Unit 1: The Role of Accounting in Business

Content Area: **Business Management and Information**
Course(s):
Time Period: **Marking Period 1**
Length: **6-7 Weeks**
Status: **Published**

Summary

Accounting 1 introduces students to the basic principles, concepts, and procedures of accounting. Students will learn about the entire accounting cycle, from analyzing and recording transactions to preparing financial statements. Emphasis will be placed on accounting procedures for a proprietorship business organization, while accounting career opportunities will also be explored.

This unit is part of the larger aforementioned course sequence and specifically focuses on The Role of Accounting in Business where students will learn how accountants have many different career opportunities and have a vital role in businesses' responsibilities, including making financial decisions and preparing accurate financial reports. Furthermore, students will understand how equity represents the stake of a company and can be impacted by revenue and costs of the business. By the end of this unit, students will be able to explain different types of accounting and their relevance to various businesses, apply GAAP principles, use the accounting equation, classify and record transactions, differentiate between accounts payable and receivable, interpret financial statements, implement double-entry accounting using T accounts, and assess a company's financial health.

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: August 2025

Standards

9.1.12.CFR.4: Demonstrate an understanding of the interrelationships among attitudes, assumptions, and patterns of behavior regarding money, saving, investing, and work across cultures.

9.1.12.CFR.6: Identify and explain the consequences of breaking federal and/or state employment or financial laws.

9.1.12.CDM.1: Identify the purposes, advantages, and disadvantages of debt.

9.1.12.CDM.9: Summarize the causes and consequences of personal and corporate bankruptcy and evaluate the implications for self and others.

9.1.12.FP.7: Determine how multiple sources of objective, accurate and current financial information affect the prioritization of financial decisions (e.g., print information, prospectus, certified financial planners, internet, sales representatives, etc.).

9.1.12.PB.2: Prioritize financial decisions by considering alternatives and possible consequences.

9.1.12.PB.6: Describe and calculate interest and fees that are applied to various forms of spending, debt and saving.

9.2.12.CAP.4: Evaluate different careers and develop various plans (e.g., costs of public, private, training schools) and timetables for achieving them, including educational/training requirements, costs, loans, and debt repayment.

9.2.12.CAP.7: Use online resources to examine licensing, certification, and credentialing requirements at the local, state, and national levels to maintain compliance with industry requirements in areas of career interest.

9.2.12.CAP.13: Analyze how the economic, social, and political conditions of a time period can affect the labor market.

9.2.12.CAP.22: Compare risk and reward potential and use the comparison to decide whether starting a business is feasible.

9.4.12.CI.1: Demonstrate the ability to reflect, analyze, and use creative skills and ideas (e.g., 1.1.12prof.CR3a).

9.4.12.CI.2: Identify career pathways that highlight personal talents, skills, and abilities (e.g., 1.4.12prof.CR2b, 2.2.12.LF.8).

9.4.12.CI.3: Investigate new challenges and opportunities for personal growth, advancement, and transition

(e.g., 2.1.12.PGD.1).

9.4.12.CT.1: Identify problem-solving strategies used in the development of an innovative product or practice (e.g., 1.1.12acc.C1b, 2.2.12.PF.3).

9.4.12.CT.2: Explain the potential benefits of collaborating to enhance critical thinking and problem solving (e.g., 1.3E.12profCR3.a).

9.4.12.CT.4: Participate in online strategy and planning sessions for course-based, school-based, or other project and determine the strategies that contribute to effective outcomes.

9.4.12.IML.4: Assess and critique the appropriateness and impact of existing data visualizations for an intended audience (e.g., S-ID.B.6b, HS-LS2-4).

9.4.12.TL.2: Generate data using formula-based calculations in a spreadsheet and draw conclusions about the data.

9.4.12.TL.4: Collaborate in online learning communities or social networks or virtual worlds to analyze and propose a resolution to a real-world problem (e.g., 7.1.AL.IPERS.6).

RI.CI.9–10.2. Determine one or more central ideas of an informational text and analyze how it is developed and refined over the course of a text, including how it emerges and is shaped by specific details; provide an objective summary of the text.

RI.AA.9–10.7. Describe and evaluate the argument and specific claims in an informational text, assessing whether the reasoning is valid and the evidence is relevant and sufficient; identify false statements and reasoning.

RI.CT.9–10.8. Analyze and reflect on (e.g., practical knowledge, historical/cultural context, and background knowledge) seminal and informational text of historical and scientific significance, including how they relate in terms of

themes and significant concepts.

W.WR.9–10.5. Conduct short as well as more sustained research projects to answer a question (including a self-generated question) or solve a problem; narrow or broaden the inquiry when appropriate; synthesize multiple sources on the subject, demonstrating understanding of the subject under investigation.

W.RW.9–10.7. Write routinely over extended time frames (time for research, reflection, and revision) and shorter time frames (a single sitting or a day or two) for a range of tasks, purposes, and audiences.

SL.PE.9–10.1. Initiate and participate effectively in a range of collaborative discussions (one-on-one, in groups, and teacher-led) with peers on grades 9–10 topics, texts, and issues, building on others' ideas and expressing their own clearly and persuasively.

B. Collaborate with peers to set rules for discussions (e.g., informal consensus, taking votes on key issues, presentation of alternate views); develop clear goals and assessment criteria (e.g., student developed rubric) and assign individual roles as needed.

C. Propel conversations by posing and responding to questions that relate the current discussion to broader themes or larger ideas; actively incorporate others into the discussion; and clarify, verify, or challenge ideas and conclusions.

D. Respond thoughtfully to various perspectives, summarize points of agreement and disagreement, and justify own views. Make new connections in light of the evidence and reasoning presented.

SL.II.9–10.2. Integrate multiple sources of information presented in diverse media or formats (e.g., visually, quantitatively, qualitatively, orally) evaluating the credibility and accuracy of each source.

SL.PI.9–10.4. Present information, findings, and supporting evidence clearly, concisely, and logically. The content, organization, development, and style are appropriate to task, purpose, and audience.

SL.UM.9–10.5. Make strategic use of digital media (e.g., textual, graphical, audio, visual, and interactive elements) in presentations to enhance findings, reasoning, and evidence and to add interest.

In accordance with New Jersey's Chapter 32 Diversity and Inclusion Law, this unit includes instructional materials that highlight and promote diversity, including: economic diversity, equity, and tolerance.

The standards in this unit reflect a developmental progression and make interdisciplinary connections across content areas including the humanities, technology, career readiness, cultural awareness, and global citizenship.

Essential Questions

Essential Questions:

- How can the accounting equation be used to successfully record business transactions?
- To what extent does accurate financial reporting impact businesses positively?
- To what extent can accountants measure the financial success of a company based on its assets, liabilities, and owner's equity?

Enduring Understandings:

- Accountants have many different career opportunities and play a vital role in businesses' responsibilities, including making financial decisions and preparing accurate financial reports.
- Equity represents the stake of a company and can be impacted by revenue and costs of the business.

Objectives

Students Will Know:

- Vocabulary terms including but not limited to: financial accounting, managerial accounting, the accounting equation, revenue, costs, liabilities, owner's equity, stakeholders, financial claims, assets, business ethics, bookkeeping, GAAP, FASB, profit, risk taking, entrepreneurship, accounts receivable, accounts payable, matching concept, accrual basis accounting, adjusting entries, credit, debit, double entry accounting, creditor, withdrawal
- The three types of businesses (manufacturing, merchandising, and service) and types of business organizations (proprietorship, partnership, and corporation) in connection to accounting.
- The components of the accounting equation (assets, owner's equity, liabilities) and why it is used.
- The GAAP are a set of accounting principles that ensure consistent, accurate, and transparent recordkeeping.
- The FASB sets the GAAP standards, which public companies must follow when preparing their financial statements.
- The difference between accounts receivable and accounts payable.

- The impact of transactions on assets, liabilities, and owner's equity.
- The importance of the matching concept to the accrual basis accounting.
- The role of accrual basis accounting, where revenue is recorded when it is acquired and expenses are recorded when they are incurred to keep accurate financial records.
- Adjustments are necessary for accurate financial bookkeeping and require journalization.
- Adjusted trial balances occur at the end of an accounting period after all adjusting entries are complete to reflect a company's financial performance and standing.
- 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:

- Differentiate between financial accounting and managerial accounting.
- Utilizing the accounting equation to evaluate assets of a business and ensure that accounts are equal.
- Recognizing and reproducing financial statements.
- Determining the profitability of a company based on financial statement analysis.
- Evaluating the different types of accounting careers.
- Explain how accurate accounting contributes to strong business ethics
- Classifying business transactions into accounts receivable and accounts payable.
- Utilizing spreadsheets to organize financial information.
- Simulating how purchases can impact a business in its assets, liabilities, and owner's equity.
- Complete a vertical analysis to compare financial statement items with each other and with industry averages.
- Creating T accounts for all the accounts necessary in the chart of accounts.
- 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

Accounting Career Profiler: Students will investigate different accounting careers by completing the Career Profiler on McGraw Hill. Students will consider which field of accounting they are most interested in based on their investigation and research further into the businesses/individuals they could work for and the types of services various accountants perform.

Business Ethics Case Studies: After learning about business ethics in relation to finances and the role of accountants in maintaining ethical standards, students will be presented with real world scenarios where the company was found to not follow ethical financial standards. Students will utilize their case study to create a solution to address the problem, highlighting the role of accounting.

Business Organizations and Accounting: Students will connect different types of business organizations with real life examples for the type of company (ex. Sole proprietorship, corporation, partnership) or business (ex. Service, merchandising, manufacturing) and explain how the company fits into the definition. Students will then consider how accountants may face specific challenges or benefits in each type of business or organization.

GAAP Mind Map: Students will create a mind map surrounding the Generally Accepted Accounting Principles, where they identify the principles and address how they are connected to accounting, the FASB, and how they are seen in practice.

Classifying Business Transactions: Students will simulate making purchases as a publicly traded company and recording their business transactions into the proper account. Students will consider how the transactions impact the balance for the business and how to accurately record their transactions through accrual basis accounting.

Using the Accounting Equation: Students will practice using the Accounting Equation. Students will be presented with an incomplete balance sheet where there are missing amounts from the assets, liabilities, and owner's equity. Students will utilize the accounting equation to "balance" their account statement.

Utilizing a Spreadsheet for Financial Accounting: Students will practice utilizing basic accounting equations through a Google or Excel Spreadsheet. Students will create their own balance statements utilizing a spreadsheet and input transactions to create a balanced account.

Business Transactions Simulation: Utilizing fake money, students will simulate making business transactions for a fictitious company. Students will analyze how the transactions impacted assets, liabilities,

and owner's equity. Based on their experience, students will then make recommendations on how to limit losses for their business.

Accounting Monopoly: Students will work in teams and utilize the board game Monopoly by applying the accounting equation to their actions. Students will identify their assets as cash, buildings, land, and equipment acquired, liabilities as notes payable, and owner's equity as investments and retained earnings. Students will keep an action narrative as they move throughout the game and keep a record of their transactions. Students will create a balance sheet to indicate their "profitability" at the end of the game.

Double Entry Accounting: Students will practice labeling and calculating transactions as debits and credits through the double entry accounting method. Students will organize their transactions differently as debits or credits, ensuring that they maintain a balance between both entries on a basic accounting ledger.

Organizing T Accounts: Students will review the accounting equation and how it is divided in a T Account. Students will create their own T Accounts where they divide first the assets, liabilities, and owner's equity, followed by their subcomponents. Students will identify and explain why there are subcomponents for each part of the equation and practice how debits for one T Account can be counted as a credit for another.

Analyzing T-Accounts: Students will have a list of transactions that they will organize into a T-Account to practice double-entry accounting. Students will organize their transactions by creating t accounts for assets, liabilities, and owner's equity (as well as their sub-components like cash and fixed assets) and practice balancing their accounts. Students will reflect on why t accounts are useful for organizing and recording business transactions and why debits and credits must be equal.

Assessment

When taking a Business Management and Information Technology 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 Assessments:

- Do Nows
- Exit Slips
- McGraw Hill Connect Classwork Assignments

- Accounting Career Profiler
- Business Ethics Case Studies
- Classifying Business Transactions
- Utilizing a Spreadsheet
- Business Transactions Simulation
- Double Entry Accounting
- Analyzing T Accounts

Summative Assessments:

- Accounting Basics Test
- Double Entry Accounting Test
- Accounting Monopoly

Alternative Assessments: Students will complete an "Accounting Ledger" where they identify and explain the unit concepts and how they are utilized. Students will also complete their own balance sheets, double entry accounting ledgers, and T accounts for an account assigned to them.

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.

The following are approved resources that teachers can include to further unit related objectives:

Career Profiler (O*Net Interest Profiler: My Next Move)

McGraw Hill Connect

The Importance of GAAP Video(Financial Accounting Standards Board)

Accounting Lesson Plans and Resources (Wharton Global Youth Program)

It's Tempting, but is it Ethical? Article (Wharton Global Youth Program)

Starting a Business: Basic Accounting- Income Statement and Balance Sheet (WGYP)

Accounting Monopoly (Indiana CPA Society)

Double Entry: What It Means in Accounting and How It's Used (Investopedia)

T Accounts Explained: Definition, Example, Recording, and Benefits (Investopedia)

ICYMI: Ethical Dilemmas Facing CPAs: Three Case Studies (CPA Journal)

Accrual Basis of Accounting (Khan Academy)

SEC EDGAR Database (SEC)

What are the Different Types of Accountants? Article (Pepperdine Seaver College)

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.

Integrated Accommodation and 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:

- Bold terms in directions.
- Read texts aloud for students to assist in comprehension and analysis.
- Provide opportunities for text-to-speech for written responses.
- Use visual presentations of all materials and instructions.
- Provide step-by-step instructions for mathematical problems that require calculation.
- Model of practices to support student understanding.
- Include calculation tools when applicable for utilizing the accounting equation, t accounts, balance sheets, and double entry accounting.