

Advanced Accounting (Level 1)

Unit 1: Introduction to Accounting (Module 1 – Chapters 1 & 2)

Suggested Duration: about 30 days

Standards, Big Ideas, and Essential Questions	Competencies and Accounting Core Skills	Vocabulary/Content	Instructional Materials	Suggested Activities
<p>Big Idea: Business must plan for and evaluate operating, financing, and investing decisions.</p> <p>Essential Questions:</p> <ol style="list-style-type: none"> 1. What is a business and why does it exist? 2. What are the different functions within a business? 3. Explain the differences among sole proprietorships, partnerships, and corporations. 4. What is an asset? 5. Explain the differences 	<p>RTM Core Accounting Skills:</p> <ul style="list-style-type: none"> • Basic Math skills • Interpretation of charts and graphs • Analysis and recording of business transactions • Analysis and interpretation based on synthesis of facts • Note taking and organizational skills • Reading comprehension • Research skills • Written and oral expression of facts and concepts <p>Students will be able to:</p>	<ul style="list-style-type: none"> • Accounting • Accounting equation • Accrual basis • Assets • Balance sheet • Business entity • Cash basis • Corporation • Current assets • Current ratio • Debt to equity ratio • Double taxation • Expense • Finance function • Financial Accounting Standards Board (FASB) • Financial statements • Generally Accepted Accounting Principles (GAAP) • Going concern • Income statement 	<p>Textbook: <u>Introduction to Accounting – An Integrated Approach</u> Copyright 2011 Chapters 1 and 2</p> <p><u>Wall Street Journal</u> And selected business publications</p> <p>PowerPoint Presentations</p> <p>Excel and WORD Software files</p> <p>Video clips and biographies CNBC, YouTube, iTunesU</p>	<ul style="list-style-type: none"> • Students will individually complete review questions at the end of each chapter while matching the textbook concept with a real world example. • Students will successfully complete a concept problem using Microsoft Office applications and internet research. • Students will work in groups to complete case studies based on chapter related concepts. • Independent problem solving • Research/Circulate and monitor

<p>among service, merchandising, and manufacturing firms.</p> <p>6. What is a liability?</p> <p>7. What are the four basic financial statements and the purpose of each?</p> <p>8. What is the meaning and purpose of: current ratio, return on sales ratio, and the debt to equity ratio?</p> <p>PA Standards for Business, Computers and Information Technology ACCOUNTING</p> <p>15.1.12.C: Analyze business transactions using T-accounts to determine their impact on a business.</p> <p>15.1.12.D: Analyze, journalize, and post transactions to general & subsidiary ledgers.</p> <p>15.1.12.E: Perform accounting functions using technology as a tool.</p> <p>15.1.12.F: Analyze and journalize transactions for short- and long-term assets.</p>	<ul style="list-style-type: none"> • Explain how and why the conceptual framework of accounting and generally accepted accounting principles provide guidance and structure for preparing financial statements. • Describe the information provided in each financial statement and how the statements articulate with each other. • Identify business ownership structures. • Explain the role of management and the auditor in preparing and issuing an annual report. • Describe the relationship between assets, liabilities, and equity on the balance sheet. • Identify and explain the classifications within assets, liabilities, and equity. • Define and calculate 	<ul style="list-style-type: none"> • Liability • Limited liability partnership (LLP) • Limited liability company (LLC) • Long term Asset • Long term liability • Manufacturing facility • Marketing function • Merchandising company • Monetary unit • Net income • Non-current asset • Non-current liability • Owner’s equity • Partnership • Periodicity concept • Product life cycle • Return on sales ratio • Revenue • S Corporation • Service firm • Sole Proprietorship • Statement of cash flows • Statement of owner’s equity 	<p>Various Apps</p>	<ul style="list-style-type: none"> • Computer lab assignments/LCD projector instruction • Summary, Reflect, Predict • KWL Charts • Think/pair/share, triads, jigsaw, formal cooperative groups. (DOL 2-3) • Higher-level thinking and questioning • Application, problem solving, decision making, experimental inquiry, synthesis/invention, analysis, abstracting, evaluation. (DOL 3-4)
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<p>15.1.12.G: Analyze and journalize transactions involving short- and long-term liabilities.</p>	<p>the current ratio and debt-equity ratio.</p> <ul style="list-style-type: none"> • Describe the information presented in an income statement. (See supplement) • Calculate return on sales (net profit margin) and return on equity. • Identify and explain the three phases of the management cycle. • Identify and explain the four business processes. • Explain and calculate the operating cycle (accounts receivable turnover and inventory turnover). • Explain how internal control procedures are used to safeguard assets. • Prepare a bank reconciliation. 			
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Advanced Accounting (Level 1)

Unit 2: Accounting Information Systems (Module 3 - Chapters 7 & 8)

Suggested Duration: about 45 days

Standards, Big Ideas, and Essential Questions	Competencies and Accounting Core Skills	Vocabulary/Content	Instructional Materials	Suggested Activities
<p>Big Idea: An accounting event must have three characteristics : 1) specific to the entity, 2) measurable in monetary terms, and 3) Impact the entity’s assets, liabilities, and/or owner’s equity.</p> <p>Essential Questions:</p> <ol style="list-style-type: none"> 1. What is GAAP? 2. What is the difference between journalizing and posting? 3. How does a business keep its account records up to date? 4. What is the purpose of 	<p>Students will be able to:</p> <ol style="list-style-type: none"> 1. Describe the purpose of the accounting system. 2. Describe the purpose of journals and ledgers and their relationship. 3. Analyze and describe how business transactions impact the accounting equation. 4. Apply the double-entry system of accounting to record business transactions and prepare a trial balance. 5. Explain the need for adjusting entries and record adjusting entries. 6. Prepare the financial statements for the different types of business operations and ownership 	<ul style="list-style-type: none"> • Account • Accounting cycle • Adjusted trial balance • Adjusting entry • Business event • Chart of accounts • Closing entry • Contra account • Credit • Debit • Direct materials inventory • Discount lost • Expense accrual • Expense deferral • General journal • General ledger • Gross price method • Inventory • Journal entry • Journalizing 	<p>Textbook: <u>Introduction to Accounting – An Integrated Approach</u> Copyright 2011 Chapters 7 and 8</p> <p><u>Wall Street Journal</u> And selected business publications</p> <p>PowerPoint Presentations</p> <p>Excel and WORD Software files</p> <p>Video clips and</p>	<ul style="list-style-type: none"> • Students will individually complete review questions at the end of each chapter while matching the textbook concept with a real world example. • Students will successfully complete a concept problem using Microsoft Office applications and internet research. • Students will work in groups to complete case studies based on chapter related concepts • Independent problem solving • Research/Circulate and monitor • Computer lab assignments/LCD projector instruction • Summary, Reflect, Predict • KWL Charts • Think/pair/share, triads, jigsaw, formal cooperative groups. (DOL 2-3)

<p>adjusting and closing entries?</p> <p>5. How does a worksheet assist in creating financial statements?</p> <p>PA Standards for Business, Computers and Information Technology ACCOUNTING</p> <p>15.1.12.C: Analyze business transactions using T-accounts to determine their impact on a business.</p> <p>15.1.12.D: Analyze, journalize, and post transactions to general & subsidiary ledgers.</p> <p>15.1.12.E: Perform accounting functions using technology as a tool.</p> <p>15.1.12.F: Analyze and journalize transactions for short- and long-term assets.</p> <p>15.1.12.G: Analyze and journalize transactions involving short- and long-term liabilities.</p>	<p>structures.</p> <p>7. Explain the purposes of the closing process and record closing entries.</p> <p>8. Complete the steps in the accounting cycle and prepare financial statements.</p> <p>9. Describe the differences between the periodic and perpetual inventory systems.</p> <p>10. Describe the difference between the gross price method and the net price method.</p> <p>11. Record business transactions using the gross price method and the net price method.</p> <p>12. Calculate payroll taxes.</p>	<ul style="list-style-type: none"> • Loss on inventory • Master file • Merchandise inventory • Net price method • Normal balance • Periodic inventory system • Permanent account • Perpetual inventory system • Post-closing trial balance • Posting • Purchase discounts • Purchase returns and allowances • Purchases • Revenue accrual • Revenue deferral • Special journal • Subsidiary ledger • T-account • Transaction files • Trial balance 	<p>biographies CNBC, YouTube, iTunesU</p> <p>Various Apps</p>	<ul style="list-style-type: none"> • Higher-level thinking and questioning • Application, problem solving, decision making, experimental inquiry, synthesis/invention, analysis, abstracting, evaluation. (DOL 3-4)
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Advanced Accounting (Level 1)

Unit 3: Accounting for Sales and Inventory (Module 4 – Chapters 9 & 10)

Suggested Duration: about 45 days

Standards, Big Ideas, and Essential Questions	Competencies and Accounting Core Skills	Vocabulary/Content	Instructional Materials	Suggested Activities
<p>Big Idea: A manufacturing firm typically maintains three types of inventory accounts in the general ledger: each of which reflects a different aspect of the manufacturing process.</p> <p>Essential Questions:</p> <ol style="list-style-type: none"> 1. What is the difference between actual and applied manufacturing overhead? 2. What are some examples of direct and indirect labor and how are they differentiated? 3. Name the four levels of production activity and 	<p>RTM Core Accounting Skills:</p> <ul style="list-style-type: none"> • Basic Math skills • Interpretation of charts and graphs • Analysis and recording of business transactions • Analysis and interpretation based on synthesis of facts • Note taking and organizational skills • Reading comprehension • Research skills • Written and oral expression of facts and concepts <p>Students will be able to:</p> <ul style="list-style-type: none"> • Explain the different types of manufacturing costs 	<ul style="list-style-type: none"> • Activity-based costing • Actual manufacturing overhead • Applied manufacturing overhead • Cost of goods manufactured • Cost pool • Direct labor price variance • Direct labor usage variance • Direct material usage variance • Direct Materials Inventory • Direct materials 	<p>Textbook: <u>Introduction to Accounting – An Integrated Approach</u> Copyright 2011 Chapters 9 and 10</p> <p><u>Wall Street Journal</u> And selected business publications</p> <p>PowerPoint Presentations</p> <p>Excel and WORD Software files</p> <p>Video clips and biographies CNBC, YouTube,</p>	<ul style="list-style-type: none"> • Students will individually complete review questions at the end of each chapter while matching the textbook concept with a real world example. • Students will successfully complete a concept problem using Microsoft Office applications and internet research. • Students will work in groups to complete case studies based on chapter related concepts • Independent problem solving • Research/Circulate and monitor • Computer lab assignments/LCD projector instruction • Summary, Reflect, Predict • KWL Charts • Think/pair/share, triads, jigsaw,

<p>describe how they are important.</p> <p>PA Standards for Business, Computers and Information Technology ACCOUNTING</p> <p>15.1.12.J: Analyze the various methods for maintaining and valuing inventory (FIFO, LIFO, etc.) and describe their effect on financial statements.</p> <p>15.1.12.K: Describe, calculate, and journalize the sales and cost of sales including purchases, transportation costs, sales taxes, and trade discounts.</p> <p>15.1.12.L: Describe and explain the criteria used to determine expenses and journalize the expense transactions.</p> <p>15.1.12.M: Analyze and calculate gross pay and net pay, including regular and overtime wages, commission, and piece rate.</p> <p>15.1.12.N: Explain how the different forms of business ownership and business operations are reported on</p>	<p>and how they differ from non-manufacturing costs.</p> <ul style="list-style-type: none"> • Describe manufacturing cost flows for direct materials and direct labor and record these activities. • Describe the criteria used to determine revenue recognition. • Record revenue-related transactions. • Explain the accounting methods used to determine the value of accounts receivable to be reported on the balance sheet and describe the effect on the income statement. • Prepare a schedule of cost of goods manufactured, a schedule of cost of goods sold, and an income statement for a manufacturer. • Identify and describe the cost flow assumptions for inventory and explain the impact on the balance sheet and income statement. • Calculate cost of goods sold and ending inventory 	<p>inventory variance</p> <ul style="list-style-type: none"> • Direct materials price variance • Finished Goods Inventory • First-in, first-out (FIFO) • Full-absorption costing • Last-in, first-out (LIFO) • Manufacturing overhead • Net realizable value • Over-applied overhead • Predetermined overhead rate • Sales Discount • Sales price variance • Sales quantity variance • Sales Returns and Allowances • Specific identification method • Under-applied overhead • Variance • Work-in-process 	<p>iTunesU</p> <p>Various Apps</p>	<p>formal cooperative groups. (DOL 2-3)</p> <ul style="list-style-type: none"> • Higher-level thinking and questioning • Application, problem solving, decision making, experimental inquiry, synthesis/invention, analysis, abstracting, evaluation. (DOL 3-4) •
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<p>financial statements.</p> <p>.</p> <p>15.1.12.E: Perform accounting functions using technology as a tool.</p> <p>15.1.12.F: Analyze and journalize transactions for short- and long-term assets.</p> <p>15.1.12.G: Analyze and journalize transactions involving short- and long-term liabilities.</p>	<p>using LIFO and FIFO inventory costing methods.</p> <ul style="list-style-type: none"> • Explain how inventory for a manufacturing business differs from inventory for a merchandising business. • Explain how an activity-based costing system operates, including the identification of activity cost pools, and the selection of cost drivers. • Explain the flow of costs through the manufacturing accounts used in product costing. • Compute a predetermined overhead rate, and explain its use in job-order costing. • Determine whether manufacturing overhead is over/under-applied. • Prepare journal entries to record the costs of direct material, direct labor, and manufacturing overhead in a job-order costing system. • Prepare a schedule of cost of goods manufactured, a schedule of cost of goods sold, and an income 	<p>Inventory</p>		
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Advanced Accounting (Level 1)

Unit 4: Time Value of Money/Capital Investments (Module 5 & 6 – Chapters 11, 12, &16)

Suggested Duration: about 45 days

Standards, Big Ideas, and Essential Questions	Competencies and Accounting Core Skills	Vocabulary/Content	Instructional Materials	Suggested Activities
<p>Big Idea: The capital resources process involves the investing and financing activities of a company.</p> <p>Essential Questions:</p> <ol style="list-style-type: none"> 1. What is the management cycle, and how does it relate to strategic and short-term planning? 2. How does time impact investment decisions? 3. Describe the six-time value of money elements. 	<p>RTM Core Accounting Skills:</p> <ul style="list-style-type: none"> • Basic Math skills • Interpretation of charts and graphs • Analysis and recording of business transactions • Analysis and interpretation based on synthesis of facts • Note taking and organizational skills • Reading comprehension • Research skills • Written and oral expression of facts and concepts <p>Students will be able to:</p> <ul style="list-style-type: none"> • Determine present value and future value cash 	<ul style="list-style-type: none"> • Accelerated depreciation • Amortization • Annual rate of return • Annuity • Business risk • Capital budgeting • Capital expenditure • Capitalize • Compound interest • Copyright • Cost of capital • Declining balance depreciation • Depletion • Depreciable cost • Double-declining balance depreciation 	<p>Textbook: <u>Introduction to Accounting – An Integrated Approach</u> Copyright 2011 Chapters 11, 12 and 16</p> <p><u>Wall Street Journal</u> And selected business publications</p> <p>PowerPoint Presentations</p> <p>Excel and WORD Software files</p> <p>Video clips and biographies CNBC, YouTube,</p>	<ul style="list-style-type: none"> • Students will individually complete review questions at the end of each chapter while matching the textbook concept with a real world example. • Students will successfully complete a concept problem in the computer lab using Microsoft Office applications and internet research. • Students will work in groups to complete case studies based on chapter related concepts • Independent problem solving

<p>PA Standards for Business, Computers and Information Technology ACCOUNTING</p> <p>15.1.12.T: Assess profitability, liquidity, and solvency by calculating and interpreting financial ratios.</p> <p>15.1.12.U: Assess capital structure by calculating and interpreting financial ratios.</p> <p>15.1.12.V: Analyze and explain the use of industry averages in assessing the financial condition, operating results, profitability, liquidity, and capital structure.</p> <p>15.1.12.W: Analyze business activities using cash flow statements.</p> <p>15.1.12.X: Analyze and perform breakeven and cost benefit analyses to support financial decisions.</p> <p>15.1.12.Y: Determine and calculate taxable income and tax liability for both personal and business taxes.</p>	<p>flows.</p> <ul style="list-style-type: none"> Record the sale and disposal of fixed assets and the impact on financial statements. Explain the purpose and methods of cost allocation. Calculate and record depreciation, depletion, and amortization, and explain the impact on financial statements. Use net present value concepts to make investment decisions. 	<ul style="list-style-type: none"> Expected rate of return Franchise Future value of \$1.00 and an annuity Gain on disposal Goal incongruence Goodwill Hurdle rate Inflation risk Leasehold Liquidity risk Loss on disposal Materiality Midyear convention Modified accelerated cost recovery system (MACRS) Natural resources Net present value analysis Operating leverage Patent Plant assets Present value of \$1.00 and an annuity Rate of return Residual value Return of investment 	<p>iTunesU</p> <p>Various Apps</p>	<ul style="list-style-type: none"> Research/Circulate and monitor Computer lab assignments/LCD projector instruction Summary, Reflect, Predict KWL Charts Think/pair/share, triads, jigsaw, formal cooperative groups. (DOL 2-3) Higher-level thinking and questioning Application, problem solving, decision making, experimental inquiry, synthesis/invention, analysis, abstracting, evaluation. (DOL 3-4)
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<p>15.1.12.Z: Demonstrate an auditing procedure that provides assurance that financial records are accurate.</p>		<ul style="list-style-type: none">• Return on assets ratio• Return on investment• Risk• Salvage value• Simple interest• Straight-line depreciation• Tax shield• Time value of money• Units-of-production depreciation		
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Advanced Accounting (Level 1)

Unit 5: Equity Financing/Debt Financing (Module 7 – Chapters 13, 14, & 15)

Suggested Duration: about 45 days

Standards, Big Ideas, and Essential Questions	Competencies and Accounting Core Skills	Vocabulary/Content	Instructional Materials	Suggested Activities
<p>Big Idea: Investing and financing are intricate parts of the organization and operation of a business.</p> <p>Essential Questions:</p> <ol style="list-style-type: none"> 1. How do companies plan for debt versus equity financing? 2. What are the three sources of funds and how are they used by a business? 3. What are the risks and rewards of debt financing? 4. What are the risks and rewards of equity financing? 5. Why is par value rather than market 	<p>RTM Core Accounting Skills:</p> <ul style="list-style-type: none"> • Basic Math skills • Interpretation of charts and graphs • Analysis and recording of business transactions • Analysis and interpretation based on synthesis of facts • Note taking and organizational skills • Reading comprehension • Research skills • Written and oral expression of facts and concepts 	<ul style="list-style-type: none"> • Authorized shares • Bond • Bond issue • Budgeted statement of owner’s equity • Callable bond • Callable preferred stock • Capital lease • Carrying value of debt • Cash dividend • Collateral • Common stock • Convertible bond • Convertible preferred stock • Covenants • Cumulative preferred stock • Date of declaration • Date of payment • Date of record • Debenture bonds • Debt financing • Discount on a note 	<p>Textbook: <u>Introduction to Accounting – An Integrated Approach</u> Copyright 2011 Chapters 13, 14 and 15</p> <p><u>Wall Street Journal</u> And selected business publications</p> <p>PowerPoint Presentations</p> <p>Excel and WORD Software files</p> <p>Video clips and biographies CNBC, YouTube, iTunesU</p>	<ul style="list-style-type: none"> • Students will individually complete review questions at the end of each chapter while matching the textbook concept with a real world example. • Students will successfully complete a concept problem using Microsoft Office applications and internet research. • Students will work in groups to complete case studies based on chapter related concepts • Independent problem solving • Research/Circulate and monitor • Computer lab

<p>value recorded in a stock account?</p> <p>6. What does a deficit value in Retained Earnings indicate?</p> <p>PA Standards for Business, Computers and Information Technology ACCOUNTING</p> <p>15.1.12.E: Perform accounting functions using technology as a tool.</p> <p>15.1.12.F: Analyze and journalize transactions for short- and long-term assets.</p> <p>15.1.12.G: Analyze and journalize transactions involving short- and long-term liabilities.</p> <p>15.1.12.R: Explain the primary areas of analysis (trend analysis, profitability, liquidity, capital structure) and the information that can be obtained from each.</p> <p>15.1.12.U: Assess capital structure by calculating and interpreting financial ratios.</p>	<p>Students will be able to:</p> <ol style="list-style-type: none"> 1. Compare and contrast debt & equity financing 2. Review debt-to-equity ratio. 3. Identify and describe the different classes of stock and explain the rights afforded each class of stock. 4. Describe the difference between cash dividends, stock dividends, and stock splits, and the impact on the financial statements. 5. Record stock transactions: contributions by owners, corporate distributions (dividends), and the reacquisition of company stock. 6. Define and calculate TIE (Times-interest-earned ratio). 7. Record interest expense for bonds issued at face value, 	<ul style="list-style-type: none"> • Discount on Bonds Payable • Discount on Notes Payable • Dividend reinvestment program • Dividends in arrears • Equity financing • Face value of the note • Financial leverage • Financial risk • Holder of the note • Issued shares • Lease • Legal capital • Lump-sum payment note • Maker of the note • Market interest rate • Market value • Mortgage • No-par stock • Operating lease • Outstanding shares • Paid-in Capital from Treasury Stock • Paid-in Capital in Excess of Par Value • Par value • Participating preferred stock • Periodic payment and lump-sum note • Preemptive right • Preferred stock • Premium on a note 	<p>Various Apps</p>	<p>assignments/LCD projector instruction</p> <ul style="list-style-type: none"> • Summary, Reflect, Predict • KWL Charts • Think/pair/share, triads, jigsaw, formal cooperative groups. (DOL 2-3) • Higher-level thinking and questioning • Application, problem solving, decision making, experimental inquiry, synthesis/invention, analysis, abstracting, evaluation. (DOL 3-4)
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<p>15.1.12.W: Analyze business activities using cash flow statements.</p> <p>15.1.12.X: Analyze and perform breakeven and cost benefit analyses to support financial decisions.</p>	<p>a premium and a discount using the effective-interest method.</p> <p>8. Calculate the carrying value, interest expense, and cash payment for note payable (periodic payment, lump-sum, periodic plus lump-sum) transactions.</p> <p>9. Record transactions for notes payable: issuance and interest expense.</p> <p>10. Record transactions for bonds issued at face value, a premium and a discount.</p> <p>11. Compare and contrast a periodic payment note payable, a lump-sum note payable, and a periodic and lump sum note payable.</p>	<ul style="list-style-type: none"> • Premium on Bond Payable • Proceeds of the note • Property dividend • Registered bonds • Retired shares • Return on owner's equity ratio • Reverse stock split • Secured bond • Serial bond • Stock dividend • Stock split • Subordinated bonds • Times interest earned ratio • Treasury stock • Unsecured bond 		
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