

Unit 3: Beginning the Accounting Cycle

Content Area: **Business Management and Information**
Course(s):
Time Period: **Marking Period 2**
Length: **5-6 weeks**
Status: **Published**

Introduction

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 learn that the accounting cycle has 9 steps that an accountant follows throughout an accounting period to keep track of the finances of a company. These steps help organize and make sure the business keeps track of all their transactions correctly and on time. Students will practice recording business transactions into the correct accounts to see how much money, assets, and equity the company has in all their accounts. Students will then be introduced to the first 5 steps of the accounting cycle. They analyze business transactions from source documents and recording to the General Journal and then posting to the General Ledger.

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.

	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.
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.9-10.W.9-10.1	Write arguments to support claims in an analysis of substantive topics or texts, using valid reasoning and relevant and sufficient evidence. Introduce precise claim(s), distinguish the claim(s) from alternate or opposing claims, and create an organization that establishes clear relationships among claim(s), counterclaims, reasons, and evidence.
PFL.9.1.12.C.1	Compare and contrast the financial benefits of different products and services offered by a variety of financial institutions.
PFL.9.1.12.D.12	Compare and contrast the past and present role of government in the financial industry and in the regulation of financial markets.
PFL.9.1.12.E.2	Analyze and apply multiple sources of financial information when prioritizing financial decisions.
PFL.9.1.12.E.3	Determine how objective, accurate, and current financial information affects the prioritization of financial decisions.
PFL.9.1.12.E.5	Evaluate business practices and their impact on individuals, families, and societies.
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
SEL.PK-12.4.1	Develop, implement and model effective problem-solving, and critical thinking skills
SEL.PK-12.5.1	Establish and maintain healthy relationships
SEL.PK-12.5.2	Utilize positive communication and social skills to interact effectively with others

Essential Questions and Enduring Understandings

Essential Questions:

- Why are following the steps of the accounting cycle important?
- Why is it important to keep track of financial claims?
- Why are so many steps in the accounting cycle necessary?

Enduring Understandings:

- The first five steps of the accounting cycle include posting and recording business transactions
- Source documents are used to keep track of business transactions including check stubs, receipts, invoices and memorandums
- Keeping up-to-date records helps to provide information for people inside and outside of the your business
- How to correct errors in the general journal
- Why the general ledger is important to the success of a business
- A trial balance is created after all transactions are posted in the period

Objectives

Students Will Know:

- Vocabulary terms: ledger, chart of accounts, accounting cycle, source document, journalizing, fiscal year, calendar year, posting, trial balance, slide error, transposition error and correcting entry
- How to analyze transactions from source documents like memos, invoices, check stubs and receipts
- How to record business transactions to the general journal
- How to post journal entries to the general ledger
- How to correct errors in the general journal
- The nine steps in the accounting cycle
- How to create a trial balance
- What a slide error and a transposition error are, why they occur, and how to correct them

Students will be skilled at:

- Collecting and verifying information from source documents
- Recording business transactions to the general journal
- Making correcting errors in the general journal
- Posting to the general ledger from the general journal
- Creating a trial balance from the information in the general ledger

Learning Plan

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

- Preview the Essential Questions
- Discussion: What assets do the students have and what are their rights to those assets? (clothes, shoes, watch) What assets do they have that other people have a claim to as well? (phone, house, car)
- Using smartboard, present PowerPoint prepared for each chapter within the Unit
- Students will read and analyze business articles and videos that relate to the topics covered
- Complete assignments dealing with recording to the General Journal on McGraw-Hill site
- Complete assignments dealing with posting to the General Ledger on McGraw-Hill site
- Writing Activity: Using the smart board, have students analyze this scenario: “A business owner had sales of \$78,000 and expenses of \$42,000 last year. The owner took \$54,000 out of the business for personal use. The owner’s original investment was \$20,000 in cash. The owner is having trouble paying business expenses.” Tell students to apply basic accounting to analyze the problem and use accounting terminology to explain why the owner is having trouble paying expenses.
- Introduce students to “Great Escapes” and begin using source documents to complete business transactions
- Unit Quiz on Vocabulary including chart of accounts, Debit, Credit and Normal Balance
- Using Excel have students create Trial Balance from business transactions given from teacher
- Have students receive source documents and record all first five steps of Accounting Cycle from the source documents
- Unit Test on debit and credit rules, General Journal, General Ledger, Trial Balance and Source Documents

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

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, Practice problems done in class using textbook and McGraw-Hill software, Complete Problem “Analyze a Source Document” in textbook

Summative Assessment:

- Writing Activity: Analyze scenario and explain why the owner is having trouble paying expenses, Unit Quiz on vocabulary including chart of accounts, Debit, Credit and Normal Balance,

Writing Activity: Research cultural perceptions on various topics such as time management in a foreign country and compare it to the United States

Unit Test on debit and credit rules, General Journal, General Ledger, Trial Balance and Source Documents

Alternative Assessment:

- Great Escapes assignments using source documents

Benchmark Assessment:

- DECA Case Studies

Materials

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

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.