



**UNIT #1**

**Unit Title: Starting a Proprietorship**

**Unit Description:** This is the introductory unit for the Accounting I course. Students will have the opportunity to learn accounting terms, concepts and practices relating to starting a service business organized as a proprietorship and changes that affect the accounting equation. This unit will introduce T accounts to analyze transactions showing which accounts are debited or credited for each transaction.

**LEARNING GOALS**

**Enduring Understanding(s):**

Analyzing transactions into debit and credit parts and the impact on the accounting equation provides a foundation for creating permanent account records.

**Essential Question(s):**

- How are accounts affected by business transactions?
- Why would a business owner form a proprietorship?
- Why would one choose to start a service-based business?
- Why does accounting serve as a basis for careers?
- What terms are used to describe a T account?
- How are T accounts analyzed into debit and credit parts?
- What are the four questions used to analyze a transaction into its debit and credit parts?

**Content and Skills:**

Students will be able to:

1. Analyze transactions into debit and credit parts
2. Define accounting terms and concepts related to starting a service business organized as a proprietorship and to changes that affect the accounting equation.

3. Classify accounts as assets, liabilities, or owner's equity and demonstrate their relationships in the accounting equation.
4. Analyze how transactions affect accounts in an accounting equation.
5. Describe how individuals make ethical business decisions.
6. Define accounting terms related to analyzing transactions into debit and credit parts.
7. Identify accounting practices related to analyzing transactions into debit and credit parts.
8. Analyze how transactions to set up a business affect accounts.
9. Analyze how transactions affect owner's equity accounts.

**Standards Addressed:**

Standard 1: Accounting professionals must be able to understand, interpret and use accounting information to make financial decisions.

\*Describe career opportunities in the accounting profession.

\*Explain the need for a code of ethics in accounting and ethical responsibilities required of accountants.

Standard 2: Mastery of fundamental accounting principles, skills and competencies is essential to making informed business decisions.

\*Define assets, liabilities, equity, revenue, expenses, gains and losses.

Standard 3: The accounting process is an integral aspect of all business activities.

\*Analyze and describe how basic business transactions impact the accounting equation.

## UNIT #2

### Unit Title: Journalizing

**Unit Description:** Transactions are recorded into debit and credit parts and need to be recorded in a permanent record by recording transactions in a journal. Transactions are recorded daily in a multi column journal. Proving cash is completed to verify the accuracy of the cash records.

### LEARNING GOALS

#### Enduring Understanding(s):

Accounting concepts are applied when identifying the five source documents used in a service business. Daily transactions are recorded in a five-column journal that affect assets, liabilities and owner's equity. Proving and ruling a five-column journal and proving cash is needed to verify cash records.

#### Essential Question(s):

What is the purpose of a five column journal?

What are the steps for proving and ruling a journal and what are the steps in proving cash?

Why are source documents so important?  
What is the procedure for correcting errors in a journal?

#### Content and Skills:

Students will be able to:

- Define accounting terms related to journalizing transactions.
- Identify accounting concepts and practices related to journalizing transactions.
- Record transactions to set up a business in a five-column journal.
- Record transactions to buy insurance for cash and supplies on account in a five-column journal.
- Record transactions that affect owner's equity and receiving cash on account in a five-column journal.
- Prove and rule a five-column journal and prove cash

#### Standards Addressed:

Standard 3: The accounting process is an integral aspect of all business activities.

\*Apply the double-entry system of accounting to record basic transactions and prepare a trial balance.

\*Explain the purpose of a uniform accounting system.

\*Explain the purpose of journals and ledgers and their relationships.

**Standard 2:** Mastery of fundamental accounting principles, skills and competencies is essential to making informed business decisions.

\*Describe and record revenue and expense related transactions.

### UNIT #3

#### Unit Title: Posting

**Unit Description:** A chart of accounts is created which assigns an account number and title. The account number explains the general ledger division and location within the general ledger. Transactions are recorded in the general ledger which keeps current balances. Correcting entries are important to know when mistakes are made.

#### LEARNING GOALS

##### Enduring Understanding(s):

Using general ledgers provides one place to summarize all of the changes to a single account. An account number is assigned to identify the location and general ledger division. Ledgers and account numbers lead to posting which is required in order to bring together all debits and credits.

##### Essential Question(s):

1. What are the five steps of posting from the general columns of a journal to the general ledger?
2. What is the importance of a Chart of Accounts?
3. Which column totals of a journal are posted?
4. When is a correcting entry necessary?

##### Content and Skills:

Students will be able to:

1. Define accounting terms related to posting from a journal to a general ledger.
2. Identify accounting concepts and practices related to posting from a journal to a general ledger.
3. Prepare a chart of accounts for a service business organized as a proprietorship.
4. Post the separate amounts from a journal to a general ledger.
5. Post column totals from a journal to a general ledger.
6. Create a new account in the chart of accounts.
7. Analyze and journalize correcting entries
8. Journalize correcting entries discovered at the end of the month.

**Standards Addressed:****Content Standard 2 - Accounting Principles**

Mastery of fundamental accounting principles, skills, and competencies is essential to making informed business decisions.

\*Describe and record expense-related transactions.

\*Describe and record revenue-related transactions.

**UNIT #4****Unit Title: Cash and Control Systems**

**Unit Description:** For financial reporting purposes, cash includes currency and coin on hand and checks made payable to the company, and available balances in checking and savings accounts. Source documents are used part of the Accounting Principle Objective Evidence to accurately track cash flow. Reconciling a checkbook and writing and endorsing checks are key concepts in this unit.

**LEARNING GOALS**

**Enduring Understanding(s):** Utilizing accounting concepts and principles used to prepare business papers related to using a checking account, establishing and replenishing a petty cash fund and journalizing dishonored checks and electronic banking transactions are integral parts of cash and control systems.

**Essential Question(s):**

1. What is a petty cash fund and how is it established & replenished?
2. What are the steps in preparing a check stub, preparing a check, endorsing a check, recording a voided check and depositing money?
3. What are the steps in reconciling a bank statement and how do you record a bank service charge and a dishonored check on a check stub?
4. How do you journalize a dishonored check, Electronic Funds Transfer?
5. How do you journalize establishing and replenishing a petty cash fund?

**Content and Skills:**

Students will be able to:

1. Define accounting terms related to using a checking account and a petty cash fund.
2. Identify accounting concepts and practices related to using a checking account.

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| <ol style="list-style-type: none"><li>3. Prepare business papers related to using a checking account.</li><li>4. Reconcile a bank statement.</li><li>5. Journalize dishonored checks and electronic banking transactions.</li><li>6. Establish and replenish a petty cash fund.</li></ol> |  |
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**Standards Addressed:**

Content Standard 2 - Accounting Principles

Mastery of fundamental accounting principles, skills, and competencies is essential to making informed business decisions.

\*Describe and record equity-related transactions.

\*Describe and record revenue related transactions.

Content Standard 3 - Accounting Process The accounting process is an integral aspect of all business activities.

\*Explain the purpose of journals and ledgers and their relationship.

\*Explain the purpose of a uniform accounting system

## UNIT #5

### Unit Title: Worksheets

**Unit Description:** Worksheets are prepared at the end of an accounting period and usually include a list of accounts, account balances, adjustments to each account, and each account's adjusted balance all sorted in financial statement order. An accounting worksheet is a spreadsheet used to prepare accounting information and reports.

### LEARNING GOALS

#### Enduring Understanding(s):

Identify accounting concepts and practices related to a work sheet for a service business organized as a proprietorship. Completing a worksheet after the trial balance and adjustments allows for the calculation of a net loss or net income for the fiscal period.

#### Essential Question(s):

1. What is written on the three-line heading on a worksheet and what general ledger accounts are listed in the Trial Balance columns of a work sheet?
2. What are the four questions asked in analyzing an adjustment on a worksheet?
3. Which accounts are extended into the Balance Sheet and Income Statement columns of the work sheet?
4. How do you calculate and record a net income or a net loss?
5. What is the first step in checking for arithmetic errors when two column totals are not in balance?

#### Content and Skills:

Students will be able to:

1. Prepare the heading and trial balance on a worksheet.
2. Correct any errors you find in the General Ledger accounts.
3. Record the adjustments on the worksheet.
4. Extend the up-to-date balances to the Balance Sheet or Income Statement columns.
5. Total each column and calculate the net income or net loss.
6. Total and rule the Income Statement and Balance Sheet columns.

**Standards Addressed:**

Content Standard 2 - Accounting Principles Mastery of fundamental accounting principles, skills and competencies is essential to making informed business decisions.

\*Distinguish between expenses and losses.

Content Standard 3 - Accounting Process The accounting process is an integral aspect of all business activities.

\*Explain the need for adjusting entries and record basic adjusting entries.

\*Analyze and describe how basic business transactions impact the accounting equation.

Content Standard 4 - Financial Reports Use financial statements to make informed business decisions.

\*Identify sources of information to prepare basic financial reports

**UNIT #6**

**Unit Title: Financial Statements for a Proprietorship**

**Unit Description:** Financial statements are used to show a company's performance over a set period of time. The balance sheet and income statement are analyzed to determine if the company has made or lost money and how the company stands financially.

**LEARNING GOALS**

**Enduring Understanding(s):**

Determining the financial position of a company you need to prepare and analyze an income statement using component percentages. Prepare a balance sheet for a service business organized as a proprietorship to determine the amount of working capital the company holds.

**Essential Question(s):**

1. What are the four sections of an income statement?
2. What is the formula for calculating the total expenses component percentage and the net income component percentage?
3. What are the four sections on a balance sheet and what is the formula for calculating current capital?



**Content and Skills:**

Students will be able to:

1. Prepare an Income Statement to determine a net income or net loss of a business.
2. Prepare a Balance Sheet to report the financial information on a specific date indicating the financial condition of a business.
3. Calculate component percentages to determine the relationship between one financial statement item and the total that includes that item. Compare the component percentages to industry standards.

**Standards Addressed:****Content Standard 4 Financial Reports**

\*Identify sources of information to prepare basic financial reports.

\*Describe the users and uses of financial information.

\*Describe the information provided in each financial statement and how the statements relate.

**Content Standard 5 - Financial Analysis** Financial Analysis is necessary to determine the fiscal position of a business

\*Calculate component percentages.

\*Calculate and interpret financial ratios.

\*Research industry averages and explains their use in assessing the financial condition, operating results, profitability, liquidity and capital structure.

**UNIT #7****Unit Title: Adjusting and Closing Entries**

**Unit Description:** Adjusting entries are most commonly used in accordance with the matching principle to match revenue and expenses in the period in which they occur. Adjusting entries are made at the end of a period to correct accounts before the financial statements are prepared. Closing entries are entered into the accounts after the financial statements are created. The closing entries sets the income statement accounts (revenue and expenses) to zero.

**LEARNING GOALS****Enduring Understanding(s):**

Adjusting entries are needed to adjust accounts for Prepaid Insurance and Supplies to report accurate numbers of financial statements. Closing entries occur for a company to start a new fiscal period

**Essential Question(s):**

1. Why are adjustments journalized and posted? What accounts are closed out at the end of a fiscal period?
2. What columns on the worksheet are used

with zero balances in revenue and expense accounts. This leads to a post closing trial balance to verify that all temporary accounts have been closed to the owner's equity account.

to journalize and post closing entries?  
3. What is the purpose of a post-closing trial balance and which accounts go on the post-closing trial balance?

**Content and Skills:**

Students will be able to:

1. Journalize and post adjusting entries to bring the asset accounts up to "real time" at the end of the fiscal period.
2. Journalize and post closing entries to close out temporary accounts at the end of the fiscal period.
3. Prepare a post-closing trial balance at the end of the fiscal period to show the debits and credits are equal in the general ledger.
4. List the eight steps of the accounting cycle.

**Standards Addressed:**

Content Standard 3 - Accounting Process The accounting process is an integral aspect of all business activities.

\*Explain the need for adjusting entries and record basic adjusting entries.

\*Explain the need of the closing process and the recording of closing entries.