



## 2023 Accounting Essentials

Direct inquiries to:

Instructional Design Specialist  
Research and Curriculum Unit  
P.O. Drawer DX  
Mississippi State, MS 39762  
662.325.2510

Mississippi Department of Education  
P.O. Box 771  
Jackson, MS 39205  
601.359.3077

Published by:

Mississippi Department of Education  
Jackson, MS 39205

Research and Curriculum Unit  
Mississippi State University  
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.

# Table of Contents

---

Acknowledgments.....	3
Standards.....	5
Executive Summary .....	6
Course Outline .....	7
Unit 1: The Accounting Profession.....	8
Unit 2: Accounting Principles.....	9
Unit 3: The Accounting Process .....	11
Unit 4: Payroll.....	12
Unit 5: Financial Analysis .....	13
Unit 6: Compliance.....	14
Appendix: National Standards for Business Education .....	15

# Acknowledgments

---

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

Mr. Michael D. Kent, interim state superintendent of education  
Ms. Rosemary G. Aultman, chair  
Mr. Glen V. East, vice chair  
Mrs. Mary Werner  
Dr. Ronnie L. McGehee  
Dr. Wendi Barrett  
Mr. Matt Miller  
Mr. Bill Jacobs  
Ms. Micah Hill, student representative  
Mr. Charlie Fruge', student representative

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](mailto: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](http://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](http://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/oea/college-and-career-readiness-standards](http://mdek12.org/oea/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](http://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](http://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](http://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**

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

# Unit 1: The Accounting Profession

---

## Competencies and Suggested Objectives

1. Explain the role accountants play in business and society. <sup>DOK2</sup>
  - 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. <sup>DOK3</sup>
  - 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. <sup>DOK4</sup>
  - 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

---

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

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

## Unit 3: The Accounting Process

---

### Competencies and Suggested Objectives

1. Complete the steps in the accounting cycle for preparing financial statements. <sup>DOK3</sup>
  - 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. <sup>DOK3</sup>
  - 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

---

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

## Unit 5: Financial Analysis

---

<b>Competencies and Suggested Objectives</b>
<ol style="list-style-type: none"><li>1. Assess the financial condition and operating results, analyze, and interpret financial statements, and evaluate information to make informed business decisions. <sup>DOK3</sup><ol style="list-style-type: none"><li>a. Discuss the information that can be obtained from analyzing financial statements.</li><li>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.</li></ol></li></ol>

## Unit 6: Compliance

---

<b>Competencies and Suggested Objectives</b>
--

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

## Appendix: National Standards for Business Education

<b>National Standards for Business Education Crosswalk for Accounting Essentials</b>							
	<b>Units</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>Standards</b>							
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.