upon completion of a CTE Program of Study

Standard 9.4 Life Literacies and Key Skills. This standard outline key literacies and technical skills such as critical thinking, global and cultural awareness, and technology literacy* that are critical for students to develop to live and work in an interconnected global economy

[Anchor Companion Standards \(Reading and Writing Grades 9-10\)](#)

[Anchor Companion Standards \(Reading and Writing Grades 11-12\)](#)

Unit Overview

This unit begins with a discussion of the nature of a business and the different types of businesses (service, merchandising, and manufacturing) and types of business organizations (proprietorship, partnership, corporation, and

limited liability corporations). Next, the chapter describes different types of business stakeholders, introduces business ethics, and discusses three factors of individual character, firm culture, and laws and enforcement that affect ethics as well as the accounting/business frauds of the 2000s. The roles of accounting in business and accounting professions/careers are discussed. Following this introductory information, the text explains Generally Accepted Accounting Principles (GAAP), the business entity concept, and the cost concept. The accounting equation is introduced, and then the discussion of how business transactions affect accounts in the accounting equation begins. When transactions are analyzed, changes in assets, liabilities, and owner's equity are stated as "increases" or "decreases"—the terms "debit" and "credit" are not introduced until Chapter 2. The rules of using at least two accounts, selecting those account names, and maintaining the equality of the equation are discussed using several transactions for a business called "Net Solutions." Next are examples of how to prepare all four financial statements using the accounting equation information and with explanations of how the four financial statements are interrelated. The chapter ends with an explanation of the ratio of liabilities to owner's equity and how it is particularly important to creditors.

Standard Number(s)

Standard 8.2 Design Thinking

- 8.2.12.ITH.3: Analyze the impact that globalization, social media, and access to open source technologies has had on innovation and a society's economy, politics, and culture

Career Readiness, Life Literacies, and Key Skills Practices

- Act as a responsible and contributing community members and employee
- Attend to financial well-being
- Consider the environmental, social and economic impacts of decisions
- Demonstrate creativity and innovation
- Utilize critical thinking to make sense of problems and persevere in solving them
- Model integrity, ethical leadership and effective management
- Plan education and career paths aligned to personal goals
- Use technology to enhance productivity increase collaboration and communicate effectively
- Work productively in teams while using cultural/global competence

Standard 9.1 Personal Financial Literacy

- 9.1.12.FP.7: Determine how multiple sources of objective, accurate and current financial information affect the prioritization of financial decisions

Standard 9.2 Career Awareness, Exploration, Preparation and Training

- 9.2.12.CAP.2: Develop college and career readiness skills by participating in opportunities such as structured learning experiences, apprenticeships, and dual enrollment programs
- 9.2.12.CAP.3: Investigate how continuing education contributes to one's career and personal growth

Standard 9.3 Career and Technical Education

- 9.3.12.FN.1 Utilize mathematical concepts, skills and problem solving to obtain necessary information for decision making in the finance industry
- 9.3.12.FN.2 Utilize tools, strategies and systems to plan, monitor, manage and maintain the use of financial resources
- 9.3.12.FN.8 Describe and follow laws, regulations and ethical standards that affect finance operations and transactions
- 9.3.12.FN.9 Plan, manage and maintain the use of financial resources to protect solvency.
- 9.3.12.FN.12 Access, evaluate and disseminate financial information to enhance financial decision-making processes

- 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

Standard 9.4 Life Literacies and Key Skills

- 9.4.12.CI.2: Identify career pathways that highlight personal talents, skills, and abilities
- 9.4.12.CI.3: Investigate new challenges and opportunities for personal growth, advancement, and transition
- 9.4.12.CT.1: Identify problem-solving strategies used in the development of an innovative product or practice
- 9.4.12.CT.2: Explain the potential benefits of collaborating to enhance critical thinking and problem solving
- 9.4.12.TL.3: Analyze the effectiveness of the process and quality of collaborative environments
- 9.4.12.TL.4: Collaborate in online learning communities or social networks or virtual worlds to analyze and propose a resolution to a real-world problem

Intended Outcomes – (Essential Questions)

- What is the difference between service, merchandising, and manufacturing businesses?
- What is the role of accounting in business and why is accounting called the “language of business.”?
- What are ethics and what are two factors that affect ethical conduct?
- What is the difference between private and public accounting?
- What is meant by Generally Accepted Accounting Principles (GAAP), what are examples of GAAP, and how are the principles developed?
- What are the characteristics of a proprietorship, partnership, corporation, and limited liability company?
- What is the accounting equation and how are its parts defined?
- What is a business transaction and how do transactions affect the elements of the accounting equation?
- What is the purpose of an income statement, statement of owner’s equity, balance sheet, and statement of cash flows and how are they prepared?
- How are the financial statements of a proprietorship interrelated?
- What is the usefulness of the ratio of liabilities to owner’s (stockholders’) equity, how is it calculated, and how is it analyzed?
- How can spreadsheets be used to record transactions in the accounting equation and calculate the balance of the accounts in the accounting equation?

Enduring Understandings

- Define accounting and describe various fields and career paths in accounting
- Define ethics and understand the impact of ethical (and unethical) conduct in the field of accounting.
- The role and impact of Generally Accepted Accounting Principles (GAAP) in accounting. Describe a few specific principles.
- State the accounting equation and define its parts.
- Record the effect of transactions on accounts in the accounting equation.
- Classify accounts as being an asset, liability, owner’s equity, revenue or expense.
- Describe the objective of the income statement, statement of owner’s equity, balance sheet, and statement of cash flows.
- Prepare an income statement, statement of owner’s equity, balance sheet, and statement of cash flows in good form.
- Use the ratio of liabilities to owner’s equity to assess a company’s leverage position.

In this unit plan, the following 21 st Century themes and skills are addressed.			
Check all that apply. 21 st Century Themes		Indicate whether these skills are E-Encouraged, T-Taught, or A-Assessed in this unit by marking E, T, A on the line before the appropriate skill. 21 st Century Skills	
<input type="checkbox"/>	Global Awareness	<input type="checkbox"/>	Creativity and Innovation
<input type="checkbox"/>	Environmental Literacy	<input checked="" type="checkbox"/> ETA	Critical Thinking and Problem Solving
<input type="checkbox"/>	Health Literacy	<input type="checkbox"/> E	Communication
<input type="checkbox"/>	Civic Literacy	<input type="checkbox"/> E	Collaboration
<input checked="" type="checkbox"/> X	Financial, Economic, Business, and Entrepreneurial Literacy		
Student Learning Targets/Objectives (Students will know/Students will understand)			
<p>After Studying this unit, students will be able to understand:</p> <ul style="list-style-type: none"> Describe the nature of a business, the role of accounting, and ethics in business. Summarize the development of accounting principles and relate them to practice. State the accounting equation and define each element of the equation. Describe and illustrate how business transactions can be recorded in terms of the resulting change in the elements of the accounting equation. Describe the financial statements of a proprietorship and explain how they interrelate. Describe and illustrate the use of the ratio of liabilities to owner's equity in evaluating a company's financial condition. 			
Assessments (Pre, Formative, Summative, Other)		Denote required common assessments with an *	
<ul style="list-style-type: none"> Quizzes Tests Worksheets Projects/Presentations Class discussions & Q & A Writing assignments Online assessments Workbook exercises and problems Spreadsheet (Google Sheets and Microsoft Excel) problems Class assignments that require real-world applications including research and evaluation of real companies' financial statements and accounting procedures. 			
Teaching and Learning Activities			
<i>Suggested Activities</i>		<ul style="list-style-type: none"> Lectures and PowerPoint presentations that introduce new topics - this should include class discussion and interaction. During this time the instructor should also include a guided problem to demonstrate how transactions are recorded in the accounting equation and how to prepare the four different financial statements discussed in the chapter. Online textbook exercises and problems done collaboratively and independently. These activities will practice vocabulary, concepts, and problem-solving skills. Exercises and problems should be reviewed and discussed as a class. Spreadsheet (Google Sheets or Excel) problems that require students to develop a template for recording transactions in the accounting equation using proper formatting and formulas. Then students use that template for future problems that include recording transactions and then developing the Income Statement, Statement of Owner's Equity, and Balance Sheet. 	

	<ul style="list-style-type: none"> ● Introduce students to industry websites such as www.sec.gov, Yahoo Finance, Google Finance, etc to show examples of real-life financial statements and to use the information on these financial statements to calculate the financial ratios introduced in this chapter. ● Use student-oriented accounting websites such as www.startheregoplaces.com to provide students with a self-guided assignment that will familiarize them with accounting organizations, educational requirements, life skills, and job opportunities.
<i>Differentiation Strategies</i>	<ul style="list-style-type: none"> ● Variety of learning styles and techniques. ● Use of technology and online resources. ● Discussion, writing assignment, group/ collaborative work ● Group work with pairing students with similar levels ● Group work with pairing students of varying levels ● Allow students to research a company in which they are interested when completing real-world projects. ● Allowing students to work independently or in a small group to complete exercises and problems. ● Differentiation Strategies for Special Education Students ● Differentiation Strategies for Gifted and Talented Students ● Differentiation Strategies for ELL Students ● Differentiation Strategies for At Risk Students ● Differentiation Strategies for Students with a 504
<i>Honors</i>	
Resources	
<ul style="list-style-type: none"> ● 9.3 – Career & Technical Education (CTE) - Content Area: 21st Century Life and Careers – Accounting and Finance ● “Accounting” 25th Edition by Warren, Reeve, and Duchac – textbook and accompanying workbook Jump Start Coalition http://www.jumpstartcoalition.org ● Chromebooks, Google Sheets, and Microsoft Excel ● www.aicpa.org ● http://finance.yahoo.com and other financial websites ● www.investopedia.com ● www.startheregoplaces.com ● www.sec.gov ● Morning Brew App <ul style="list-style-type: none"> ● Anchor Companion Standards (Reading and Writing Grades 9-10) ● Anchor Companion Standards (Reading and Writing Grades 11-12) 	

**Wayne School District
Curriculum Format**

Content Area/ Grade Level/ Course:	Business/10-12/College Accounting I Financial Accounting Fairleigh Dickinson University Middle College Program-3 college credits
Unit Plan Title:	Analyzing Transactions
Time Frame	4 weeks
Anchor Standards/Domain* *i.e: ELA: reading, writing i.e.: Math: Number and Operations in Base 10	
<p>Standard 8.2 Design Thinking This standard, previously standard 8.2 Technology Education of the 2014 NJSL – Technology, outlines the technological design concepts and skills essential for technological and engineering literacy. The new framework design, detailed previously, includes Engineering Design, Ethics and Culture, and the Effects of Technology on the Natural world among the disciplinary concepts</p> <p>Career Readiness, Life Literacies, and Key Skills Practices Career Readiness, Life Literacies, and Key Skills Practices describe the habits of the mind that all educators in all content areas should seek to develop in their students. They are practices that have been linked to increase college, career, and life success. These practices should be taught and reinforced in all content areas with increasingly higher levels of complexity and expectation as a student advances through a program of study</p> <p>Standard 9.1 Personal Financial Literacy: This standard outlines the important fiscal knowledge, habits, and skills that must be mastered in order for students to make informed decisions about personal finance. Financial literacy is an integral component of a student's college and career readiness, enabling students to achieve fulfilling, financially-secure, and successful careers</p> <p>Standard 9.2 Career Awareness, Exploration, Preparation and Training This standard outlines the importance of being knowledgeable about one's interests and talents, and being well informed about postsecondary and career options, career planning, and career requirements</p> <p>Standard 9.3 Career and Technical Education: This standard outlines what students should know and be able to do upon completion of a CTE Program of Study</p> <p>Standard 9.4 Life Literacies and Key Skills. This standard outline key literacies and technical skills such as critical thinking, global and cultural awareness, and technology literacy* that are critical for students to develop to live and work in an interconnected global economy</p>	
Unit Overview	
<p>This unit is the most important chapter in the text. It introduces students to the rules of debit and credit, creating a chart of accounts, the role of the double-entry accounting system when recording transactions, recording transactions in a two-column journal, posting journal entries to a four-column ledger to determine the balance of each account, using T accounts as a “short-cut” to using a ledger, and preparing the trial balance to determine the equality of debits and credits. The chapter ends with an explanation and demonstration of analyzing financial statements using horizontal analysis.</p>	
Standard Number(s)	
Standard 8.2 Design Thinking	

- 8.2.12.ITH.2: Propose an innovation to meet future demands supported by an analysis of the potential costs, benefits, trade-offs, and risks related to the use of innovation

Career Readiness, Life Literacies, and Key Skills Practices

- Act as a responsible and contributing community members and employee
- Attend to financial well-being
- Consider the environmental, social and economic impacts of decisions
- Utilize critical thinking to make sense of problems and persevere in solving them
- Model integrity, ethical leadership and effective management
- Use technology to enhance productivity increase collaboration and communicate effectively
- Work productively in teams while using cultural/global competence

Standard 9.1 Personal Financial Literacy

- 9.1.12.FP.7: Determine how multiple sources of objective, accurate and current financial information affect the prioritization of financial decisions

Standard 9.2 Career Awareness, Exploration, Preparation and Training

- 9.2.12.CAP.2: Develop college and career readiness skills by participating in opportunities such as structured learning experiences, apprenticeships, and dual enrollment programs
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Standard 9.4 Life Literacies and Key Skills

- 9.4.12.CI.2: Identify career pathways that highlight personal talents, skills, and abilities
- 9.4.12.CI.3: Investigate new challenges and opportunities for personal growth, advancement, and transition
- 9.4.12.CT.1: Identify problem-solving strategies used in the development of an innovative product or practice
- 9.4.12.CT.2: Explain the potential benefits of collaborating to enhance critical thinking and problem solving
- 9.4.12.IML.1: Compare search browsers and recognize features that allow for filtering of information.
- 9.4.12.IML.2: Evaluate digital sources for timeliness, accuracy, perspective, credibility of the source, and relevance of information, in media, data, or other resources
- 9.4.12.IML.6: Use various types of media to produce and store information on climate change for different purposes and audiences with sensitivity to cultural, gender, and age diversity
- 9.4.12.TL.1: Assess digital tools based on features such as accessibility options, capacities, and utility for accomplishing a specific task
- 9.4.12.TL.2: Generate data using formula-based calculations in a spreadsheet and draw conclusions about the data
- 9.4.12.TL.3: Analyze the effectiveness of the process and quality of collaborative environments
- 9.4.12.TL.4: Collaborate in online learning communities or social networks or virtual worlds to analyze and propose a resolution to a real-world problem

Intended Outcomes – (Essential Questions)

- What are the debit and credit parts of a T-account and how are transactions recorded in T accounts?
- How is the balance of a T account determined?
- What is a chart of accounts and what is the process for preparing a chart of accounts for a proprietorship?
- What is a double-entry accounting system and how does it apply when recording transactions?
- How is the normal balance of an account determined and what are the rules of debit/credit for all accounts?
- How are transactions journalized using the rules of debit and credit?
- What is the purpose of a general ledger and how are journal entries posted to the general ledger?
- What is the purpose of an unadjusted trial balance and how is one prepared using general ledger or T-account data?
- How can errors be discovered from unequal totals in the trial balance?
- How are correcting journal entries prepared for various errors?
- What is horizontal analysis, how is one conducted, and how are results analyzed?

Enduring Understandings

- The simplest form of an account, a T account, has three parts: (1) a title, which is the name of the item recorded in the account; (2) a left side, called the debit side; and (3) a right side, called the credit side. Periodically, the debits in an account are added, the credits in an account are added, and the balance of the account is determined. The system of accounts that make up a ledger is called a chart of accounts.
- Transactions are initially entered in a record called a journal. The rules of debit and credit for recording increases or decreases in accounts are shown in exhibit 3. Each transaction is recorded so that the sum of the debits is always equal to the sum of the credits. The normal balance of an account is indicated by the side of the account (debit or credit) that receives the increases.
- Transactions are journalized and posted to the ledger using the rules of debit and credit. The debits and credits for each journal entry are posted to the accounts in the order in which they occur in the journal.
- A trial balance is prepared by listing the accounts from the ledger and their balances. The totals of the Debit column and credit column of the trial balance must be equal. If the two totals are not equal, an error has occurred. Errors may occur even though the trial balance totals are equal. Such errors may require a correcting journal entry.
- In horizontal analysis, the amount of each item on a current financial statement is compared with the same item on an earlier statement. The increase or decrease in the amount of the item is computed, together with the percent of increase or decrease. When two statements are being compared, the earlier statement is used as the base for computing the amount and the percent of change.

In this unit plan, the following 21st Century themes and skills are addressed.

<i>Check all that apply.</i> 21st Century Themes		<i>Indicate whether these skills are E-Encouraged, T-Taught, or A-Assessed in this unit by marking E, T, A on the line before the appropriate skill.</i> 21st Century Skills	
<input type="checkbox"/>	Global Awareness	<input type="checkbox"/>	Creativity and Innovation
<input type="checkbox"/>	Environmental Literacy	<input checked="" type="checkbox"/> ETA	Critical Thinking and Problem Solving
<input type="checkbox"/>	Health Literacy	<input type="checkbox"/> E	Communication
<input type="checkbox"/>	Civic Literacy	<input type="checkbox"/> E	Collaboration
<input checked="" type="checkbox"/> X	Financial, Economic, Business, and Entrepreneurial Literacy		

Student Learning Targets/Objectives (Students will know/Students will understand)

After Studying this unit, students will be able to understand:

- Describe the characteristics of an account and a chart of accounts.
- Describe and illustrate journalizing transactions using the double-entry accounting system.
- Describe and illustrate the journalizing and posting of transactions to accounts.
- Prepare an unadjusted trial balance and explain how it can be used to discover errors.
- Describe and illustrate the use of horizontal analysis in evaluating a company's performance and financial condition.

Assessments (Pre, Formative, Summative, Other)

*Denote required common assessments with an **

- Quizzes
- Tests
- Worksheets
- Projects/Presentations
- Class discussions & Q & A
- Writing assignments
- Online assessments
- Workbook exercises and problems
- Spreadsheet (Google Sheets and Microsoft Excel) problems
- Class assignments that require real-world applications including research and evaluation of real companies' financial statements and accounting procedures.

Teaching and Learning Activities

Suggested Activities

- Lectures and PowerPoint presentations that introduce new topics - this should include class discussion and interaction. During this time the instructor should also include a guided problem to demonstrate how transactions are recorded in the general journal, how transactions are posted to T-accounts, how to prepare a trial balance, and how to conduct a horizontal analysis.
- Online textbook exercises and problems done collaboratively and independently. These activities will practice vocabulary, concepts, and problem-solving skills. Exercises and problems should be reviewed and discussed as a class.
- Spreadsheet (Google Sheets or Excel) problems that require students to develop a template for preparing a horizontal analysis. Students will obtain real companies' financial statements from industry websites such as www.sec.gov, Yahoo Finance, Google Finance, etc and plug that information into a spreadsheet. They will then use formulas in the spreadsheet to calculate the horizontal analysis. They will then analyze the results.

Differentiation Strategies

- Variety of learning styles and techniques.
- Use of technology and online resources.
- Discussion, writing assignment, group/ collaborative work
- Group work with pairing students with similar levels
- Group work with pairing students of varying levels
- Allow students to research a company in which they are interested when completing real-world projects.
- Allowing students to work independently or in a small group to complete exercises and problems.
- [Differentiation Strategies for Special Education Students](#)
- [Differentiation Strategies for Gifted and Talented Students](#)
- [Differentiation Strategies for ELL Students](#)
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<i>Honors</i>	
Resources	
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**Wayne School District
Curriculum Format**

Content Area/ Grade Level/ Course:	Business/10-12/College Accounting I Financial Accounting Fairleigh Dickinson University Middle College Program-3 college credits
Unit Plan Title:	The Adjusting Process
Time Frame	1 month
Anchor Standards/Domain* *i.e: ELA: reading, writing i.e.: Math: Number and Operations in Base 10	

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Standard 9.4 Life Literacies and Key Skills. This standard outline key literacies and technical skills such as critical thinking, global and cultural awareness, and technology literacy* that are critical for students to develop to live and work in an interconnected global economy

Unit Overview

This unit introduces students to the adjusting process. The beginning of the chapter briefly describes the cash basis of accounting and includes examples of businesses that use it. The focus of the text is on the accrual basis accounting. The basic idea of the matching concept was presented in Chapter 1, where expenses incurred were matched against revenues. Now in Chapter 3, matching is introduced formally and as a stand-alone concept. The matching concept is defined and discussed, and the chapter includes full coverage of the accrual basis. Of all the accounting concepts and principles introduced in the early chapters of the text, matching is the most important.

The chapter's main emphasis is on the preparation of adjusting entries. Definitions, calculations where pertinent, and examples of the four basic types of deferrals and accruals are included. The chapter then covers the adjustment of fixed assets (depreciation). The chapter ends with an explanation and demonstration of analyzing financial statements using vertical analysis. Interpretation explains the value of examining relationships within financial statements.

Standard Number(s)

Standard 8.2 Design Thinking

- 8.2.12.ITH.2: Propose an innovation to meet future demands supported by an analysis of the potential costs, benefits, trade-offs, and risks related to the use of innovation

Career Readiness, Life Literacies, and Key Skills Practices

- Act as a responsible and contributing community members and employee
- Attend to financial well-being

- Consider the environmental, social and economic impacts of decisions
- Utilize critical thinking to make sense of problems and persevere in solving them
- Model integrity, ethical leadership and effective management
- Use technology to enhance productivity increase collaboration and communicate effectively
- Work productively in teams while using cultural/global competence

Standard 9.1 Personal Financial Literacy

- 9.1.12.CFR.6: Identify and explain the consequences of breaking federal and/or state employment or financial laws
- 9.1.12.FP.7: Determine how multiple sources of objective, accurate and current financial information affect the prioritization of financial decisions
- 9.1.12.RM.2: Identify types of investments appropriate for different objectives such as liquidity, income and growth

Standard 9.2 Career Awareness, Exploration, Preparation and Training

- 9.2.12.CAP.2: Develop college and career readiness skills by participating in opportunities such as structured learning experiences, apprenticeships, and dual enrollment programs
- 9.2.12.CAP.3: Investigate how continuing education contributes to one's career and personal growth

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- 9.4.12.TL.3: Analyze the effectiveness of the process and quality of collaborative environments
- 9.4.12.TL.4: Collaborate in online learning communities or social networks or virtual worlds to analyze and propose a resolution to a real-world problem

Intended Outcomes – (Essential Questions)

- What is the difference between the accrual basis of accounting and the cash basis of accounting and how does the method impact the manner in which revenues and expenses are reported?
- What is the adjusting process and why do companies need to record adjustments to accounts when using the accrual basis of accounting?
- What types of accounts require adjustments to update their balances?
- What are prepaid expenses, unearned revenues, accrued expenses, and accrued revenues and how are these types

of accounts updated through adjusting journal entries?

- How is the depreciation of a fixed asset updated through adjusting journal entries?
- How are adjusting journal entries posted to the general ledger to update account balances?
- What is the purpose of an adjusted trial balance and how is one prepared to verify the equality of debits and credits?
- What is a vertical analysis and how is one conducted to analyze the financial performance of a company?

Enduring Understandings

- The accrual basis of accounting requires that revenues are reported in the period in which they are earned and expenses are matched with the revenues they generate. The updating of accounts at the end of the accounting period is called the adjusting process. Each adjusting entry affects an income statement and balance sheet account. The four types of accounts requiring adjusting entries are prepaid expenses, unearned revenues, accrued revenues, and accrued expenses.
- To adjust for prepaid expenses, an expense is debited and the prepaid expense is credited. To adjust for unearned revenues, the unearned revenue is debited and a revenue is credited. To adjust for accrued revenues, receivables are debited and a revenue is credited. To adjust for accrued expenses, an expense is debited and a payable is credited. To adjust for depreciation, depreciation expense is debited and accumulated depreciation is credited.
- Determine the effect on the income statement and balance sheet of omitting an adjusting entry for prepaid expense, unearned expense, accrued revenue, accrued expense, and depreciation
- After all the adjusting entries have been posted, the equality of the total debit balances and total credit balances is verified by an adjusted trial balance.
- Comparing each item on a financial statement with a total amount from the same statement is called vertical analysis. On the income statement, all accounts are expressed as a percent of total revenues or fees earned. The most recent year's percentage is compared with last year's percentage and positive/negative trends are identified. Positive trends include: increase in revenues, decrease in expenses, and increase in profits. Negative trends are the opposite.

In this unit plan, the following 21st Century themes and skills are addressed.

<i>Check all that apply.</i> 21st Century Themes		<i>Indicate whether these skills are E-Encouraged, T-Taught, or A-Assessed in this unit by marking E, T, A on the line before the appropriate skill.</i> 21st Century Skills	
<input type="checkbox"/>	Global Awareness	<input type="checkbox"/>	Creativity and Innovation
<input type="checkbox"/>	Environmental Literacy	<input checked="" type="checkbox"/> ETA	Critical Thinking and Problem Solving
<input type="checkbox"/>	Health Literacy	<input type="checkbox"/> E	Communication
<input type="checkbox"/>	Civic Literacy	<input type="checkbox"/> E	Collaboration
<input checked="" type="checkbox"/> X	Financial, Economic, Business, and Entrepreneurial Literacy		

Student Learning Targets/Objectives (Students will know/Students will understand)

After Studying this unit, students will be able to understand:

- Describe the nature of the adjusting process.
- Journalize entries for accounts requiring adjustment.
- Summarize the adjustment process.

- Prepare an adjusted trial balance.
- Describe and illustrate the use of vertical analysis in evaluating a company's performance and financial condition.

Assessments (Pre, Formative, Summative, Other)

*Denote required common assessments with an **

- Quizzes
- Tests
- Worksheets
- Projects/Presentations
- Class discussions & Q & A
- Writing assignments
- Online assessments
- Workbook exercises and problems
- Spreadsheet (Google Sheets and Microsoft Excel) problems
- Class assignments that require real-world applications including research and evaluation of real companies' financial statements and accounting procedures.

Teaching and Learning Activities

<p><i>Suggested Activities</i></p>	<ul style="list-style-type: none"> ● Lectures and PowerPoint presentations that introduce new topics - this should include class discussion and interaction. During this time the instructor should also include a guided problem to demonstrate how adjustments are recorded in the general journal, how adjustments are posed to T-accounts and the ledger, how to prepare an adjusted trial balance, and how to conduct a vertical analysis. ● Online textbook exercises and problems done collaboratively and independently. These activities will practice vocabulary, concepts, and problem-solving skills. Exercises and problems should be reviewed and discussed as a class. ● Spreadsheet (Google Sheets or Excel) problems that require students to develop a template for preparing a vertical analysis. Students will obtain real companies' financial statements from industry websites such as www.sec.gov, Yahoo Finance, Google Finance, etc and plug that information into a spreadsheet. They will then use formulas in the spreadsheet to calculate the vertical analysis. They will then analyze the results.
<p><i>Differentiation Strategies</i></p>	<ul style="list-style-type: none"> ● Variety of learning styles and techniques. ● Use of technology and online resources. ● Discussion, writing assignment, group/ collaborative work ● Group work with pairing students with similar levels ● Group work with pairing students of varying levels ● Allow students to research a company in which they are interested when completing real-world projects. ● Allowing students to work independently or in a small group to complete exercises and problems. ● Differentiation Strategies for Special Education Students ● Differentiation Strategies for Gifted and Talented Students ● Differentiation Strategies for ELL Students ● Differentiation Strategies for At Risk Students ● Differentiation Strategies for Students with a 504
<p><i>Honors</i></p>	

Resources

- 9.3 – Career & Technical Education (CTE) - Content Area: 21st Century Life and Careers – Accounting and Finance

- “Accounting” 25th Edition by Warren, Reeve, and Duchac – textbook and accompanying workbook Jump Start Coalition <http://www.jumpstartcoalition.org>
- Chromebooks, Google Sheets, and Microsoft Excel
- www.aicpa.org
- <http://finance.yahoo.com> and other financial websites
- www.investopedia.com
- www.startheregoplaces.com
- www.sec.gov
- Morning Brew App

Wayne School District Curriculum Format

Content Area/ Grade Level/ Course:	Business/10-12/College Accounting I Financial Accounting Fairleigh Dickinson University Middle College Program-3 college credits
Unit Plan Title:	Completing the Accounting Cycle
Time Frame	1 month
Anchor Standards/Domain* *i.e: ELA: reading, writing i.e.: Math: Number and Operations in Base 10	
<p>Standard 8.2 Design Thinking This standard, previously standard 8.2 Technology Education of the 2014 NJSL – Technology, outlines the technological design concepts and skills essential for technological and engineering literacy. The new framework design, detailed previously, includes Engineering Design, Ethics and Culture, and the Effects of Technology on the Natural world among the disciplinary concepts</p> <p>Career Readiness, Life Literacies, and Key Skills Practices Career Readiness, Life Literacies, and Key Skills Practices describe the habits of the mind that all educators in all content areas should seek to develop in their students. They are practices that have been linked to increase college, career, and life success. These practices should be taught and reinforced in all content areas with increasingly higher levels of complexity and expectation as a student advances through a program of study</p> <p>Standard 9.1 Personal Financial Literacy: This standard outlines the important fiscal knowledge, habits, and skills that must be mastered in order for students to make informed decisions about personal finance. Financial literacy is an integral component of a student's college and career readiness, enabling students to achieve fulfilling, financially-secure, and successful careers</p>	

Standard 9.2 Career Awareness, Exploration, Preparation and Training This standard outlines the importance of being knowledgeable about one's interests and talents, and being well informed about postsecondary and career options, career planning, and career requirements

Standard 9.3 Career and Technical Education: This standard outlines what students should know and be able to do upon completion of a CTE Program of Study

Standard 9.4 Life Literacies and Key Skills. This standard outline key literacies and technical skills such as critical thinking, global and cultural awareness, and technology literacy* that are critical for students to develop to live and work in an interconnected global economy

Unit Overview

The unit covers the flow of accounting information. The text introduces the end-of-period spreadsheet (worksheet) as a tool for the completion of the accounting process. The text discusses the spreadsheet (worksheet) as optional, and it will be up to the individual instructor to determine if the spreadsheet will be covered in the class. The end-of-period spreadsheet (worksheet) is discussed in detail in the appendix to the chapter. The spreadsheet (worksheet) becomes the source of information used to prepare formal financial statements. The classified balance sheet is introduced. The closing process, including post-closing trial balance, is explained. The chapter continues by listing and then illustrating in detail the ten steps in the accounting cycle. This presentation provides a solid foundation for financial accounting.

Chapter 4 reminds students that it is not sufficient to record adjusting entries only on the end-of-period spreadsheet. These entries must be journalized and posted to make them a part of a company's accounting records. The chapter also discusses the fiscal year and the natural business year. It ends with an explanation of how working capital demonstrates a company's solvency and how current ratio is useful when making company comparisons.

Standard Number(s)

Standard 8.2 Design Thinking

- 8.2.12.ITH.2: Propose an innovation to meet future demands supported by an analysis of the potential costs, benefits, trade-offs, and risks related to the use of innovation

Career Readiness, Life Literacies, and Key Skills Practices

- Act as a responsible and contributing community members and employee
- Attend to financial well-being
- Consider the environmental, social and economic impacts of decisions
- Utilize critical thinking to make sense of problems and persevere in solving them
- Model integrity, ethical leadership and effective management
- Use technology to enhance productivity increase collaboration and communicate effectively
- Work productively in teams while using cultural/global competence

Standard 9.1 Personal Financial Literacy

- 9.1.12.CFR.6: Identify and explain the consequences of breaking federal and/or state employment or financial laws
- 9.1.12.FP.7: Determine how multiple sources of objective, accurate and current financial information affect the prioritization of financial decisions

Standard 9.2 Career Awareness, Exploration, Preparation and Training

- 9.2.12.CAP.2: Develop college and career readiness skills by participating in opportunities such as structured learning experiences, apprenticeships, and dual enrollment programs
- 9.2.12.CAP.3: Investigate how continuing education contributes to one's career and personal growth

Standard 9.3 Career and Technical Education

- 9.3.12.FN.1 Utilize mathematical concepts, skills and problem solving to obtain necessary information for decision making in the finance industry
- 9.3.12.FN.2 Utilize tools, strategies and systems to plan, monitor, manage and maintain the use of financial resources
- 9.3.12.FN.8 Describe and follow laws, regulations and ethical standards that affect finance operations and transactions
- 9.3.12.FN.9 Plan, manage and maintain the use of financial resources to protect solvency.
- 9.3.12.FN.12 Access, evaluate and disseminate financial information to enhance financial decision-making processes
- 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

Standard 9.4 Life Literacies and Key Skills

- 9.4.12.CI.2: Identify career pathways that highlight personal talents, skills, and abilities
- 9.4.12.CI.3: Investigate new challenges and opportunities for personal growth, advancement, and transition
- 9.4.12.CT.1: Identify problem-solving strategies used in the development of an innovative product or practice
- 9.4.12.CT.2: Explain the potential benefits of collaborating to enhance critical thinking and problem solving
- 9.4.12.TL.1: Assess digital tools based on features such as accessibility options, capacities, and utility for accomplishing a specific task
- 9.4.12.TL.2: Generate data using formula-based calculations in a spreadsheet and draw conclusions about the data

Intended Outcomes – (Essential Questions)

- How can an end-of-period spreadsheet be used to prepare an unadjusted trial balance, plan and record adjustments, prepare an adjusted trial balance, organize financial statement data, and calculate net income?
- How can an income statement, a statement of owner's equity, and a balance sheet be prepared in good form?
- What is a classified balance sheet and how are accounts reported on a classified balance sheet?
- What is the difference between a temporary account and a permanent account?
- What are the journal entries required to close revenues, expenses, income summary, and drawing accounts?
- What are the 10 steps of the accounting cycle?
- How can the accounting cycle for a period be recorded from beginning to end?
- Why do companies use a fiscal year that is different from the calendar year?
- What is liquidity and solvency and how can the working capital and current ratio calculations be used to assess a company's liquidity and solvency?

Enduring Understandings

- The end-of-period spreadsheet consists of 11 columns. There are 5 main sections of the spreadsheet: unadjusted trial balance, adjustments, adjusted trial balance, income statement, and balance sheet. Each section consists of a debit column and a credit column. The unadjusted trial balance section requires accounts and amounts to be transferred from the general ledger to verify the equality of debits and credits. The adjustment section involves recording adjusting entries in the correct accounts as either a debit or credit. The adjusted trial balance section requires students to record updated balances for all accounts and verify the equality of debits and credits. In the income statement and balance sheet sections, adjusted balances are carried over to the appropriate columns.
- Using the end-of-period spreadsheet, an income statement, statement of owner's equity, and balance sheet can be prepared. Revenues and expenses are recorded on the income statement. The statement of owner's equity is prepared by referring to transactions that have been posted to owner's capital accounts in the ledger. A classified balance sheet has sections for current assets; property, plant, and equipment; current liabilities; long-term liabilities; and owner's equity.
- Temporary accounts are accounts that need to be closed to a zero balance at the end of the accounting cycle in preparation for the next cycle. These are revenues, expenses and drawing. Permanent accounts are not closed and carry their balances over from one cycle to the next. These are assets, liabilities, and owner's equity.

- Four entries are required in closing the temporary accounts. The first entry closes the revenue accounts to Income Summary. The second entry closes the expense accounts to Income Summary. The Third entry closes the balance of Income Summary (net income or net loss) to the owner's capital account. The fourth entry closes the drawing account to the owner's capital account.
- After the closing entries have been posted to the ledger, the balance in the capital account agrees with the amount reported on the statement of owner's equity and balance sheet. In addition, the revenue, expense, and drawing account will have zero balances.
- A post-closing trial balance is prepared as the last step in the accounting cycle. All permanent accounts and account balances are listed and the equality of debits and credits is verified.
- The 10 basic steps of the accounting cycle are as follows:
 1. Transactions are analyzed and recorded in the journal.
 2. Transactions are posted to the ledger.
 3. An unadjusted trial balance is prepared.
 4. Adjustment data are assembled and analyzed.
 5. An optional end-of-period spreadsheet is prepared.
 6. Adjusting entries are journalized and posted to the ledger.
 7. An adjusted trial balance is prepared.
 8. Financial statements are prepared.
 9. Closing entries are journalized and posted to the ledger.
 10. A post-closing trial balance is prepared.
- The annual accounting period adopted by a business is its fiscal year. A company's fiscal year that ends when business activities have reached the lowest point in its annual operating cycle is called the natural business year.
- The ability to convert assets into cash is called liquidity, while the ability of a business to pay its debts is called solvency. Two financial measures for evaluating a business's short-term liquidity and solvency are working capital and current ratio. Working capital is computed by subtracting current liabilities from current assets. An excess of current assets over current liabilities implies that the business is able to pay its current liabilities. The current ratio is computed by dividing current assets by current liabilities. The current ratio is more useful than working capital in making comparisons across companies or with industry averages.

In this unit plan, the following 21 st Century themes and skills are addressed.			
Check all that apply. 21 st Century Themes	Indicate whether these skills are E-Encouraged, T-Taught, or A-Assessed in this unit by marking E, T, A on the line before the appropriate skill. 21 st Century Skills		
<input type="checkbox"/>	Global Awareness	<input type="checkbox"/>	Creativity and Innovation
<input type="checkbox"/>	Environmental Literacy	<input checked="" type="checkbox"/> ETA	Critical Thinking and Problem Solving
<input type="checkbox"/>	Health Literacy	<input type="checkbox"/> E	Communication
<input type="checkbox"/>	Civic Literacy	<input type="checkbox"/> E	Collaboration
<input checked="" type="checkbox"/> X	Financial, Economic, Business, and Entrepreneurial Literacy		
Student Learning Targets/Objectives (Students will know/Students will understand)			
After Studying this unit, students will be able to understand:			
<ul style="list-style-type: none"> • Describe the flow of accounting information from the unadjusted trial balance into the adjusted trial balance and financial statements. • Prepare financial statements from adjusted account balances. • Prepare closing entries. 			

- Describe the accounting cycle.
- Illustrate the accounting cycle for one period.
- Explain what is meant by the fiscal year and the natural business year.
- Describe and illustrate the use of working capital and the current ratio in evaluating a company's financial condition.

Assessments (Pre, Formative, Summative, Other)

*Denote required common assessments with an **

- Quizzes
- Tests
- Worksheets
- Projects/Presentations
- Class discussions & Q & A
- Writing assignments
- Online assessments
- Workbook exercises and problems
- Spreadsheet (Google Sheets and Microsoft Excel) problems
- Class assignments that require real-world applications including research and evaluation of real companies' financial statements and accounting procedures.

Teaching and Learning Activities

Suggested Activities

- Lectures and PowerPoint presentations that introduce new topics - this should include class discussion and interaction. During this time the instructor should also include a guided problem to demonstrate how to use the end-of-period spreadsheet to prepare a trial balance, plan adjustments, prepare an adjusted trial balance, and plan for financial statements. A guided problem should also be done on how to properly prepare an income statement, statement of owner's equity, and balance sheet using the spreadsheet data.
- Online textbook exercises and problems done collaboratively and independently. These activities will practice vocabulary, concepts, and problem-solving skills. Exercises and problems should be reviewed and discussed as a class.
- Spreadsheet (Google Sheets or Excel) problems that require students to prepare the end-of-period spreadsheet and use the spreadsheet to prepare financial statements.
- Spreadsheet (Google Sheets or Excel) problems that require students to develop a template for analyzing liquidity and solvency using the current ratio and working capital calculations. Students will obtain real companies' financial statements from industry websites such as www.sec.gov, Yahoo Finance, Google Finance, etc and plug that information into a spreadsheet. They will then use formulas in the spreadsheet to calculate the ratios. They will then analyze the results.

Differentiation Strategies

- Variety of learning styles and techniques.
- Use of technology and online resources.
- Discussion, writing assignment, group/ collaborative work
- Group work with pairing students with similar levels
- Group work with pairing students of varying levels
- Allow students to research a company in which they are interested when completing real-world projects.
- Allowing students to work independently or in a small group to complete exercises and problems.
- [Differentiation Strategies for Special Education Students](#)
- [Differentiation Strategies for Gifted and Talented Students](#)
- [Differentiation Strategies for ELL Students](#)

	<ul style="list-style-type: none"> ● Differentiation Strategies for At Risk Students ● Differentiation Strategies for Students with a 504
<i>Honors</i>	
Resources	
<ul style="list-style-type: none"> ● 9.3 – Career & Technical Education (CTE) - Content Area: 21st Century Life and Careers – Accounting and Finance ● “Accounting” 25th Edition by Warren, Reeve, and Duchac – textbook and accompanying workbook Jump Start Coalition http://www.jumpstartcoalition.org ● Chromebooks, Google Sheets, and Microsoft Excel ● www.aicpa.org ● http://finance.yahoo.com and other financial websites ● www.invenstopedia.com ● www.startheregoplaces.com ● www.sec.gov ● Morning Brew App 	

**Wayne School District
Curriculum Format**

Content Area/ Grade Level/ Course:	Business/10-12/College Accounting I Financial Accounting Fairleigh Dickinson University Middle College Program-3 college credits
Unit Plan Title:	Accounting Systems
Time Frame	1 month
Anchor Standards/Domain* *i.e: ELA: reading, writing i.e.: Math: Number and Operations in Base 10	

Standard 8.2 Design Thinking This standard, previously standard 8.2 Technology Education of the 2014 NJSLS – Technology, outlines the technological design concepts and skills essential for technological and engineering literacy. The new framework design, detailed previously, includes Engineering Design, Ethics and Culture, and the Effects of Technology on the Natural world among the disciplinary concepts

Career Readiness, Life Literacies, and Key Skills Practices Career Readiness, Life Literacies, and Key Skills Practices describe the habits of the mind that all educators in all content areas should seek to develop in their students. They are practices that have been linked to increase college, career, and life success. These practices should be taught and reinforced in all content areas with increasingly higher levels of complexity and expectation as a student advances through a program of study

Standard 9.1 Personal Financial Literacy: This standard outlines the important fiscal knowledge, habits, and skills that must be mastered in order for students to make informed decisions about personal finance. Financial literacy is an integral component of a student's college and career readiness, enabling students to achieve fulfilling, financially-secure, and successful careers

Standard 9.2 Career Awareness, Exploration, Preparation and Training This standard outlines the importance of being knowledgeable about one's interests and talents, and being well informed about postsecondary and career options, career planning, and career requirements

Standard 9.3 Career and Technical Education: This standard outlines what students should know and be able to do upon completion of a CTE Program of Study

Standard 9.4 Life Literacies and Key Skills. This standard outline key literacies and technical skills such as critical thinking, global and cultural awareness, and technology literacy* that are critical for students to develop to live and work in an interconnected global economy

Unit Overview

This unit covers new concepts and new forms. The new concepts relate to accounting system design, computerized accounting, e-commerce, and subsidiary ledgers. The new forms introduced are the special journals for a service business: revenue journal, cash receipts journal, purchases journal, and cash payments journal.

The transactions that will be recorded in special journals are the same as those that were covered in Chapters 1–4; only the journal format has changed. But beware—students frequently get lost in the barrage of new forms.

In this chapter, it is especially obvious that there is no substitute for practice. Students need the opportunity to try recording and posting transactions in a setting where they can ask questions. Group learning activities are very effective.

The chapter ends with a description of segment analysis and a discussion of how horizontal and vertical analysis can be used to evaluate the operating performance of a company.

Standard Number(s)

Standard 8.2 Design Thinking

- 8.2.12.ITH.2: Propose an innovation to meet future demands supported by an analysis of the potential costs, benefits, trade-offs, and risks related to the use of innovation
- 8.2.12.ITH.3: Analyze the impact that globalization, social media, and access to open source technologies has had on innovation and a society's economy, politics, and culture

Career Readiness, Life Literacies, and Key Skills Practices

- Act as a responsible and contributing community members and employee
- Attend to financial well-being
- Consider the environmental, social **and** economic impacts of decisions
- Utilize critical thinking to make sense of problems and persevere in solving them
- Model integrity, ethical leadership and effective management
- Use technology to enhance productivity increase collaboration and communicate effectively
- Work productively in teams while using cultural/global competence

Standard 9.1 Personal Financial Literacy

- 9.1.12.CFR.6: Identify and explain the consequences of breaking federal and/or state employment or financial laws
- 9.1.12.FP.7: Determine how multiple sources of objective, accurate and current financial information affect the prioritization of financial decisions

Standard 9.2 Career Awareness, Exploration, Preparation and Training

- 9.2.12.CAP.2: Develop college and career readiness skills by participating in opportunities such as structured learning experiences, apprenticeships, and dual enrollment programs
- 9.2.12.CAP.3: Investigate how continuing **education** contributes to one's career and personal growth

Standard 9.3 Career and Technical Education

- 9.3.12.FN.1 Utilize mathematical concepts, skills and problem solving to obtain necessary information for decision making in the finance industry
- 9.3.12.FN.2 Utilize tools, strategies and **systems** to plan, monitor, manage and maintain the use of financial resources
- 9.3.12.FN.8 Describe and follow laws, regulations and ethical standards that affect finance operations and transactions
- 9.3.12.FN.9 Plan, manage and maintain the use of financial resources to protect solvency.
- 9.3.12.FN.12 Access, evaluate and disseminate financial information to enhance financial decision-making processes
- 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

Standard 9.4 Life Literacies and Key Skills

- 9.4.12.CI.2: Identify career pathways that highlight personal talents, skills, and abilities
- 9.4.12.CI.3: Investigate new challenges and opportunities for personal growth, advancement, and transition
- 9.4.12.CT.1: Identify problem-solving strategies used in the development of an innovative product or practice
- 9.4.12.CT.2: Explain the potential benefits of collaborating to enhance critical thinking and problem solving
- 9.4.12.TL.2: Generate data using formula-based calculations in a spreadsheet and draw conclusions about the data

Intended Outcomes – (Essential Questions)

- What is an accounting system and what are the three steps for designing an accounting system?
- How does one do the following: Prepare a revenue journal, post services provided on account to individual customer accounts, and post the column total to the corresponding general ledger accounts?
- How does one do the following: Prepare a cash receipts journal, post collections on account to individual customer accounts, and post other accounts column entries individually and special column totals to the corresponding

general ledger accounts?

- How does one do the following: Prepare a purchases journal, post amounts owed to individual creditor accounts, and post other accounts column entries individually and special column totals to the corresponding general ledger accounts?
- How does one do the following: Prepare a cash payments journal, post the amounts paid to individual creditor accounts, and post other accounts column entries individually and special column totals to the corresponding general ledger accounts?
- What is the difference between a manual and computerized accounting system?
- How is QuickBooks used to record revenue and cash receipts transactions?
- What is e-commerce and what are the major trends in e-commerce
- How are horizontal and vertical analyses for business segment prepared?

Enduring Understandings

- Accounting systems is the methods and procedures for collecting, classifying, summarizing and reporting a business's financial information. The three steps through which an accounting system evolves are (1) analysis (2) design of the system (3) implementation of the system design.
- Subsidiary ledgers may be used to maintain separate records for customers and creditors. A controlling account in the general ledger summarizes the subsidiary ledger accounts. The sum of the subsidiary ledger account balances must agree with the balance in the related controlling account.
- Computerized accounting systems are similar to manual systems. The main advantages of computerized accounting system are the simulations recording and posting of transactions, high degree of accuracy, and timeless of reporting.
- Using the internet to perform business is termed e-commerce. B2C e-commerce involves internet transactions between businesses and the consumer, while B2B e-commerce involves internet transactions between businesses. More elaborate e-commerce involves planning and coordinating suppliers, customers and product design.
- Businesses may be segmented by region, by [product or service, or by type of customer. Segment revenues can be analyzed using horizontal and vertical analyses. Such analyses are useful; to management for evaluating the causes of a business performance.

In this unit plan, the following 21st Century themes and skills are addressed.

<p><i>Check all that apply.</i> 21st Century Themes</p>		<p><i>Indicate whether these skills are E-Encouraged, T-Taught, or A-Assessed in this unit by marking E, T, A on the line before the appropriate skill.</i> 21st Century Skills</p>	
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<input type="checkbox"/>	Civic Literacy	<input type="checkbox"/> E	Collaboration
<input checked="" type="checkbox"/> X	Financial, Economic, Business, and Entrepreneurial Literacy		

Student Learning Targets/Objectives (Students will know/Students will understand)

After Studying this unit, students will be able to understand:

- Define and describe an accounting system.
- Journalize and post transactions in a manual accounting system that uses subsidiary ledgers and special journals.

- Describe and illustrate the use of a computerized accounting system.
- Describe the basic features of e-commerce.
- Use segment analysis in evaluating the operating performance of a company.

Assessments (Pre, Formative, Summative, Other)

*Denote required common assessments with an **

- Quizzes
- Tests
- Worksheets
- Projects/Presentations
- Class discussions & Q & A
- Writing assignments
- Online assessments
- Workbook exercises and problems
- Spreadsheet (Google Sheets and Microsoft Excel) problems
- Class assignments that require real-world applications including research and evaluation of real companies' financial statements and accounting procedures.

Teaching and Learning Activities

<p><i>Suggested Activities</i></p>	<ul style="list-style-type: none"> ● Lectures and PowerPoint presentations that introduce new topics - this should include class discussion and interaction. During this time the instructor should also include a guided problem to demonstrate how to use subsidiary ledgers and general ledgers. ● Online textbook exercises and problems done collaboratively and independently. These activities will practice vocabulary, concepts, and problem-solving skills. Exercises and problems should be reviewed and discussed as a class.
<p><i>Differentiation Strategies</i></p>	<ul style="list-style-type: none"> ● Variety of learning styles and techniques. ● Use of technology and online resources. ● Discussion, writing assignment, group/ collaborative work ● Group work with pairing students with similar levels ● Group work with pairing students of varying levels ● Allow students to research a company in which they are interested when completing real-world projects. ● Allowing students to work independently or in a small group to complete exercises and problems. ● Differentiation Strategies for Special Education Students ● Differentiation Strategies for Gifted and Talented Students ● Differentiation Strategies for ELL Students ● Differentiation Strategies for At Risk Students ● Differentiation Strategies for Students with a 504
<p><i>Honors</i></p>	

Resources

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- Chromebooks, Google Sheets, and Microsoft Excel
- www.aicpa.org
- <http://finance.yahoo.com> and other financial websites
- www.investopedia.com
- www.startheregoplaces.com

- www.sec.gov
- Morning Brew App

Wayne School District Curriculum Format

Content Area/ Grade Level/ Course:	Business/10-12/College Accounting I Financial Accounting Fairleigh Dickinson University Middle College Program-3 college credits
Unit Plan Title:	Accounting for Merchandising Businesses
Time Frame	4 weeks

Anchor Standards/Domain* ***i.e: ELA: reading, writing i.e.: Math: Number and Operations in Base 10**

Career Readiness, Life Literacies, and Key Skills Practices Career Readiness, Life Literacies, and Key Skills Practices describe the habits of the mind that all educators in all content areas should seek to develop in their students. They are practices that have been linked to increase college, career, and life success. These practices should be taught and reinforced in all content areas with increasingly higher levels of complexity and expectation as a student advances through a program of study

Standard 9.1 Personal Financial Literacy: This standard outlines the important fiscal knowledge, habits, and skills that must be mastered in order for students to make informed decisions about personal finance. Financial literacy is an integral component of a student's college and career readiness, enabling students to achieve fulfilling, financially-secure, and successful careers

Standard 9.2 Career Awareness, Exploration, Preparation and Training This standard outlines the importance of being knowledgeable about one's interests and talents, and being well informed about postsecondary and career options, career planning, and career requirements

Standard 9.3 Career and Technical Education: This standard outlines what students should know and be able to do upon completion of a CTE Program of Study

Standard 9.4 Life Literacies and Key Skills. This standard outline key literacies and technical skills such as critical thinking, global and cultural awareness, and technology literacy* that are critical for students to develop to live and work in an interconnected global economy

Unit Overview

This unit introduces the merchandising form of business. It opens by contrasting the income statements of service and merchandising businesses. The majority of the chapter is focused on the presentation of inventory, purchase of inventory and sale of inventory including returns, discounting, and freight charges.

The unit focuses on the perpetual inventory method, since computerized accounting and inventory systems have made it feasible for even small merchandisers to track each purchase and sale of inventory. The text illustrates how to record transactions related to the purchase and sale of merchandise under the perpetual inventory system. It also presents a chart of accounts and an overview of the accounting cycle for a merchandiser using a perpetual inventory system. The chapter then presents the financial statements for a merchandising business and summarizes the essential differences between the periodic and perpetual inventory systems.

A summary of the closing process as it differs in a merchandising environment is provided to assist students in identifying additional income statement accounts to include in the closing process.

A presentation of the ratio of net sales to assets that illustrates how effectively a business is using its assets to generate sales follows and explains its relevance to a company from year to year or as a comparison to its industry average.

The appendix explains and illustrates the use of the periodic inventory system. It also contains a table that displays how the same business transaction would be journalized differently between a perpetual and a periodic inventory system.

Standard Number(s)

Career Readiness, Life Literacies, and Key Skills Practices

- Act as a responsible and contributing community members and employee
- Attend to financial well-being
- Consider the environmental, social and economic impacts of decisions
- Demonstrate creativity and innovation
- Utilize critical thinking to make sense of problems and persevere in solving them
- Model integrity, ethical leadership and effective management
- Plan education and career paths aligned to personal goals
- Use technology to enhance productivity increase collaboration and communicate effectively
- Work productively in teams while using cultural/global competence

Standard 9.1 Personal Financial Literacy

- 9.1.12.CFR.3: Research companies with corporate governance policies supporting the common good and human rights.
- 9.1.12.CFR.6: Identify and explain the consequences of breaking federal and/or state employment or financial laws
- 9.1.12.FP.7: Determine how multiple sources of objective, accurate and current financial information affect the prioritization of financial decisions
- 9.1.12.RM.2: Identify types of investments appropriate for different objectives such as liquidity, income and growth

Standard 9.2 Career Awareness, Exploration, Preparation and Training

- 9.2.12.CAP.2: Develop college and career readiness skills by participating in opportunities such as structured learning experiences, apprenticeships, and dual enrollment programs
- 9.2.12.CAP.3: Investigate how continuing education contributes to one's career and personal growth

Standard 9.3 Career and Technical Education

- 9.3.12.FN.1 Utilize mathematical concepts, skills and problem solving to obtain necessary information for decision making in the finance industry
- 9.3.12.FN.2 Utilize tools, strategies and systems to plan, monitor, manage and maintain the use of financial resources
- 9.3.12.FN.8 Describe and follow laws, regulations and ethical standards that affect finance operations and transactions
- 9.3.12.FN.9 Plan, manage and maintain the use of financial resources to protect solvency.
- 9.3.12.FN.12 Access, evaluate and disseminate financial information to enhance financial decision-making processes
- 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

Standard 9.4 Life Literacies and Key Skills

- 9.4.12.CI.2: Identify career pathways that highlight personal talents, skills, and abilities
- 9.4.12.CI.3: Investigate new challenges and opportunities for personal growth, advancement, and transition
- 9.4.12.CT.1: Identify problem-solving strategies used in the development of an innovative product or practice
- 9.4.12.CT.2: Explain the potential benefits of collaborating to enhance critical thinking and problem solving
- 9.4.12.IML.2: Evaluate digital sources for timeliness, accuracy, perspective, credibility of the source, and relevance of information, in media, data, or other resources
- 9.4.12.TL.1: Assess digital tools based on features such as accessibility options, capacities, and utility for accomplishing a specific task
- 9.4.12.TL.2: Generate data using formula-based calculations in a spreadsheet and draw conclusions about the data
- 9.4.12.TL.3: Analyze the effectiveness of the process and quality of collaborative environments
- 9.4.12.TL.4: Collaborate in online learning communities or social networks or virtual worlds to analyze and propose a resolution to a real-world problem

Intended Outcomes – (Essential Questions)

- How does a merchandising business differ from a service business?
- What is the difference between a perpetual and periodic inventory system?
- How does a business record transactions related to the purchase, sale, and return of inventory?
- How are sales discounts calculated and recorded?
- How are freight charges determined and recorded?
- How is sales tax calculated and recorded?
- How does a chart of accounts for a merchandising business differ from that of a service business?
- How are the financial statements for a merchandising business different from those of a service business and how are the income statement, statement of owner's equity, and balance sheet prepared?
- How are the steps of the accounting cycle (primarily the adjusting and closing process) different between a merchandising and service business?
- What is the ratio of net sales to assets and how can it be used to measure the efficiency of a company?

Enduring Understandings

- Merchandising businesses purchase merchandise for selling to customers. On a merchandising business's income statement, revenue from selling merchandise is reported as sales. The cost of the merchandise sold is subtracted from sales to arrive at gross profit. The operating expenses are subtracted from gross profit to arrive at net income. Merchandise inventory, which is merchandise not sold, is reported as a current asset on the balance sheet.

- Purchases of merchandise for cash or on account are recorded as merchandise inventory. Discounts for early payment of purchases on account are purchases discounts and are recorded by crediting Merchandise Inventory. Price adjustments or returned merchandise are purchase returns and allowances and are also recorded by crediting Merchandise Inventory. Sales of merchandise for cash or on account are recorded as sales. The cost of merchandise sold and the reduction in merchandise inventory are also recorded at the time of sale. Discounts for early payment of sales on account are recorded as sales discounts. Price adjustments and returned merchandise are recorded as sales returns and allowances. When merchandise is shipped FOB shipping point, the buyer pays the freight and debits Merchandise Inventory. When merchandise is shipped FOB destination, the seller pays the freight and debits Delivery Expense or Freight Out. Merchandise transactions can be summarized in T account form. Each merchandising transaction affects a buyer and a seller. The liability for sales tax is incurred when the sale is made and is recorded by the seller as a credit to the sales tax payable account. Trade discounts are discounts off the list price of merchandise.
- The multi-step income statement of a merchandiser reports sales, sales returns and allowances, sales discounts, and net sales. The cost of the merchandise sold is subtracted from net sales to determine the gross profit. Operating income is determined by subtracting selling and administrative expenses from gross profit. Net income is determined by adding or subtracting the net of other income and expense. The income statement may also be reported in a single-step form. The statement of owner's equity is similar to that for a service business. The balance sheet reports merchandise inventory at the end of the period as a current asset.
- The normal adjusting entry for inventory shrinkage is to debit Cost of Merchandise Sold and credit Merchandise Inventory. The closing entries for a merchandising business are similar to those for a service business except that the cost of merchandise sold, sales discounts, and sales returns and allowances are also closed to Income Summary.
- The ratio of net sales to assets measures how effectively a business is using its assets to generate sales. A high ratio indicates an effective use of assets. Using the average of the total assets at the beginning and end of the year, the ratio is computed as $\text{Net Sales} / \text{Average Total Assets} = \text{Ratio of Net Sales to Assets}$.

In this unit plan, the following 21 st Century themes and skills are addressed.			
Check all that apply. 21 st Century Themes	Indicate whether these skills are E-Encouraged, T-Taught, or A-Assessed in this unit by marking E, T, A on the line before the appropriate skill. 21 st Century Skills		
<input type="checkbox"/>	Global Awareness	<input type="checkbox"/>	Creativity and Innovation
<input type="checkbox"/>	Environmental Literacy	ETA	Critical Thinking and Problem Solving
<input type="checkbox"/>	Health Literacy	E	Communication
<input type="checkbox"/>	Civic Literacy	E	Collaboration
X	Financial, Economic, Business, and Entrepreneurial Literacy		
Student Learning Targets/Objectives (Students will know/Students will understand)			
After Studying this unit, students will be able to understand:			
<ul style="list-style-type: none"> • Distinguish between the activities and financial statements of service and merchandising businesses. • Describe and illustrate the accounting for merchandise transactions. • Describe and illustrate the financial statements of a merchandising business. • Describe the adjusting and closing process for a merchandising business. • Describe and illustrate the use of the ratio of net sales to assets in evaluating a company's operating 			

performance	
Assessments (Pre, Formative, Summative, Other) <i>Denote required common assessments with an *</i>	
<ul style="list-style-type: none"> ● Quizzes ● Tests ● Worksheets ● Projects/Presentations ● Class discussions & Q & A ● Writing assignments ● Online assessments ● Workbook exercises and problems ● Spreadsheet (Google Sheets and Microsoft Excel) problems ● Class assignments that require real-world applications including research and evaluation of real companies' financial statements and accounting procedures. 	
Teaching and Learning Activities	
<i>Suggested Activities</i>	<ul style="list-style-type: none"> ● Lectures and PowerPoint presentations that introduce new topics - this should include class discussion and interaction. During this time the instructor should also include a guided problem to demonstrate how to journalize purchase and sale-related transactions for a merchandising business. Also the instructor should guide students through a problem that requires them to prepare a multiple-step income statement and a classified balance sheet. <ul style="list-style-type: none"> ● An activity that requires students to investigate real companies' financial statements (from www.sec.gov, Yahoo Finance, and Google Finance) and use this data to analyze the company and to calculate financial ratios. ● Online textbook exercises and problems done collaboratively and independently. These activities will practice vocabulary, concepts, and problem-solving skills. Exercises and problems should be reviewed and discussed as a class.
<i>Differentiation Strategies</i>	<ul style="list-style-type: none"> ● Variety of learning styles and techniques. ● Use of technology and online resources. ● Discussion, writing assignment, group/ collaborative work ● Group work with pairing students with similar levels ● Group work with pairing students of varying levels ● Allow students to research a company in which they are interested when completing real-world projects. ● Allowing students to work independently or in a small group to complete exercises and problems. ● Differentiation Strategies for Special Education Students ● Differentiation Strategies for Gifted and Talented Students ● Differentiation Strategies for ELL Students ● Differentiation Strategies for At Risk Students ● Differentiation Strategies for Students with a 504
<i>Honors</i>	
Resources	
<ul style="list-style-type: none"> ● 9.3 – Career & Technical Education (CTE) - Content Area: 21st Century Life and Careers – Accounting and Finance ● “Accounting” 25th Edition by Warren, Reeve, and Duchac – textbook and accompanying workbook Jump Start Coalition http://www.jumpstartcoalition.org ● Chromebooks, Google Sheets, and Microsoft Excel ● www.aicpa.org 	

- <http://finance.yahoo.com> and other financial websites
- www.investopedia.com
- www.startheretogoplaces.com
- www.sec.gov
- Morning Brew App