

# Unit 6 - Cash and Internal Control

Content Area: **Business Education**  
Course(s): **Accounting 1**  
Time Period: **February**  
Length: **8 Blocks**  
Status: **Published**

## **Enduring Understandings**

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### [Samples](#)

It is important that a company's financial statements faithfully represent the company's operations - that is, that the statements are free from material error.

## **Essential Questions**

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### [Samples](#)

How can a company's bank and other users of financial statements be confident that the company has an adequate system of internal control?

## **Content**

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Authorization

Bank reconciliation

Bank statement

Bonding

Cash equivalents

Check authorization

Control activities

Control environment

Deposits in transit

Electronic funds transfer

Imprest system

Information and communication

Internal control  
Monitoring  
NSF (nonsufficient funds) checks  
Periodic independent-verification  
Petty cash voucher  
Physical controls  
Physical inventory  
Purchase order  
Purchase requisition  
Receiving report  
Risk assessment  
Separation of duties

## **Skills**

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### [Bloom's Taxonomy](#)

Describe the components of internal control, control activities, and limitations on internal control.

Apply internal control activities to common merchandising transactions

Define cash equivalents, and explain methods of controlling cash, including bank reconciliations.

Demonstrate the use of a simple petty cash system.

Identify the internal control roles of management and the auditor.

## **Resources**

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## **Standards**

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NJ: 2014 CCCS: 21st Century Life and Careers

NJ: Grade 12

9.1 Personal Financial Literacy

Strand B: Money Management

9.1.12.B.8 Describe and calculate interest and fees that are applied to various forms of spending, debt, and saving.

Strand D: Planning, Saving, And Investing

9.1.12.D.4 Assess factors that influence financial planning.

9.1.12.D.7 Explain the risk, return, and liquidity of various savings and investment alternatives.