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Fall 2008

PROGRAM CONCENTRATION:
CAREER PATHWAY:
COURSE TITLE:

Business & Computer Science
Financial Management - Accounting
Principles of Accounting II

Students build on the knowledge acquired in Principles of Accounting I as they further their studies in accounting. Students perform accounting activities for partnerships and corporations following generally accepted accounting procedures. Uncollectible accounts, plant assets, inventory, notes payable and receivable, prepared and accrued expenses, and unearned and accrued revenues are analyzed and related adjustments are calculated. Students apply accounting procedures to the formation, dissolution, and liquidation of business entities. In addition, students apply managerial accounting techniques. 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: Principles of Accounting I

Accounting Cycle

BCS-PAII-1. Students will apply the various steps of the accounting cycle for corporations and partnerships and explain the purpose of each step.

- a. Collect and verify source documents.
- b. Analyze business transactions using source documents and interpret the effect on the accounting equation.
- c. Journalize business transactions using multi-column journals.
- d. Prepare and use an 8- and/or 10-column worksheet.
- e. Analyze and prepare adjusting entries, including accruals and deferrals.
- f. Create, evaluate and analyze financial statements and describe the way each interrelates with the others.
- g. Execute the closing process by journalizing and posting the closing entries and preparing the post-closing trial balance.
- h. Use manual and computerized accounting systems.

ACADEMIC STANDARDS:

ELA11RC3. The student acquires new vocabulary in each content area and uses it correctly.

ELA11C1. 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.

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ELA11SLV1. The student participates in student-to-teacher, student-to-student, and group verbal interactions.

MM3P1. Students will solve problems (using appropriate technology).

MM3P4. Students will make connections among mathematical ideas and to other disciplines.

Accounting Process

BCS-PAII-2. Students will use Generally Accepted Accounting Principles (GAAP) to determine the value of assets.

- a. Differentiate current and long-term assets and analyze their effect on financial statements.
- b. Identify and apply cash control techniques.
- c. Establish and maintain accounts related to accounts receivable interest.
- d. Apply appropriate accounting techniques for uncollectible accounts.
- e. Explain the purpose of notes receivable; establishes, calculates, and maintains records for receivables and related interest.
- f. Compare and evaluate inventory concepts and costing procedures and apply these concepts and procedures to merchandising and manufacturing businesses.
- g. Apply appropriate accounting concepts and techniques for acquisition, depreciation, depletion, and disposal of assets.
- h. Explain, compare, and analyze various depreciation methods and their effect on the value of assets.
- i. Use manual and computerized accounting systems for assets.

BCS-PAII-3. Students will use Generally Accepted Accounting Principles (GAAP) to determine the value of liabilities.

- a. Differentiate current and long-term liabilities and analyze their effect on financial statements.
- b. Explain the purpose of notes payable; establishes, calculates and maintains records for payables and related interest.
- c. Apply GAAP and techniques to analyze and record the issuance, amortization, and retirement of bonds.
- d. Analyze and record mortgage and lease obligations.
- e. Use manual and computerized accounting systems for liabilities.

BCS-PAII-4. Students will use Generally Accepted Accounting Principles (GAAP) to determine the value of owners' equity.

- a. Explain the purpose of the following capital accounts for a corporation: common stock, preferred stock, paid-in capital, retained earnings, and dividends.

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- b. Analyze and record investments by stockholders and the declaration and payment of dividends for a corporation.
- c. Differentiate between stockholders' equity and retained earnings.
- d. Use manual and computerized accounting systems for stockholders' equity.

BCS-PAII-5. Students will use Generally Accepted Accounting Principles (GAAP) to determine the value of revenues and expenses.

- a. Analyze the effects of revenue on financial statements.
- b. Determine procedures for cash basis versus accrual methods.
- c. Use manual and computerized accounting systems for revenues.
- d. Differentiate between cost of sales and general operating expenses.
- e. Compare and contrast transactions recorded as assets versus expense, such as supplies inventory/supplies expense.
- f. Discuss year-end cut-offs for expenses.
- g. Use manual and computerized accounting systems for expenses.

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Financial Statements

BCS-PAII-6. Students will create, interpret, and analyze end-of-fiscal-period activities and financial statements.

- a. Create financial statements for partnerships.
- b. Evaluate financial statements using horizontal analysis, vertical analysis, and commonly used financial ratios.
- c. Generate all necessary year-end journal entries.
- d. Use software to evaluate the effect of changes in operating procedures, accounting methods, and estimates on the financial statements and ratios.

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- e. Use software to generate charts and graphs to analyze the financial condition of the business.
- f. Discuss the importance of integrity, confidentiality, and high ethical standards in the preparation of financial statements.
- g. Compare and contrast financial statements of partnerships using a variety of sources.
- h. Discuss the three basic types of business activities – operating, investing and financing.
- i. Generate statements of cash flow using the direct and indirect methods.
- j. Use manual and computerized accounting systems for preparing financial statements.

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Special Topics

BCS-PAII-7. Students will apply appropriate accounting principles to various forms of ownership.

- a. Apply appropriate accounting techniques for the formation, allocation and distribution of earnings and dissolution of corporations and partnerships.
- b. Discuss appropriate GAAP for government and not-for-profit entities.
- c. Analyze stock performance and market fluctuations in a market economy.

BCS-PAII-8. Students will apply appropriate accounting principles to income taxation.

- a. Differentiate between taxation at personal and business levels, including tax-planning strategies.
- b. Discuss how income tax law is formed.
- c. Research the basic differences between GAAP and tax law.

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BCS-PAII-9. Students will apply appropriate accounting principles to international accounting.

- a. Compare and contrast International Accounting Standards (IAS) with GAAP.
- b. Identify international organizations that establish trade regulations and standards to facilitate conducting business among countries (i.e., ICJ, IMF, UPU, GATT, UNICEF, ICC, EU).

BCS-PAII-10. Students will apply appropriate accounting principles to managerial accounting systems.

- a. Explain the role of managerial accounting in the management process.
- b. Interpret and explain those costs and accounts that are unique to the manufacturing process.
- c. Discuss the cost flow concepts followed by a manufacturing business.
- d. Apply job order costing procedures to compute the cost of manufactured products.
- e. Prepare a schedule of cost of goods manufactured and explain its relationship to the income statement.
- f. Describe the types of products and apply appropriate accounting concepts and procedures for job order and process costing systems.

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Interpretation and Use of Data

BCS-PAII-11. Students will use management accounting techniques to plan and evaluate the performance of an organization.

- a. Compare and contrast fixed, variable, and mixed costs.
- b. Use cost-volume-profit and contribution margin analysis to plan operations.

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- c. Prepare a budget for planning purposes.
- d. Prepare budget analysis using spreadsheet software.
- e. Discuss auditing procedures for different types of businesses.
- f. Discuss the importance of integrity, confidentiality, and high ethical standards in interpretation and use of data.

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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 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

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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.

SUPPORTING DOCUMENTS:

National Standards for Business Education Alignment

Georgia Performance Standards Financial Management - Accounting Career Pathway (Business Essentials, Principles of Accounting I, Principles of Accounting II) Alignment to *National Standards for Business Education*

Business Law	BE	PAI	PAII
Analyze the relationship between ethics and the law and describe sources of the law, the structure of the court system, different classifications of procedural law, and different classifications of substantive law.	13, 30		
Analyze the relationships between contract law, law of sales, and consumer law.	31		
Analyze the role and importance of agency law and employment law as they relate to the conduct of business in the national and international marketplaces.	32, 33		
Describe the major types of business organizations operating within	17-20		

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the socioeconomic arena of the national and international marketplace.			
Explain the legal rules that apply to personal property and real property.	33		
Analyze the functions of commercial paper, insurance, secured transactions, and bankruptcy.	34		
Explain how advances in computer technology impact such areas as property law, contract law, criminal law, and international law.	15, 33, 33, 37		
Explain the legal rules that apply to the environment and energy regulation.	33		
Explain the legal rules that apply to marriage, divorce, and child custody.			
Determine the appropriateness of wills and trusts in estate planning.			

Career Development

	BE	PAI	PAII
Assess personal skills, abilities, and aptitudes and personal strengths and weaknesses as they relate to career exploration and development.	4, 10, 12	2	
Utilize career resources to develop a career information database that includes international career opportunities.	38	2	
Relate the importance of workplace expectations to career development.	14	3	
Apply knowledge gained from individual assessment to a comprehensive set of goals and an individual career plan.	10	1-3	
Develop strategies to make an effective transition from school to career.	4, 8, 38	1	
Relate the importance of lifelong learning to career success.	10, 22, 38	1-3	

Communication

	BE	PAI	PAII
Communicate in a clear, courteous, concise, and correct manner on personal and professional levels.	1-3		
Apply basic social communication skills in personal and professional situations.	1		
Use technology to enhance the effectiveness of communication.	2, 3, 7		
Integrate all forms of communication in the successful pursuit of employment.	2, 3, 38		
Incorporate appropriate leadership and supervision techniques, customer service strategies, and personal ethics standards to communicate effectively with various business constituents.	4-5, 10, 12, 14		

Economics

	BE	PAI	PAII
Assess opportunity costs and trade-offs involved in making choices about how to use scarce economic resources.	SSEF1		
Explain why societies develop economic systems, identify the basic features of different economic systems, and analyze the major features of the U.S. economic system.	SSEF4		
Analyze the role of core economic institutions and incentives in the U.S. economy.	SSEF4		
Analyze the role of markets and prices in the U.S. economy.			
Analyze the different types of market structures and the effect they have on the price and the quality of the goods and services produced.			
Explain the importance of productivity and analyze how	SSEF1		

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specialization, division of labor, investment in physical and human capital, and technological change affect productivity.			
Analyze the role of government in economic systems, especially the role of government in the U.S. economy.	32, 33		
Examine the role of trade, protectionism, and monetary markets in the global economy.	SSEF1, 33		
Analyze how the U.S. economy functions as a whole and describe selected macroeconomic measures of economic activity.	33		

Entrepreneurship

BE PAI PAII

Recognize that entrepreneurs possess unique characteristics and evaluate the degree to which one possesses those characteristics.	10		
Analyze customer groups and develop a plan to identify, reach, and keep customers in a specific target market.	36		
Apply economic concepts when making decisions for an entrepreneurial venture.	SEF1		
Use the financial competencies needed by an entrepreneur.	28		
Recognize that entrepreneurs must establish, maintain, and analyze appropriate records to make business decisions.	27, 29		
Develop a management plan for an entrepreneurial venture.	5, 34		
Analyze the effect of cultural differences, export/import opportunities, and trends on an entrepreneurial venture in the global marketplace.			
Analyze how forms of business ownership, government regulations, and business ethics affect entrepreneurial ventures.	16-19		
Develop a business plan.	9		

International Business (Foundations and Finance)

BE PAI PAII

Explain the role of international business; analyze how it impacts business at all levels.	8	12	
Describe the interrelatedness of the social, cultural, political, legal, and economic factors that shape and impact the international business environment.	SSEF4	12	
Explain the concepts, role, and importance of international finance and risk management.		12	

Management

BE PAI PAII

Analyze the management functions and their implementation and integration within the business environment.	4, 22, 23		
Analyze management theories and their application within the business environment.			
Analyze the organization of a business.	16-20		
Develop personal management skills to function effectively and efficiently in a business environment.	22		
Examine the role of ethics and social responsibility in decision making.	12	1	
Describe human resource functions and their importance to an organization's successful operation.	32		
Describe the role of organized labor and its influence on government and business.			
Utilize information and technology tools to conduct business effectively and efficiently.	7		
Analyze a business organization's competitive position within the industry.	36		

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Analyze financial data influenced by internal and external factors in order to make short-term and long-term decisions.	28,34		
Apply operations management principles and procedures to the design of an operations plan.			
Examine the issues of managing in the global environment.			

Marketing

BE PAI PAII

Recognize the customer-oriented nature of marketing and analyze the impact of marketing activities on the individual, business, and society.	36, 37		
Analyze the characteristics, motivations, and behaviors of consumers.	37		
Analyze the influence of external factors on marketing.	13		
Analyze the elements of the marketing mix, their interrelationships, and how they are used in the marketing process.	36, 37		
Analyze the role of marketing research in decision making.	37		
Describe the elements, design, and purposes of a marketing plan.			

Accounting

BE PAI PAII

Complete and explain the purpose of the various steps in the accounting cycle.		4	1
Apply generally accepted accounting principles to determine the value of assets, liabilities, and owner's equity.		5-8	2-5
Prepare, interpret, and analyze financial statements using manual and computerized systems for service, merchandising, and manufacturing businesses.	27, 29	4, 6, 9	1, 6
Apply appropriate accounting principles to payroll, income taxation, managerial systems, and various forms of ownership.	16-20	4, 10	8, 10
Use planning and control principles to evaluate the performance of an organization and apply differential analysis and present value concepts to make decisions.	22, 25	11	11