Unit 4 - Accounting for Merchandising Opportunities

Content Area: **Business Education**
Course(s): **Accounting 1**
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Enduring Understandings

Samples

The goal of generating accounting information is to provide data that different users need to make informed decisions for unique situations.

Accounting for merchandising operations can be complicated and time consuming.

Essential Questions

Samples

How do faithful representation and classification apply to merchandise operations?

How can a business manage its operating cycle so that it has adequate cash to maintain liquidity?

Content

Cost of goods available for sale

Cost of goods sold

Delivery expenses

Exchange gain or loss

Financing period

FOB destination

FOB shipping point

Freight-in

General and administrative expenses

Gross margin

Gross sales

Income from operations

Merchandise inventory

Merchandising company

Multistep income statement

Net cost of purchase

Net sales

Operating cycle

Operating expenses

Other revenue and expenses

Percentage of gross margin

Periodic inventory system

Perpetual inventory system

Physical inventory

Single-step income statement

Skills

Bloom's Taxonomy

Define merchandising accounting, and differentiate perpetual form periodic inventory systems.

Describe the features of multistep and single-step classified income statements.

Describe the terms of sale related to merchandising transactions.

Prepare an income statement, and record merchandising transactions under the perpetual inventory system.

Prepare and income statement and record merchandising transactions under the periodic inventory system.

Explain the role of the operating cycle and foreign business transactions in evaluating the liquidity of a merchandising business.

Resources

Standards

NJ: 2014 CCCS: 21st Century Life and Careers
NJ: Grade 12
9.1 Personal Financial Literacy
Strand D: Planning, Saving, And Investing
9.1.12.D.4 Assess factors that influence financial planning.
9.1.12.D.5 Justify the use of savings and investment options to meet targeted goals.
Strand E: Becoming A Critical Consumer
9.1.12.E.2 Analyze and apply multiple sources of financial information when prioritizing financial decisions.