

# Unit 01 Accounting Cycle Merchandise Operations-Perpetual

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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Businesses that buy and sell merchandise use processes similar to a service businesses to record, report and evaluate the business.

Inventory is a liability until it is sold.

## Essential Questions

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Why do different methods of costing affect net income?

How do the rise and decrease of pricing affect inventory methods?

## **Knowledge and Skills**

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- Describe merchandising operations and the two types of merchandise inventory systems
- Describe the merchandising cycle
- Account for the purchase of merchandise inventory using a perpetual inventory system
- Evaluate FOB points and credit terms
- Account for the sale of merchandise inventory using a perpetual inventory system
- Adjust and close the accounts of a merchandising business
- Prepare a multi step income statement and compare and contrast between an single step and a multi step income statement

## **Transfer Goals**

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One rule often cannot apply to a multitude of situations.

Attention to detail avoids mistakes.

## **Resources**

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Horngren's Financial and Managerial Accounting

Albert.io

Accountingcoach.com