Unit 03: Corporation Accounting

Content Area:	**21st Century Life & Careers**
Course(s):	**Business and Consumer Math**
Time Period:	**Semester 2**
Length:	**8 Weeks**
Status:	**Published**

Unit Introduction

Unit 3: Corporation Accounting. The business described in Unit 3 will be used to illustrate corporation accounting. The business sells to other businesses as well as retail customers. Chapter organization and content provide students with an expanded view of concepts and topics that were presented in Accounting 1 including describing how to organize a corporation and issue stock, corporate dividends and treasury stock, accounting for bonds, financial reporting and analysis for a corporation and statements of cash flows.

Standards

9.3.12.FN-ACT	Accounting

Essential Questions

- What are the advantages and disadvantages of the corporate form of business?
- Why would a corporation purchase its own stock?
- How and why does a corporation issue bonds?
- What are the indicators of a financially strong business?
- What are the differences between the direct and indirect methods of preparing the statement of cash flows?

Content / Skills

- Record the issuances of par-value, no-par-value, and stated-value common stock.
- Record the issuance of preferred stock.
- Account for the declaration and payment of a cash dividend and a stock dividend.
- Journalize entries for buying and selling treasury stock.
- Journalize transactions for the purchase and sale of the capital stock of other corporations.
- Journalize the issue of bonds at a discount and at a premium.
- Account for the payment of bond interest.
- Journalize the retiring of a bond issue.
- Account for early redemption of a bond issue.
- Journalize the purchase and sale of an investment in bonds.
- Analyze the financial strength and profitability of a business.

- Calculate permanent and temporary differences in net income and taxable income.
- Use the indirect method to complete the operating activities section of a statement of cash flows.
- Calculate the operating cash flow ratio and the cash flow margin ratio.