

Oakwood City School District

Learn Your ABCD's in Accounting

Content Standards

- I. The Accounting Profession
 - A. Understand the role that accountant play in business and society
 - 1. Describe how current events impact the accounting profession
 - 2. Explain the need for a code of ethics in accounting and the ethical responsibilities required of accountants
 - 3. Explain how accounting information is used to allocate resources in the business and personal decision-making process
 - B. Describe career opportunities in the accounting profession
 - 1. Identify professional designation and certifications in the accounting profession
 - 2. Describe the educational requirements for various careers, professional designations, and certifications in the accounting profession
 - 3. Describe the skills and competencies needed to be successful in the accounting profession
 - 4. Describe the areas of specialization within the accounting profession as well as careers that require a knowledge of accounting
- II. The Accounting Process
 - A. Complete and explain the purpose of the various steps in the accounting cycle using (GAAP) generally accepted accounting principles in order to prepare financial statements
 - 1. Describe and explain the conceptual framework of accounting and the accounting system
 - 2. Define and classify items as assets, liabilities, equity, revenue, and expenses
 - 3. Demonstrate an understanding of the fundamental accounting equation

4. Describe the purpose of the revenue, expense, and drawing accounts, and illustrate the effects on the owner's equity
5. Distinguish between accounting and bookkeeping
6. Analyze business transactions using source documents, and describe the effects on the accounting equation
7. Explain double-entry system of accounting and apply debit and credit rules when analyzing business transactions
8. Explain the purpose of the journal and the purpose of journalizing business transactions
9. Analyze the relationship of the journal to the ledger
10. Explain the purpose of the ledger account, and post information from the journal to the ledger
11. Explain the need for adjusting entries, and the recording of adjusting entries
12. Explain the purpose of the closing process, and record closing entries
13. Prepare financial statements for the various types of business operations and ownership structures
14. Describe the relationship between the closing process, financial statements, and the post-closing trial balance

III. Accounting Principles

- A. Identify and apply generally accepted Accounting principles to determine the value of assets, liabilities, and owner's equity
 1. Explain the accounting methods used to determine the value of accounts receivable to be reported on the balance sheet, and describe the effect on the income statement
 2. Create and maintain accounts receivable and accounts payable subsidiary ledgers
 3. Students will be able to apply the following concepts:
 - a) Define cash
 - b) Prepare bank reconciliations
 - c) Establish, maintain and reconcile petty cash and change accounts
 - d) Identify cash control techniques

- e) Explain the benefits of electronic funds transfers, automated teller machine transactions, electronic data interchange, automated bill paying, and uses of debit cards
- 4. Record transactions for accounts payable and other short-term debt
- 5. Explain how operating results, capital contributions, and distribution of earnings affect equity for the various types of ownership structures
- 6. Explain the purposes of the capital and drawing accounts for a sole proprietorship and partnership
- 7. Apply appropriate accounting techniques to accounts for investments and withdrawal by owners
- 8. Describe the criteria used to determine revenue recognition, and record revenue-related transactions
- 9. Describe the criteria used to determine expense recognition and record expense-related transactions
- 10. Distinguish between revenue and gains
- 11. Distinguish between expenses and losses
- 12. Record transactions resulting in gains and losses
- 13. Describe the different forms of business ownership and the advantages and disadvantages of each form (sole proprietorship, partnerships, corporations, and limited liability companies (LLC))

IV. Financial Reports

A. Develop and understanding and working knowledge of an annual report and financial statements

- 1. Identify sources for obtaining financial reports; research and analyze financial statements of corporations using a variety of sources
- 2. Describe the users and uses of financial information
- 3. Describe the information provided in each financial statement and how the statements are used in conjunction with one another
- 4. Describe the relationship between assets, liabilities, and equity on the balance sheet
- 5. Identify and explain the classifications within assets, liabilities, and equity
- 6. Identify the classifications on an income statement and explain their relationship to each other (revenue, expenses, gains, losses)