

**COURSE TITLE**

Honors Accounting

**LENGTH**

Full Year  
Grades 11 - 12

**DEPARTMENT**

Business Education  
Barbara O'Donnell, Supervisor

**SCHOOL**

Rutherford High School

**DATE**

Fall 2016

# Honors Accounting

## I. Introduction/Overview/Philosophy

Honors Accounting I will prepare students for the rigor of college accounting. Students will develop an understanding of double-entry accounting. Topics covered include the following: accounting cycle, accounting systems, internal controls, journals, receivables and payables, accruals and deferrals, inventory, fixed assets and depreciation, and financial statement preparation and analysis. Computerized accounting systems will be implemented for an up-to-date accounting experience.

The core material for this course is similar to Accounting I; however, more topics are covered, the pace is accelerated and expectations are higher. This course is highly recommended for motivated students planning to enter a college business program. Students are eligible for college credit through the Middle College Program.

## II. Objectives

### **Course Outline:**

- A. **The Accounting Environment**
  - 1. Define accounting and explain the role of accounting in making business decisions
  - 2. Identify the users of accounting information
  - 3. Describe the role of CPA's and other accountants in our society
  - 4. State the financial objectives of a business
  - 5. Describe the income statement, capital statement, and balance sheet
  - 6. Analyze business transactions and indicate the effects upon the accounting equation
- B. **Recording business transactions**
  - 1. Describe a ledger and a ledger account
  - 2. Use "T" accounts to analyze business transactions affecting balance sheet and income statement accounts
  - 3. State the rules of debit and credit
  - 4. Record business transactions in a two-column journal
  - 5. Post journal entries to ledger accounts
  - 6. Prepare a trial balance and explain its uses and limitations
- C. **Measuring business income**
  - 1. Define revenue and expenses
  - 2. Define temporary and permanent accounts
  - 3. Explain the difference between cash basis and accrual basis accounting
  - 4. Explain the matching principle and the use of accounting periods in measuring business income
  - 5. Explain the purpose of adjusting entries
  - 6. Prepare the basic types of adjusting entries
- D. **Completion of the accounting cycle**
  - 1. Prepare a worksheet, given appropriate accounting data
  - 2. Prepare financial statements from a completed worksheet
  - 3. Explain the purpose of closing entries
  - 4. Journalize adjusting closing and reversing entries
  - 5. Describe the accounting cycle

- E. **Accounting for a merchandising enterprise**
1. Define merchandising, cash discounts, FOB shipping, FOB destination
  2. Explain the difference between the periodic inventory system and the perpetual inventory system
  3. Determine the cost of goods sold, by periodic inventory method
  4. Prepare a worksheet and closing entries for a merchandising company
  5. Prepare an income statement for a merchandising business
- F. **Accounting systems**
1. Explain the purpose and characteristics of special journals
  2. Define subsidiary ledgers and controlling accounts
  3. Record business transactions in a sales journal, purchase journal, cash receipts journal, cash payments journal, and a general journal
  4. Post from the journals to a general ledger and subsidiary ledger
- G. **Internal control and cash transactions**
1. Internal control
    - i. Define internal control
    - ii. Describe means used to achieve internal control in small businesses
    - iii. Explain how to maintain internal control over merchandise transactions
    - iv. Define purchase orders, invoice, and receiving reports
    - v. Explain the internal control achieved through the net price method
  2. Control of cash
    - i. Explain the objectives of efficient cash management
    - ii. Describe the controls associated with the asset cash
    - iii. Prepare a bank reconciliation
    - iv. Describe the operation of a petty cash fund
- H. **Accounts and notes receivable**
1. Describe the methods of accounting for uncollectible accounts: the allowance method and the direct charge-off method
  2. Calculate uncollectible accounts expense using the two methods for estimating doubtful accounts: the income statement approach and the balance sheet approach
  3. Calculate the interest on notes receivable
  4. Determine and journalize discounting of notes receivable
  5. Describe accounting for short-term investments
- I. **Inventories**
1. Define merchandise inventory and show the effects of inventory understatement and overstatement on income determination
  2. Distinguish between a periodic inventory and perpetual inventory system
  3. Calculate the value of inventories using various inventory costing methods
    - i. Specific identification
    - ii. First-in, first out (FIFO)
    - iii. Last-in, first out (LIFO)
    - iv. Average cost
  4. Prepare FIFO and LIFO schedule for periodic and perpetual inventory systems
  5. Identify the effects that each cost flow assumption has on the financial statements, and define inventory profits
  6. Apply the lower-of-cost-or-market rule to inventory valuation
  7. Estimate the cost of ending inventory using the gross profit and retail inventory methods

**Student Outcomes:**

After successfully completing this course, the student will:

- identify elements of the accounting equation and describe the changes that take place in them as a result of any business transaction.
- identify, in a logical sequence, all the steps of the accounting cycle including the flow of transactions through journals and ledgers, the preparation of a trial balance, worksheet, the use of adjusting and closing entries, the balance sheet, the income statement, the capital statement, and the statement of cash flows for service and merchandising oriented businesses
- analyze business transactions in both a service concern and a merchandise concern, and make appropriate journal entries and post them to the general ledger.
- prepare classified balance sheets and classified income statements; compare multi-step income statements with single step income statements.
- describe methods of controlling and recording cash transactions; prepare bank reconciliation and make adjusting journal entries.
- maintain petty cash balance, and make appropriate journal entries.
- analyze receivable, determine the allowance for doubtful accounts and make adjusting journal entries.
- determine the cost of merchandise inventory using different flow methods and identify the importance of inventory control systems.
- compute depreciation of fixed assets using different methods; make appropriate journal entries for depreciation, and sale or other disposals of fixed assets.
- prepare a payroll register and make appropriate journal entries.
- observe and/or apply accounting concepts to selected case studies.
- describe the role of the accounting profession in the business world and the place of ethics in the profession.
- display a number of skills required by the accounting profession (i.e., speaking, writing, analyzing, calculating, research, technical competence, computer literacy, group cooperation).

**New Jersey Student Learning Standards****CAREER READY PRACTICES**

- CRP1 Act as a responsible and contributing citizen and employee.
- CRP2 Apply appropriate academic and technical skills.
- CRP4 Communicate clearly and effectively and with reason.
- CRP5 Consider the environmental, social and economic impacts of decisions.
- CRP8 Utilize critical thinking to make sense of problems and persevere in solving them.
- CRP9 Model integrity, ethical leadership and effective management.
- CRP10 Plan education and career paths aligned to personal goals.
- CRP11 Use technology to enhance productivity.

**TECHNOLOGY**

Standard 8.1: Educational Technology: All students will use digital tools to access, manage, evaluate, and synthesize information in order to solve problems individually and collaboratively and to create and communicate knowledge.

Strand A: Technology Operations and Concepts

Strand F: Critical Thinking, Problem Solving, and Decision Making

**21ST CENTURY LIFE AND CAREERS****Standard 9.1: Personal Financial Literacy**

Strand B: Money Management

Strand C: Credit and Debt Management

**Standard 9.3: Career and Technical Education - Business Management and Administration (BM)**

9.3.12.BM.1 Utilize mathematical concepts, skills and problem solving to obtain necessary information for decision-making in business.

9.3.12.BM.5 Implement systems, strategies and techniques used to manage information in a business.

9.3.ST-SM.4 Apply critical thinking skills to review information, explain statistical analysis, and to translate, interpret and summarize research and statistical data.

**Standard 9.3: Career and Technical Education – Finance - Accounting Career Cluster (FN-ACT)**

9.3.12.FN-ACT.1 Describe and follow laws and regulations to manage accounting operations and transactions

9.3.12.FN-ACT.2 Utilize accounting tools, strategies and systems to plan, monitor, manage and maintain the use of financial resources.

9.3.12.FN-ACT.3 Process, evaluate and disseminate financial information to assist business decision making.

9.3.12.FN-ACT.4 Utilize career-planning concepts, tools and strategies to explore, obtain and/or develop an accounting career.

**III. Proficiency Levels**

This course is open to grades 11–12. It is designed for college preparatory students. The student must have earned a minimum of a B in Algebra I.

**IV. Methods of Assessment****Student Assessment**

The teacher will provide a variety of assessments during the course of the year. The assessment may include but is not limited to: chapter and unit tests and quizzes, simulations, application problems, homework, and case studies.

**Curriculum/Teacher Assessment**

The teacher will provide the subject area supervisor with suggestions for changes on an ongoing basis.

**V. Grouping**

There are no prerequisites for this course. It is an honors level course.

## VI. Articulation/Scope & Sequence/Time Frame

Course length is one year and is offered to students in grades 11-12. It is an honors level course. The option of obtaining college credit will be offered to students.

## VII. Resources

### *Texts/Supplemental Reading/References*

Textbook: *College Accounting* 14<sup>th</sup> Edition Price, Haddock, Brock Glencoe McGraw Hill 2014  
Computer Simulation: Excel, *Peachtree* and/or *Quickbooks* are used.

## VII. Suggested Activities

Presentations from representatives from colleges that offer programs in accounting and other guest speakers from industry, including local entrepreneurs, are appropriate for the students in this course.

## VIII. Methodologies

The following methods of instruction are suggested: group work/working with partner, Google docs, lecture, demonstration, case studies, and simulations.

## IX. Interdisciplinary Connections

This course incorporates real-world math and writing skills as well as computer literacy.

## X. Differentiating Instruction for Students with Special Needs: Students with Disabilities, English Language Learners, and Gifted & Talented Students

Differentiating instruction is a flexible process that includes the planning and design of instruction, how that instruction is delivered, and how student progress is measured. Teachers recognize that students can learn in multiple ways as they celebrate students' prior knowledge. By providing appropriately challenging learning, teachers can maximize success for all students.

Examples of Strategies and Practices that Support:

### Students with Disabilities

- Use of visual and multi-sensory formats
- Use of assisted technology
- Use of prompts
- Modification of content and student products
- Testing accommodations
- Authentic assessments

### Gifted & Talented Students

- Adjusting the pace of lessons

- Curriculum compacting
- Inquiry-based instruction
- Independent study
- Higher-order thinking skills
- Interest-based content
- Student-driven
- Real-world problems and scenarios

#### English Language Learners

- Pre-teaching of vocabulary and concepts
- Visual learning, including graphic organizers
- Use of cognates to increase comprehension
- Teacher modeling
- Pairing students with beginning English language skills with students who have more advanced English language skills
- Scaffolding
  - word walls
  - sentence frames
  - think-pair-share
  - cooperative learning groups

## **XI. Professional Development**

The teacher will continue to improve expertise through participation in a variety of professional development opportunities.

## XII. Curriculum Map

<b>Class</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>
<b>Honors Accounting</b>	<p><b>Define The Language of Business</b></p> <ul style="list-style-type: none"> <li>● Explain the role of accounting in making business decisions</li> <li>● Identify the uses of accounting information</li> <li>● Describe the role of accountants in our society</li> <li>● State the financial objectives of a business</li> <li>● Describe the income statement, capital statement, and balance sheet</li> </ul> <p><b>Discuss Business Transactions</b></p> <ul style="list-style-type: none"> <li>● Describe a ledger and the ledger account</li> <li>● Use the “T” accounts to analyze business transactions</li> <li>● Define the rules of debit and credit</li> </ul>	<p><b>Recording Business Transactions</b></p> <ul style="list-style-type: none"> <li>● Record business transactions that affect assets, liabilities, owner’s equity, revenue and expenses</li> <li>● Record business transactions in a two-column journal</li> <li>● Post to the ledger accounts</li> <li>● Prepare a trial balance and an income statement</li> </ul> <p><b>The General Journal and the General Ledger</b></p> <ul style="list-style-type: none"> <li>● Set up general ledger accounts</li> <li>● Define and create a chart of accounts</li> <li>● Post to the ledger</li> <li>● Calculate account balances</li> </ul>	<p><b>Adjustments and the Worksheet</b></p> <ul style="list-style-type: none"> <li>● Calculate adjustments</li> <li>● Record adjustments in a 10 column worksheet</li> <li>● Prepare a post-closing trial balance</li> <li>● Prepare financial statements after the adjustments have been made</li> </ul> <p><b>Closing Entries</b></p> <ul style="list-style-type: none"> <li>● Explain the purpose of adjusting, closing and reversing entries</li> <li>● Journalize adjusting, closing, and reversing entries</li> </ul>	<p><b>Completion of the Accounting cycle</b></p> <ul style="list-style-type: none"> <li>● Prepare a worksheet given the appropriate accounting date</li> <li>● Prepare financial statements from a completed worksheet</li> </ul> <p><b>Accounting for Sales and Accounting Receivables</b></p> <ul style="list-style-type: none"> <li>● Describe the purpose and characteristics of special journals</li> <li>● Record business transactions in a sales journal</li> </ul>	<p><b>Accounting for Purchases and Accounts Payable</b></p> <ul style="list-style-type: none"> <li>● Describe the purpose of the purchase journal</li> <li>● Define merchandising, for cash discounts, FOB shipping, FOB destination</li> <li>● Determine the cost of goods sold</li> <li>● Prepare a worksheet</li> <li>● Prepare an income statement for a merchandising business</li> </ul>



<b>Class</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>
<p><b>Honors Accounting I</b></p>	<p><b>Accounting for Cash Receipts and Cash Payments</b></p> <ul style="list-style-type: none"> <li>● Describe the purpose of the Cash receipts journal</li> <li>● Describe methods of controlling and recording cash receipts and cash payments</li> <li>● Explain the objectives of efficient cash management</li> <li>● Describe the controls associated with the asset cash</li> <li>● Records business transactions in the cash receipts journal and deposits to the ledger and subsidiary ledger</li> </ul>	<p><b>Payroll and Payroll Transactions</b></p> <ul style="list-style-type: none"> <li>● Calculate gross pay</li> <li>● Calculate overtime rate and pay</li> <li>● Calculate FICA tax</li> <li>● Calculate Federal income tax</li> <li>● Calculate Medicare tax</li> <li>● Calculate net pay</li> <li>● Calculate employer’s taxes</li> <li>● Complete Form 940 and Form 941</li> <li>● Complete W-2</li> <li>● Journalize payroll taxes for both payment and recording purposes</li> <li>● Prepare a payroll register</li> </ul>	<p><b>Accruals, Deferrals, and the Worksheet</b></p> <ul style="list-style-type: none"> <li>● Explain how to adjust merchandise inventory and show how to enter the adjustments on the worksheet</li> <li>● How to compute adjustments for accrued and deferred expenses and how to enter the adjustments on the worksheet</li> <li>● Show how to compute adjustments for accrued and deferred income</li> </ul>	<p><b>Classified Income Statement and Classified Balance Sheet</b></p> <ul style="list-style-type: none"> <li>● Introduce the classified income statement and how to use the worksheet to prepare it</li> <li>● Show how to use the worksheet to prepare a statement of owner’s equity</li> <li>● Introduce the classified balance sheet and show how to use the worksheet to prepare it</li> <li>● Show how to journalize and post closing entries</li> <li>● Show how to complete and post closing trial balance and entries</li> <li>● Show how to journalize and post reversing entries</li> </ul>	<p><b>Inventories</b></p> <ul style="list-style-type: none"> <li>● Define merchandise inventory and show the effects of inventory understatement and overstatement on income determination</li> <li>● Distinguish between a periodic inventory and a perpetual inventory system</li> <li>● Calculate FIFO and LIFO using various inventory closing methods</li> <li>● Identify the effects that each cost flow assumption has on the financial statements</li> </ul>