
~~Mississippi Department of Education~~
~~Office of Curriculum and Instruction~~

Course Title: ~~Accounting Fundamentals~~

Grade Level: ~~9, 10, 11, 12~~

Carnegie Unit: ~~1~~

Contact: _____

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~~Board Approved: February 16-17, 2012~~

~~Unit 1: The Accounting Profession~~

~~Understandings and Goals~~

~~Enduring Understandings~~

~~In this unit, the student will:~~

- ~~• Understand that business activities can have an impact on society~~

- Understand the importance of seeking opportunities to develop skills and expertise

Essential Questions

- Is profitability ever more important than social responsibility?
- What are the advantages to having a professional designation?

Vocabulary

Identify and review the unit vocabulary.

Bureau of Labor Statistics
 Responsibility Accounting
 Social Responsibility
 Stakeholder

Suggested Learning Experiences

Competency 1: Understand the role that accountants play in business and society.		
Suggested Performance Indicators	Suggested Teaching Strategies	Suggested Assessment Strategies
a. Describe social responsibility in accounting.	a. Explain that social responsibility in accounting is aimed at enhancing corporate accountability and transparency to a wide range of external stakeholders, addressing the social, environmental and ethical concerns and values of individuals upon whom a business has a non-economic impact.	a. Project Rubric
b. Discuss responsibility accounting.		
	Have students complete the <i>Social Accounting</i> activity in Appendix A.	

Competency 2: Describe career opportunities in the accounting profession.		
Suggested Performance Indicators	Suggested Teaching Strategies	Suggested Assessment Strategies
a. Discuss professional designations for accountants (e.g., CPA, CMA, ABA, etc.).	a. Have students research the various professional designations for accountants and write a summary that includes the length of the exam, the cost of the exam, the pass/fail rate, and the advantages of having the professional designation.	a. Report Rubric

b. Discuss the role and responsibilities of the various careers in accounting.

b. Discuss salary ranges, education and membership associations for various accounting professions.

b. Teacher observation of student participation in discussions and activities.

Performance Task

Exploration of Careers in Accounting

Your school is having a job fair and recruiters from several accounting firms will be attending. Several students will be attending the fair and you want to make a good impression on the recruiters so you will stand out among your peers. Your plan is to have a conversation about the accounting profession with each recruiter. Go to the Bureau of Labor Statistics web site <http://www.bls.gov/oco/pdf/ocos001.pdf> and research the four major fields in accounting. Research the job duties, required education, salary ranges, and future job outlook for each. Organize your findings in a chart. Write a few sentences about the necessary skills for all accounting professions and which ones for which you are best suited and why.

You will be evaluated on the organization, quality of information, grammar and spelling, vocabulary, neatness, and timeliness of your report.

Attachments for Performance Task

Report Rubric in Appendix A.

Unit Resources

Books:

Dlabey, L and Burrow, J (2008). Business Finance, Fourth Edition. Mason, OH: Thompson Higher Education.

Journals:

Idowu, S.O. and Filho, W.L. (eds.), (2009) Professionals' Perspectives of Corporate Social Responsibility, Berlin Heidelberg: Springer-Verlag.

James, K. (2006, November). Achieving a more diverse profession. The CPA Journal Online. 62–65. Retrieved from <http://www.nyssecpa.org/cpajournal/2006/1106/essentials/p62.htm>.

Web sites:

Biz/Ed <http://www.bized.co.uk/learn/accounting/management/social/index.htm?page=7>

Bureau of Labor Statistics <http://www.bls.gov/oco/pdf/ocos001.pdf>

Unit 2: Accounting Principles

Understandings and Goals

Enduring Understandings

In this unit, the student will:

- Understand why some occupations are required to have standard procedures

Essential Questions

- Why is it important for businesses to follow basic accounting procedures?

Vocabulary

Identify and review the unit vocabulary.

Accounting
Accounting Equation
Accounts Payable
Accounts Receivable
Asset
Balance Sheet
Bank Reconciliation
Bookkeeping
Chart of Accounts
Closing the Books/Year End Closing
Credit
Debit
Depreciation
Equity
Financial Accounting
Financial Statement
Fixed Asset
General Ledger
Income Statement
Inventory
Inventory Valuation
Invoice
Journal
Liability
Net Income
Payroll
Posting
Reconciliation
Retained Earnings

Revenue
Shareholder Equity
Statement of Accounts
Supplies

Suggested Learning Experiences

Competency 1: Demonstrate basic accounting procedures.		
Suggested Performance Indicators	Suggested Teaching Strategies	Suggested Assessment Strategies
a. Analyze business transactions in terms of the accounting equation.	a. Write accounting equation on the board and show how changes on one side can affect the other side.	a. Teacher observation of student participation in discussions and activities.
b. Determine the effects of business operations on owner's equity (stockholder's equity) using the basic accounting equation.	Have students list examples of assets and liabilities and explain how they relate to the accounting equation. Students will create a chart listing the major accounting differences between the three forms of business ownership.	Project Rubric
c. Analyze the flow of financial data, using the basic accounting cycle.	c. Set up T-accounts on the board and ask students to analyze a list of transactions by answering the following questions: "What accounts are affected, are they increased or decreased, and are they debited or credited?" Have volunteer students write in answers on the board.	c. Teacher observation of student participation in discussions and activities.
d. Prepare bank reconciliation and journalize entries.	d. Demonstrate how to reconcile a bank statement, letting students supply the numbers needed. Next, ask for two volunteers to complete another bank reconciliation in front of the class, having the remainder of the class check for accuracy. Finally, students will move into groups to complete two additional bank reconciliations (supplied by the teacher) within their groups.	d. Teacher observation of student participation in discussions and activities.
e. Classify, journalize, and post financial information.	e. After illustrating the proper procedures for posting journal entries to the ledger, students will move into small groups and practice posting procedures. Teacher will encourage peer tutoring within the groups.	e. Teacher observation of student participation in discussions and activities.
f. Perform end-of-period accounting functions.	f. Review accounting principles needed in journalizing and posting adjusting and closing entries. Review the preparation of a post-closing trial balance. Have student complete <i>Accounting Concepts: M & M Closing Entries</i> in Appendix A.	f. Teacher observation of student participation in discussions and activities.

g. Prepare a balance sheet, an income statement, and a statement of owner's equity (stockholders' equity):	g. Have students prepare and explain the purpose of each financial statement and describe the way they articulate with each other. Have students play Accounting Monopoly http://www.libec.org/pdf/AccountingMonopoly2.pdf	g. Project Rubric
h. Maintain accounting records for a sole proprietorship and corporations. (CCR3, CCR7,	h. Discuss the subsidiary ledgers and their respective controlling accounts and the purpose for each. Provide problems, have students divide into groups, post to the subsidiary ledgers and controlling accounts, and	h. Peer Assessment Checklist
	prepare schedules for both the Accounts Receivable and Payable ledgers.	

<p>i. Use accounting software to perform accounting operations for sole proprietors and corporations.</p>	<p>i. Demonstrate the start-up procedures, software access instructions, and file storage rules for automated accounting software and explain the similarity of manually posting a journal to what the computer does when posting is done automatically.</p> <p>Demonstrate how data from the general journal input form is entered, posted, inserted and located.</p> <p>Divide students into groups and have them calculate adjusting entries and enter on input forms.</p> <p>Have students exchange input forms for peer evaluation. Students will move to individual computers for data entry of adjusting entries.</p> <p>Explain and demonstrate how financial statements are selected for display or printing and compare the format to manually prepared financial statements.</p> <p>Illustrate how to perform automated closing procedures.</p> <p>Illustrate how to complete an automated bank reconciliation.</p> <p>Illustrate the procedure used to maintain plant assets and to generate the plant asset list report, and depreciation schedules.</p> <p>Have students will use the Internet to find financial wizard application software that includes various depreciation method calculations (Hint: Use "Depreciation" as a search argument) and report their findings.</p> <p>Explain and illustrate how employee maintenance data is recorded onto the input form and the procedures to enter, change, and delete employee data from the payroll file.</p> <p>Illustrate the procedure for generating and posting payroll entries.</p>	<p>i. Teacher observation of student participation in discussions and activities.</p> <p>Report Rubric</p> <p>Teacher observation of student participation in discussions and activities.</p>
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Performance Task

Accounting Cycle Simulation

Each fiscal period you perform a series of accounting activities to record the financial information for your company. This information is reported to the company's CEO and Board of Directors and used to make business decisions for the next fiscal year. Using the appropriate source documents, complete the year's accounting cycle for your business.

You will be evaluated on your understanding of accounting principles and your accuracy in journalizing, posting, and preparing the entire worksheet and financial statements.

Resources for Performance Task

If you do not have a simulation activity in your teaching materials, use the simulation activities at the following sites:

<http://www.dwmbeancounter.com/moodle/> ~ <http://www.accountinglearner.com/>
<http://www.cscpa.org/Content/23610.aspx#Rubrics>

Free accounting software:

<http://www.dwmbeancounter.com/moodle/mod/resource/view.php?id=9>

Use the *Accounting Simulation Rubric* in Appendix A

Unit Resources

Books:

Gilbertson, C and Lehman, M (2009). Business Finance, Fourth Edition. Independence, KY: South-Western Cengage Learning.

Journals:

Nelson, I., Vondrzyk, V., Quirin, J. and Kovar, S. (August 2008). Trends in accounting student characteristics: Results from a 15-year longitudinal study at FSA schools. *Issues in Accounting Education*. 23(3), 373–389.

Web sites:

Bean Counter's Free Accounting & Bookkeeping Tutorial Site:
<http://www.dwmbeancounter.com/moodle/> AccountingLearner.com.
<http://www.accountinglearner.com/> Connecticut Society of Certified
Public Accountants:
<http://www.cscpa.org/Content/23610.aspx#Rubrics>

Appendix A: Activities and Rubrics

Accounting Concepts: M & M Closing Entries

Objective:

This lesson is a way to teach students the abstract concept of Closing Entries in a more concrete format. Perform the closing entries while simultaneously working with T-accounts on the board.

Supplies Needed:

- 40 clear cups
- 1 pound bag of M & M's

Preliminary Work:

Prior to the lesson, label the cups and fill with M & M's as follows:

Label	Number of M & M's	Color of M & M's
Sales Credit	154	Brown
Rent Expense Debit	34	Green
Misc. Expense Debit	30	Blue
Utilities Expense Debit	40	Orange
Income Summary Debit	Empty	
Income Summary Credit	50	Red
D.S. Capital Debit	Empty	
D.S. Capital Credit	132	Yellow
D.S. Drawing Debit	32	Blue

Procedure:

Follow the Closing Entry process and illustrate as follows--

Close Sales to Income Summary

- Transfer the M&M's from the Sales Credit cup to the Income Summary Credit cup
- Show the students the empty Sales Credit cup which is now closed

~~Close each Expense account to Income Summary~~

- ~~• Transfer the M&M's from each of the Expense Debit cups to the Income Summary Debit cup~~
- ~~• Show the students each of the empty Expense Debit cups which are now closed~~

~~Close Income Summary to Capital~~

- ~~• Explain that the difference between the Income Summary Credit cup and the Income Summary Debit cup is the Net Income which has a credit balance~~
- ~~• Put the two Income Summary cups out of sight and bring out the Income Summary Credit cup containing the Net Income~~
- ~~• Transfer the M&M's from the Income Summary Credit cup to the D.S., Capital Credit cup on top of the M&M's already in the cup~~
- ~~• Show students the empty Income Summary Credit cup which is now closed~~

~~Close Drawing to Capital~~

- ~~• Transfer the M&M's from the D.S., Drawing Debit cup to the D.S., Capital Debit cup~~
- ~~• Show the students the empty D.S., Debit cup which is now closed~~

~~New Capital~~

- ~~• Explain that all accounts are closed except for D.S. Capital which is now equal to New Capital (Beginning Capital + Net Income—Drawing)~~

~~This activity was presented by Dana Simpson West of Northwest High School at MBEA Conference Summer 2000~~

Accounting Simulation Rubric

	Unsatisfactory	Partially Proficient	Proficient	Advanced	Percent (%) Score
Journalizing Business Transactions 25-points	Shows little to no understanding of the principles of journalizing accurately in the appropriate journal. (10-points)	Shows a basic understanding of the principles of journalizing accurately in the appropriate journal. (15 points)	Shows a good understanding of the principles of journalizing accurately in the appropriate journal. (20 points)	Shows a well-developed understanding of the principles of journalizing accurately in the appropriate journal. (25 points)	
Posting 15-points	Shows little to no understanding of the principles of posting. (6 points)	Shows a basic understanding of the principles of posting. (9 points)	Shows a good understanding of the principles of posting. (12 points)	Shows a welldeveloped understanding of the principles of posting. (15 points)	

Worksheet 10 points	There is no worksheet. (0 points)	The entire worksheet is not completed. (6 points)	The entire worksheet is correctly prepared, with no more than two major errors. (8 points)	The entire worksheet is correctly prepared with no major errors. (10 points)	
Financial Statements 15 points	No financial statements are included. (0 points)	Some of the Financial Statements are included. More than two errors on those presented. (9 points)	All of the Financial Statements are included with no more than two major errors on the complete set. (12 points)	All of the financial statements are presented with no major errors. (15 points)	
Adjusting/Closing Entries 10 points	There are no adjusting and closing entries. (0 points)	Only adjusting entries are completed. (6 points)	Adjusting and closing entries are completed with no more than two errors. (8 points)	Adjusting and closing entries are completed with no errors. (10 points)	
Post-Closing Trial Balance 5 points	The post-closing trial balance has not been completed. (0 points)	The post-closing trial balance is complete, but does not balance correctly. (2 points)	The post-closing trial balance is correct, with no major errors. (4 points)	The post-closing trial balance is correct, with no errors. (5 points)	
Average Score →					

Analyzing Factors Affecting Foreign Exchange

For each of the following international activities, indicate whether the value of the country's currency would increase or decrease by putting a check mark in the appropriate column. If you cannot determine the effect the activity would have on the currency, put a check mark in the last column.

	Increase	Decrease	Unable to Determine
A nation imports more than it exports.			
Interest rates in a country rise.			
A new president is elected in a country.			
A nation's inflation rate drops.			

The exports for a country increase as a result of technology.			
The military seizes control of the government and takes over major industries.			
New tourist attractions and international publicity increase international tourism by over one million people.			

Analyzing International Business Risks

Directions: For each of the following situations, place a check mark in the appropriate column to identify whether the situation is an example of a political risk, social risk, or economic risk.

	Political Risk	Social Risk	Economic Risk
Changes in consumer spending in a nation due to reduced employment opportunities			
New business regulations that require all food packages to list the potential dangers of ingredients			
Religious beliefs in a country that do not allow people to eat certain foods			
A trade deficit of a nation that reduces the value of its currency			

Traditions in a country that encourage family members to work for the family business			
Frequent changes in the government ruling party in a nation			
Import taxes that discourage buying foreignmade goods			
Changes in the buying power of a nation's currency			

Business Ratios

Financial analysis using business or financial ratios and norms provides a means of assessing a firm's strengths and weaknesses. Using data from the balance sheet and income statement, you will calculate and compare various ratios to a peer industry.

To perform ratio analysis:

1. Decide what type of industry you want ABC Company to be (use an industry type from the *Industry Ratios* table).
2. Use ABC Company's balance sheet and income statement and calculate the following ratios:
 - a. Ratio
 - b. Current Ratio
 - c. Quick Ratio
 - d. Debt Ratio (Debt to Equity)
 - e. Inventory Turnover (Sales to Inventory)
 - f. Accounts Receivable Turnover (using total sales)
 - g. Profit Margin on Sales

Industry	Current Ratio	Quick Ratio	Debt to Equity	Sales to Inventory	Accounts Receivable Turnover	Profit Margin %
ABC Company						

Peer Industry						
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3. Compare the ABC Company's financial performance to the industry in the *Industry Ratio* table and determine a benchmark for your company.
4. List individual companies within your industry that could be compared to ABC Company.

ABC Company Balance Sheet
For the year ending December 31, 20xx

Assets	\$	%
<i>Current Assets</i>		
Cash	12,000	6.6%
Marketable Securities	10,000	5.5%
Accounts Receivable (net of uncollectible accounts)	17,000	9.4%
Inventory	22,000	12.2%
Prepaid Expense	4,000	2.2%
Total Current Assets	65,000	35.9%
<i>Fixed Assets</i>		
Building and Equipment	105,000	58.3%
Less Depreciation	30,000	16.6%
Net Buildings and Equipment	75,000	41.6%
Land	40,000	22.2%
Total Fixed Assets	115,000	63.8%
Total Assets	180,000	100.0%
Liabilities		
<i>Current Liabilities</i>		
Wages Payable	3,000	1.6%
Accounts Payable	25,000	13.8%
Taxes Payable	12,000	6.6%
Total Current Liabilities	40,000	22.2%
<i>Long-Term Liabilities</i>		
Mortgage Payable	70,000	38.8%
Note Payable	15,000	8.3%
Deferred Taxes	15,000	8.3%
Total Long-Term Liabilities	100,000	55.5%
Total Liabilities	140,000	77.7%

Owner's Equity	40,000	22.2%
Total Liabilities and Owner's Equity	180,000	100.0%

ABC Company
Income Statement

	\$	%
Sales	\$ 200,000	100%
Cost of goods sold	130,000	65%
Gross Profit	70,000	35%
Operating expenses		
Selling expenses	22,000	11%
General expenses	10,000	5%
Administrative expenses	4,000	2%
Total operating expenses	36,000	18%
Operating income	34,000	17%
Other income	2,500	1%
Interest expense	500	0%
Income before taxes	36,000	18%
Income taxes	1,800	1%
Net profit	34,200	17%

Industry Ratios

Industry	Current Ratio	Quick Ratio	Debt to Equity	Sales to Inventory	Accounts Receivable Turnover	Profit Margin %
Agriculture	1.31	0.39	1.33	2.52	19.00	2.58
Mining	1.19	0.77	0.48	0.00	52.00	0.00
Construction	1.44	0.98	1.31	4.74	43.00	1.74
Manufacturing						
Leather/Textile/App	1.50	0.62	1.48	6.05	34.00	1.64
Chem. Petrol. Metal	1.54	0.75	1.33	6.94	48.00	2.23
Wood-Related Prod	1.43	0.62	1.41	6.46	33.00	2.16
Mach-trans equipment	1.54	0.74	1.34	5.89	51.00	2.38
Trans-Communication	1.03	0.70	1.64	0.00	34.00	1.84
Wholesale						
Non-Durable	1.53	0.66	1.70	4.63	39.00	1.40
Durable	1.42	0.69	1.60	7.36	31.00	1.11
Retail						
Hardware	1.68	0.43	1.30	4.20	22.00	1.11
Gen. Merchandise	2.14	0.15	0.59	3.81	4.00	0.16
Automobiles	1.23	0.19	2.61	4.75	9.00	0.84
Apparel	1.90	0.14	0.91	2.96	2.00	1.35
Furniture	1.61	0.38	1.33	4.03	16.00	0.92
Restaurants	0.73	0.18	1.24	35.65	1.00	0.43

Financial Services	1.18	0.34	0.72	0.00	1.00	1.29
Business Services	1.36	0.84	1.11	0.00	42.00	1.75
Service Industry	1.29	0.68	0.75	3.04	15.00	0.77

~~Capital Project Analysis Exercise~~

~~Complete the following exercise using an electronic spreadsheet program such as Microsoft Excel®.~~

~~Investment~~ \$150,000

~~Annual Cash Inflows~~ \$40,000

~~Cost of Capital~~ 10%

~~Life~~ 10 years

~~Calculate:~~

~~Net Present Value~~

~~Internal Rate of Return~~

~~Payback Period~~

Electronic Career Portfolio Guidelines

An electronic career portfolio is a purposeful collection of work that tells the story of an applicant including achievements, growth, vision, reflection, skills, experience, education, training, and career goals. It is a tool that gives employers a complete picture of who you are—your experience, your education, your accomplishments—and what you have the potential to become—much more than just a letter of application and resume can provide.

Overview

The portfolio should display samples of your work, achievements, and accomplishments you would refer to in an interview. Electronic portfolios use interactive multimedia to increase the range and type of materials that can be included as evidence of learning.

Guidelines

- Student members, not advisers, must prepare portfolios.
- The portfolio should have no more than 30 pages (i.e., slides, links, and text files).
- All information should reflect the student's accomplishments and experiences. No fictitious information should be presented.
- Navigation through portfolio should be easy and consistent in appearance and format.
- The portfolio must include: table of contents, a resume, and career summary. The career summary page should include career choice, description of career, education required, and future job outlook (e.g., monetary, advancement).
- Sample materials also must be included in the portfolio.

Samples must include, but are not limited to, the following:

Career-Related Education:

Describe career-related education that enhances employability. Include a summary of school activities, career research projects, application of business education, and/or related occupational skills and their relationship to job.

Educational Enhancement:

Describe educational opportunities that enhance employability. Include career opportunities development planning, summaries of job shadowing, internships, apprenticeships, informational interviews, community service projects, and products developed during these experiences.

Examples of Special Skills:

Include up to five examples of special skills, talents, and/or abilities related to job and career goals. These may be in any format but must fit within the dimensions of the portfolio. Audio and/or video recordings may be included.

Additional sample materials may include: awards and honors, certifications, community and volunteer activities, conferences or workshops, examples of projects or presentations, letters of recognition and recommendation, list of accomplishments, leadership development activities, recognitions, self-assessments, evidence of specific skills, a page from a Web site created, writing samples, and so forth.

Electronic Career Portfolio Rubric

Name _____ Date _____

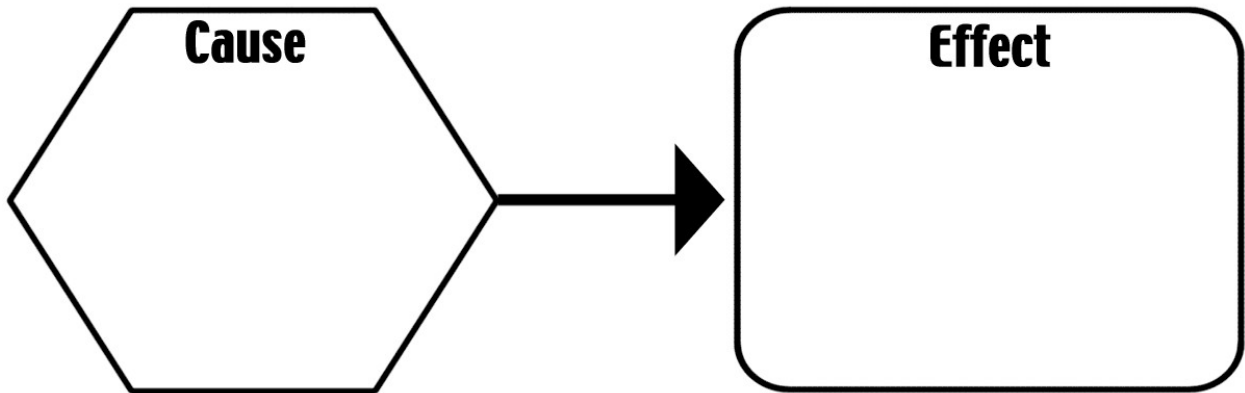
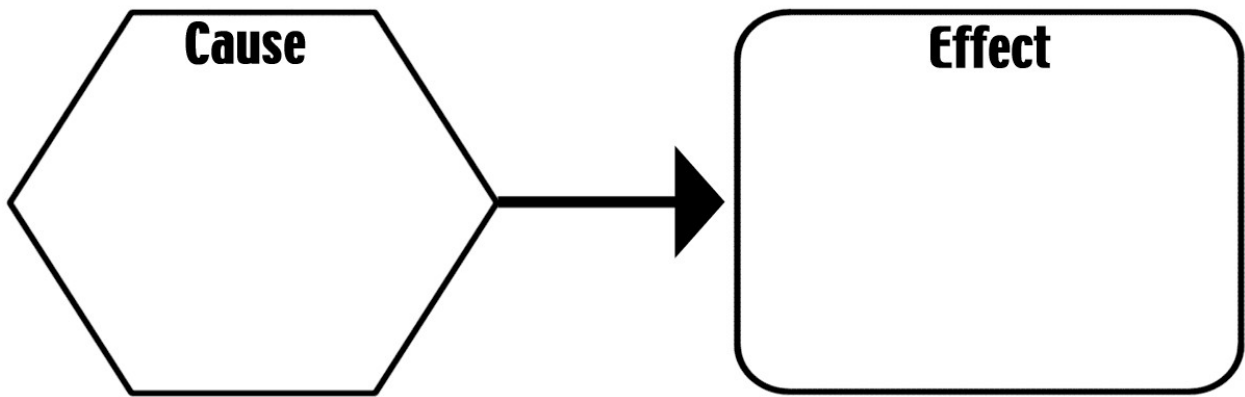
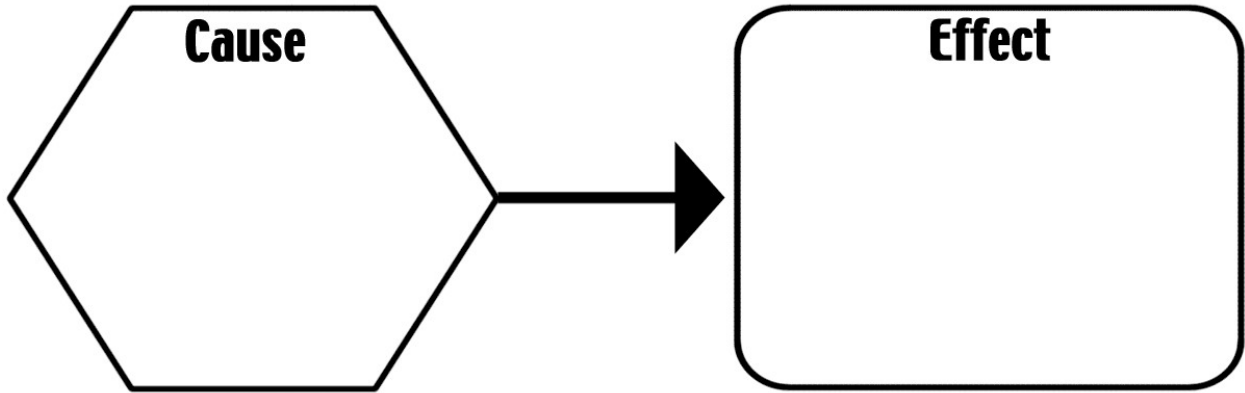
Evaluation Item	Not Demonstrated	Does Not Meet Expectations	Meets Expectations	Exceeds Expectations	Points Earned
Content					
Resume	0	1—3	4—7	8—10	
Career summary: <ul style="list-style-type: none"> Career description Skills and education needed for the career Money/salary and outlook for the career 	0	1—5	6—10	11—15	
Evidence of research in career summary; sources of information cited in proper copyright format	0	1—2	3—4	5	
Samples					
Career-Related Education <input type="checkbox"/> Describes career-related education that enhances employability. Includes a summary of school activities; career research projects; application of Business Education and/or related occupational skills and their relationship to job.	0	1—5	6—10	11—15	
Educational Enhancement <input type="checkbox"/> Describes educational enhancement opportunities that enhance employability. Includes career opportunities development planning, summaries of job shadowing, internships, apprenticeships, informational interviews, or community service projects, and products developed during these experiences.	0	1—5	6—10	11—15	
Examples of Special Skills <input type="checkbox"/> Includes up to five examples of special skills, talents, and/or abilities related to job and career goals. These may be in any format but must fit within the dimensions of the portfolio. Audio and/or video recordings may be included in the portfolio.	0	1—5	6—10	11—15	
Delivery					
Thoughts and statements are well organized and clearly stated; appropriate business language used	0	1—3	4—7	8—10	

Demonstrates self-confidence, poise, and good voice projection	0	1-3	4-7	8-10	
Demonstrates the ability to effectively answer questions	0	1-2	3-4	5	
Total Points					

Cash Flow Statement Example

	A	B	C	D	E
1			[Company Name]		
2			Cash Flow Statement		
3					
4			For the Year Ending	12/31/2008	
5			Cash at Beginning of Year	15,700	
6					
7			Operations		
8			Cash receipts from customers	693,200	
9			Cash paid for		
10			Inventory purchases	(264,000)	
11			General operating and administrative expenses	(112,000)	
12			Wage expenses	(123,000)	
13			Interest	(13,500)	
14			Income taxes	(32,800)	
15			Net Cash Flow from Operations	147,900	
16					
17			Investing Activities		
18			Cash receipts from		
19			Sale of property and equipment	33,600	
20			Collection of principal on loans		
21			Sale of investment securities		
22			Cash paid for		
23			Purchase of property and equipment	(75,000)	
24			Making loans to other entities		
25			Purchase of investment securities		
26			Net Cash Flow from Investing Activities	(41,400)	
27					
28			Financing Activities		
29			Cash receipts from		
30			Issuance of stock		
31			Borrowing		
32			Cash paid for		
33			Repurchase of stock (treasury stock)		
34			Repayment of loans	(34,000)	
35			Dividends	(53,000)	
36			Net Cash Flow from Financing Activities	(87,000)	
37					
38			Net Increase in Cash	19,500	
39					
40			Cash at End of Year	35,200	
41			© 2008 Vertex42 LLC	Templates by Vertex42.com	

Cause and Effect



~~Code of Ethics Rubric~~

	Does Not Meet Expectations 0	Meets Expectations 1	Exceeds Expectations 2	Score

Student can articulate the primary tenets of the profession's code of ethical conduct.				
Student is familiar with code(s) of ethics and standard(s) of professional practice within the discipline.				
Student can state the application of the code of ethics in the practice of the profession.				
Student's code of ethics addresses ethical concerns found in the research.				
Total Score				

Corporate Ethics—An Oxymoron?

Skill: High School/College

Time Required: One Week

Introduction:

During the administration of George Bush, the nation has been (seemingly) plagued with a series of business scandals and failures that have cost Americans literally billions of dollars. This is not the first time such scandals have occurred, and it probably won't be the last. But it does raise the question of how these breaches of ethical behavior occur and what might be done to prevent more of them.

Objectives:

In this lesson, students will research a brief history of American business, investigate several major business scandals and document commonalities and differences among them. Having completed their research, students will be asked to write a set of ethical guidelines or code of ethics that might serve to prevent at least some future breaches of business ethics.

Materials Required:

Computer with Internet access, printer, paper, pen or pencil.

Procedures:

1. Using the websites provided, have all students read about the history of American business. This can be done online, or the article can be printed out and duplicated for each student.
2. With this information as background, students should be engaged in a discussion of what they know about recent business scandals. The teacher should correct any misperceptions, and then ask students, in small groups, to investigate the facts and commentary about several of the recent scandals, e.g., Enron, WorldCom, Martha Stewart, Adelphia, etc.
3. As they investigate, have students take notes on commonalities and differences among all them (titles of those involved, impact on others, consequences for those suspected, the story behind the scandal, etc.). These notes should be placed in a "Scandals" folder.
4. After researching the individual scandals, and discussing commonalities and differences among them—particularly with respect to the kinds of ethical lapses that were made—have each student write a Code of Ethics for American Business that might serve to prevent at least some similar business scandals in the future. The website, "Writing a Code of Ethics for Business" (below) provides many useful ideas for writing such a Code.
5. Once completed, collect the Codes from each group, and share them with the class. Engage students in a discussion of each one, and ask the class to vote on the one they think would be the most useful.

Extending the Lesson:

Invite an attorney or a local CEO to speak to your class on corporate ethics.

Sources & Resources:

Websites:

[Definition of Oxymoron](#)

[History of U.S. Business—19th and 20th Centuries](#)

[History of U.S. Business—21st Century](#)

[U. S. Economic Timeline](#)

[Classic Financial and Corporate Scandals](#)

[Review of Business Scandals](#)

[More Business Scandals](#)

[Corporate Ethics](#)

[Corporate Ethics Watchdog](#)

[Writing a Code of Ethics for Business](#)

Credits:

This lesson was developed by Marian Maxfield, Kent State University.

Goal Setting Evaluation Rubric

Student Name _____

Date _____

	Level One 2—4	Level Two 5 —7	Level Three 8 —10	Score
ACHIEVABILITY	Questions necessity and purpose of goal; unable to visualize achievability of goal; has little or no involvement in determining the goal	Visualizes goal; believes goal can be achieved; actively involved in determining goal	Demonstrates belief in the achievability of the goal in multifaceted ways; initiates the goal setting process	
SPECIFICITY	Writes focused, measurable goals	Goals are written in a concise, focused, clear manner; provides a basic method to measure goals	Goals are written in a concise, focused, clear manner; goals relate specifically to the desired outcome; a detailed, realistic method has been developed to measure goals	
AWARENESS	Knows rewards and potential problems and is willing to work toward goal with assistance	Recognizes rewards of goal achievement; recognized potential risks; maintains willingness to continue working toward goal	Identifies and understand rewards to self and/or others; addresses potential risks before they occur; demonstrates an intrinsic desire for successfully accomplishing goal	
REALIZATION	Plans and/or manages deadlines with assistance	Sets realistic deadlines; steps taken toward deadline are manageable	Sets benchmarks for deadlines as well as goal attainment; steps taken toward meeting deadlines; evaluates how realistic and manageable the deadlines are	
Total Score /12				

GOAL SETTING GUIDELINES

1. ~~Define the goal.*~~
2. ~~Outline the steps needed to achieve it.~~
3. ~~Consider potential risks~~
4. ~~Identify the type of risk (natural, human, controllable, and uncontrollable) and ways of dealing with them.~~
5. ~~Set deadlines.~~

~~*Not every wish can be a goal. For instance, you may wish you could live and stay young forever, but since there's nothing you can do to make that happen, it could never be considered a goal.~~

~~In order for something to be a goal:~~

- ~~It has to be important to you, personally.~~
- ~~It has to be within your power to make it happen through your own actions.~~
- ~~It has to be something you have a reasonable chance of achieving.~~
- ~~It must be clearly defined and have a specific plan of action.~~

Goal Setting Worksheet

My three goals are:

1. _____
2. _____
3. _____

These goals are important to me because:

My to-do list to reach my goals:

The consequences of achieving my goals are:

The consequences of not achieving my goals are:

What potential risks could keep me from achieving my goals?

How will I prepare for potential risks?

Who will support and help me to achieve my goals and how?

Identifying Functions of Money

Directions: For each of the following activities, decide whether the situation is an example of money as a medium of exchange, a measure of value, or a store of value. Place a check mark in the appropriate column to indicate your answer.

	Medium of Exchange	Measure of Value	Store of Value
The exchange rate for U.S. dollars to Canadian dollars 1.21.			
A company in Europe must pay for imported goods with Mexican pesos.			
A student is saving £50 a month to help pay for college expenses.			
A multinational company receives payment for the sale of goods and converts the funds into the currency of its home country.			
Food for a week for a family of four in France costs Fr230 in one city and Fr267 in another city.			
An engineer makes a higher salary than an administrative assistant at the same company.			
A shopper goes to three stores to compare prices on computer printers.			
A pair of a certain brand of jeans costs three times as much in a country where this kind of clothing is very scarce.			

Presentation Rubric

Student Name _____

Date _____

	Exemplary-4 points	Accomplished 3 points	Developing-2 points	Beginning 1 point	Score Obtained
Content	Addressed all assignment components	Addressed all but one assignment component	Omitted two assignment components	Omitted more than two assignment components	

Detail	Fully addressed all assignment components	Fully addressed most assignment components	Partially addressed most assignment components	Partially addressed few assignment components	
Accuracy	No grammatical, typographical, spelling, or punctuation errors	1–2 grammatical, typographical, spelling, or punctuation errors	3–5 grammatical, typographical, spelling, or punctuation errors	More than 5 grammatical, typographical, spelling, or punctuation errors	
Clarity	Logical, orderly sequence	Somewhat logical sequence	Confusing sequence	No evidence of order/sequence	
Design	Excellent design selection and usage	Adequate design selection or 1–2 design errors	Inadequate design selection or 3–5 design errors	Poor design selection or more than 5 design errors	
Appeal	Very appealing; excellent use of animation, transitions, sound, etc.	Somewhat appealing; adequate use of animation, transitions, sound, etc.	Not very appealing; limited use of animation, transitions, sound, etc.	Not appealing; very limited or no use of animation, transitions, sound, etc.	
				Score	

Teacher Comments:

Report Rubric

Student Name _____

Date _____

	EXEMPLARY (4)	ACCOMPLISHED (3)	DEVELOPING (2)	BEGINNING (1)	SCORE
Topic	Directly relevant	Somewhat relevant	Remotely related	Totally unrelated	

Organization	Good organization; events are logically ordered; sharp sense of beginning and end	Organized; events are somewhat jumpy	Some organization; events jump around; start and end are unclear	Not organized; events make no sense	
Quality of Information	Supporting details specific to subject	Some details are non-supporting to the subject.	Details are somewhat unclear.	Unable to find specific details	
Grammar and Spelling	All grammar and spelling are correct.	Only one or two errors	More than two errors	Very frequent grammar and/or spelling errors	
Interest Level	Vocabulary is varied; supporting details are vivid.	Vocabulary is varied; supporting details need work.	Vocabulary is constant; details lack "color."	Needs descriptive words	
Neatness	Word processed or typed; clean and neatly bound in a report cover; illustrations provided	Legible writing; well formed characters; clean and neatly bound in a report cover; illustrations provided	Legible writing; some ill-formed letters; print too small or too large; papers stapled together	Illegible writing; loose pages	
Timeliness	Report handed in on time	Up to 2 days late	Up to 1 week late	Report handed in more than 1 week late	
				Total	

Teacher Comments:

Social Accounting

The Body Shop has always campaigned for greater social awareness and its Web site reflects that campaign. Visit the *Our Values* section of their Web site and make a note of their values under each of the following headings:

- Against animal testing
- Support community trade
- Activate self-esteem
- Defend human rights
- Protect our planet

How do you think these issues might have an impact on the financial reports of The Body Shop?

Appendix B: Glossary

Unit 1

Corporate governance—the set of processes, customs, policies, laws, and institutions affecting the way a corporation (or company) is directed, administered or controlled.

Corporate Responsibility—duty and rational conduct expected of a corporation; accountability of a corporation to a code of ethics and to established laws

Ethics—moral principles that govern a person's or group's behavior.

Unit 2

Balance Sheet—summary of a company's financial status, including assets, liabilities, and equity

Basis Point—1/100 of a percentage point, used chiefly in expressing differences of interest rates.

Benchmark Company—a competitor who has historically demonstrated outstanding financial performance.

Bond Rating—a grade given to bonds that indicates their credit quality.

Capital Budget—is the planning process used to determine whether an organization's long term investments such as new machinery, replacement machinery, new plants, new products, and research development projects are worth pursuing.

Cash Flow Statement—document that provides aggregate data regarding all cash inflows a company receives from both its ongoing operations and external investment sources, as well as all cash outflows that pay for business activities and investments during a given quarter.

Common Stock—Securities representing equity ownership in a corporation, providing voting rights, and entitling the holder to a share of the company's success through dividends and/or capital appreciation.

Cost of Capital—The opportunity cost of an investment; that is, the rate of return that a company would otherwise be able to earn at the same risk level as the investment that has been selected.

Cost of Debt—The effective rate that a company pays on its current debt

Cost of Equity—is the minimum rate of return a firm must offer owners to compensate for waiting for their returns, and for bearing risk.

Coupon Rate—is the annual interest rate of a bond.

Current Yield—in bonds, is the annual interest or dividend payments expressed as a percentage of the bond's current price. For bonds, where yield to maturity factors in the original purchase price, current yield is strictly a measure of the income stream.

Debenture Bond—is a corporate IOU that is not backed by the company's assets (unsecured) and is therefore somewhat riskier than a bond.

Dividend—is that portion of a corporations earnings which is paid to the stockholders.

Financial Budget—is focused on capital expenditures and on a business's budgeted cash position:

Financial Leverage—is the use of debt to increase the expected return on equity. Financial leverage is measured by the ratio of debt to debt plus equity.

Financial Ratios—is the result of dividing one financial statement item by another. Ratios help analysts interpret financial statements by focusing on specific relationships. **Income Statement**—a summary of income and expenses

Internal Rate of Return (IRR)—is the discount rate that makes the project have a zero Net Present Value (NPV). IRR is an alternative method of evaluating investments without estimating the discount rate.

Investment Banker—is an underwriter who serves as a middleman between a corporation issuing new securities and the public.

Mortgage Bond—is a bond in which the issuer has granted the bondholders a lien against the pledged assets.

Net Present Value (NPV)—is a method used in evaluating investments, whereby the net present value of all cash outflows (such as the cost of the investment) and cash inflows (returns) is calculated using a given discount rate, usually **REQUIRED RATE OF RETURN**.

Operating Budget—focuses on the budgeted income statement and its supporting components and schedules.

Payback Method—in capital budgeting, is the length of time needed to recoup the cost of **CAPITAL INVESTMENT**.

Preferred Stock—usually, non-voting capital stock that pays dividends at a specified rate and has preference over common stock in the payment of dividends and the liquidation of assets.

Primary Market—is the first sale of a newly issued security.

Ratio Analysis—involves conversion of financial numbers for a firm into ratios. Ratio analysis allows comparison of one firm to another.

Secondary Market—is buyers and sellers willing to trade securities after their initial issuance.

Trend Analysis—is the analysis of changes over time through the use of analytical techniques, such as time series analysis, to discern trends.

Weighted Average Cost of Capital (WACC)—is an average representing the expected return on all of a company's securities.

Unit 3

Risk—is the measurable possibility of losing or not gaining value.

Economic Risk—The possibility that an economic downturn will negatively impact an investment.

Pure Risk—Any risk in which there is no possibility of gain, only the avoidance of loss.

Speculative Risk—the possibility of either financial loss or gain

Natural Risk—risk that arises from natural events or as a part of nature

Human Risk—risks that arise from the acts of individuals, groups, or organizations

Controllable Risk—risks that can be reduced or avoided by thoughtful actions

Uncontrollable Risk—risks that cannot be influenced by human action

Risk Management—the process of systematically identifying potential risks and making plans to reduce the impact of the risk on individuals and companies

Liability—money owed to creditors, vendors, etc.

Unit 4

Automatic Teller Machines (ATM)—An electronic banking outlet, which allows customers to complete basic transactions without the aid of a branch representative or teller.

Capital Markets—A division within a larger company that uses its expertise in financial markets to provide financial services to specific types of clients

Commercial Lending—A debt-based funding arrangement that a business can set up with a financial institution.

Debit Cards—An electronic card issued by a bank which allows bank clients access to their account to withdraw cash or pay for goods and services.

Federal Reserve System—The banks that carry out Fed operations, including controlling the money supply and regulating member banks.

Lock Box—A service provided by banks to companies for the receipt of payment from customers.

Money Markets—A savings account that offers the competitive rate of interest (real rate) in exchange for larger than normal deposits.

Open Market Operations—Rate of interest that is paid on any debt security that trades in the open market.

Safe-deposit Box—A box—usually located inside a bank—which is used to store valuables.

Unit 5

Currency Option: A contract giving the option holder the right to buy or sell an underlying currency at a specified price and on a specified date. The option writer (seller) holds the obligation to fulfill the other side of the contract

Exchange Controls: Government restrictions to regulate the amount and value of a nation's currency

Exchange Rate: The price of one currency in terms of another, i.e. the number of units of one currency that may be exchanged for one unit of another currency

Floating Exchange Rate: An exchange rate system in which currency values are allowed to fluctuate according to supply and demand forces in the market without direct interference by government authorities

Foreign Exchange: Currency of another country, or a financial instrument that facilitates payment from one currency to another

Foreign Exchange Markets: Networks of commercial banks, investment banks, and other financial institutions that convert, buy, and sell currencies in the global economy

Hard Currency: A monetary unit that is easily converted into other currencies

Interest Rate: The cost of using someone else's money

International Monetary Fund (IMF): An international organization designed to promote global economic stability and development. It compiles statistics on cross-border transactions and publishes a monthly summary of each country's balance of payments

Macro-Country Risks: Country (or political) risks that affect all foreign firms in a host country

Micro-Country Risks: Country risks that are specific to an industry, company, or project within a host country

Soft Currency: A currency which is not readily accepted in exchange for other currencies or convertible to gold

World Bank: An international organization created at Breton Woods in 1944 to help in the reconstruction and development of its member nations. Its goal is to improve the quality of life for people in the poorer regions of the world by promoting sustainable economic development. See also International Bank for Reconstruction and Development.

Unit 6

Bureau of Labor Statistics: the principal fact-finding agency for the Federal Government in the broad field of labor economics and statistics.

Responsibility Accounting: the collection, summarization, and reporting of financial information about various decision centers throughout an organization; can also be called profitability accounting or activity accounting.

Social Responsibility: an ethical belief or theory that an entity, be it an organization or individual, has an obligation to act to benefit society at large

Stakeholders—a person, group, organization, or system who affects or can be affected by an organization's actions

Unit 7

Accounting—process of identifying, measuring, and reporting financial information of an entity

Accounting Equation— $\text{assets} = \text{liabilities} + \text{equity}$

Accounts Payable—money owed to creditors, vendors, etc.

Accounts Receivable—money owed to a business, i.e. credit sales

Asset—property with a cash value that is owned by a business or individual

Balance Sheet—summary of a company's financial status, including assets, liabilities, and equity

Bookkeeping—recording financial information

Chart of Accounts—a listing of a company's accounts and their corresponding numbers

Closing the Books/Year End Closing—the process of reversing the income and expense for a fiscal or calendar year and netting the amount into “retained earnings”

Credit—an account entry with a negative value for assets, and positive value for liabilities and equity.

Debit—an account entry with a positive value for assets, and negative value for liabilities and equity.

Depreciation—recognizing the decrease in the value of an asset due to age and use

Equity—money owed to the owner or owners of a company, also known as “owner's equity”

Financial Accounting—accounting focused on reporting an entity's activities to an external party; ie: shareholders

Financial Statement—a record containing the balance sheet and the income statement

Fixed Asset—long-term tangible property; building, land, computers, etc.

General Ledger—a record of all financial transactions within an entity

Income Statement—a summary of income and expenses

Inventory—merchandise purchased for resale at a profit

Inventory Valuation—the method to set the book value of unsold inventory: i.e. “LIFO,” last in, first out; “FIFO,” first in, first out; “average,” an average cost over a given period, “last cost,” the cost based on the last purchase; “standard,” a “deemed” amount related to but not tied to a specific purchase, “serialized,” based on a uniquely identifiable serial number or character of each inventory item

Invoice—the original billing from the seller to the buyer, outlining what was purchased and the terms of sale, payment, etc.

Journal—a record where transactions are recorded, also known as an “account”

Liability—money owed to creditors, vendors, etc.

Net Income—money remaining after all expenses and taxes have been paid

Payroll—a list of employees and their wages

Posting—the process of entering then permanently saving or “archiving” accounting data

Reconciliation—the process of matching one set of data to another; i.e. the bank statement to the check register, the accounts payable journal to the general ledger, etc.

Retained Earnings—the amount of net profit retained and not paid out to shareholders over the life of the business

Revenue—total income before expenses.

Shareholder Equity—the capital and retained earnings in an entity attributed to the shareholders

Statement of Accounts—a summary of amounts owed to a vendor, lender, etc.

~~Supplies — assets purchased to be consumed by the entity.~~



2023 Accounting Essentials

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Published by:

Mississippi Department of Education
Jackson, MS 39205

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Mississippi State, MS 39762

The Research and Curriculum Unit (RCU), located in Starkville, as part of Mississippi State University (MSU), was established to foster educational enhancements and innovations. In keeping with the land-grant mission of MSU, the RCU is dedicated to improving the quality of life for Mississippians. The RCU enhances intellectual and professional development of Mississippi students and educators while applying knowledge and educational research to the lives of the people of the state. The RCU works within the contexts of curriculum development and revision, research, assessment, professional development, and industrial training.

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Acknowledgments

The Accounting Essentials curriculum was presented to the Mississippi State Board of Education on February 16, 2023. The following persons were serving on the state board at the time:

Dr. Robert Taylor, state superintendent of education
Ms. Rosemary G. Aultman, chair
Mr. Glen East, vice chair
Dr. Karen Elam
Mrs. Mary Werner
Dr. Ronnie McGehee
Dr. Wendi Barrett
Mr. Matt Miller
Mr. Bill Jacobs
Ms. Micah Hill
Mr. Charlie Fruge'

The following Mississippi Department of Education (MDE) and RCU managers and specialists assisted in the development of the Accounting Essentials curriculum:

Wendy Clemons, the associate state superintendent of the MDE Office of Secondary, Professional Development, and Career Technical Education, supported the RCU and teachers throughout the development of the framework and supporting materials.
Betsey Smith, the director of the RCU, supported RCU staff and teachers throughout the development of this framework and supporting materials.
Courtney McCubbins, the curriculum manager of the RCU, supported RCU staff and teachers throughout the development of this framework and supporting materials.
Angie Davis, a project manager with the RCU, researched and coauthored this framework. helpdesk@rcu.msstate.edu

Special thanks are extended to the educators who contributed teaching and assessment materials that are included in the framework and supporting materials:

Jessica Beaird, Starkville High School, Starkville
Shelia Cole-Johnson, Holmes County Central High School, Lexington
Tina Craft, Richland High School, Richland
Angela Culpepper, Northeast Jones High School, Laurel
Amy Dotson, Tishomingo County High School, Iuka
Dre' Helms, Florence High School, Florence
Katerina Krauss, Tupelo High School, Tupelo
Kim McFarling, Saltillo High School, Saltillo
Arlene Monk, Forest High School, Forest

Appreciation is expressed to the following professionals who provided guidance and insight throughout the development process:

Selena Swartzfager, president of the Mississippi Council on Economic Education

Standards

Some standards and alignment crosswalks are referenced in the appendix. Depending on the curriculum, these crosswalks should identify alignment to some of the standards mentioned below, as well as possible related academic topics as required in the Subject Area Testing Program in Algebra I, Biology I, English II, and U.S. History from 1877, which could be integrated into the content of the units. Mississippi's Accounting Essentials curriculum is aligned to the following standards:

National Standards for Business Education

The National Business Education Association (NBEA) has created standards to introduce students to the basics of personal finance, the decision-making techniques needed to be wise consumers, the economic principles of an increasingly global marketplace, and the processes by which businesses operate. In addition, these standards provide a solid educational foundation for students who successfully want to complete college programs in various business disciplines. *NBEA Business Education Library* (2020).

nbea.org

International Society for Technology in Education Standards (ISTE)

Reprinted with permission from *ISTE Standards for Students* (2016). All rights reserved. Permission does not constitute an endorsement by ISTE.

iste.org

College- and Career-Readiness Standards

College- and career-readiness standards emphasize critical thinking, teamwork, and problem-solving skills. Students will learn the skills and abilities demanded by the workforce of today and the future. Mississippi adopted Mississippi College- and Career-Readiness Standards (MCCRS) to provide a consistent, clear understanding of what students are expected to learn and so teachers and parents know what they need to do to help them.

mdek12.org/oae/college-and-career-readiness-standards

Framework for 21st Century Learning

In defining 21st-century learning, the Partnership for 21st Century Skills has embraced key themes and skill areas that represent the essential knowledge for the 21st century: global awareness; financial, economic, business, and entrepreneurial literacy; civic literacy; health literacy; environmental literacy; learning and innovation skills; information, media, and technology skills; and life and career skills.

battelleforkids.org/networks/p21/frameworks-resources

Executive Summary

Description

Accounting Essentials includes elements that will help contribute to student success in the business world. This course provides a broad introduction to the accounting environment, including accounting principles and processes, payroll practices, financial statement analysis, and compliance procedures.

Applied Academic Credit

The latest academic credit information can be found at mdek12.org/ese/approved-course-for-the-secondary-schools.

Teacher Licensure

The latest teacher licensure information can be found at mdek12.org/oel/apply-for-an-educator-license.

Professional Learning

If you have specific questions about the content of any of the training sessions provided, please contact the RCU at 662.325.2510.

Course Outline

One 1-Carnegie Unit Course

This curriculum consists of one 1-credit course.

Accounting Essentials—Course Code: 110610

Unit	Title	Hours
1	The Accounting Profession	25
2	Accounting Principles	35
3	The Accounting Process	30
4	Payroll	20
5	Financial Analysis	15
6	Compliance	15
Total		140

Unit 1: The Accounting Profession

Competencies and Suggested Objectives	
1. Explain the role accountants play in business and society. ^{DOK2}	<ul style="list-style-type: none">a. Describe the current and historical regulatory environment of the accounting profession.b. Identify the major policy-setting bodies in the accounting profession and explain their roles.c. Explain how current events impact the accounting profession.d. Explain how the rapid advances in technology continue to impact the accounting profession.e. Explain the need for a code of ethics in accounting and the ethical responsibilities required of accountants.f. Explain how accounting information is used to allocate resources in the business and personal decision-making process.
2. Explore career opportunities in the accounting profession. ^{DOK3}	<ul style="list-style-type: none">a. State and explain the role, service, or mission of student and professional accounting organizations and associations.b. State and explain the professional designations and certifications in the accounting profession.c. Examine the educational requirements for various careers, professional designations, and certifications in the accounting profession.d. Explain why accounting firms are shifting their hiring models to focus more on technology skills and non-accountants.e. Explain the skills and competencies needed to succeed in the accounting profession and how those required skills and competencies are evolving with the rapid advances in technology.f. Investigate the areas of specialization within the accounting profession and careers that require a knowledge of accounting.
3. Demonstrate the business and professional skills and competencies required to succeed in the accounting profession and/or in an accounting-related career. ^{DOK4}	<ul style="list-style-type: none">a. Deliver a speech and make a presentation.b. Perform research and communicate the results of the research in writing.c. Demonstrate ethical decision-making skills conducted in a business scenario.d. Apply analytical and critical decision-making skills.e. Use information technology productively.f. Exhibit leadership skills.g. Demonstrate the ability to work within a team.h. Demonstrate the ability to draft properly written communication based on the task (e.g., e-mail, memorandum, analytics, process document, etc.).

Unit 2: Accounting Principles

Competencies and Suggested Objectives	
1. Understand the concept of Generally Accepted Accounting Principles (GAAP). ^{DOK1}	<ul style="list-style-type: none">a. Explain the conceptual framework of accounting, GAAP, and assumptions.b. Define assets, liabilities, equity, revenue, expenses, gains, and losses.c. Understand the accounting equation: assets = liabilities + owner's equity.d. Distinguish between the accrual basis of accounting and the cash basis of accounting.
2. Explain GAAP in terms of the accounting methods used to determine the value of assets as reported on financial statements. ^{DOK2}	<ul style="list-style-type: none">a. Record transactions for accounts receivable, including uncollectable accounts, write-offs, and recoveries.b. Determine the cost of inventory for merchandising and manufacturing businesses.c. Distinguish between capital expenditures (i.e., recording an asset) and revenue expenditures (i.e., recording an expense).d. Determine the cost of property, plant and equipment, natural resources, and intangible assets.e. Determine the impact on the financial statements when assets are sold, disposed of, or rendered obsolete.
3. Explain GAAP in terms of the accounting methods used to determine the value of liabilities as reported on financial statements. ^{DOK2}	<ul style="list-style-type: none">a. Record transactions for accounts payable and other short-term debt.b. Determine the initial evaluation of long-term debt instruments and their impact on the financial statements.
4. Explain GAAP in terms of the accounting methods used to determine the value of equity as reported on financial statements. ^{DOK2}	<ul style="list-style-type: none">a. Explain how operating results, capital contributions, and distribution of earnings affect equity for the various ownership structures.b. Record equity-related transactions.c. Explain how other comprehensive income/(loss) affects equity.
5. Explain GAAP in terms of the accounting methods used to determine the value of revenue as reported on financial statements. ^{DOK2}	<ul style="list-style-type: none">a. Explain the criteria used to determine revenue recognition.b. Determine the amount of revenue earned and the proper period.c. Record revenue-related transactions, including unearned portions of revenue.
6. Explain GAAP in terms of the accounting methods used to determine the value of expenses as reported on financial statements. ^{DOK2}	<ul style="list-style-type: none">a. Explain the criteria used to determine expense recognition.b. Record expense-related transactions.

7. Explain GAAP in terms of the accounting methods used to determine the value of gains and losses as reported on financial statements. ^{DOK2}
<ul style="list-style-type: none"> a. Distinguish between revenues and gains. b. Distinguish between expenses and losses. c. Record transactions resulting in gains and losses.
8. Explore financial statements and their purposes. ^{DOK3}
<ul style="list-style-type: none"> a. Analyze financial statements (e.g., balance sheet, income statement, cash flow statement, owner's equity statement, stockholder's equity statement). b. Describe the users and explain the uses of financial information. c. State and explain the information provided in each financial statement and how the statements articulate with each other. d. Explore the relationship between assets, liabilities, and equity on the balance sheet. e. State and explain the classifications within assets, liabilities, and equity. f. State and explain the different formats of an income statement. g. State the classifications on an income statement and explain their relationship to each other (e.g., revenue, expenses, gains, losses). h. Explain changes in the ownership structure using the statement of equity. i. State and explain the different forms of business ownership and the advantages and disadvantages of each form. j. Explain how the different types of business operations are reflected in the financial statements.

Unit 3: The Accounting Process

Competencies and Suggested Objectives
<ol style="list-style-type: none">1. Complete the steps in the accounting cycle for preparing financial statements. ^{DOK3}<ol style="list-style-type: none">a. Explain the purpose of the accounting system.b. Explain the purpose of journals and ledgers and their relationship.c. Explain the advantages and disadvantages of different types of accounting systems.d. Differentiate between accounting and bookkeeping.e. Explain and analyze how business transactions impact the accounting equation.f. Apply the double-entry accounting system to record business transactions and prepare a trial balance.g. Explain the need for adjusting entries and record adjusting entries.h. Prepare financial statements for the different types of business operations and ownership structures.i. Explain the relationship between the closing process, the financial statements, and the post-closing trial balance.2. Demonstrate basic accounting procedures. ^{DOK3}<ol style="list-style-type: none">a. Analyze business transactions in terms of the accounting equation.b. Use the basic accounting equation to determine the effects of business operations on an owner's equity (i.e., stockholder's equity).c. Analyze the flow of financial data using the basic accounting cycle.d. Prepare a bank reconciliation and journalize the entries.e. Classify, journalize, and post financial information.f. Perform end-of-period accounting functions.g. Prepare a balance sheet, an income statement, a cash flow statement, and an owner's equity statement.h. Maintain accounting records for a sole proprietorship.

Unit 4: Payroll

Competencies and Suggested Objectives
<ol style="list-style-type: none">1. Apply appropriate payroll accounting practices.^{DOK4}<ol style="list-style-type: none">a. Explain the employer's responsibility in reporting payroll records through federal tax forms.b. Explain the common methods for paying compensation (e.g., hourly, salary, commission, independent contractor, etc.) and the financial and tax implications of each.c. Calculate gross and net pay of the employer's payroll taxes.d. Prepare payroll reports.e. Record payroll-related transactions (e.g., payroll payments, accrued payroll, payroll checks, payroll taxes, etc.).

Unit 5: Financial Analysis

Competencies and Suggested Objectives
<ol style="list-style-type: none">1. Assess the financial condition and operating results, analyze, and interpret financial statements, and evaluate information to make informed business decisions. ^{DOK3}<ol style="list-style-type: none">a. Discuss the information that can be obtained from analyzing financial statements.b. Recognize the primary types of analysis (e.g., trend analysis, profitability, liquidity, capital structure) and explain the information that can be obtained from each type.

Unit 6: Compliance

Competencies and Suggested Objectives
<ol style="list-style-type: none">1. Explain the individual income tax procedures and requirements to comply with tax laws and regulations. ^{DOK2}<ol style="list-style-type: none">a. Explain the composition of taxable income and calculate individual income tax.b. Complete individual income tax forms (e.g., W4, W2, 1099, 1040, etc.).c. Distinguish between tax avoidance and evasion.

Appendix: National Standards for Business Education

National Standards for Business Education Crosswalk for Accounting Essentials							
	Units	1	2	3	4	5	6
Standards							
NBEA-A1 Accounting Profession		X					
NBEA-A2 Financial Reports			X		X		
NBEA-A3 Financial Analysis						X	
NBEA-A4 Accounting Principles			X		X		
NBEA-A5 Accounting Process				X			
NBEA-A7 Compliance							X
NBEA-CM1 Foundations of Communication		X					
NBEA-CM2 Interpersonal Skills		X					
NBEA-CM3 Workplace Communication		X					

Accounting

NBEA-A1 – Accounting Profession

- Explain the role that accountants play in business and society.
- Explain career opportunities in the accounting profession.
- Demonstrate the business and professional skills and competencies required to be successful in the accounting profession and/or in an accounting-related career.

NBEA-A2 – Financial Reports

- Use an annual report and financial statements to make informed business decisions.

NBEA-A3 – Financial Analysis

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

NBEA-A4 – Accounting Principles

- 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.

NBEA-A5 – Accounting Process

- Complete the steps in the accounting cycle to prepare financial statements.

NBEA-A7 – Compliance

- Explain the individual income tax procedures and requirements to comply with tax laws and regulations.

Communications**NBEA-CM1 – Foundations of Communications**

- Listen actively, use the communication process, read and research information, and integrate technology to enhance communication effectiveness.

NBEA-CM2 – Interpersonal Skills

- Apply interpersonal skills in personal and professional environments to communicate effectively.

NBEA-CM3 – Workplace Communication

- Incorporate appropriate leadership and supervision techniques, customer service strategies, and personal ethics standards to communicate effectively with various business constituencies.