

Finance Career Cluster
Principles of Accounting 1
Course Number 07.41100

Course Description:

Where does all the money go? As a person would not go to a foreign country and not learn the language, accounting is the “language of business.” Principles of Accounting 1 is a skill-level course that is of value to all students pursuing a strong background in business, marketing, and management. Using financial information, students will learn how to make decisions about planning, organizing, and allocating resources using accounting procedures. Performing accounting activities for sole proprietorships and corporations following Generally-Accepted Accounting Procedures are included in the course. Students analyze business transactions and financial statements, perform payroll, and evaluate the effects of transactions on the economic health of a business.

Various forms of technologies and internet research will be highlighted to expose students to the resources available when learning the language of business. Employability skills are integrated into activities, tasks, and projects throughout the course standards to demonstrate the skills required by business and industry. Competencies in the co-curricular student organization, Future Business Leaders of America (FBLA), are integral components of the employability skills standard for this course.

Principles of Accounting 1 may be the second course in the Advanced Business Pathway or the third course in the Business Accounting pathway in the Finance Cluster. Students enrolled in this course should have successfully completed Introduction to Business & Technology. If students are completing the Business Accounting pathway, successful completion of the Financial Literacy course prepares students to take an End of Pathway assessment in this career area.

Course Standard 1

FIN-PA1-1

Demonstrate employability skills required by business and industry.

The following elements should be integrated throughout the content of this course.

- 1.1 Communicate effectively through writing, speaking, listening, reading, and interpersonal abilities.
- 1.2 Demonstrate creativity with multiple approaches to ask challenging questions resulting in innovative procedures, methods, and products.
- 1.3 Exhibit critical thinking and problem-solving skills to locate, analyze, and apply information in career planning and employment situations.
- 1.4 Model work readiness traits required for success in the workplace including integrity, honesty, accountability, punctuality, time management, and respect for diversity.
- 1.5 Apply the appropriate skill sets to be productive in a changing, technological, and diverse workplace to be able to work independently, interpret data, and apply teamwork skills.
- 1.6 Present a professional image through appearance, behavior, and language.

Course Standard 2

FIN-PA1-2

Analyze and evaluate the role that accountants play in business and society.

- 2.1 Explain the regulatory environment of the accounting profession.
- 2.2 Discuss the impact of the Sarbanes-Oxley Act of 2002 on accounting.
- 2.3 Describe the role of the Securities and Exchange Commission (SEC) in regulating the accounting industry
- 2.4 Describe how current issues and developments impact the accounting profession.
- 2.5 Identify and explain trends affecting computers and information privacy.
- 2.6 Explain the need for a code of ethics in accounting and the ethical responsibilities required of accountants.
- 2.7 Explain how accounting information is used in the business and personal decision-making process to allocate resources.

Course Standard 3

FIN-PA1-3

Utilize career-planning concepts, tools and strategies to explore, obtain and/or consider an accounting career.

- 3.1 Identify and describe professional accounting organizations and associations.
- 3.2 Identify and explain the state and national educational and licensing requirements, including the CPA exam, for careers in the accounting profession.
- 3.3 Describe the skills and competencies needed to be successful in the accounting profession.
- 3.4 Describe the areas of specialization within the accounting profession (i.e., financial accounting, management accounting, auditing) and careers that require knowledge of accounting.

Course Standard 4

FIN-PA1-4

Demonstrate and understanding by applying the steps of the accounting cycle to prepare financial statements for proprietorships and corporations.

- 4.1 Explain the purpose of the accounting system.
- 4.2 Classify items as assets, liabilities, or owner's equity.
- 4.3 Describe the purpose of journals and ledgers and their relationship.
- 4.4 Identify and develop the use of spreadsheet software to analyze financial data.
- 4.5 Analyze the effects of revenue, expense, and drawing accounts on owner's equity.
- 4.6 Identify and describe source documents.
- 4.7 Analyze business transactions and their effect on the accounting equation.
- 4.8 Develop journal entries based on the double-entry system of accounting.
- 4.9 Post journal entries to the appropriate general ledger accounts and prepare a trial balance.
- 4.10 Prepare and use an 8- and/or 10-column worksheet.
- 4.11 Explain the need for adjusting entries and record adjusting entries.
- 4.12 Prepare financial statements and explain their interrelationship.
- 4.13 Describe the impact of the closing process and make appropriate closing entries.

Course Standard 5

FIN-PA1-5

Apply generally-accepted accounting principles (GAAP) and explain how the application of GAAP impacts the recording of financial transactions, and the preparation of financial statements.

- 5.1 Define and identify current and long-term assets and explain the impact on financial statements.
- 5.2 Record transactions for accounts receivable and related bad debt reserves.
- 5.3 Describe the criteria used to distinguish capital expenditures and the related depreciation.
- 5.4 Calculate the impact on the financial statements when assets are sold.
- 5.5 Define and identify current and long-term liabilities and explain the impact on financial statements.
- 5.6 Create and maintain the accounts receivable and payable subsidiary ledgers.
- 5.7 Explain the purpose of the capital and drawing accounts for a sole proprietorship.
- 5.8 Analyze and record investments by stockholders and the declaration and payment of dividends for a corporation.
- 5.9 Describe the criteria used for the timing of revenue and expense recognition.

Course Standard 6

FIN-PA1-6

Demonstrate an understanding and working knowledge of the preparation of financial statements.

- 6.1 Describe the information provided in each financial statement and how the statements articulate with each other.
- 6.2 Determine the cost of goods sold and gross profit for a merchandising business.
- 6.3 Prepare and analyze the income statement, statement of changes in owners' equity, and balance sheet.
- 6.4 Create accounting financial statements using automated accounting software.

Course Standard 7

FIN-PA1-7

Analyze the financial condition and operating results of a business for informed decision making.

- 7.1 Evaluate the impact of changes in operating procedures, accounting methods, and estimates on the financial statements and ratios using spreadsheet software.
- 7.2 Prepare charts and graphs useful in analyzing the financial condition of the business using spreadsheet software.
- 7.3 Analyze accounting financial data using vertical and horizontal analysis.

Course Standard 8

FIN-PA1-8

Evaluate and determine suitable internal accounting controls to ensure the safe guarding of assets.

- 8.1 Explain cash control procedures (i.e., signature cards, deposit slips, internal/external controls, separation of duties, pre-numbered documents, etc.).
- 8.2 Identify and describe the parts of a check, preparing a check, completing deposit slips, and different types of endorsements.

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- 8.3 Explain the procedure to prove cash.
- 8.4 Describe journalizing and posting entries to establish and replenish petty cash.
- 8.5 Explain journalizing and posting entries related to banking activities.
- 8.6 Describe the preparation of bank reconciliations.

Course Standard 9

FIN-PA1-9

Summarize payroll procedures in order to calculate, record, and distribute payroll earnings and related tax liabilities.

- 9.1 Discuss and describe the various pay categories. (i.e., hourly rate, salary, commission, salary plus commission, etc.).
- 9.2 Maintain employee earning record.
- 9.3 Calculate employee earnings, including gross pay, withholdings, and net pay.
- 9.4 Prepare a payroll register.
- 9.5 Record payroll by journalizing and posting summary information.
- 9.6 Calculate employer's payroll taxes, including Social Security, Medicare, federal unemployment, state unemployment, other taxes, and other employee benefits paid by the employer.
- 9.7 Prepare federal, state, and local payroll reports.

Course Standard 10

FIN-PA1-10

Explore how related student organizations are integral parts of career and technology education courses through leadership development, school and community service projects, entrepreneurship development, and competitive events.

- 10.1 Explain the goals, mission and objectives of Future Business Leaders of America.
- 10.2 Explore the impact and opportunities a student organization (FBLA) can develop to bring business and education together in a positive working relationship through innovative leadership and career development programs.
- 10.3 Explore the local, state, and national opportunities available to students through participation in related student organization (FBLA) including but not limited to conferences, competitions, community service, philanthropy, and other FBLA activities.
- 10.4 Explain how participation in career and technology education student organizations can promote lifelong responsibility for community service and professional development.
- 10.5 Explore the competitive events related to the content of this course and the required competencies, skills, and knowledge for each related event for individual, team, and chapter competitions.