

Unit 10: Accounting for Inventory

Content Area: **Business**
Course(s): **Accounting II**
Time Period: **4 weeks**
Length: **4 weeks**
Status: **Published**

Unit Overview

Students will be able to account for and analyze inventory for a merchandising business organized as a corporation.

Transfer

Students will be able to independently use their learning to enabling them to plan, record, analyze, and interpret financial information to make sound business decisions.

Meaning

Understandings

Students will understand ...

- Methods to determine the quantity of merchandise inventory & prepare a stock record
- The costing of merchandise inventory including FIFO, LIFO and Weighted Average methods
- The costing of merchandise inventory using the gross profit method

Essential Questions

Students will keep considering...

- Why do successful businesses need an effective inventory system?
- What is the difference between a periodic inventory and a perpetual inventory? When would you choose to use one over the other?
- How can you prove the accuracy of your perpetual inventory?
- What is the difference between LIFO, FIFO and Weighted Average methods of inventory valuation?
- When would you choose LIFO over FIFO?
- When would you choose FIFO over LIFO?
- Why should a business choose one method and use it continuously for each fiscal period?

- Under the gross profit method of estimating inventory what amounts are needed?
- When would a company choose to use the gross profit method of estimating inventory?

Application of Knowledge and Skill

Students will know...

Students will know...

- Methods to determine the quantity of merchandise inventory & prepare a stock record
- The costing of merchandise inventory including FIFO, LIFO and Weighted Average methods
- The costing of merchandise inventory using the gross profit method

Students will be skilled at...

Students will be skilled at...

- Proving the quantity of merchandise inventory & prepare a stock record
- Analyzing the cost of merchandise inventory using FIFO, LIFO and Weighted Average methods
- Analyzing the cost of merchandise inventory using the gross profit method

Academic Vocabulary

- Accounting terms related to...inventory, FIFO, LIFO, etc.

Learning Goal 1

Students will be able to account for and analyze inventory.

- Students will be able to account for and analyze inventory.

CRP.K-12.CRP8

Utilize critical thinking to make sense of problems and persevere in solving them.

CRP.K-12.CRP11

Use technology to enhance productivity.

PFL.9.1.12.B.1

Prioritize financial decisions by systematically considering alternatives and possible

	consequences.
PFL.9.1.12.D.11	Assess the role of revenue-generating assets as mechanisms for accruing and managing wealth.
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.G.1	Analyze risks and benefits in various financial situations.
CAEP.9.2.12.C.9	Analyze the correlation between personal and financial behavior and employability.
TECH.8.1.12.A.CS2	Select and use applications effectively and productively.

Target 1

Students will be able to prove the quantity of merchandise inventory & prepare a stock record.

- Students will be able to prove the quantity of merchandise inventory & prepare a stock record.

Target 2

Students will be able to analyze the cost of merchandise inventory using FIFO, LIFO and Weighted Average methods.

- Students will be able to analyze the cost of merchandise inventory using FIFO, LIFO and Weighted Average methods.

Target 3

Students will be able to analyze the cost of merchandise inventory using the gross profit method.

- Students will be able to analyze the cost of merchandise inventory using the gross profit method.

Formative Assessment and Performance Opportunities

- Class discussion
- Collection of vocab
- Presentation of ideas
- Review of workpapers
- Teacher observation
- Use of technological resources for quick assesement i.e. Socrative.com

Summative Assessment

- Chapter Test
- Sweet Shop Quest

Accommodations/Modifications

- Application Problems for extra practice
- Cases for critical thinking at the end of the chapter
- Recycle Problem for extra credit
- Students work collaboratively to account for inventory

Unit Resources

Teacher can choose from the following resources:

- Book Companion Website
- Century 21 Accounting 9E
- Century 21 Accounting Simulation
- Chapter PowerPoints
- Computer
- Document Camera
- Guest Speakers
- Interactive Excel Spreadsheets
- Quickbooks
- Videos
- Whiteboards
- Workbook

Interdisciplinary Connections

LA.RST.11-12.3	Follow precisely a complex multistep procedure when carrying out experiments, taking measurements, or performing technical tasks; analyze the specific results based on explanations in the text.
MA.S-MD.A	Calculate expected values and use them to solve problems
LA.WHST.11-12.6	Use technology, including the Internet, to produce, share, and update writing products in response to ongoing feedback, including new arguments or information.
MA.S-MD.B.5b	Evaluate and compare strategies on the basis of expected values.

