Indiana CTE

Advanced Accounting: Grade 11, 12

Content Standards

1. **Students understand and apply the various steps of the accounting cycle for corporations and comprehend the purpose of each step.**
   - A Apply Generally Accepted Accounting Principles (GAAP) and interpret the principles correctly. AA.1.1
   - B Collect and verify source documents. AA.1.2
   - C Analyze business transactions using source documents and interpret the effect on the accounting equation. AA.1.3
   - D Journalize business transactions using special journal formats. AA.1.4
   - E Prepare and use an 8 and/or 10-column worksheet. AA.1.5
   - F Analyze and prepare adjusting entries, including accruals and deferrals. AA.1.6
   - G Create, evaluate and analyze financial statements and describe the way each interrelates with the others. AA.1.7
   - H Execute the closing process by journalizing and posting the closing entries and preparing the post-closing trial balance. AA.1.8
   - I Demonstrate both manual and computerized accounting systems. AA.1.9

2. **Students use Generally Accepted Accounting Principles (GAAP) to determine the value of assets, liabilities, stockholder's equity, revenues, and expenses.**
   - A Differentiate current and long-term assets and analyze their effect on financial statements. AA.2.1
   - B Identify and apply cash control techniques. AA.2.2
   - C Apply appropriate accounting techniques for uncollectible accounts. AA.2.3
   - D Explain the purpose of notes receivable; establish, calculate, and maintain records for receivables and related interest. AA.2.4
   - E Compare and contrast inventory and costing procedures. AA.2.5
   - F Apply appropriate accounting concepts and techniques for acquisition, depreciation, depletion, and disposal of assets. AA.2.6
   - G Explain, compare, and analyze various depreciation methods and their effect on the value of assets. AA.2.7
   - H Demonstrate both manual and computerized accounting systems for assets. AA.2.8

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I Explain the effect of changes in foreign exchange rates on the value of assets. AA.2.9

J Define intangible assets and account for their acquisition, amortization, and disposal. AA.2.10

K Define and identify short-term and long-term investments and the accounting concepts related to them. AA.2.11

L Compare and contrast the cost basis and fair market value of assets. AA.2.12

M Differentiate current and long-term liabilities and analyze their effect on financial statements. AA.2.13

N Explain the purpose of notes payable; establish, calculate, and maintain records for payables and related interest. AA.2.14

O Apply Generally Accepted Accounting Principles (GAAP) and techniques to analyze and record the issuance, amortization, and retirement of bonds. AA.2.15

P Analyze and record mortgage and lease obligations. AA.2.16

Q Demonstrate both manual and computerized accounting systems for liabilities. AA.2.17

R Explain the effect of changes in foreign exchange rates on the value of liabilities. AA.2.18

S Define contingent liabilities. AA.2.19

T Use straight-line and effective interest amortization methods to compute for bond premiums and discounts. AA.2.20

U Explain the purpose of the following accounts for a corporation: common stock, preferred stock, paid-in capital, retained earnings, and dividends. AA.2.21

V Analyze and record investments by stockholders and the declaration and payment of dividends for a corporation. AA.2.22

W Differentiate between stockholders' equity and retained earnings for corporations. AA.2.23

X Demonstrate both manual and computerized accounting systems for stockholder's equity. AA.2.24

Y Differentiate the effects of revenue on financial statements. AA.2.25

Z Determine procedures for cash basis versus accrual methods. AA.2.26

AA Demonstrate both manual and computerized accounting systems for revenues. AA.2.27

AB Differentiate between cost of sales and general operating expenses. AA.2.28

AC Compare and contrast transactions recorded as assets versus expense, such as supplies inventory/supplies expense. AA.2.29

AD Discuss year-end cut-offs for expenses. AA.2.30

AE Demonstrate both manual and computerized accounting systems for expenses. AA.2.31

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3. **Students create, interpret, and analyze end-of-fiscal-period activities and financial statements for corporations**

   A Create financial statements for corporations in advanced formats. AA.3.1

   B Evaluate financial statements using horizontal analysis, vertical analysis, and commonly used financial ratios. AA.3.2

   C Generate all necessary year-end journal entries. AA.3.3

   D Evaluate the effect of changes in operating procedures, accounting methods, and estimates on the financial statements and ratios using software. AA.3.4

   E Use software to generate charts and graphs to analyze the financial condition of the business. AA.3.5

   F Discuss the importance of integrity, confidentiality, and high ethical standards in the preparation of financial statements. AA.3.6

   G Compare and contrast financial statements of corporations using a variety of sources. AA.3.7

   H Discuss the three basic types of business activities—operating, investing, and financing. AA.3.8

   I Generate statements of cash flow using the direct and indirect methods. AA.3.9

   J Demonstrate both manual and computerized accounting systems for preparing financial statements. AA.3.10

   K Produce horizontal and vertical analyses and compute appropriate ratios to evaluate solvency and earning power. AA.3.11

   L Discuss and analyze the inherent limitations of the historical cost accounting model when interpreting financial statements prepared during periods of changing prices. AA.3.12

4. **Students apply appropriate accounting principles to various forms of ownership, payroll, income taxation, international accounting, and managerial accounting systems.**

   1. Research the employment opportunities in the financial services sector AA.4.1

   B Investigate and understand the state and national educational and licensing requirements for careers in the business and finance professions AA.4.2

   3. Discuss appropriate Generally Accepted Accounting Principles (GAAP) for government and not-for- profit entities. AA.4.3

   D Analyze stock performance and market fluctuations in a market economy. AA.4.4

   5. Generate and maintain employee and employer payroll records using computerized systems. AA.4.5

   F Analyze the effects of payroll taxes for a corporation. AA.4.6

   G Prepare federal, state, and local government payroll reports. AA.4.7

   H Differentiate between taxation at personal and business levels, including tax-planning strategies. AA.4.8

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I Discuss how income tax law is formed. AA.4.9

J Research the basic differences between Generally Accepted Accounting Principles (GAAP) and tax law. AA.4.10

K Compare and contrast International Accounting Standards (IAS) with Generally Accepted Accounting Principles (GAAP). AA.4.11

L Explain the role of managerial accounting in the management process. AA.4.12

M Interpret and explain those costs and accounts that are unique to the manufacturing process. AA.4.13

N Discuss the cost flow concepts followed by a manufacturing business. AA.4.14

O Apply job order costing procedures to compute the cost of manufactured products. AA.4.15

P Prepare a schedule of cost of goods manufactured and explain its relationship to the income statement. AA.4.16

Q Describe the types of products and apply appropriate accounting concepts and procedures for job order and process costing systems. AA.4.17

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5. Students use management accounting techniques to plan and evaluate the performance of an organization.

A Compare and contrast fixed, variable, and mixed costs. AA.5.1

B Use cost-volume- profit and contribution margin analysis to plan operations. AA.5.2

C Prepare a budget for planning purposes. AA.5.3

D Prepare budget analysis using spreadsheet software. AA.5.4

E Discuss auditing procedures for different types of business. AA.5.5

F Discuss the importance of integrity, confidentiality, and high ethical standards in interpretation and use of data. AA.5.6

G Analyze company performance by applying standard costing and variance analysis. AA.5.7

H Apply differential analysis to make decisions. AA.5.8

I Apply present value concepts to evaluate capital investment opportunities. AA.5.9

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6. Students read, interpret, and report financial information.

A Read and interpret financial statements. AA.6.1

B Write summaries of financial decisions. AA.6.2

C Present summaries for decisions. AA.6.3

D Use appropriate industry terminology. AA.6.4

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7. Students perform independent studies as a means to explore various careers in accounting/financial pathways and learn about the educational and experience requirements of each

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A Research the employment opportunities for accountants and CPAs in business, industry, public practice, education, government, and not-for- profit professions. AA.7.1

B Investigate and understand the state and national educational and licensing requirements for careers in the business and finance professions AA.7.2