

# Unit 03 Internal Control and Cash

Content Area: **Business**  
Course(s): **Accounting 2A**  
Time Period: **Semester 1**  
Length: **3 weeks**  
Status: **Published**

## Standards

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NJ 2009 CCCS: Standard 9 21<sup>st</sup> Life and Career: 9.4 CTE:F Finance Career Cluster Pathway Accounting

9.4.12.F.(1).1 Access and evaluate financial information to assist business decision-making.

Ethics and Legal Responsibilities: Legal responsibilities, professional ethics, and codes of conduct affect management practices, business performance, and regulatory compliance, as well as the confidence of customers, business partners, and investors.

9.4.12.F.(1).2 Describe laws and regulations affecting business operations and transactions in order to ensure compliance with industry requirements.

Employability and Career Development: Employability skills and career and entrepreneurship opportunities build the capacity for successful careers in a global economy.

9.4.12.F.(1).3 Apply career planning concepts, tools, and strategies to explore, plan, obtain, and develop a career in this pathway.

Technical Skills: Technical knowledge and skills play a role in all careers within the cluster and pathway.

9.4.12.F.(1).4 Use accounting tools, strategies, and systems to plan the use and management of financial resources.

## Enduring Understanding

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Safeguarding and securing assets should be a concern of all businesses.

The procedures that businesses put into place to protect assets are called internal control, and are the key to management responsibility.

## Essential Questions

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What is internal control and how can it be used to protect a company's assets?

What are the internal control procedures with respect to cash receipts and cash payments?

How can a petty cash fund be used for internal control purposes? How can a bank account be used as a control device?

### **Knowledge and Skills**

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- Define internal control and describe the components of internal control and control procedures
- Apply internal controls to cash receipts
- Apply internal controls to cash payments
- Demonstrate the use of a bank account as a control device and prepare a bank reconciliation and related journal entries.
- Use the cash ratio to evaluate business performance

### **Transfer Goals**

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Checks and balances allow for a system to succeed.

Attention to detail avoids mistakes.

### **Resources**

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Horngren's Financial and Managerial Accounting

Albert.io

Accountingcoach.com