

**Course Name:** Accounting I B

**Course Overview:**

[Unit 1](#)    [Unit 2](#)    [Unit 3](#)    [Unit 4](#)

**Course Materials/Resources/Technology:**

- **Textbook:** Century 21 Accounting: General Journal 11e Gilbertson, Lehman, Gentene
- **Student Workbook:** Online Working Papers
- **Teacher Supplemental Book:** Games Accounting Teachers Play

## UNIT 1: Accounting for Cash Payments and Receipts

**Duration of Unit:**

5 Weeks

**Description of Unit:**

This unit presents the daily transactions of a merchandising business when purchasing for cash and on account. Posting to the general ledger and accounts payable subsidiary ledger helps the business update account balances. We also present the daily transactions when selling merchandise for cash and on account. Posting to the accounts receivable ledger helps the business update amounts owed by customers who have purchased merchandise on account. Lastly, we continue with transactions that would not be entered in special journals. The declaration and payment of dividends is also presented.

**Academic Vocabulary:**

- Merchandise, Merchandising Business, Retail Merchandising Business, Wholesale Merchandising Business, Corporation, Capital, Share of Stock, Stockholder, Capital Stock, Articles of Incorporation, Charter, Vendor, Subsidiary Ledger, Accounts Payable Ledger, Controlling Account, Inventory, Merchandise Inventory, Perpetual Inventory, Periodic Inventory, Physical Inventory, Cost of Merchandise, Requisition, Purchase Order, Special Journal, Purchase on Account, Purchases Journal, Special Amount Column, Purchase Invoice, Terms of Sale, Due Date, Cash Payments Journal, List Price, Trade Discount, Net Price, Cash Discount, General Amount Column, Discount Period, Purchases Discount, Contra Account, Credit Limit, Schedule of Accounts Payable
- Selling Price, Markup, Accounts Receivable Ledger, Sales Tax, Sales Journal, Cash Sale, Point-of-Sale (POS) Terminal, Terminal Summary, Batch Report, Batching Out, Cash Receipts Journal, Sales Discount, Schedule of Accounts Receivable
- General Journal, Purchases Return, Purchases Allowance, Debit Memorandum, Sales Return, Sales Allowance, Credit Memorandum,

**Materials/Resources/Technology:**

→ Century 21 Accounting: General Journal 11e by Gilbertson, Lehman, Gentene

<b>ESSENTIAL Standards</b>	<b>Learning Targets</b>
<p><b>Utilize appropriate journals to record business transactions for a merchandising business.</b></p>	<p><b>I can record cash purchases and purchases on account in appropriate journals.</b></p> <ul style="list-style-type: none"> <li>→ Distinguish among service, retail merchandising, and whole-sale merchandising businesses.</li> <li>→ Identify differences between sole proprietorship and corporation.</li> <li>→ Explain the relationship between subsidiary ledger and controlling account.</li> <li>→ Describe accounting procedures used in ordering merchandise.</li> <li>→ Discuss the purpose of a special journal.</li> <li>→ Journalize purchases of merchandise on account using a purchases journal.</li> <li>→ Post merchandise purchases to an accounts payable ledger.</li> <li>→ Record cash payments using a cash payments journal.</li> <li>→ Record replenishment of a petty cash fund.</li> <li>→ Post cash payments to an accounts payable ledger and a general ledger.</li> </ul>
	<p><b>I can record cash sales and sales on account in appropriate journals.</b></p> <ul style="list-style-type: none"> <li>→ Explain the relationship between the accounts receivable ledger and its controlling account.</li> <li>→ Record sales on account using a sales journal.</li> <li>→ Post sales on account to an accounts receivable ledger and a general ledger.</li> <li>→ Record cash and credit card sales using a cash receipts journal.</li> <li>→ Journalize cash receipts on account using a cash receipts journal.</li> <li>→ Post cash receipts to an accounts receivable ledger and a general ledger.</li> <li>→ Prepare a schedule of accounts receivable.</li> </ul>
	<p><b>I can record transactions for a merchandising business in a general journal.</b></p> <ul style="list-style-type: none"> <li>→ Explain the purpose of a general journal.</li> <li>→ Account for purchases returns and allowances.</li> </ul>

- Post a general journal to the accounts payable ledger and general ledger.
- Account for sales returns and allowances.
- Post a general journal to the accounts receivable ledger and general ledger.
- Record a correcting entry to the accounts receivable ledger.
- Explain the relationship between retained earnings and dividends.
- Account for the declaration and payment of dividends.

### Common Formative and Summative Assessments

- Formative
- Summative
  - Chapter 9 Test
  - Chapter 10 Test
  - Chapter 11 Test

## UNIT 2: Preparing Payroll

**Duration of Unit:**

4 Weeks

**Description of Unit:**

This unit guides students through payroll concepts. We cover the calculations for employee earnings and deductions, as well as the presentation with the calculations of employer payroll taxes.

**Academic Vocabulary:**

- Wage, Salary, Commission, Total Earnings, Pay Period, Payroll, Payroll Clerk, Time Clock, Payroll Taxes, Withholding Allowance, Payroll Deduction, Social Security Tax, Medicare Tax, Accumulated Earnings, Tax Base, Qualified Retirement Plan, 401(k), Individual Retirement Account (IRA), Roth Individual Retirement Account (Roth IRA), Payroll Register, Net Pay, Employee Earnings Record, Voucher Check, Direct Deposit
- Salary Expense, Federal Unemployment Tax, State Unemployment Tax, Deposit, Lookback Period

**Materials/Resources/Technology:**

- Century 21 Accounting: General Journal 11e by Gilbertson, Lehman, Gentene

ESSENTIAL Standards	Learning Targets
<p>Accurately prepare payroll and payroll tax records and transactions.</p>	<p>I can accurately prepare payroll records.</p> <ul style="list-style-type: none"> <li>→ Explain how employees are paid.</li> <li>→ Calculate hourly employee earnings.</li> <li>→ Demonstrate the process for federal income tax withholdings.</li> <li>→ Demonstrate the process for calculating social security and Medicare taxes.</li> <li>→ Explain the benefit of funding medical and retirement plans with pretax contributions.</li> <li>→ Prepare a payroll register.</li> <li>→ Prepare employee earnings records.</li> <li>→ Justify the use of a payroll checking account.</li> <li>→ Prepare employee payroll checks.</li> </ul>
	<p>I can accurately calculate and journalize payroll and payroll taxes.</p> <ul style="list-style-type: none"> <li>→ Analyze a payroll transaction.</li> <li>→ Journalize a payroll including employee payroll taxes.</li> <li>→ Calculate and record employer payroll taxes.</li> <li>→ Prepare selected payroll tax reports.</li> <li>→ Pay and record withholding and payroll taxes.</li> </ul>
<p><b>Common Formative and Summative Assessments</b></p>	
<ul style="list-style-type: none"> <li>● Formative</li> <li>● Summative <ul style="list-style-type: none"> <li>○ Chapter 12 Test</li> <li>○ Chapter 13 Test</li> </ul> </li> </ul>	

## UNIT 3: Preparing Adjusting Entries

**Duration of Unit:**

4 Weeks

**Description of Unit:**

This unit presents the procedures for estimating and writing off uncollectible accounts, for converting an outstanding receivable to a note receivable, and for recognizing interest income. We begin to formulate our end-of-fiscal-period work by describing the adjustments for merchandise inventory, supplies, prepaid expenses, uncollectible accounts, depreciation, and federal income tax.

**Academic Vocabulary:**

- Uncollectible Accounts, Allowance Method, Book Value, Book Value of Accounts Receivable, Net Realizable Value, Percent of Sales Method, Percent of Accounts Receivable Method, Aging of Accounts Receivable, Writing Off an Account, Direct Write-Off Method, Promissory Note, Note Payable, Note Receivable, Maker of a Note, Payee, Principal, Interest Rate, Maturity Date, Time of a Note, Maturity Value, Interest Income, Dishonored Note
- Unadjusted Trial Balance, Beginning Inventory, Ending Inventory, Accrued Revenue, Accrued Interest Income, Current Assets, Plant Assets, Depreciation, Depreciation Expense, Salvage Value, Useful Life, Straight-Line Method of Depreciation, Accumulated Depreciation, Book Value of a Plant Asset, Adjusted Trial Balance, Tax Bracket, Marginal Tax Rate

**Materials/Resources/Technology:**

- Century 21 Accounting: General Journal 11e by Gilbertson, Lehman, Gentene

ESSENTIAL Standards	Learning Targets
<p><b>Plan for and record uncollectible accounts and asset depreciation.</b></p>	<p><b>I can properly account for and record uncollectible accounts receivable.</b></p> <ul style="list-style-type: none"> <li>→ Explain the purpose of the allowance method for recording losses from uncollectible accounts.</li> <li>→ Estimate uncollectible accounts expense using an aging of accounts receivable.</li> <li>→ Record the adjusting entry for the allowance for uncollectible accounts.</li> <li>→ Write off an uncollectible account receivable.</li> <li>→ Account for the collection of an account receivable that was written off.</li> <li>→ Record the acceptance of a note receivable.</li> <li>→ Account for the collection of a note receivable.</li> <li>→ Account for a dishonored note receivable.</li> </ul>
	<p><b>I can prepare adjusting entries and a trial balance for a corporation.</b></p> <ul style="list-style-type: none"> <li>→ Prepare an unadjusted trial balance.</li> <li>→ Adjust supplies and prepaid insurance.</li> <li>→ Adjust merchandise inventory.</li> <li>→ Adjust interest receivable.</li> <li>→ Calculate depreciation expense using the straight-line method.</li> <li>→ Adjust accumulated depreciation.</li> <li>→ Post adjusting entries.</li> <li>→ Adjust federal income tax payable.</li> </ul>

→ Prepare an adjusted trial balance.

## Common Formative and Summative Assessments

- Formative
- Summative
  - Chapter 14 Test
  - Chapter 15 Test

## UNIT 4: Preparing and Analyzing Financial Statements for a Corporation

### Duration of Unit:

3 Weeks

### Description of Unit:

Our final unit continues the end-of-fiscal-period work with the preparation of financial statements and closes with financial statement analysis including financial ratios, and vertical and horizontal analysis of both the income statement and balance sheet.

### Academic Vocabulary:

- Operating Revenue, Net Sales, Cost of Merchandise Sold, Gross Profit, Operating Expenses, Income from Operations, Statement of Stockholders' Equity, Par Value, Current Liabilities, Long-Term Liabilities, Supporting Schedule
- Profitability Ratio, Benchmark, Comparative Financial Statements, Trend Analysis, Profit Margin, Gross Margin, Operating Margin, Operating Expense Ratio, Solvency Ratio, Debt Ratio, Horizontal Analysis, Earnings Per Share, Market Ratio, Dividend Yield, Price-Earnings Ratio, Liquidity Ratio, Working Capital, Current Ratio, Quick Assets, Quick Ratio

### Materials/Resources/Technology:

- Century 21 Accounting: General Journal 11e by Gilbertson, Lehman, Gentene

### ESSENTIAL Standards

Students will develop and analyze working knowledge of financial reports for a corporation.

### Learning Targets

- I can prepare financial statements and closing entries for a corporation.
- Prepare an income statement for a merchandising business organized as a corporation.
  - Prepare a statement of stockholders' equity.
  - Prepare a balance sheet for a business organized as a corporation.
  - Prepare closing entries.
  - Prepare a post-closing trial balance.

I can analyze the data obtained through the preparation of financial statements.

- Analyze an income statement using vertical analysis.
- Perform vertical analysis of a balance sheet.
- Analyze a balance sheet using vertical analysis.
- Perform horizontal analysis on an income statement.
- Perform horizontal analysis on a balance sheet.
- Calculate earnings per share.
- Calculate and interpret market ratios.
- Calculate and interpret liquidity ratios.

### Common Formative and Summative Assessments

- Formative
- Summative
  - Chapter 16 Test
  - Chapter 17 Test

### BIT Standards and Performance Indicators

ESSENTIAL Standards	Learning Targets
AF1.b I can analyze the effects of changes in assets.	<ul style="list-style-type: none"> <li>→ Journalize and post accounts receivable transactions.</li> <li>→ Determine cost of inventory (periodic and perpetual).</li> <li>→ Identify the cost of property and all other assets.</li> <li>→ Calculate and record depreciation and depletion.</li> </ul>
AF1.c I can analyze the effects of changes in liabilities.	<ul style="list-style-type: none"> <li>→ Journalize and post accounts payable transactions</li> <li>→ Differentiate the difference between current liabilities, long-term liabilities and their impact on financial statements.</li> <li>→ Determine the initial valuation on long-term debt instruments and their impact on financial statements.</li> <li>→ Calculate the cost of borrowed funds.</li> </ul>
AF1.d I can analyze the effects of changes in	<ul style="list-style-type: none"> <li>→ Journalize and post transactions related to equity accounts.</li> </ul>

owner's equity.	<ul style="list-style-type: none"> <li>→ Demonstrate appropriate accounting techniques used to account for investments and withdrawals by owners</li> <li>→ Interpret financial data to determine the revenue of a business.</li> <li>→ Distinguish between capital expenditures and revenue expenditures.</li> <li>→ Discuss the concept of dividends and how they affect a business.</li> </ul>
AF3.a I can prepare a payroll.	<ul style="list-style-type: none"> <li>→ Write checks, make deposits and complete check stubs for payroll.</li> <li>→ Use manual and computerized systems to prepare payroll for a business</li> <li>→ Calculate earnings: hourly rate, salary basis and commission basis.</li> <li>→ Calculate employer's payroll taxes for social security, Medicare, federal unemployment and state unemployment.</li> <li>→ Reconcile a bank statement.</li> </ul>
AF2.a I can prepare and analyze financial reports for different forms of business ownership.	<ul style="list-style-type: none"> <li>→ Discuss the forms of ownership and the equity accounts used for each form.</li> <li>→ Use real-life examples to demonstrate the various types of ownership.</li> <li>→ Prepare financial statements for sole proprietorship, partnership and corporate ownership models.</li> <li>→ Compare and contrast debt and equity financing and explain the impact on the financial statements.</li> <li>→ Prepare financial statements for service and merchandising business.</li> <li>→ Create financial reports using spreadsheet and accounting software.</li> <li>→ Prepare a trial balance to check the accuracy of a ledger.</li> <li>→ Forecast revenue and costs.</li> <li>→ Track and make adjustments to budget performance.</li> <li>→ Prepare and analyze a cash flow statement.</li> </ul>
AF3.b I can analyze how employer taxes impact business operations.	<ul style="list-style-type: none"> <li>→ Prepare employer-related tax forms.</li> <li>→ Journalize and post tax entries using a variety of journals and ledgers.</li> <li>→ Describe the composition of taxable income and calculate tax.</li> <li>→ Identify and apply strategies for minimizing taxable business income.</li> </ul>