

# Accounting I

<b>Primary Career Cluster:</b>	Finance
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<b>Course Code(s):</b>	5910
<b>Prerequisite(s):</b>	<i>Introduction to Business &amp; Marketing</i> (5905)
<b>Credit:</b>	1
<b>Grade Level:</b>	10-11
<b>Graduation Requirements:</b>	This course satisfies one of three credits required for an elective focus when taken in conjunction with other Finance or Business Management & Administration courses.
<b>Programs of Study and Sequence:</b>	This is the second course in the <i>Business Management, Accounting, and Banking and Finance</i> programs of study.
<b>Aligned Student Organization(s):</b>	DECA: <a href="http://www.decatn.org">http://www.decatn.org</a> FBLA: <a href="http://www.fblatn.org">http://www.fblatn.org</a> Steven Mitchell, (615) 532-2829, <a href="mailto:Steven.Mitchell@tn.gov">Steven.Mitchell@tn.gov</a>
<b>Coordinating Work-Based Learning:</b>	Teachers are encouraged to use embedded WBL activities such as informational interviewing, job shadowing, and career mentoring. For information, visit <a href="https://www.tn.gov/education/career-and-technical-education/work-based-learning.html">https://www.tn.gov/education/career-and-technical-education/work-based-learning.html</a> .
<b>Available Student Industry Certifications:</b>	None
<b>Dual Credit or Dual Enrollment Opportunities:</b>	There are currently dual credit opportunities available for this course at specific community colleges. Reach out to a local postsecondary institution(s) for more information.
<b>Teacher Endorsement(s):</b>	030, 052, 054, 055, 152, 153, 158, 201, 203, 204, 311, 430, 434, 435, 436, 471, 472, 474, 475, 476
<b>Required Teacher Certifications/Training:</b>	None
<b>Teacher Resources:</b>	<a href="https://www.tn.gov/education/career-and-technical-education/career-clusters/cte-cluster-finance.html">https://www.tn.gov/education/career-and-technical-education/career-clusters/cte-cluster-finance.html</a>

## Course Description

*Accounting I* is an essential course for students who wish to pursue careers in business and finance, or for those who wish to develop important skillsets related to financial literacy. Whether students aspire to be future business owners or work in finance with other companies, accounting skills are fundamental to success and applicable in many different fields. In this course, proficient Accounting students develop skills to analyze business transactions, journalize, post, and prepare worksheets

and financial statements, and apply financial analysis to business processes. Additionally, students receive exposure to the ethical considerations that accounting professionals must face and the standards of practice governing their work, such as the GAAP (generally accepted accounting procedures) standards. Upon completion of this course, proficient students will be prepared to apply their accounting skills in more advanced Business and Finance courses, and ultimately pursue postsecondary training.

## Program of Study Application

This is the second course in the *Business Management, Accounting, and Banking and Finance* programs of study. For more information on the benefits and requirements of implementing these programs in full, please visit the Finance website at <https://www.tn.gov/education/career-and-technical-education/career-clusters/cte-cluster-finance.html>.

## Course Standards

### Exploration of Accounting Careers

- 1) Define the role of accounting in business, and compare and contrast the various functions and roles of accountants and bookkeepers. Explain the importance of accounting in both for-profit and non-profit businesses.
- 2) Drawing on research from sources such as the American Institute of Certified Public Accountants (AICPA) and the Bureau of Labor Statistics (BLS), identify the skills needed to succeed in accounting and finance-related fields. Using real-time labor market data, investigate opportunities for job growth in these fields. Take a career interest inventory to assess goals and aptitudes, and develop a career plan based on the results.
- 3) Research authentic vacancy announcements for accounting professionals on online job boards or the websites of major companies. Compare interests and skills from the career interest inventory with the requirements listed in job descriptions, such as education credentials and work experience. Based on the research, develop a profile of one such position, detailing what the typical work day, salary, and responsibilities of a chosen accounting professional look like in a given location and/or sector of the financial industry.

### Double-Entry Accounting Process

- 4) Define the double-entry accounting system. Examine the accounting equation and the rules of debit and credit. Categorize specific accounts (i.e., assets, liabilities, owner's equity, etc.) and analyze the impact of simple transactions on the accounting equation.
- 5) Using the fundamental steps of transaction analysis, demonstrate a thorough understanding of the accounting cycle by performing the following:
  - a. Collect and analyze source documents, including invoices, receipts, memorandums, check stubs, and calculator tape
  - b. Analyze each transaction
  - c. Journalize each transaction and post to ledgers
  - d. Prepare a trial balance and work sheet

- e. After journalizing, posting, and adjusting, prepare a post-closing trial balance
- f. Prepare financial statements (i.e., balance sheet, cash flow statement, income statement, change in equity statement, etc.)

For example, review sample transactions presented either through source documents or in narrative form, then determine what accounts are affected and whether they increase or decrease as a result of the transaction. Classify the accounts as assets, liabilities, or owner's (shareholders) equity, and create journal entries. Students should use both manual and computer based methods to develop accounting solutions in this course.

### **Analysis of Financial Data**

- 6) Outline the major stages of the merchandising business cycle and review inventory control and payment terms (i.e., just-in-time [JIT] inventory, cash, trade, quantity, seasonal discounts, etc.). While examining the financial records of a business, determine the cost of merchandise inventory and cost of merchandise sold for a given range of products in a specified time period, analyzing the impact on business profitability. For example, perform simple "what if" analysis to determine the range of profitability, based on changing variables of the cost of merchandise sold and merchandise inventory in relationship to operating costs, such as salaries, equipment, supplies, and overhead.
- 7) Examine financial statements and analyze the effects of changing revenue and expenses on net income and assets. Identify trends within a company's financial information and compare and contrast present performance to past performance, as well as to industry competitors and overall averages. Evaluate the impact of basic changes in current assets, liabilities, revenues, and net income on liquidity and profitability. For example, an increase in the *cash in bank* account will drive an increase in the current and quick ratios (liquidity) of a company. Based on the analysis, develop business strategies to improve liquidity and profitability.

### **Key Business Processes**

- 8) Explore cash control systems, and evaluate the importance of these systems to the security and stability of a business. Outline and demonstrate the steps for maintaining a checking account, including properly writing checks, tracking the check book balance, and reconciling that balance with the bank statement. Practice journalizing NSF (Not Sufficient Funds) checks, bank fees, and business credit card fees.
- 9) Compare and contrast different means of paying employees, evaluating which methods provide the best motivation to reach company goals. Establish a complete payroll system, including reviewing various means of tracking hours worked, completing a payroll register, preparing an employee earnings record, and cutting employee checks. Journalize and post for each account affected in the process.
- 10) Use the federal tax tables published by the Internal Revenue Service (IRS) to calculate the correct tax withholding for each employee, justifying the selection. Journalize and post to reflect the payment of the ongoing payroll liabilities, including Federal Income Tax, Social Security and Medicare taxes, Medical Insurance, and any other withholdings.



## Ethics and Effective Business Communication

- 11) Analyze the need for strong ethics in the field of accounting and for ongoing reputable business operations. Determine how GAAP (generally accepted accounting principles) rules serve the business world and create a standard for building and evaluating financial statements. Conduct research on various fraud cases and report on how they were discovered. Submit an analysis on which of the GAAP rules were violated and write persuasively to describe what could have been done to prevent these frauds.
- 12) Develop and refine clear verbal and written communication techniques in order to properly describe and explain accounting methods and procedures. Practice narrating such procedures to mock “peer clients” as would a financial service professional, translating technical concepts into everyday language a potential customer could understand. Through small group projects and presentations, gain an understanding of the importance of teamwork and leadership, and model proper interpersonal business behavior needed to establish rapport and trust with clients.
- 13) Utilizing spreadsheet software, enter, organize, manipulate, calculate, and graph (by incorporating charts, graphs, and pivot tables) accounting data into professional spreadsheets. Integrate visual representations of data from spreadsheets into a professional presentation summarizing the financial position of a company, identifying the company’s financial strengths and weaknesses.

## Mock Accounting Review

- 14) As part of a collaborative or end-of-course project, conduct a mock accounting review to demonstrate workplace skills required in the profession. Interpret and analyze financial documents to derive accounting solutions. Prepare a glossary of key terms to help explain the recommendations and procedures, citing evidence from financial document analysis. Upon completion of the project, deliver a presentation or create a summary document demonstrating the ability to communicate the accounting process, explaining how procedures and principles were followed to achieve project goals.

## Standards Alignment Notes

\*References to other standards include:

- P21: Partnership for 21st Century Skills [Framework for 21st Century Learning](#)
  - Note: While not all standards are specifically aligned, teachers will find the framework helpful for setting expectations for student behavior in their classroom and practicing specific career readiness skills.