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**PROGRAM CONCENTRATION:** Business & Computer Science  
**CAREER PATHWAY:** Financial Management - Accounting  
**COURSE TITLE:** Principles of Accounting I

Students perform accounting activities for sole proprietorships and corporations following generally accepted accounting procedures. Students analyze business transactions and financial statements, perform payroll, examine the global perspective of accounting, and evaluate the effects of transactions on the economic health of a business. Competencies for the co-curricular student organization Future Business Leaders of America (FBLA) are integral components of the performance standards. FBLA activities should be incorporated throughout instructional strategies developed for the course.

**Prerequisite for Financial Management - Accounting Pathway:** Business Essentials

### **The Accounting Profession**

**BCS-PAI-1. Students will evaluate the role that accountants play in business and society.**

- a. Explain the regulatory environment of the accounting profession.
- b. Explain the significance of the Securities and Exchange Acts of 1933 and 1934 in relation to the accounting profession.
- c. Describe how current issues and developments impact the accounting profession.
- d. Explain the need for a code of ethics in accounting and the ethical responsibilities required of accountants.
- e. Explain how accounting information is used in the business and personal decision-making process to allocate resources.

**BCS-PAI-2. Students will describe career opportunities in the accounting profession.**

- a. Identify professional accounting organizations and associations.
- b. Identify the state and national educational and licensing requirements, including the CPA exam, for careers in the accounting profession.
- c. Describe the skills and competencies needed to be successful in the accounting profession.
- d. Describe the areas of specialization within the accounting profession (i.e., financial accounting, management accounting, auditing) and careers that require knowledge of accounting.

**BCS-PAI-3. Students will demonstrate the skills and competencies required to be successful in the accounting profession and in an accounting-related career.**

- a. Demonstrate ethical decision-making and conduct in a business scenario related to accounting.

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- b. Use information technology productively in an accounting application.
- c. Demonstrate the ability to work within a team concept.

**ACADEMIC STANDARDS:**

*ELA10RC3. The student acquires new vocabulary in each content area and uses it correctly.*

*ELA10C1. The student demonstrates understanding and control of the rules of the English language, realizing that usage involves the appropriate application of conventions and grammar in both written and spoken formats.*

*ELA10SLV1. The student participates in student-to-teacher, student-to-student, and group verbal interactions.*

*SSEPF6. The student will describe how the earnings of workers are determined in the marketplace.*

**Accounting Cycle**

**BCS-PAI-4. Students will understand and apply the various steps of the accounting cycle for proprietorships and corporations and explain the purpose of each step.**

- a. Explain the purpose of the accounting system.
- b. Classify items as assets, liabilities, or owner's equity.
- c. Describe the purpose of journals and ledgers and their relationship.
- d. Identify and explain the advantages and disadvantages of different types of accounting systems.
- e. Analyze the effects of revenue, expense, and drawing accounts on owner's equity.
- f. Identify and describe source documents.
- g. Analyze business transactions and their effect on the accounting equation.
- h. Apply the double-entry system of accounting to record business transactions and prepare a trial balance.
- i. Prepare and use an 8- and/or 10-column worksheet.
- j. Explain the need for adjusting entries and record adjusting entries.
- k. Prepare financial statements and explain their interrelationship.
- l. Describe the impact of the closing process and make appropriate closing entries.

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*MM2P1. Students will solve problems (using appropriate technology).*

*MM2P4. Students will make connections among mathematical ideas and to other disciplines.*

## **Accounting Process**

**BCS-PAI-5. Students will use Generally Accepted Accounting Principles (GAAP) to determine the value of assets.**

- a. Define and identify current and long-term assets and explain their impact on financial statements.
- b. Identify cash control techniques.
- c. Establish and maintain petty cash and change accounts.
- d. Examine the benefits of electronic fund transfers, ATM transactions, and uses of a debit card.
- e. Create and maintain the accounts receivable subsidiary ledger and account for credit card sales and apply appropriate accounting techniques for uncollectible accounts.
- f. Establish and maintain accounts for receivables.
- g. Calculate sales and purchases discounts.
- h. Calculate depreciation and apply appropriate accounting concepts and techniques for acquisition, depreciation, and disposal of property, plant, and equipment.
- i. Reconcile bank statements.
- j. Prepare, analyze, and maintain accounting records for short- and long-term assets using spreadsheet and/or accounting software.

**BCS-PAI-6. Students will use Generally Accepted Accounting Principles (GAAP) to determine the value of liabilities.**

- a. Define and identify current and long-term liabilities and explain their impact on financial statements.
- b. Create and maintain the accounts payable subsidiary ledger.
- c. Establish and maintain accounts for payables.
- d. Prepare and maintain accounting records for short- and long-term liabilities using spreadsheet and/or accounting software.

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**BCS-PAI-7. Students will use Generally Accepted Accounting Principles (GAAP) to determine the value of owners' equity.**

- a. Explain the purpose of the capital and drawing accounts for a sole proprietorship.
- b. Explain the purpose of the following capital accounts for a corporation: common stock, preferred stock, paid-in capital, retained earnings, and dividends.
- c. Analyze and record investments by stockholders and the declaration and payment of dividends for a corporation.
- d. Differentiate between stockholders' equity and retained earnings.
- e. Use manual and computerized accounting systems for stockholders' equity.

**BCS-PAI-8. Students will use Generally Accepted Accounting Principles (GAAP) to determine the value of revenue, expenses, gains, and losses.**

- a. Describe the criteria used to determine revenue recognition.
- b. Record revenue-related transactions.
- c. Describe the criteria used to determine expense recognition.
- d. Record expense-related transactions.
- e. Distinguish between revenue and gains.
- f. Distinguish between expenses and losses.
- g. Record transactions resulting in gains and losses.

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**Financial Statements**

**BCS-PAI-9. Students will interpret and analyze financial statements.**

- a. Explain how generally accepted accounting principles provide guidance and structure for preparing financial statements.
- b. Prepare and analyze the income statement and balance sheet of a business using vertical analysis.

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- c. Prepare and analyze a statement of stockholders' equity.
- d. Evaluate the impact of changes in operating procedures, accounting methods, and estimates on the financial statements and ratios using spreadsheet and/or accounting software.
- e. Prepare charts and graphs useful in analyzing the financial condition of the business using a spreadsheet and/or accounting software.
- f. Apply the revenue realization and matching principles to income statements for service and merchandising businesses.
- g. Determine the cost of goods sold and gross profit for a merchandising business.
- h. Prepare an income statement for a merchandising business.

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**Special Topics**

**BCS-PAI-10. Students will apply Generally Accepted Accounting Principles (GAAP) to various forms of ownership and payroll.**

- a. Compare the advantages and disadvantages of the three forms of business ownership—sole proprietorships, partnerships, and corporations.
- b. Prepare and maintain payroll records using manual and computerized systems.
- c. Calculate earnings at an hourly and piece rate and on a salary, commission, and salary/commission basis.
- d. Compute employee gross earnings, deductions, and withholdings to determine net pay.
- e. Calculate employer's payroll taxes including Social Security, Medicare, federal unemployment, state unemployment, other taxes, and other employee benefits paid by the employer.
- f. Prepare federal, state, and local payroll reports.

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**Interpretation and Use of Data**

**BCS-PAI-11. Students will use appropriate data to evaluate the performance of an organization.**

- a. Interpret and evaluate financial statements to make sound business decisions.
- b. Interpret and evaluate industry trends and other relevant data to make sound business decisions.
- c. Read and interpret financial statements.
- d. Write summaries of financial statements.
- e. Present summaries for decision making.
- f. Use appropriate industry terminology.

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## **Global Perspective**

**BCS-AI-12. Students will research and discuss international accounting societies and theories in accounting and finance.**

- a. Compare and contrast International Accounting Standards (IAS) with Generally Accepted Accounting Principles (GAAP).
- b. Discuss basic international terminology and theories in accounting and finance.
- c. Identify global/international concerns related to accounting (i.e., time zones, monetary conversions, customs, and language).

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### **CTAE Foundation Skills**

The Foundation Skills for Career, Technical and Agricultural Education (CTAE) are critical competencies that students pursuing any career pathway should exhibit to be successful. As core standards for all career pathways in all program concentrations, these skills link career, technical and agricultural education to the state's academic performance standards.

The CTAE Foundation Skills are aligned to the foundation of the U. S. Department of Education's 16 Career Clusters. Endorsed by the National Career Technical Education Foundation (NCTEF) and the National Association of State Directors of Career Technical Education Consortium (NASDCTEc), the foundation skills were developed from an analysis of all pathways in the sixteen occupational areas. These standards were identified and validated by a national advisory group of employers, secondary and

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postsecondary educators, labor associations, and other stakeholders. The Knowledge and Skills provide learners a broad foundation for managing lifelong learning and career transitions in a rapidly changing economy.

**CTAE-FS-1 Technical Skills:** Learners achieve technical content skills necessary to pursue the full range of careers for all pathways in the program concentration.

**CTAE-FS-2 Academic Foundations:** Learners achieve state academic standards at or above grade level.

**CTAE-FS-3 Communications:** Learners use various communication skills in expressing and interpreting information.

**CTAE-FS-4 Problem Solving and Critical Thinking:** Learners define and solve problems, and use problem-solving and improvement methods and tools.

**CTAE-FS-5 Information Technology Applications:** Learners use multiple information technology devices to access, organize, process, transmit, and communicate information.

**CTAE-FS-6 Systems:** Learners understand a variety of organizational structures and functions.

**CTAE-FS-7 Safety, Health and Environment:** Learners employ safety, health and environmental management systems in corporations and comprehend their importance to organizational performance and regulatory compliance.

**CTAE-FS-8 Leadership and Teamwork:** Learners apply leadership and teamwork skills in collaborating with others to accomplish organizational goals and objectives.

**CTAE-FS-9 Ethics and Legal Responsibilities:** Learners commit to work ethics, behavior, and legal responsibilities in the workplace.

**CTAE-FS-10 Career Development:** Learners plan and manage academic-career plans and employment relations.

**CTAE-FS-11 Entrepreneurship:** Learners demonstrate understanding of concepts, processes, and behaviors associated with successful entrepreneurial performance.