Unit 2: Beginning the Accounting Cycle

Content Area: **Business Management and Information**
Course(s):
Time Period: **Marking Period 1**
Length: **5-6 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 beginning the accounting cycle where students will recognize that the accounting cycle is made up of eight steps that focus on posting, recording, and reconciling business transactions over a specific period. Students will explain how it is used to provide easier financial accounting for business owners and that when using the accounting cycle, it is important for accountants to use source documents to keep track of transactions, utilize the general ledger, and keep up-to-date records in order to maintain reliable information about the financial health of a business. By the end of this unit, students will be able to identify and classify source documents, utilize a general journal to record business transactions, post general journal entries to a general ledger, classify source documents into accounts as credits and debits, prove ledgers to verify credits equal debits, identify and adjust accounting errors, and create a trial balance.

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.FI.2: Explain ways to manage your accounts that maximize benefits and provide you with the utmost

protection.

9.1.12.FP.5: Evaluate how behavioral bias (e.g., overconfidence, confirmation, recency, loss aversion, etc.) affects decision-making.

9.1.12.FP.6: Evaluate the relationship of familial patterns, cultural traditions, and historical influences on financial practice.

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

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.2: Evaluate digital sources for timeliness, accuracy, perspective, credibility of the source, and relevance of information, in media, data, or other resources (e.g., NJSLSA.W8, Social Studies Practice: Gathering and Evaluating Sources.

9.4.12.IML.3: Analyze data using tools and models to make valid and reliable claims, or to determine optimal

design solutions (e.g., S-ID.B.6a., 8.1.12.DA.5, 7.1.IH.IPRET.8)

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.1: Assess digital tools based on features such as accessibility options, capacities, and utility for accomplishing a specified task (e.g., W.11-12.6.).

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

9.4.12.TL.3: Analyze the effectiveness of the process and quality of collaborative environments.

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:

- Why is it important to keep track of financial claims?
- How can following the steps in the accounting cycle contribute to the financial success of a business?

Enduring Understandings:

- The accounting cycle is made up of eight steps that focus on posting, recording, and reconciling business transactions over a specific period; it is used to provide easier financial accounting for business owners.
- When using the accounting cycle, it is important for accountants to use source documents to keep track of transactions, utilize the general ledger, and keep up-to-date records in order to maintain reliable information about the financial health of a business.

Objectives

Students will know:

- Vocabulary terms including but not limited to: general ledger, general journal, check stubs, invoice, memorandums, trial balance, accounting cycle, source documents, chart of accounts, journalizing, fiscal year, calendar year, posting, slide error, transposition error and correcting entry
- The eight steps in the accounting cycle.
- What a slide error and a transposition error are, why they occur, and how to correct them.
- The importance of keeping track of financial claims and why they are kept in chronological order.
- The use of the general journal for keeping track of transactions.
- The difference between the general journal and the general ledger.
- The purpose of a trial balance in maintaining mathematical accuracy of financial accounts.
- The types of source documents and how they affect businesses.
- The difference between types of accounting errors, such as slide and transposition errors.
- The importance of proving the ledger.
- Keeping up-to-date records helps to provide information for people inside and outside of the business.

Students will be skilled at:

- Analyzing transactions from source documents like memos, invoices, check stubs and receipts.
- Classifying source documents as debits or credits.
- Recording business transactions to the general journal.
- Posting journal entries to the general ledger.
- Applying double entry accounting to the general ledger.
- Correcting errors in the general journal.
- Creating a trial balance.
- Describing a business transaction based on a source document.
- Transferring business transactions posted in the general journal to the general ledger.
- Proving the ledger to verify that credits and debits are equal.
- Explaining the types of errors that can be made in the accounting cycle (slide, transposition, etc.) and how they affect financial accounting.
- Recording and calculating financial transactions using Excel.

Learning Plan

Source Document Analysis: Students will receive a packet of source documents as they would if they were a real accountant. In partners, they will need to organize the transactions chronologically and then analyze each source document and figure out how the transaction affects the business. With no other worded explanation, they will have to journalize the transactions for their fictitious business to evaluate their impact on the business.

Recording Transactions in the General Journal: Students will practice recording transactions in the General Journal. Students will use double entry accounting in the general journal to examine how transactions impact the finances of a business and analyze the first two steps of the accounting cycle (identifying and recording transactions).

Posting to an Account in the General Ledger: Once students have successfully recorded transactions in the general journal, students will take the next step in the accounting cycle by posting in the general ledger. In the general ledger, students will provide more detailed breakdowns of accounting activities by account. Students will continue to ensure that their credits and debits are equal in this step of the process.

Source Document Grab Bag: Students will be given a bag or box of different source documents. With their

group, students will identify the different types of source documents and explain how they would impact a business as either a credit or debit. Then, students will practice recording the source document into the general journal and posting to the general ledger.

Preparing the Trial Balance: Students will use an excel sheet to create a trial balance in preparation to prove the ledger. Students will record all accounts and calculate that all credit balances equal all debit balances.

Adjusting the Error: Students will act as financial accountants for a new business. Students will work in pairs to identify errors to the general ledger (slide, transposition) and attempt to fix the error to help their new business. Students will also provide a brief explanation as to why there was an error.

Accounting Cycle Escape Room: Students will act as accountants attempting to leave work on time on a Friday to "escape" to the weekend. Students will face five different short term accounting scenarios provided by the teacher relating to the unit (classifying source documents, journalization, posting to the ledger, preparing a trial balance, adjusting an error) that they must complete in order to "clock out" and escape to the weekend.

Accounting Monopoly: Students will continue to 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 build upon their previous game by applying Unit 2 accounting concepts. Here students will practice classifying their source documents, recording in their general journal by journalizing their game transactions, and posting to the general ledger.

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

- Source Documents Analysis
- Recording Transactions in the General Journal
- Posting to an Account in the General Ledger
- Source Document Grab Bag
- Preparing the Trial Balance
- Adjusting the Error
- Accounting Cycle Escape Room
- Accounting Monopoly

Summative Assessments:

- Source Document Quiz
- Journalization Quiz
- Beginning the Accounting Cycle Excel Cumulative: Students will complete the first four steps in the accounting cycle to exemplify their understanding of how to identify, record and calculate transactions. Students will use an excel sheet to identify source documents, classify source documents into a general journal, post transactions from their general journal to the general ledger, and create an unadjusted trial balance to reflect on financial transactions.

Alternative Assessments: Students will complete an "Accounting Ledger" where they identify and explain the unit concepts and how they are utilized. Students will classify and record source documents into the general journal, sort transactions into different accounts as credits and debits on the general ledger, prepare a trial balance to ensure that credits and debits are equal, and adjust for any errors in the general ledger.

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:

McGraw Hill Connect

Accounting Cycle Definition: Timing and How it Works (Investopedia)

Source Documents Article (CFI)

General Journal vs. General Ledger (Investopedia)

How a General Ledger Works with Double Entry Accounting (Investopedia)

General Journal Examples and Format (Finance Strategists)

Trial Balance Examples and Format (CFI)

Error of Transposition and How to Rectify It (Finance Strategists)

Steps to Locate Errors of a Trial Balance (Finance Strategists)

Accounting Monopoly (Indiana CPA Society)

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 double entry accounting, adjusting errors, journalizing, and posting to accounts in the general ledger.