

# Unit 2: Business Transactions and the Accounting Equation

Content Area: **Business Management and Information**  
Course(s):  
Time Period: **Marking Period 1**  
Length: **5-6 weeks**  
Status: **Published**

## Introduction

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The Accounting course aims to provide students with a comprehensive introduction to the principles and practices of accounting. Throughout the course, students will learn fundamental concepts such as the accounting equation, double-entry accounting, and the preparation of financial statements. Emphasis will be placed on understanding the role of assets, liabilities, and equity in financial transactions. Students will also apply accounting principles to real-world scenarios. Practical skills will be further developed through hands-on exercises and simulations, and by the end of the course, students will have a solid foundation in accounting principles, enabling them to analyze and interpret financial information effectively.

In this unit, students will learn that transactions occur everyday in a business and it is an accountant's job to take those business transactions and record them in the correct areas; a company cannot succeed without accountants doing their job correctly and keeping the finances organized. Students will explore and apply the accounting equation to organize their information and make sure the business is keeping track of its transactions.

Students in Business Management and Information Systems classes develop skills that are intended to give them a competitive advantage in the workplace. Through the study of core business topics and current events, this curriculum encourages students to refine their speaking and listening skills, collaborate with their peers, and explore and research potential career paths.

Revision Date: July 2020

This unit is aligned to the English Language Development (ELD) standards for kindergarten through grade 12 since multilingual learners develop content and language concurrently, with academic content in a classroom where the language of instruction is English. As a result, language learning and language as a means for learning academic content are interchangeable. The following ELD standards are relevant for this unit and course of study:

- Standard 1: Language for Social and Instructional Purposes: English language learners communicate for social and instructional purposes within the school setting.

LA.RI.9-10.1

Accurately cite strong and thorough textual evidence, (e.g., via discussion, written response, etc.) and make relevant connections, to support analysis of what the text says explicitly as well as inferentially, including determining where the text leaves matters uncertain.

LA.RI.9-10.2	Determine a central idea of a text and analyze how it is developed and refined by specific details; provide an objective summary of the text.
LA.RI.9-10.4	Determine the meaning of words and phrases as they are used in a text, including figurative, connotative, and technical meanings; analyze the cumulative impact of specific word choices on meaning and tone (e.g., how the language of a court opinion differs from that of a newspaper).
LA.RI.9-10.5	Analyze in detail how an author's ideas or claims are developed and refined by particular sentences, paragraphs, or larger portions of a text (e.g., a section or chapter).
LA.RI.9-10.8	Describe and evaluate the argument and specific claims in a text, assessing whether the reasoning is valid and the evidence is relevant and sufficient; identify false statements and reasoning.
LA.W.9-10.2	Write informative/explanatory texts to examine and convey complex ideas, concepts, and information clearly and accurately through the effective selection, organization, and analysis of content.
LA.W.9-10.2.A	Introduce a topic; organize complex ideas, concepts, and information to make important connections and distinctions; include formatting (e.g., headings), graphics (e.g., figures, tables), and multimedia when useful to aiding comprehension.
PFL.9.1.12.E.1	Evaluate the appropriateness of different types of monetary transactions (e.g., electronic transfer, check, certified check, money order, gift card, barter) for various situations.
PFL.9.1.12.E.2	Analyze and apply multiple sources of financial information when prioritizing financial decisions.
PFL.9.1.12.F.1	Relate a country's economic system of production and consumption to building personal wealth and achieving societal responsibilities.
PFL.9.1.12.G.1	Analyze risks and benefits in various financial situations.
SEL.PK-12.1.1	Recognize one's feelings and thoughts
SEL.PK-12.3.1	Recognize and identify the thoughts, feelings, and perspectives of others
CAEP.9.2.12.C.4	Analyze how economic conditions and societal changes influence employment trends and future education.
CAEP.9.2.12.C.7	Examine the professional, legal, and ethical responsibilities for both employers and employees in the global workplace.
TECH.8.1.12	Educational Technology: All students will use digital tools to access, manage, evaluate, and synthesize information in order to solve problems individually and collaborate and to create and communicate knowledge.
TECH.8.1.12.B	Creativity and Innovation: Students demonstrate creative thinking, construct knowledge and develop innovative products and process using technology.

## **Essential Questions and Enduring Understandings**

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### Essential Questions

- What is the accounting equation and how is it used?
- What is equity and how does it relate to financial claims?
- How do you record a business transaction and begin financial reporting?

## Enduring Understandings

- For all property that is owned there is a financial claim equal to the cost of the property
- All business transactions affect the accounting equation
- Companies need revenue to operate and Revenue is earned from the sale of goods and services which increases Owner's Equity
- Companies have expenses which are the costs incurred by a business and Expenses decrease Owner's Equity
- Investments occur when the owner transfers their own assets into the business
- Withdrawals occur when the owner takes assets out of the company

## Objectives

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Students will know:

- Vocabulary terms: property rights, liabilities, accounting equation, business transaction, account receivable, accounts payable, financial claims, credit, creditor, assets, equity, investments, owner's equity, expenses, withdrawal, revenue.
- The accounting equation and the relationship between assets, liabilities and owner's equity
- How debits and credits are used in double entry accounting
- How to use T-accounts to record business transactions
- How Revenue, expenses, investments and withdrawals affect the accounting equation
- What accounts are asset accounts, liability accounts and equity accounts
- The difference between permanent and temporary accounts and why temporary accounts occur

Students will be skilled at:

- Analyzing business transactions
- Creating T accounts for the all the accounts necessary in the chart of accounts
- Calculating the accounting equation to make sure it is equal
- Using T accounts to record business transactions
- Using double entry accounting to record a business transaction
- Equating debits and credits to be equal

## Learning Plan

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The learning plan includes, but is not limited to the following:

- Students will read and analyze business articles and videos that relate to the topics covered
- Discussion: what are the risks involved with owning a business
- Complete assignments dealing with business transactions and the accounting equation on McGraw-Hill

## Connect

- Complete assignments in textbook “Balancing the Accounting Equation” and “Determining the Effects of Transactions on the Accounting Equation”
- In groups, students will receive recorded transactions, the students will cooperatively explain what the business transactions could have been. Then will pass to other groups, where they will use their written explanation to record and see if the answers match
- Compete Case Study: Service Business: Landscaping using Excel
- Discussion: what is the difference between a product and a service?
- Discussion: What assets do you have?, What types of liabilities does your family have?, What is equity?
- Written Assignment: Company Property a matter of Ethics
- Complete Case Study: “Conducting an audit” and “Certified Public Accountant (CPA)”

Note: Other strategies to address the learning objectives may include, but are not limited to direct instruction, self and peer review, think-pair-share activities, creating visual representations film analysis, Socratic seminars, small group discussions, simulations, jigsaw activities, gallery walks, web quests, and/or inquiry or problem based learning projects.

## **Assessment**

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When taking a Business course, students demonstrate differentiated proficiency according to their ability to answer the essential questions through formative and summative assessments. Many of the performance tasks below can be implemented as formative and/or summative assessments. As teachers strive for students to demonstrate proficiency, they will need to create additional or alternative assessments based on demonstration or absence of skill.

### Formative Assessment:

- Classwork and Homework on McGraw Hill Connect online software [www.mcgrawhillconnect.com](http://www.mcgrawhillconnect.com). Practice problems done in class using textbook and McGraw-Hill software

### Summative Assessments:

- Research response to Case Study: “Certified Public Accountant (CPA)”, Unit quiz on debits, credits, and property and financial claims, Research a company of choice and list all assets, liabilities and owner’s equity that would relate to that company, Unit test on business transactions, T-accounts and accounting equation

Alternative Assessment:

- Read Case Study: “Conducting an audit” and write interpretation and response

Benchmark Assessment:

- DECA Case Studies

## **Materials**

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The design of this course allows for the integration of a variety of instructional, supplemental, and intervention materials that support student learners at all levels in the school and home environments. Associated web content and media sources are infused into the unit as applicable and available. In addition to the materials below, the following link connects to district approved textbooks and resources utilized in this course: [Core Book List](#)

[McGraw-Hill Connect](#)

[Career Interest Profiler](#)

[Cool Accounting Careers Video](#)

[Types of Accountants Article](#)

[Yahoo Finance](#)

[CPA Journal](#)

[Enron Fraud Explained](#)

[Accrual Basis- Khan Academy](#)

[Financial Statements- Khan Academy](#)

[SEC EDGAR Database](#)

[GAAP Principles Video](#)

[FASB Video](#)

[Income Statement Video](#)

[Build Your Stax Game](#)

## Monopoly Game

Any additional resources that are not included in this list will be presented to and reviewed by the supervisor before being included in lesson plans. This ensures resources are reviewed and vetted for relevance and appropriateness prior to implementation.

### **Modifications**

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This link includes content specific accommodations and modifications for all populations:

<https://docs.google.com/spreadsheets/d/1g8M7CZ5VVwvFk2Ay9DZbjdewOYDyNOzpNeEBgSXPvr0/edit?usp=sharing>

These additional strategies are helpful when learning Business Management and Information Systems content and skills:

- Highlighter for close reading and annotation strategies
- Bolded terms in directions
- Reading texts aloud for students to assist in comprehension and analysis
- Providing opportunities for text-to-speech for written responses.
- Using visual presentations of all materials and including graphic organizers when possible.