



SCHOOL DISTRICT OF MONROE

Preparing for the Future, One Child at a Time

College Accounting

Course Description:

The curriculum for this elective course is developed from the [Wisconsin Standards for Business and Information Technology](#). Students will learn advanced concepts in financial and managerial accounting including time value of money, cost-volume-profit analysis, accounting for information systems, accounting for sales and inventory, accounting for fixed assets, long-term liabilities and equity, and financial statements. The information in this course overview outlines what students should understand and be able to do by the end of two trimesters.

Mastery Standards:

Students will apply generally accepted accounting principles while performing the functions of the accounting cycle. (BIT.AF1)

Students will develop and analyze working knowledge of financial reports. (BIT.AF2)

Students will apply payroll and tax theories and procedures. (BIT.AF3)

Students will analyze and use appropriate operations to solve business and personal mathematical problems. (BIT.BCA1)

Students will analyze and explain statistical data in charts, tables and graphs. (BIT.BCA3)

Unit	Description of Unit and Learning Targets
<p>Unit Title: Introduction to Accounting</p> <p><u>Essential Questions:</u></p> <ul style="list-style-type: none"> • How do the conceptual framework of accounting and generally accepted accounting principles provide guidance and structure for preparing financial statements? • What is the purpose of the accounting system? 	<p>Students will.....</p> <p><u>Learning Targets:</u></p> <ul style="list-style-type: none"> • Describe the information provided in each financial statement and how the statements articulate with each other. • Identify business ownership structures • Explain the role of management and the auditor in preparing and issuing an annual report. • Describe the relationship between assets, liabilities and equity on the balance sheet. • Identify and explain the classifications within assets, liabilities, and equity. • Define and calculate the current ratio and debt-equity ratio • Describe the information presented in an income statement. • Calculate return on sales (net profit margin) and return on equity • Identify and explain the three phases of the management cycle. • Identify and explain the four business processes. • Explain and calculate the operating cycle (accounts receivable turnover and inventory turnover) • Explain how internal control procedures are used to safeguard assets. • Prepare a bank reconciliation. • Describe the purpose of the accounting system. • Describe the purpose of journals and ledgers and their relationship. • Analyze and describe how business transactions impact the

	<p>accounting equation.</p> <ul style="list-style-type: none"> ● Apply the double-entry system of accounting to record business transactions and prepare a trial balance. ● Explain the need for adjusting entries and record adjusting entries. ● Prepare the financial statements for the different types of business operations and ownership structures. ● Explain the purposes of the closing process and record closing entries. ● Complete the steps in the accounting cycle and prepare financial statements. ● Describe the purpose of the accounting system. ● Describe the purpose of journals and ledgers and their relationship. ● Analyze and describe how business transactions impact the accounting equation. ● Apply the double-entry system of accounting to record business transactions and prepare a trial balance. ● Explain the need for adjusting entries and record adjusting entries. ● Prepare the financial statements for the different types of business operations and ownership structures. ● Explain the purposes of the closing process and record closing entries. ● Complete the steps in the accounting cycle and prepare financial statements.
<p>Unit Title: Accounting Information System</p> <p><u>Essential Questions:</u></p> <ul style="list-style-type: none"> ● What is the purpose of the accounting system? 	<p>Students will...</p> <p><u>Learning Targets:</u></p> <ul style="list-style-type: none"> ● Describe the purpose of journals and ledgers and their relationship. ● Analyze and describe how business transactions impact the accounting equation. ● Apply the double-entry system of accounting to record business transactions and prepare a trial balance. ● Explain the need for adjusting entries and record adjusting entries. ● Prepare the financial statements for the different types of business operations and ownership structures. ● Explain the purposes of the closing process and record closing entries. ● Complete the steps in the accounting cycle and prepare financial statements.
<p>Unit Title: Accounting for Merchandising Companies</p> <p><u>Essential Questions:</u></p> <ul style="list-style-type: none"> ● Why do companies use different types of inventory systems? ● How does journalizing inventory for a manufacturing business differ from inventory for a merchandising business? 	<p>Students will...</p> <p><u>Learning Targets:</u></p> <ul style="list-style-type: none"> ● Record business transactions using the periodic inventory system and the perpetual inventory system. ● Describe the difference between the gross price method and the net price method. ● Record business transactions using the gross price method and the net price method. ● Determine cash paid for inventory and operating expenses.

	<ul style="list-style-type: none"> • Identify and describe the cost flow assumptions for inventory and explain the impact on the balance sheet and income statement. • Calculate cost of goods sold and ending inventory using LIFO and FIFO inventory costing methods. • Explain how inventory for a manufacturing business differs from inventory for a merchandising business. • Explain how an activity-based costing system operates, including the identification of activity cost pools, and the selection of cost drivers. • Explain the flow of costs through the manufacturing accounts used in product costing. • Compute a predetermined overhead rate, and explain its use in job-order costing. • Determine whether manufacturing overhead is over/under-applied. • Prepare journal entries to record the costs of direct material, direct labor, and manufacturing overhead in a job-order costing system. • Prepare a schedule of cost of goods manufactured, a schedule of cost of goods sold, and an income statement for a manufacturer.
<p>Unit Title: Taxes</p> <p><u>Essential Questions:</u></p> <ul style="list-style-type: none"> • How do taxes affect financial statements? 	<p>Students will...</p> <p><u>Learning Targets:</u></p> <ul style="list-style-type: none"> • Calculate payroll taxes.
<p>Unit Title: Accounting for Sales and Accounts Receivable</p> <p><u>Essential Questions:</u></p> <ul style="list-style-type: none"> • Describe the criteria used to determine revenue recognition. 	<p>Students will...</p> <p><u>Learning Targets:</u></p> <ul style="list-style-type: none"> • Record revenue-related transactions. • Explain the accounting methods used to determine the value of accounts receivable to be reported on the balance sheet and describe the effect on the income statement. • Record transactions for accounts receivable, including uncollectible accounts, write-offs, and recoveries.
<p>Unit Title: Time Value of Money</p> <p><u>Essential Questions:</u></p> <ul style="list-style-type: none"> • Why does the time value of money matter to business? 	<p>Students will...</p> <p><u>Learning Targets:</u></p> <ul style="list-style-type: none"> • Determine the present value and future value cash flows
<p>Unit Title: Accounting for Fixed Assets, Debt and Stockholders Equity</p> <p><u>Essential Questions:</u></p> <ul style="list-style-type: none"> • What is the purpose of cost allocation and how does it affect financial statements? 	<p>Students will...</p> <p><u>Learning Targets:</u></p> <ul style="list-style-type: none"> • Use net present value concepts to make investment decisions. • Explain the purpose and methods of cost allocation. • Calculate and record depreciation, depletion and amortization and explain the impact on the financial statements.

	<ul style="list-style-type: none"> ● Record the sale and disposal of fixed assets and the impact on the financial statements. ● Compare and contrast debt and equity financing. ● Define and calculate TIE (Times-interest-earned ratio) ● Compare and contrast a periodic payment note payable, a lump-sum note payable, and a periodic and lump-sum note payable. ● Calculate the carrying value, interest expense and cash payment for note payable (periodic payment, lump-sum, periodic and lump-sum) transactions. ● Record transactions for notes payable: issuance and interest expense. ● Record transactions for bonds issued at face value, a premium and a discount. ● Record interest expense for bonds issued at face value, a premium and a discount using the straight-line method and effective-interest method. ● Identify and describe the different classes of stock and explain the rights afforded each class of stock. ● Describe the difference between cash dividends, stock dividends and stock splits, and the impact on the financial statements ● Record stock transactions: contributions by owners, corporate distributions (dividends), and the reacquisition of company stock. ● Describe the information provided in an income statement, and the purpose of an income statement. ● Prepare an income statement. ● Explain the difference in net income and income from continuing operations (discontinued operations, extraordinary items). ● Describe the information provided in a balance sheet and statement of equity, and the purpose of a balance sheet and statement of equity. ● Prepare a balance sheet and statement of equity. ● Describe the information provided in statement of cash flows, and the purpose of a statement of cash flows. ● Prepare a statement of cash flows using the direct method
<p>Unit Title: Cost-Volume-Profit Analysis</p> <p><u>Essential Questions:</u></p> <ul style="list-style-type: none"> ● How do the activities in the three operating processes relate to one another? 	<p>Students will...</p> <p><u>Learning Targets:</u></p> <ul style="list-style-type: none"> ● Identify and explain variable costs, fixed costs, and mixed costs. ● Use high-low analysis to determine variable costs, fixed costs, and mixed costs. ● Calculate break-even point and perform cost-volume-profit (CVP) analysis. ● Apply sensitivity analysis to CVP analysis. ● Determine selling price using sensitivity analysis and CVP analysis. ● Describe the process of determining selling prices and demonstrate how various strategies are used to determine selling price ● Describe the differences among product and non-product

costs.

- Identify and explain product costs: direct/indirect materials, direct/indirect labor, manufacturing overhead.
- Record direct materials and direct labor transactions.
- Analyze a make-or-buy decision.
- Describe the process of determining selling prices and demonstrate how various strategies are used to determine selling price.