

# Unit 3: Assets

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

## Summary

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In the Financial Accounting Honors course, students expand upon the fundamentals of accounting that they learned in Accounting I, including recording and reconciling business transactions, and financial statements as related to a sole proprietorship, partnership, and corporation operating as service and merchandising businesses. Students further explore the intricacies of accounting including reviewing cash payments and cash receipts, short term and long term assets and liabilities, subsidiary ledgers via accounts receivable and accounts payable, and internal controls.

This unit is part of the larger aforementioned course sequence and specifically focuses on assets where students will understand that companies use many different internal controls to make sure the assets they have are protected from theft, fraud and mistakes. By the end of this unit, students will be able to properly record short-term and long-term, differentiate in the accountants normal operations, recognize and fix internal control issues, and create bank reconciliations to compare the company's books and the bank's.

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 2023

## Standards

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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.RST.11-12.1	Accurately cite strong and thorough evidence from the text to support analysis of science and technical texts, attending to precise details for explanations or descriptions.
LA.RST.11-12.2	Determine the central ideas, themes, or conclusions of a text; summarize complex

	concepts, processes, or information presented in a text by paraphrasing them in simpler but still accurate terms.
LA.RST.11-12.4	Determine the meaning of symbols, key terms, and other domain-specific words and phrases as they are used in a specific scientific or technical context relevant to grades 11-12 texts and topics.
LA.RST.11-12.6	Analyze the author's purpose in providing an explanation, describing a procedure, or discussing an experiment in a text, identifying important issues that remain unresolved.
LA.RST.11-12.7	Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., quantitative data, video, multimedia) in order to address a question or solve a problem.
LA.RST.11-12.9	Synthesize information from a range of sources (e.g., texts, experiments, simulations) into a coherent understanding of a process, phenomenon, or concept, resolving conflicting information when possible.
LA.WHST.11-12.2.A	Introduce a topic and organize complex ideas, concepts, and information so that each new element builds on that which precedes it to create a unified whole; include formatting (e.g., headings), graphics (e.g., figures, tables), and multimedia when useful to aiding comprehension.
LA.WHST.11-12.9	Draw evidence from informational texts to support analysis, reflection, and research.
LA.WHST.11-12.10	Write routinely over extended time frames (time for reflection and revision) and shorter time frames (a single sitting or a day or two) for a range of discipline-specific tasks, purposes, and audiences.
PFL.9.1.12.FI.2	Explain ways to manage your accounts that maximize benefits and provide you with the utmost protection.
PFL.9.1.12.FP.5	Evaluate how behavioral bias (e.g., overconfidence, confirmation, recency, loss aversion, etc.) affects decision-making.
PFL.9.1.12.FP.6	Evaluate the relationship of familial patterns, cultural traditions, and historical influences on financial practice.
WRK.9.1.2.CAP.1	Make a list of different types of jobs and describe the skills associated with each job.
WRK.9.1.2.CAP.4	List the potential rewards and risks to starting a business.
TECH.9.4.12.CI	Creativity and Innovation
TECH.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).
TECH.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.
TECH.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).
TECH.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).

## **Essential Questions and Enduring Understandings**

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### **Essential Questions:**

- What internal controls are necessary to safeguard cash, inventory, and other assets?
- How are assets that are separated into short-term and long term recorded and treated differently?

## **Enduring Understandings:**

- Companies use many different internal controls to make sure the assets they have are protected from theft, fraud and mistakes.
- That short-term and long-term Assets are treated differently in a merchandising business and need to be differentiated in the accountants normal operations.

## **Objectives**

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### **Students will know:**

- What internal controls are and how they are important to a company's operations
- How the Sarbanes-Oxley Act has impacted companies and accountants in the business world
- That in a merchandising business, cash transactions are more common and need to be controlled
- A bank reconciliation is necessary to make sure at period's end, the company's accounts and the bank's balance are correct
- Companies sometimes cannot pay off their debt and will be written off as uncollectible
- There are short term and long term assets and receivables
- Businesses have tangible and intangible assets and these assets can depreciate or Appreciate.
- The costs of intangible assets like patents and copyrights sometimes need to be amortized

### **Students will be skilled at:**

- Recognizing Internal Controls issues and how to fix them
- Recording transactions that have to do with cash, and short- term and long term Assets
- Recording adjusting entries for assets based on depreciation and amortization
- Calculating allowance for doubtful accounts for uncollectible receivables
- Creating bank reconciliations to compare the company's books and the bank's

## **Learning Plan**

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This unit includes, but is not limited to, the following learning strategies:

***\*\* Throughout the unit, students will analyze current business articles and videos that relate to the topics covered.***

**Petty Cash Source Document/Cash Box Activity** - Students will be given a box with cash and source documents and will be required to journalize the transactions related to a merchandising business using a petty cash fund

**Cash Transactions**- Students will journalize transactions related to a merchandising business based on a company using a petty cash fund and a cash register

**Bank Reconciliation**- Students will create a bank reconciliation to compare the company's books and the bank's, recognize the differences, and alleviate them

**Enron Scandal** - Students will learn about the Enron Scandal and how the poor internal controls led to the Sarbanes-Oxley Act

**Ongoing In-Class Practice and Formative Assessments:**

- Journalize transactions for cash and Asset accounts
- Journalize adjusting entries based on the year end accounts for Assets

**Internal Controls** - Students will look at situations and recognize flaws in internal controls and what needs to be done to fix them

**Direct write-off & allowance method** - Students will journalize transactions related to Receivables using the direct write-off and allowance method

**Accounting in Excel** - Students will learn basic excel equations and how to do basic accounting in a spreadsheet

**PPE Transactions** - Students will journalize transactions related to PPE as well as depreciation

**Monopoly Journaling** - Students will play accounting Monopoly, keeping the journal and ledger for their “business” (incorporating Cash Short & Over)

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

## **Assessment**

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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:**

Exit Tickets, discussions and in-class activities, Workbook assignments, Enron Scandal Assignment, Direct write off method assignment, allowance method assignment, Excel assignments, Internal Controls Assignment

### **Summative Assessments:**

Coffeehouse assignment, Bank Reconciliation Assignment, Unit Quiz & Test

### **Alternative Assessment:**

Students can choose a merchandising business, and research all the assets the company would own. Students will then use each depreciation type to calculate the Assets worth over a period of time as well as the transactions for depreciation and disposal of the fixed assets. As well as a bank reconciliation for the Cash account.

### **Benchmark Assessment:**

Assets Vocabulary and Process Identification

## **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](#).

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

- Financial Accounting Principles of Accounting Textbook
- Financial Accounting Principles of Accounting Workbook
- [Principlesofaccounting.com](#)
- [CPA Journal](#)
- Cash box & Source Documents
- Monopoly Game
- [Enron Scandal](#)
- [The Rise and Fall of Enron - The Biggest Scandal in the History of American Finance](#)
- [Internal Controls Article](#)
- [Bank Reconciliation](#)
- [PPE](#)
- [Receivables](#)

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**

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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
- Bold terms in directions
- Read texts aloud for students to assist in comprehension and analysis
- Provide opportunities for text-to-speech for written responses.
- Provide step-by-step instructions for problems that require problem solving and/or calculation.