

Introduction to Accounting (2016)

Accounting Cycle:
Students connect the steps of the accounting cycle to the various types of business ownership.

- 1 Define accounting and explain the purpose of the accounting system** IA-1.1
- 2 Explain the importance of following Generally Accepted Accounting Principles (GAAP) and interpret, analyze, and apply the standards correctly** IA-1.2
- 3 Demonstrate a working knowledge of the fundamental accounting equation** IA-1.3
- 4 Discuss the purpose of the elements of financial statements: assets, liabilities, contributions by owners, distributions to owners, equity, revenues, expenses, gains and losses** IA-1.4
- 5 Identify and interpret a variety of source documents** IA-1.5
- 6 Analyze business transactions using source documents and interpret their effect on the accounting equation** IA-1.6
- 7 Explain the double-entry system of accounting and demonstrate the applications of the debit and credit rules when recording and analyzing business transactions** IA-1.7
- 8 Journalize business transactions using various journal formats** IA-1.8
- 9 Explain the purpose of a journal and its relationship to the ledger through postings** IA-1.9
- 10 Construct and maintain the chart of accounts** IA-1.10
- 11 Construct a worksheet and use it to prepare financial statements using various formats** IA-1.11
- 12 Prepare a trial balance and use it to determine the necessary adjusting entries including accruals and deferrals** IA-1.12
- 13 Prepare financial statements in appropriate form and specify the purpose and relationship of each statement** IA-1.13
- 14 Describe the purpose of the closing process and prepare closing entries and the post-closing trial balance** IA-1.14

15 Compare and contrast the advantages and disadvantages of the forms of business ownership--sole proprietorships, partnerships, and the varying types of corporations IA-1.15

Accounting Principles: Students apply concepts of the Generally Accepted Accounting Principles (GAAP) to determine the value of assets, liabilities, owner's equity, revenues, and expenses.

1 Identify asset types and their effect on financial statements IA-2.1

2 Specify the importance of internal cash control and banking activities and demonstrate their use IA-2.2

3 Explain the use of and maintain the accounts receivable subsidiary ledger IA-2.3

4 Apply appropriate accounting techniques for uncollectible accounts IA-2.4

5 Explain the purpose of notes receivable; establish, calculate, and maintain records for receivables and related interest IA-2.5

6 Compare, contrast and evaluate inventory concepts and costing procedures to a business IA-2.6

7 Apply appropriate accounting concepts and techniques for acquisition, depreciation, depletion, and disposal of assets IA-2.7

8 Identify liability types and their effect on financial statements IA-2.8

9 Explain the use of and maintain the accounts payable subsidiary ledger IA-2.9

10 Explain the purpose of notes payable; establish, calculate, and maintain records for payables and related interest IA-2.10

11 Apply Generally Accepted Accounting Principles (GAAP) and techniques to analyze and record the issuance, amortization, and retirement of bonds IA-2.11

12 Analyze and record mortgage and lease obligations IA-2.12

13 Identify the components of owner's equity and their effect on financial statements IA-2.13

14 Discuss the purpose of various owner's equity accounts as they relate to the business ownership structure IA-2.14

15 Identify revenues and their effect on financial statements IA-2.15

16 Determine procedures for cash basis versus accrual methods IA-2.16

17 Identify expenses and their effect on financial statements IA-2.17

18 Differentiate between cost of goods sold and general operating expenses IA-2.18

19 Discuss year-end cut-offs for expenses IA-2.19

Financial Statements:
Students analyze and synthesize financial statements to determine the financial position of a business.

- 1 Create financial statements in various formats** IA-3.1
- 2 Evaluate financial statements using horizontal analysis, vertical analysis, and commonly used financial ratios** IA-3.2
- 3 Interpret and evaluate industry trends and other relevant data to make sound business decisions** IA-3.3
- 4 Discuss the importance of integrity, confidentiality, and high ethical standards in the preparation of financial statements** IA-3.4
- 5 Discuss the three basic types of business activities--operating, investing, and financing** IA-3.5
- 6 Generate statements of cash flow using the direct and indirect methods** IA-3.6

Specialized Applications: Students apply Generally Accepted Accounting Principles (GAAP) to various forms of ownership and payroll, income taxation, and managerial accounting systems.

- 1 Compare and contrast the advantages and disadvantages of corporations** IA-4.1
- 2 Apply appropriate accounting techniques for the formation, allocation and distribution of earnings, and the dissolution of corporations** IA-4.2
- 3 Generate and maintain employee and employer payroll records using manual and computerized systems** IA-4.3
- 4 Analyze the effects of payroll taxes for a business enterprise** IA-4.4
- 5 Prepare federal, state, and local government payroll reports** IA-4.5
- 6 Differentiate between taxation at personal and business levels, including tax-planning strategies** IA-4.6