Introduction to Accounting introduces the language of business using Generally Accepted Accounting Principles (GAAP) and procedures for proprietorships and partnerships using double-entry accounting. Emphasis is placed on accounting principles as they relate to both manual and automated financial systems. This course involves understanding, analyzing, and recording business transactions and preparing, analyzing, and interpreting financial reports as a basis for decision-making.

- **DOE Code:** 4524
- **Recommended Grade Level:** 10, 11
- **Recommended Prerequisite:** None
- **Credits:** 2 semester course, 2 semesters required, 1 credit per semester, 2 credits maximum semesters, maximum of 2 credits
- **Counts as a Directed Elective or Elective for all diplomas**

**Dual Credit**
This course provides the opportunity for dual credit for students who meet postsecondary requirements for earning dual credit and successfully complete the dual credit requirements of this course.

**Application of Content**
Intensive laboratory applications are a component of this course and may be either school based or work based or a combination of the two. Work-based learning experiences should be in a closely related industry setting. Instructors shall have a standards-based training plan for students participating in work-based learning experiences.

**Career and Technical Student Organizations**
Career and Technical Student Organizations are considered a powerful instructional tool when integrated into Career and Technical Education programs. They enhance the knowledge and skills students learn in a course by allowing a student to participate in a unique program of career and leadership development. Students should be encouraged to participate in Business Professional of America, DECA, or Future Business Leaders of America, the CTSOs for this area.

**Content Standards**

**Domain – Accounting Cycle**
**Core Standard 1** Students connect the steps of the accounting cycle to the various types of business ownership.

**Standards**
- **IA-1.1** Define accounting and explain the purpose of the accounting system
- **IA-1.2** Explain the importance of following Generally Accepted Accounting Principles (GAAP) and interpret, analyze, and apply the standards correctly
- **IA-1.3** Demonstrate a working knowledge of the fundamental accounting equation
- **IA-1.4** Discuss the purpose of the elements of financial statements: assets, liabilities, contributions by owners, distributions to owners, equity, revenues, expenses, gains, and losses
- **IA-1.5** Identify and interpret a variety of source documents
IA-1.6 Analyze business transactions using source documents and interpret their effect on the accounting equation

IA-1.7 Explain the double-entry system of accounting and demonstrate the applications of the debit and credit rules when recording and analyzing business transactions

IA-1.8 Journalize business transactions using various journal formats

IA-1.9 Explain the purpose of a journal and its relationship to the ledger through postings

IA-1.10 Construct and maintain the chart of accounts

IA-1.11 Construct a worksheet and use it to prepare financial statements using various formats

IA-1.12 Prepare a trial balance and use it to determine necessary adjusting entries including accruals and deferrals

IA-1.13 Prepare financial statements in appropriate form and specify the purpose and relationship of each statement

IA-1.14 Describe the purpose of the closing process and prepare closing entries and the post-closing trial balance

IA-1.15 Compare and contrast the advantages and disadvantages of the forms of business ownership—sole proprietorships, partnerships, and the varying types of corporations

Domain – Accounting Principles

Core Standard 2 Students apply concepts of the Generally Accepted Accounting Principles (GAAP) to determine the value of assets, liabilities, owner’s equity, revenues, and expenses.

Standards

IA-2.1 Identify asset types and their effect on financial statements

IA-2.2 Specify the importance of internal cash control and banking activities and demonstrate their use

IA-2.3 Explain the use of and maintain the accounts receivable subsidiary ledger

IA-2.4 Apply appropriate accounting techniques for uncollectible accounts

IA-2.5 Explain the purpose of notes receivable; establish, calculate, and maintain records for receivables and related interest

IA-2.6 Compare, contrast and evaluate inventory concepts and costing procedures to a business

IA-2.7 Apply appropriate accounting concepts and techniques for acquisition, depreciation, depletion, and disposal of assets

IA-2.8 Identify liability types and their effect on financial statements

IA-2.9 Explain the use of and maintain the accounts payable subsidiary ledger

IA-2.10 Explain the purpose of notes payable; establish, calculate, and maintain records for payables and related interest

IA-2.11 Apply Generally Accepted Accounting Principles (GAAP) and techniques to analyze and record the issuance, amortization, and retirement of bonds

IA-2.12 Analyze and record mortgage and lease obligations

IA-2.13 Identify the components of owner’s equity and their effect on financial statements

IA-2.14 Discuss the purpose of various owner’s equity accounts as they relate to the business ownership structure

IA-2.15 Identify revenues and their effect on financial statements
IA-2.16 Determine procedures for cash basis versus accrual methods
IA-2.17 Identify expenses and their effect on financial statements
IA-2.18 Differentiate between cost of goods sold and general operating expenses
IA-2.19 Discuss year-end cut-offs for expenses

Domain – Financial Statements

Core Standard 3 Students analyze and synthesis financial statements to determine the financial position of a business.

Standards
IA-3.1 Create financial statements in various formats
IA-3.2 Evaluate financial statements using horizontal analysis, vertical analysis, and commonly used financial ratios
IA-3.3 Interpret and evaluate industry trends and other relevant data to make sound business decisions
IA-3.4 Discuss the importance of integrity, confidentiality, and high ethical standards in the preparation of financial statements
IA-3.5 Discuss the three basic types of business activities—operating, investing, and financing
IA-3.6 Generate statements of cash flow using the direct and indirect methods

Domain – Specialized Applications

Core Standard 4 Students apply Generally Accepted Accounting Principles (GAAP) to various forms of ownership and payroll, income taxation, and managerial accounting systems.

IA-4.1 Compare and contrast the advantages and disadvantages of corporations
IA-4.2 Apply appropriate accounting techniques for the formation, allocation and distribution of earnings, and dissolution of corporations
IA-4.3 Generate and maintain employee and employer payroll records using manual and computerized systems
IA-4.4 Analyze the effects of payroll taxes for a business enterprise
IA-4.5 Prepare federal, state, and local government payroll reports
IA-4.6 Differentiate between taxation at personal and business levels, including tax-planning strategies