Unit 06 Current Liabilities and Payroll

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

Standards

NJ 2009 CCCS: Standard 9 21st 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

Accounting for payroll includes the calculation of Gross pay, Net pay and all of the taxes and deductions.

Business have to calculate payroll tax expense that is based on the total salary expense to the business

Essential Questions

Why is net pay different from gross pay?

How do payroll related expenses impact the bottom line?

Knowledge and Skills

- Account for current liabilities of known amount
- Calculate an overtime pay rate
- Calculate the withholding and taxes for an individual
- Calculate net pay for an individual
- Prepare a payroll register for a group of employees
- Record the transactions that a payroll register generates
- Calculate the payroll tax that is the companies burden
- Record that transactions for payroll tax expense
- Account for current liabilities that must be estimated
- Account for contingent liabilities
- Use the times-interest-eanred ratio to evaluate business performance

Transfer Goals

Metrics are needed to evaluate the success of a venture.

Attention to detail avoids mistakes.

Resources

Horngren's Financial and Managerial Accounting
Albert.io
Accountingcoach.com