

# Accounting & Related Services (2007)

Adopted 2007

## Demonstrate Business and Financial Management Practices Needed for Entrepreneurs

- 1.1 Review a budget based on an accounting enterprise's business plan
- 1.2 Review an income statement for an accounting enterprise
- 1.3 Review a balance sheet for an accounting enterprise
- 1.4 Interpret financial information for decision making and planning
- 1.5 Monitor and adjust a business operation based on financial performance
- 1.6 Compare foreign currencies and determine how business affects exchange rates
- 1.7 Describe the impact of quality business communications on the success of an accounting organization
- 1.8 Manage customer relations
- 1.9 Review insurance needs for a business and its relationship to all aspects of the business

## Demonstrate the Steps of the Accounting Cycle

- 2.1 Explain the purpose of the accounting cycle
- 2.2 Define terminology related to the accounting cycle
- 2.3 Demonstrate the fundamental accounting equation
- 2.4 Classify items as assets, liabilities, or owner's equity
- 2.5 Determine how owner's equity is affected by revenue, expense, and drawing accounts
- 2.6 Practice the double-entry system of accounting
- 2.7 Analyze the effect that business transactions have on the basic accounting equation using source documents
- 2.8 Develop the process of journalizing business transactions

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**2.9 Explain the relationship of the journal to the ledger**

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**2.10 Post transactions from the journal to the ledger**

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**2.11 Prepare the trial balance including determining necessary adjustments**

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**2.12 Prepare financial statements**

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**2.13 Explain the purposes of the closing process**

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**2.14 Prepare a post-closing trial balance**

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**Determine Payroll**

**3.1 Prepare payroll records using manual and computerized systems**

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**3.2 Calculate earnings for various methods of payment**

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**3.3 Compute deductions to determine net pay**

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**3.4 Calculate employer's payroll taxes**

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**3.5 Prepare federal, state, and local payroll reports**

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**Generate Procedures for Cash Control**

**4.1 Define petty cash**

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**4.2 Complete check stubs or register and checks manually and using general ledger accounting software**

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**4.3 Enter appropriate data on a deposit slip**

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**4.4 Reconcile a bank statement**

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**4.5 Establish procedures for managing and reconciling petty cash manually and electronically**

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**Determine Procedures for Accounts Receivable and Accounts Payable**

**5.1 Establish and maintain the accounts receivable subsidiary ledger**

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**5.2 Process sales orders and invoices**

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**5.3 Process customer payments**

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**5.4 Analyze accounts receivable using an aging schedule to determine doubtful accounts**

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**5.5 Establish and maintain the accounts payable subsidiary ledger**

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**5.6 Maintain vendor files**

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**5.7 Process invoices for payment**

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**5.8 Process accounts payable checks**

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**5.9 Explain the relationship of subsidiary ledgers**

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**Valuate Assets,  
Liabilities, and Owner's  
Equity**

**6.1 Define terminology related to assets and liabilities**

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**6.2 Explain the purposes of notes receivable**

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**6.3 Maintain inventory records**

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**6.4 Apply inventory costing procedures, such as FIFO, LIFO and weighted average**

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**6.5 Compute the cost basis of assets**

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**6.6 Calculate depreciations**

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**6.7 Identify procedures to protect assets from loss, waste, theft, forgery and embezzlement**

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**6.8 Determine current and long-term liabilities and assets**

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**6.9 Apply the revenue realization and matching principles to an income statement for service and merchandising businesses**

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**6.10 Determine cost of goods sold and gross profit for a merchandising and manufacturing businesses**

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**Appraise Forms of  
Business Ownership**

**7.1 Ascertain the source and the importance of following the Generally Accepted Accounting Principles (GAAP)**

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**7.2 Differentiate between taxation at the personal and business level**

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**7.3 Explain the purpose of the capital and drawing accounts for a sole proprietorship and partnership**

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**7.4 Apply appropriate accounting techniques to account for investments and withdrawals by owners**

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**7.5 Explain the purpose of the following accounts: common stock, preferred stock, paid-in capital, retained earnings, and dividends for a corporation**

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**7.6 Identify the three basic types of business activities—operating, investing, and financing**

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**7.7 Identify not-for-profit and governmental organizations accounting requirements**

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**Assess the Financial  
Performance of a  
Business**

**8.1 Analyze the income statement and balance sheet of a business**

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**8.2** Analyze current and long-term assets including their impact on the financial statements

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**8.3** Analyze current and long-term liabilities including their impact on the financial statements

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**8.4** Analyze the statement of cash flow and the effect on healthy performance

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**8.5** Calculate merchandise inventory turnover ratios

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**8.6** Determine the effect of changes in sales volume, unit costs and unit sales process on net income

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**Use Accounting Technology in Managing Financial Information**

**9.1** Using spreadsheet software, organize, calculate and complete an accounting financial statement

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**9.2** Make projections using "what if" statements

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**9.3** Use spreadsheet and/or accounting software to prepare charts and graphs useful in analyzing the financial condition of a business

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**Examine Ethical Standards in Accounting**

**10.1** Differentiate between ethical and legal issues

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**10.2** Describe social responsibility in accounting

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**10.3** Explain the importance of high ethical standards in the preparation of financial statements

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**Explore Economic Principles of Managerial Accounting and Related Services Professions**

**11.1** Define the five management functions: planning, organizing, directing, staffing, and controlling

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**11.2** Define cost concepts and cost behavior

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**11.3** Explain the role of accounting as utilized in support of the five management functions and related decision making

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**11.4** Define the differences among service, merchandising and manufacturing businesses

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**Explore Accounting and Related Services Systems Theory and Practice**

**12.1** Demonstrate basic research techniques to organize accounting records and information

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**12.2** Explain how work plans and budget information are used to allocate people and resources effectively

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**12.3** Explain how plans and budgets are revised to meet goals and objectives

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**12.4 Investigate merchandise inventory accounting principles that relate to budgetary decisions**