

Course Title – Accounting 1

Implement start year – 2017-2018

Revision Committee Members, email, extension –

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Unit #2—Journalizing and Posting Transactions and Cash Control Systems

Transfer Goal—Students will be able to independently use their learning to apply knowledge of organizing and managing business records in preparation for a career. (7)

In this unit...

Students will set up the accounting records for a service business and record and post transactions.

Stage 1 – Desired Results

Established Goals

New Jersey Student Learning Standards
(<http://www.state.nj.us/education/cccs/2014/career/>)

Standard 8.1 Educational Technology: All students will use digital tools to access, manage, evaluate, and synthesize information in order to solve problems individually and collaboratively and to create and communicate

21st Century Themes

(www.21stcenturyskills.org)

- Global Awareness
- Financial, Economic, Business and Entrepreneurial Literacy
- Civic Literacy
- Health Literacy
- Environmental Literacy

<p>knowledge.</p> <p>Strand A. Technology Operations and Concepts Strand D. Digital Citizenship</p> <p>Standard 9.1 Income and Careers</p> <p>Strand A. Income and Careers Strand B. Money Management Strand C. Credit and Debit Management Strand D. Planning, Saving, and Investing Strand F. Civic Financial Responsibility</p> <p>Standard 9.3 Career & Technical Education</p> <p>Business Management and Administration Career Cluster Finance Career Cluster</p>	<p style="text-align: center;"><u>21st Century Skills</u></p> <p><i>Learning and Innovation Skills:</i> <input checked="" type="checkbox"/> Creativity and Innovation <input checked="" type="checkbox"/> Critical Thinking and Problem Solving <input checked="" type="checkbox"/> Communication and Collaboration</p> <p><i>Information, Media and Technology Skills:</i> <input checked="" type="checkbox"/> Information Literacy <input type="checkbox"/> Media Literacy <input checked="" type="checkbox"/> ICT (Information, Communications and Technology) Literacy</p> <p><i>Life and Career Skills:</i> <input checked="" type="checkbox"/> Flexibility and Adaptability <input checked="" type="checkbox"/> Initiative and Self-Direction <input checked="" type="checkbox"/> Social and Cross-Cultural Skills <input checked="" type="checkbox"/> Productivity and Accountability <input checked="" type="checkbox"/> Leadership and Responsibility</p>
<p><u>Enduring Understandings:</u> Students will understand that...</p> <p><i>EU 1</i></p> <ul style="list-style-type: none"> Accounting is essential for financial success in society. <p><i>EU 2</i></p> <ul style="list-style-type: none"> A chart of accounts must be established to create a general ledger with account titles and numbers. <p><i>EU 3</i></p> <ul style="list-style-type: none"> An account numbering system is determined by the size and nature of the business. <p><i>EU 4</i></p> <ul style="list-style-type: none"> Individual accounts in a general ledger must have up-to-date balances. 	<p><u>Essential Questions:</u></p> <p><i>EU 1</i></p> <ul style="list-style-type: none"> What makes journalizing transactions an essential part of Accounting? Why are source documents important? What is the purpose of double-entry accounting? <p><i>EU 2</i></p> <ul style="list-style-type: none"> What are the benefits of having a chart of accounts? <p><i>EU 3</i></p> <ul style="list-style-type: none"> What is the importance of having an organized numbering system for your accounts? <p><i>EU 4</i></p> <ul style="list-style-type: none"> What might happen if the balances in your general ledger are not up to date?

<p><i>EU 5</i></p> <ul style="list-style-type: none"> • Cash is the most important asset of a business and must be strictly controlled. 	<p><i>EU 5</i></p> <ul style="list-style-type: none"> • In what situation would each of the three types of endorsements be used? • Why might a depositor's records differ from the bank's records? • Why do businesses use petty cash?
<p><u>Knowledge:</u> <i>Students will know . . .</i></p> <p><i>EU 1</i></p> <ul style="list-style-type: none"> • An entry cannot be recorded unless there is a source document to support it. • An entry consist of four parts: date, debit, credit and source document. • Double entry accounting affects at least two accounts and ensures that debits equals credits. <p><i>EU 2</i></p> <ul style="list-style-type: none"> • General ledger accounts must be open before they are used. <p><i>EU 3</i></p> <ul style="list-style-type: none"> • Each amount in the Debit and Credit columns of a general journal is posted to account written in the Account Title column. <p><i>EU 4</i></p> <ul style="list-style-type: none"> • If a transaction has been improperly journalized and posted to the ledger, a correcting entry must be made. <p><i>EU 5</i></p> <ul style="list-style-type: none"> • The three types of endorsements • A checking account is one way a business uses cash control. • When the bank reconciliation is complete, the two adjusted balances should be the same. • Most businesses use a petty cash fund to pay for small incidentals when a check is not necessary. 	<p><u>Skills:</u> <i>Students will be able to . . .</i></p> <p><i>EU 1</i></p> <ul style="list-style-type: none"> • Record transactions using double-entry accounting. • Prove cash. <p><i>EU 2, EU 3</i></p> <ul style="list-style-type: none"> • Prepare a chart of accounts for a service business organized as a proprietorship. <p><i>EU 4</i></p> <ul style="list-style-type: none"> • Post separate amounts from a general journal to a general ledger. • Record and post correcting entries. <p><i>EU 5</i></p> <ul style="list-style-type: none"> • Prepare business papers related to a checking account and a petty cash fund. • Reconcile a bank statement. • Journalize dishonored checks and electronic bank transactions.

Stage 2 – Assessment Evidence

Other Recommended Evidence: *Tests, Quizzes, Prompts, Self-assessment, Observations, Dialogues, etc.*

- Answer unit questions
- Define vocabulary terms using study guides, test and quizzes:
 1. **Journal**—a form for recording transactions in chronological order.
 2. **Journalizing**—recording transactions in a journal.
 3. **Entry**—information for each transaction recorded in a journal.
 4. **Double Entry Accounting**—the recording of debit and credit parts of a transaction.
 5. **Source Documents**—a business paper from which information is obtained for journal entry.
 6. **Check**—a business form ordering a bank to pay cash from a bank account.
 7. **Invoice**—a form describing the goods or services sold, the quantity, the price, and the terms of sale.
 8. **Sales Invoice**—an invoice used as a source document for recording a sale on account.
 9. **Receipt**—a business form giving written acknowledgement for cash received.
 10. **Memorandum**—a form on which a brief message is written to describe a transaction.
 11. **Ledger**—a group of accounts
 12. **General Ledger**—a ledger that contains all accounts needed to prepare financial statements.
 13. **Account Number**—the number assigned to an account.
 14. **File Maintenance**—the procedure for arranging accounts in a general ledger, assigning account numbers, and keeping records current.
 15. **Opening an Account**—writing an account title and number on the heading of an account.
 16. **Posting**—transferring information from a journal entry to a ledger account.
 17. **Proving Cash**—determining that the amount of cash agrees with the balance of the Cash account in the accounting records.
 18. **Correcting Entry**—if a transaction has been improperly journalized and posted to the ledger, the incorrect journal entry should be corrected with an additional journal entry.
- Completion of accounting problems
- Test and quizzes on unit content
- Practice Set/Reinforcement Activity

Stage 3 – Learning Plan

Suggested Learning Activities to Include Differentiated Instruction and Interdisciplinary Connections: Consider the *WHERE TO* elements. Each learning activity listed must be accompanied by a learning goal of A=Acquiring basic knowledge and skills, M=Making meaning and/or a T=Transfer.

In this unit on the accounting equation and t-accounts, you are to introduce the Enduring Understanding and Essential questions and the students need to know the importance of keeping the accounting equation in balance and how transactions affect it.

- Define unit terms and concepts **(A)**
- Define what a journal is and explain why it is used to record transactions **(M)**
- Compare and contrast different types of source documents. **(M)**
- Identify the four parts of a journal entry. **(A)**
- Analyze and record business transactions. **(M, T)**
- Demonstrate when to end and how to start a new journal page. **(M)**
- Identify and correct errors using standard accounting practices. **(M, T)**
- Construct a chart of accounts for a service business organized as a proprietorship. **(M, T)**
- Demonstrate correct principles for number accounts **(A, M)**
- Apply file maintenance principles to update a chart of accounts, **(A, M, T)**
- Complete the steps necessary to open general ledger accounts. **(M)**
- Post amounts from a general journal. **(M, T)**
- Demonstrate how to prove cash. **(M, T)**
- Analyze incorrect journal entries and prepare correcting entries **(M, T)**
- Demonstrate how to correct errors made during the posting process **(M, T)**

Ensure that there are ongoing cycles of model, practice, feedback, and adjustment built into the unit.