

Unit 1 Proprietorship

Content Area: **21st Century Life & Careers**
Course(s): **Business and Consumer Math**
Time Period: **Semester 1**
Length: **2 - 3 Weeks**
Status: **Published**

Unit Introduction

Unit 1: Accounting for a service business organized as a proprietorship. The business described in Unit 1 is a service business organized as a proprietorship. This business begins with a cash investment by the owner. All accounting concepts and procedures in this unit are described within the context of the accounting cycle so that students can see how each procedure contributes to the overall financial picture of the business.

Standards

BUS.9-12.V	Accounting Process
BUS.9-12.II	Financial Reports
BUS.9-12.IV	Accounting Principles
BUS.9-12.III	Financial Analysis
PFL.9.1.12.B	Money Management
PFL.9.1.12.C	Credit and Debt Management
PFL.9.1.12.D	Planning, Saving, and Investing
PFL.9.1.12.G	Insuring and Protecting

Essential Questions

- Why is it important to know and utilize the accounting equation in a proprietorship?
- Why would an individual run a business as a sole proprietor?

Content / Skills

CONTENT

- Accounting concepts and practices related to a proprietorship
- Accounting practices related to changes that affect owner's equity
- Preparation of financial statements for a service business organized as a proprietorship
- Financial literacy concepts related to interest, insurance, checking accounts, and budgeting

SKILLS

- Classify accounts as assets, liabilities or owner's equity
- Prepare a balance sheet
- Use T-accounts
- Prove and verify the equality of debits and credits for each transaction
- Prepare a chart of accounts
- Plan and analyze adjustments to complete a work sheet
- Prepare an income statement
- Record adjusting and closing entries and prepare a post- closing trial balance
- Using the Rule of 72
- Calculating a monthly surplus