Accounting I TEKS

(a) General requirements. This course is recommended for students in Grades 10-12. Recommended prerequisite: Principles of Business, Marketing, and Finance. Students shall be awarded one credit for successful completion of this course.

(b) Introduction.

(1) Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.

(2) The Finance Career Cluster focuses on planning, services for financial and investment planning, banking, insurance, and business financial management.

(3) Accounting encompasses careers that record, classify, summarize, analyze, and communicate a business's financial information/business transactions for use in management decision making. Accounting includes such activities as bookkeeping, systems design, analysis, and interpretation of accounting information.

(4) In Accounting I, students will investigate the field of accounting, including how it is impacted by industry standards as well as economic, financial, technological, international, social, legal, and ethical factors. Students will reflect on this knowledge as they engage in the process of recording, classifying, summarizing, analyzing, and communicating accounting information. Students will formulate and interpret financial information for use in management decision making.

(5) Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other leadership or extracurricular organizations.

(6) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

© Knowledge and skills.

(1) The student demonstrates professional standards/employability skills as required by business and industry. The student is expected to:

(C) demonstrate effective oral and written communication skills;

(B) perform numerical and arithmetic applications;

© demonstrate an understanding of integrity and strong work ethic;

(D) demonstrate attention to detail in completed assignments; and

© demonstrate effective problem solving.

Accounting I (1403)
Accounting II (1404)
Managerial Accounting (1426)

(2) The student communicates an understanding of the accounting industry. The student is expected to:

(C) describe the purpose of accounting and financial reporting;

(B) discuss its impact on industry; and

© describe Generally Accepted Accounting Principles (GAAP).

(3) The student uses career planning concepts, tools, and strategies to explore accounting careers. The student is expected to:

(C) discuss the significance of responsibility in accounting such as ethical and social responsibility;

(B) explore careers in accounting, including education requirements, roles, and responsibilities of certified public accountants, general ledger accountants, management accountants, auditors, government accountants, international accountants, forensic accountants, and senior management in accounting; and

© identify accounting licensing and certification programs, including professional designations for accountants such as certified public accountant and certified management accountant.

(4) The student uses equations, graphical representations, accounting tools, strategies, and automated systems in real-world situations to maintain, monitor, control, and plan the use of financial resources. The student will complete an accounting cycle for a service business. The student is expected to:

(C) illustrate the accounting cycle;

(B) analyze the effects of transactions on the accounting equation and use T accounts to analyze transactions;

© prepare a chart of accounts;

(D) journalize transactions in a general journal;

© post journal entries to general ledger accounts;

(F) prepare work sheets;

(G) prepare a trial balance;

(H) journalize and post adjusting and closing entries;

(C) prepare a post-closing trial balance; and

(J) prepare financial statements, including income statements, balance sheets, statements of stockholders' equity, and changes in owners' equity.

(5) The student analyzes cash controls. The student is expected to:

(C) explain cash control procedures such as bank account access, dual control, timely account reconciliations, and security of check stock;

(B) prove cash and reconcile bank statements;

© journalize and post entries to establish and replenish petty cash;

(D) journalize and post entries related to banking activities; and

© explain the benefits of electronic funds transfer.

(6) The student performs accounting functions for a merchandising business. The student is expected to explain the nature of special journals and recording transactions in special journals.

(7) The student performs accounts payable functions. The student is expected to:

(C) maintain a vendor file;
(B) analyze purchase transactions;
© post to an accounts payable subsidiary ledger;
(D) process invoices for payment;
© prepare a schedule of accounts payable; and
(F) analyze the impact of accounts payable on the balance sheet and cash flow statements.

(8) The student performs accounts receivable functions. The student is expected to:
(C) explain the nature of accounts receivable;
(B) maintain a customer file for accounts receivable;
© analyze sales transactions;
(D) post to an accounts receivable subsidiary ledger;
© process sales orders, returns, and allowances;
(F) process customer payments;
(G) process uncollectible accounts;
(H) prepare a schedule of accounts receivable;
(C) determine uncollectible accounts receivable; and
(J) analyze the impact of accounts receivable on the balance sheet and cash flow statements.

(9) The student investigates merchandise inventory to determine the impact on a company's financial position. The student is expected to:
(C) discuss the importance of merchandise inventory to a corporation, including the benefits of determining the most efficient inventory levels;
(B) explain the difference between periodic and perpetual methods of calculating inventory quantities, including the use of inventory records, stock records, and point-of-sale terminals;
© calculate the cost of inventory, including the First In, First Out (FIFO) method, Last In, First Out (LIFO) method, weighted average method, and the Gross Profit method of estimating inventory; and
(D) analyze the results of valuing inventory under the FIFO method, LIFO method, weighted average method, and the Gross Profit method of estimating inventory to determine the effect on Net Income and Gross Profit.

(10) The student completes payroll procedures to calculate, record, and distribute payroll earnings and analyzes the impact of these expenses on a company's financial position. The student is expected to:
(C) interpret time cards to calculate hours worked;
(B) maintain employee earnings records and registers;
© calculate employee earnings, including gross earnings, withholdings, and net pay;
(D) journalize salary expenses;
© calculate employer payroll taxes;
(F) journalize payroll tax expenses;
(G) discuss payroll tax expense forms and reports; and
(H) analyze the impact of salary expenses and payroll tax expense on total expenses and net income.

(11) The student performs specialized accounting functions for a corporation and completes an accounting cycle. The student is expected to:
(C) analyze the articles of incorporation needed to start a corporation;
(B) journalize the issuance of stock;
© compute dividends payable on stock;

(D) complete a work sheet for a corporation, including calculating adjustments for depreciation, merchandise inventory, and federal taxes;

© prepare financial statements for a corporation, including a balance sheet, an income statement, a statement of stockholders' equity, and a statement of changes in retained earnings;

(F) understand that internal accounting controls exist to ensure the proper recording of financial transactions; and

(G) identify and perform tax accounting functions such as recordkeeping procedures and the nature of corporate tax accounting.

(12) The student describes laws and regulations in order to manage business operations and transactions in accounting. The student is expected to:

(C) describe regulation of accounting;

(B) identify and analyze historical events that led to the regulation of accounting such as the fall of Enron; WorldCom; Tyco International, Ltd.; Adelphia Communications; and Arthur Andersen;

© describe the impact of the Sarbanes-Oxley Act of 2002 on internal controls and financial reporting;

(D) describe the role of the Securities and Exchange Commission in regulating the accounting industry;

© discuss state regulation of the accounting industry; and

(F) identify and research a case study involving a historically significant compliance or regulatory issue that led to the formation of regulatory agencies or laws, including:

(C)formulating questions to analyze the issue;

(ii) gathering relevant sources;

(iii) evaluating the validity and reliability of those sources; and

(iv) determining which laws and regulations apply.

(13) The student accesses, processes, maintains, evaluates, and disseminates financial information to assist business decision making. The student is expected to:

(C) use accounting technology, including discussing the use of data mining and integrating technology into accounting;

(B) engage in an accounting simulation covering an accounting cycle; and

© create a clear and coherent oral presentation that analyzes the results of an accounting simulation covering an accounting cycle and includes the use of correct grammar, spelling, punctuation, and citation of resource materials.

Accounting II TEKS

L) determine relevant costs in make-or-buy and accept-or-reject decisions;

(M) evaluate make-or-buy and accept-or-reject decisions to identify the best solutions for a business;

(N) prepare written recommendations that identify make-or-buy and accept-or-reject solutions using empirical data to support and justify conclusions;

(O) perform cost allocation functions; and

(P) prepare cost of production reports.

(6) The student maintains, monitors, controls, and plans the use of financial resources to ensure business stability. The student is expected to:

(A) describe fundamental financial concepts involved in the management of corporate finances, including the nature of depreciation and cash flows;

(B) analyze the need for efficient capital markets in corporate finance;

(C) explore the capital budgeting process;

(D) perform calculations necessary for capital budget decision making, including:

(i) calculating the initial investment associated with a proposed capital expenditure;

(ii) determining operating cash inflows; and

(iii) determining terminal cash flow;

(E) conduct cash-flow analysis to select an acceptable capital expenditure, including:

(i) interpreting the nature of relevant cash flow-analysis;

(ii) explaining the nature of the payback period;

(iii) calculating the payback period;

(iv) explaining the relationship between the internal rate of return and net present value;

(v) calculating the net present value and future value; and

(vi) calculating the internal rate of return;

(F) explain the role of financial planning in corporate finance, including the financial planning process, short-term operating, and long-term strategic planning;

(G) conduct cash planning, including:

(i) explaining the use of cash budgets;

(ii) coping with uncertainty in cash budgets;

(iii) preparing a cash budget; and

(iv) evaluating a cash budget;

(H) conduct profit planning, including pro forma income statements and balance sheets;

(I) define and describe the nature of short-term financial management;

(J) explain the role of valuation in making appropriate financial decisions for a company, including:

(i) discussing the role of project valuation in capital allocation decisions;

(ii) comparing methods for valuing flexibility; and

(iii) discussing the valuation implications in business finance;

(K) use capital market securities to secure financing for a company, including:

(i) analyzing models and methods to determine the best financing option for a company;

(ii) analyzing the nature of corporate bonds;

(iii) analyzing and determining the cost of long-term debt;

(iv) describing the issuance of stock from a corporation;

(v) comparing and contrasting preferred stock and common stock;

(vi) calculating the cost of preferred stock and common stock; and

(vii) computing leverage and debt to equity ratios;

(L) explain the role of dividends in corporate finance, including forms of dividends and reinvestment plans;

(M) describe the effect of a firm's dividend decisions on its external financing requirements;

(N) illustrate the residual theory of dividends;

(O) describe the impact of dividends on the value of the firm;

(P) explain the nature of a dividend policy;

(Q) explain factors to consider when deciding on the form of dividend distribution; and

(R) analyze ownership change transactions, including:

(i) comparing mergers and acquisitions;

(ii) explaining the nature of hostile takeovers;

(iii) discussing issues that arise from mergers and acquisitions;

(iv) explaining methods for evaluating potential merger/acquisition targets;

(v) evaluating potential merger and acquisition targets; and

(vi) analyzing the nature of restructurings.

(7) The student describes laws and regulations in order to manage business operations and transactions in accounting. The student is expected to:

(A) describe and discuss regulation of accounting, including:

(i) the impact of the Sarbanes-Oxley Act of 2002 on accounting;

(ii) the role of the Securities and Exchange Commission in regulating the accounting industry;

(iii) the state regulation of the accounting industry; and

(iv) the impact of International Financial Reporting Standards (IFRS) versus Generally Accepted Accounting Principles (GAAP); and

(B) identify and research a case study involving a fraud, compliance, or regulatory issue or possible scenario, including:

(i) formulating questions to analyze the issue;

(ii) gathering relevant sources;

(iii) evaluating the validity and reliability of those sources;

(iv) identifying and communicating which laws and regulations apply;

(v) gathering data that supports evidence of fraud or non-compliance with regulations; and

(vi) creating a clear and coherent presentation, including the use of correct grammar, spelling, punctuation, and citation of resource materials.

(8) The student accesses, processes, maintains, evaluates, and disseminates financial information to assist business decision making. The student is expected to:

(A) use technology to acquire information such as the use of data mining and automated financial programs into accounting; and

(B) create a clear and coherent oral and written presentation that includes the use of correct grammar, spelling, punctuation, and citation of resource materials on a current topic in accounting using concepts learned in this course.