

Unit 02: Accounting Adjustments and Valuation

Content Area: **21st Century Life & Careers**
Course(s): **Business and Consumer Math**
Time Period: **Semester 1**
Length: **8 Weeks**
Status: **Published**

Unit Introduction

Unit 2: Accounting Adjustments and Valuation. The business described in Unit 2 will be used to illustrate the accounting adjustments and valuations. Chapter organization and content provide students with an expanded view of concepts that were presented in the Accounting 1 including inventory planning and valuation, accounting for uncollectible accounts, plant assets, notes payable, prepaid expenses, accrued expenses, unearned revenue, accrued revenue, and installment notes receivable.

Standards

9.3.12.FN-ACT

Accounting

Essential Questions

- What accounting control systems are established in order to maintain inventory for a business?
- How does the cost and estimating of merchandise inventory impact a merchandising business?
- How does the accounting for uncollectible accounts impact a merchandising business?
- What are the differences in using the straight-line depreciation method compared to other depreciation methods?
- Why are adjusting and reversing entries needed for prepaid expenses, accrued expenses, unearned revenue, and accrued revenue?

Content / Skills

- Calculate and estimate the cost of merchandise inventory using selected costing methods.
- Calculate and record estimated uncollectible accounts expense using the direct write-off method, allowance method.
- Financial analysis of accounts receivable.
- Journalize entries for buying plant assets.
- Calculate and record depreciation expense for a plant asset using straight-line depreciation and other methods of depreciation.

- Journalize transactions for notes payable.
- Journalize adjusting and reversing entries for prepaid expenses and accrued expenses.
- Journalize adjusting and reversing entries for unearned revenue and accrued revenue.
- Accounting for installment notes receivable.