

Key Learning: Students will review basic accounting concepts learned in the first level course.

Unit Essential Questions:  
How does a business organize financial information to analyze the progress of the business?



**Standards:**

- 15.1.12.C Analyze business transactions using T-accounts to determine their impact on a business.
- 15.1.12.D Analyze, journalize, and post transactions to general and subsidiary ledgers.
- 15.1.12.L Describe and explain the criteria used to determine expenses and journalize the expense transactions.
- 15.1.12.Q Prepare financial statements (including a Balance Sheet, Profit & Loss and Owner's Equity) and understand their relevance.
- 15.1.12.Z Demonstrate an auditing procedure that provides assurance that financial records are accurate.

**Lesson Review of the Accounting Cycle**

**Lesson Essential Questions:**

- How are transactions analyzed using T-accounts?
- How are transactions journalized and posted to the general and subsidiary ledgers?
- How are financial statements prepared?
- How are adjusting and closing entries journalized and posted?
- Why is auditing the books important to the success of the business?

**Vocabulary:** accounting equation, assets, liabilities, owner's equity, capital, stockholder's equity, capital stock, retained earnings, income statement, balance sheet, work sheet, debit, credit, posting, adjusting entries, closing entries, auditing

Key Learning: Students will learn about professional designations, careers, and organizations within the field of accounting.

Unit Essential Questions:  
How is the field of accounting regulated?

Standard:

15.1.12.A Summarize professional designations, careers, and organizations within the field of accounting, including education and certification requirements.

15.1.12.B Analyze the roles of policy-setting bodies in the accounting profession, e.g. American Institute of Certified Public Accountants (AICPA), Pennsylvania Institute of Certified Public Accountants (PICPA), Generally Accepted Accounting Principles (GAAP), and Securities Exchange Commission (SEC).

Lesson Accounting as a Profession

Lesson Essential Questions:

Why do individuals pursue a career in accounting?

Why does the field of accounting need to be regulated?

Vocabulary: AICPA, PICPA, GAAP, SEC

**Key Learning:** Students will prepare financial statements for a merchandising business organized as a corporation.

**Unit Essential Questions:**  
How and why are financial statements prepared?

**Standard:** 15.1.12.Q Prepare financial statements (including a Balance Sheet, Profit & Loss and Owner's Equity) and understand their relevance.

Lesson Preparing an income statement	Lesson Analyzing an Income Statement
<p>Lesson Essential Questions:</p> <p>Why do businesses prepare income statements?</p> <p>How do businesses prepare income statements?</p>	<p>Lesson Essential Questions:</p> <p>How is an income statement used to make decisions?</p>
<p>Vocabulary: net sales, cost of merchandise sold, gross profit on sales</p>	<p>Vocabulary: acceptable component percentages, earnings per share, price-earnings ratio, financial ration</p>

**Key Learning:** Students will prepare financial statements for a merchandising business organized as a corporation.

**Unit Essential Questions:**  
How and why are financial statements prepared?

**Standard:** 15.1.12.Q Prepare financial statements (including a Balance Sheet, Profit & Loss and Owner's Equity) and understand their relevance.

Lesson Preparing a Statement of Stockholder's Equity	Lesson Preparing a Balance Sheet
<p>Lesson Essential Questions:</p> <p>Why do businesses prepare a statement of stockholder's equity?</p> <p>How do businesses prepare a statement of stockholder's equity?</p>	<p>Lesson Essential Questions:</p> <p>How is a balance sheet used to make decisions?</p> <p>Why do businesses prepare balance sheets?</p> <p>How do businesses prepare balance sheets?</p>
<p>Vocabulary: par value, statement of stockholder's equity, retained earnings, capital stock</p>	<p>Vocabulary: current liabilities, long-term liabilities, supporting schedule</p>

**Key Learning:** Students will complete the end of the accounting cycle tasks by journalizing and posting adjustments and closing entries.

**Unit Essential Questions:**  
How and why are adjusting and closing entries journalized and posted?



Standard: 15.1.12.D Analyze, journalize, and post transactions to general and subsidiary ledgers.

Lesson Recording Adjusting Entries for a Corporation	Lesson Recording Closing Entries for Income Statement Accounts
<p>Lesson Essential Questions:</p> <p>Why do businesses record adjusting entries?</p> <p>How do businesses record adjusting entries?</p>	<p>Lesson Essential Questions:</p> <p>Why do businesses record closing entries?</p> <p>How do businesses record closing entries?</p>
<p>Vocabulary: adjusting entries, work sheet, allowance for uncollectible accounts, merchandise inventory, supplies, prepaid insurance, depreciation, federal income tax</p>	<p>Vocabulary: income summary, income statement accounts,</p>

**Key Learning:** Students will complete the end of the accounting cycle tasks by journalizing and posting adjustments and closing entries.

**Unit Essential Questions:**  
How and why are adjusting and closing entries journalized and posted?



Standard: 15.1.12.D Analyze, journalize, and post transactions to general and subsidiary ledgers.	
Lesson Preparing a Post-closing Trial Balance	Lesson Accounting Cycle
<p>Lesson Essential Questions:</p> <p>Why do businesses prepare a post-closing trial balance?</p> <p>How do businesses prepare a post-closing trial balance?</p>	<p>Lesson Essential Questions:</p> <p>Why do businesses follow the accounting cycle?</p>
Vocabulary: post-closing trial balance	Vocabulary: steps in the accounting cycle

**Key Learning:** Students will complete a manual and an automated simulation to demonstrate understanding of the accounting cycle.

**Unit Essential Questions:**

How does a business organize financial information to analyze the affect of the daily transactions on a business?

**Standard:**

15.1.12.D Analyze, journalize, and post transactions to general and subsidiary ledgers.

15.1.12.L Describe and explain the criteria used to determine expenses and journalize the expense transactions.

15.1.12.Q Prepare financial statements (including a Balance Sheet, Profit & Loss and Owner's Equity) and understand their relevance.

Lesson Manual Practice Set of Accounting Cycle	Lesson Automated Practice Set of Accounting Cycle
<p>Lesson Essential Questions:</p> <p>How do businesses complete the financial records for an accounting cycle manually?</p>	<p>Lesson Essential Questions:</p> <p>How do businesses complete the financial records for an accounting software using an automated system?</p>
<p>Vocabulary: journalizing, posting, totaling and ruling, work sheets, financial statements, trial balances, ratios</p>	<p>Vocabulary: automated accounting</p>

**Key Learning:** Students will learn accounting procedures to make adjustments for customer's who do not pay their accounts.

**Unit Essential Questions:**

Why do businesses need to record uncollectible accounts expense at the end of the fiscal period?

<p><b>Standard:</b></p> <p>15.1.12.D Analyze, journalize, and post transactions to general and subsidiary ledgers.</p> <p>15.11.12.L Describe and explain the criteria used to determine expenses and journalize the expense transactions.</p>	
<p>Lesson Uncollectible Accounts</p>	<p>Lesson Writing Off and Collecting Uncollectible Accounts Receivable</p>
<p>Lesson Essential Questions:</p> <p>Why do businesses sell services and merchandise on account?</p> <p>How and why do businesses estimate and record uncollectible accounts expense?</p>	<p>Lesson Essential Questions:</p> <p>How do businesses write off uncollectible accounts receivable?</p> <p>How do businesses record the collection of an account that was previously written-off?</p>
<p>Vocabulary: Uncollectible accounts expense</p>	<p>Vocabulary: writing off an account, allowance for uncollectible accounts, contra account</p>

**Key Learning:** Students will identify accounting concepts and practices related to accounting for plant assets, depreciation, and property tax expense.

**Unit Essential Questions:**  
Why do businesses calculate depreciation on plant assets?

**Standard:**

15.1.12.D Analyze, journalize, and post transactions to general and subsidiary ledgers.

15.1.12.H Identify, calculate, and record depreciation, depletion and amortization; explain their effect on the financial statements.

<p>Lesson Buying Plant Assets and Paying Property Tax</p>	<p>Lesson Calculating Depreciation Expense</p>
<p>Lesson Essential Questions:</p> <p>How do businesses record the purchase of plant assets?</p> <p>How do businesses calculate and pay property tax?</p>	<p>Lesson Essential Questions:</p> <p>Why do businesses record depreciation expense on plant assets?</p> <p>How do businesses record depreciation expense?</p>
<p>Vocabulary: real property, personal property, assessed value, plant asset</p>	<p>Vocabulary: straight-line depreciation, partial year depreciation, accumulated depreciation, book value</p>

**Key Learning:** Students will identify accounting concepts and practices related to accounting for plant assets, depreciation, and property tax expense.

**Unit Essential Questions:**  
Why do businesses calculate depreciation on plant assets?

**Standard:**

15.1.12.D Analyze, journalize, and post transactions to general and subsidiary ledgers.

15.1.12.H Identify, calculate, and record depreciation, depletion and amortization; explain their effect on the financial statements.

Lesson Journalizing Depreciation Expense	Lesson Disposing of Plant Assets
<p>Lesson Essential Questions:</p> <p>How does a business prepare a plant asset record?</p> <p>How does a business journalize annual depreciation expense?</p> <p>How does a business post annual depreciation expense?</p>	<p>Lesson Essential Questions:</p> <p>How does a business record the sale of a plant asset for book value?</p> <p>How do businesses record a plant asset's depreciation expense for a partial year?</p> <p>How does a business record the sale of a plant asset for more than book value?</p> <p>How does a business record the sale of a plant asset for less than book value?</p>
<p>Vocabulary: accumulate depreciation, plant asset record</p>	<p>Vocabulary: straight-line depreciation, partial year depreciation, accumulated depreciation, book value</p>

**Key Learning:** Students will identify accounting concepts and practices related to accounting for plant assets, depreciation, and property tax expense.

**Unit Essential Questions:**  
Why do businesses calculate depreciation on plant assets?

**Standard:**

15.1.12.D Analyze, journalize, and post transactions to general and subsidiary ledgers.

15.1.12.H Identify, calculate, and record depreciation, depletion and amortization; explain their effect on the financial statements.

<p>Lesson Declining Balance Method of Depreciation</p>	<p>Lesson Sum-of-the-year's Digits Method of Depreciation</p>
<p>Lesson Essential Questions:</p> <p>How does a business record depreciation using the declining balance method?</p>	<p>Lesson Essential Questions:</p> <p>How does a business record depreciation using the sum-of-the-year's digits method?</p>
<p>Vocabulary: declining balance method</p>	<p>Vocabulary: sum-of-the-year's digits method</p>

**Key Learning:** Students will identify accounting concepts and practices related to accounting for plant assets, depreciation, and property tax expense.

**Unit Essential Questions:**  
Why do businesses calculate depreciation on plant assets?

**Standard:**

15.1.12.D Analyze, journalize, and post transactions to general and subsidiary ledgers.

15.1.12.H Identify, calculate, and record depreciation, depletion and amortization; explain their effect on the financial statements.

Lesson Production Method of Depreciation	Lesson Depletion
<p>Lesson Essential Questions:</p> <p>How does a business record depreciation using the production method?</p>	<p>Lesson Essential Questions:</p> <p>How does a business record depreciation using depletion of a natural resource?</p>
Vocabulary: production method	Vocabulary: depletion

**Key Learning:** Students will identify accounting concepts and practices related to inventory.

**Unit Essential Questions:**

Why is it important for a business to keep an accurate inventory cost and an efficient amount of inventory on hand?

**Standard:** 15.1.12.J Analyze the various methods for maintaining and valuing inventory (FIFO, LIFO, etc.) and describe their effect on financial statements.

<p>Lesson: Determining the Quantity of Merchandise Inventory</p>	<p>Lesson Determining the Cost of Merchandise Inventory</p>
<p>Lesson Essential Questions:</p> <p>Why is keeping accurate records about merchandise inventory important to a business?</p> <p>How do businesses keep track of their inventory?</p>	<p>Lesson Essential Questions:</p> <p>How do businesses determine the cost of merchandise inventory?</p> <p>Why are there different methods of costing inventory?</p> <p>Why does the value of ending inventory sometimes have to be an estimate?</p>
<p>Vocabulary: periodic inventory, perpetual inventory, inventory record, stock record, stock ledger</p>	<p>Vocabulary: first-in, first-out inventory costing method, last-in, first-out inventory costing method, weighted-average inventory costing method, gross profit method of estimating inventory</p>

Key Learning: Students will learn how businesses use notes receivables and notes payables.

Unit Essential Questions:

Why do businesses issue and accept promissory notes?

Standard:

15.1.12.D Analyze, journalize, and post transactions to general and subsidiary ledgers.

15.1.12.G Analyze and journalize the transactions involving short- and long-term liabilities.

Lesson Promissory Notes	Lesson Notes Payable/Notes Receivable
<p>Lesson Essential Questions:</p> <p>Why is lending and borrowing necessary?</p> <p>How is interest calculated on a promissory note?</p> <p>How is the maturity date calculated on a promissory note?</p>	<p>Lesson Essential Questions:</p> <p>How are notes payables and notes receivables journalized?</p> <p>How is the payment of principal and interest on a note payable journalized?</p> <p>How is a note payable for an extension of time on an accounts payable journalized?</p> <p>How is the payment for a note payable issued for an extension of time journalized?</p> <p>How is the collection of principal and interest on a note receivable journalized?</p> <p>How is a dishonored note journalized?</p>
<p>Vocabulary:</p> <p>number of a note, date of a note, payee of a note, time of a note, principal of a note, interest rate of a note, maturity date of a note, maker of a note, promissory note, creditor, notes payable, interest, maturity value</p>	<p>Vocabulary:</p> <p>current liabilities, interest expense, interest income, notes payable, notes receivable, dishonored note</p>

Key Learning:

Students will discuss why businesses must account for interest at the end of the fiscal period.

Unit Essential Questions:

Why must businesses account for interest at the end of the fiscal period?

Standard: 15.1.12.D Analyze, journalize, and post transactions to general and subsidiary ledgers.

Lesson Accrued Revenue	Lesson Accrued Expenses
<p>Lesson Essential Questions:</p> <p>Why does a businesses have to account for accrued revenue at the end of the fiscal period?</p> <p>How is accrued interest income calculated and journalized?</p> <p>How is a reversing entry recorded for interest income?</p>	<p>Lesson Essential Questions:</p> <p>Why do businesses have to account for accrued expenses at the end of the fiscal period?</p> <p>How is accrued interest expense calculated and journalized?</p> <p>How is a reversing entry recorded for interest expense?</p>
<p>Vocabulary: Accrued revenue, intellectual property, accrued interest income, reversing entry</p>	<p>Vocabulary: Accrued expenses, accrued interest expense</p>

**Key Learning:**

Students will prepare a worksheet, income statement, and balance sheet for a corporation.

**Unit Essential Questions:**

Why are financial statements prepared at the end of the fiscal period?

**Standard:**

15.1.12.D Analyze, journalize, and post transactions to general and subsidiary ledgers.

15.1.12.V Analyze and explain the use of industry averages in assessing the financial condition, operating results, profitability, liquidity, and capital structure.

15.1.12Y Determine and calculate taxable income and tax liability for both personal and business taxes.

Lesson Preparation of a Work Sheet	Lesson Preparing Financial Statements
<p>Lesson Essential Questions:</p> <p>Why is a trial balance prepared on a work sheet?</p> <p>Why are adjustments planned on a work sheet?</p> <p>How is a work sheet used to prepare financial statements?</p>	<p>Lesson Essential Questions:</p> <p>How are financial statements prepared at the end of a fiscal period?</p> <p>How are financial statements analyzed?</p>
<p>Vocabulary: trial balance, work sheet, net income, net loss</p>	<p>Vocabulary: income statement, balance sheet, statement of stockholder's equity, long-term liabilities, working capital, current ratio</p>

Key Learning:

Students will prepare a worksheet, income statement, and balance sheet for a corporation.

Unit Essential Questions:

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15.1.12Y Determine and calculate taxable income and tax liability for both personal and business taxes.

Lesson Adjusting and Closing Entries	Lesson The Accounting Cycle
<p>Lesson Essential Questions:</p> <p>How and why are adjusting and closing entries journalized and posted?</p> <p>Why is a post closing trial balance completed after the closing process?</p>	<p>Lesson Essential Questions:</p> <p>Why do businesses follow the accounting cycle?</p>
<p>Vocabulary: adjusting entries, closing entries, post-closing trial balance</p>	<p>Vocabulary: source documents, journalize transactions, posting, schedule of accounts payable, schedule of accounts receivable, work sheet, trial balance, financial statements, adjusting entries, closing entries, post-closing trial balance, reversing entries</p>

**Key Learning:**

Students will complete a manual and an automated simulation to demonstrate understanding of the accounting cycle.

**Unit Essential Questions:**

How does a business organize financial information to analyze the affect of the daily transactions on a business?

**Standard:**

15.1.12.D Analyze, journalize, and post transactions to general and subsidiary ledgers.

15.1.12.L Describe and explain the criteria used to determine expenses and journalize the expense transactions.

15.1.12.Q Prepare financial statements (including a Balance Sheet, Profit & Loss and Owner's Equity) and understand their relevance.

15.1.12.E Perform accounting functions using technology as a tool.

Lesson Manual Practice Set of Accounting Cycle	Lesson Automated Practice Set of Accounting Cycle
<p>Lesson Essential Questions:</p> <p>How do businesses complete the financial records for an accounting cycle manually?</p>	<p>Lesson Essential Questions:</p> <p>How do businesses complete the financial records using an automated system?</p>
<p>Vocabulary:</p>	<p>Vocabulary:</p>