Texas CTE

Accounting II

General requirements. This course is recommended for students in Grades 11 and 12. Prerequisite: Accounting I. This course satisfies a high school mathematics graduation requirement. Students shall be awarded one credit for successful completion of this course. A2.A

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Introduction. A2.B

1 **Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.** A2.B.1

2 **The Finance Career Cluster focuses on planning, services for financial and investment planning, banking, insurance, and business financial management.** A2.B.2

3 **Accounting encompasses careers that record, classify, summarize, analyze, and communicate a business's financial information/business transactions for use in management decision making. Accounting includes such activities as bookkeeping, systems design, analysis, and interpretation of accounting information.** A2.B.3

4 **In Accounting II, students will continue the investigation of the field of accounting, including how it is impacted by industry standards as well as economic, financial, technological, international, social, legal, and ethical factors. Students will reflect on this knowledge as they engage in various managerial, financial, and operational accounting activities. Students will formulate, interpret, and communicate financial information for use in management decision making. Students will use equations, graphical representations, accounting tools, spreadsheet software, and accounting systems in real-world situations to maintain, monitor, control, and plan the use of financial resources.** A2.B.4

Skip to main content

'he mathematical process standards describe ways in which students are xpected to engage in the content. The placement of the process standards at the

beginning of the knowledge and skills listed for each grade and course is intentional. The process standards weave the other knowledge and skills together so that students may be successful problem solvers and use mathematics efficiently and effectively in daily life. The process standards are integrated at every grade level and course. When possible, students will apply mathematics to problems arising in everyday life, society, and the workplace. Students will use a problem-solving model that incorporates analyzing given information, formulating a plan or strategy, determining a solution, justifying the solution, and evaluating the problem-solving process and the reasonableness of the solution. Students will select appropriate tools such as real objects, manipulatives, paper and pencil, and technology and techniques such as mental math, estimation, and number sense to solve problems. Students will effectively communicate mathematical ideas, reasoning, and their implications using multiple representations such as symbols, diagrams, graphs, and language. Students will use mathematical relationships to generate solutions and make connections and predictions. Students will analyze mathematical relationships to connect and communicate mathematical ideas. Students will display, explain, or justify mathematical ideas and arguments using precise mathematical language in written or oral communication. A2.B.5

6 **Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other leadership or extracurricular organizations.** A2.B.6

7 **Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.** A2.B.7

Knowledge and skills. A2.C

1 **The student demonstrates professional standards/employability skills as required by business and industry. The student is expected to:** A2.C.1

- a demonstrate effective oral and written communication skills; A2.C.1.A
- b perform numerical and arithmetic applications; A2.C.1.B
- c demonstrate an understanding of integrity and strong work ethic; A2.C.1.C
- d demonstrate attention to detail in completed assignments; A2.C.1.
- e demonstrate effective problem solving. A2.C.1.E

2 **The student uses mathematical processes to acquire and demonstrate mathematical understanding. The student is expected to:** A2.C.2

- a apply mathematics to problems arising in everyday life, society, and the workplace; A2.C.2.A
- b use a problem-solving model that incorporates analyzing given information, formulating a plan or strategy, determining a solution, justifying the solution, and evaluating the problem-solving process and the reasonableness of the solution; A2.C.2.B

Skip to main content

c select tools, including real objects, manipulatives, paper and pencil, and technology as appropriate, and techniques, including mental math, estimation, and number sense as appropriate, to solve problems; A2.C.2.C

d communicate mathematical ideas, reasoning, and their implications using multiple representations, including symbols, diagrams, graphs, and language as appropriate; A2.C.2.D

e create and use representations to organize, record, and communicate mathematical ideas; A2.C.2.E

f analyze mathematical relationships to connect and communicate mathematical ideas; A2.C.2.F

g display, explain, and justify mathematical ideas and arguments using precise mathematical language in written or oral communication. A2.C.2.G

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3 The student performs accounting functions specific to a corporation. The student is expected to: A2.C.3

a analyze articles of incorporation; A2.C.3.A

b communicate methods used to account for the issuance of stock; A2.C.3.B

c compute the number of shares of common stock to be issued on the conversion of convertible preferred stock; A2.C.3.

d compute dividends payable on stock; A2.C.3.D

e describe internal accounting controls that exist to ensure the proper recording of financial transactions; A2.C.3.

f produce financial statements, including work sheets, income statements, statements of stockholders' equity, balance sheets, cash flow statements, and statements of changes in retained earnings; A2.C.3.F

g. discuss the nature of consolidated financial statements; A2.C.3.G

h discuss the nature of corporate tax accounting; A2.C.3.H

i perform accounting functions specific to corporate tax accounting, including calculating corporate taxes and target profits and preparing corporate tax returns. A2.C.3.I

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4 The student discusses and performs accounting functions in a financial statement analysis. The student is expected to: A2.C.4

a explain the nature of annual reports; A2.C.4.A

b discuss the use of financial ratios in accounting and explain how this data impacts business decisions; A2.C.4.B

c determine business liquidity, including current ratio, quick ratio, and cash ratio; A2.C.4.C

d calculate business profitability, including gross profit margin, operating profit margin, net profit margin, cash flow margin, return on assets, return on investment, and return on equity, and analyze the relationships between these ratios; A2.C.4.D

Skip to main content

e compute business efficiency ratios, including inventory turnover ratio, accounts receivable turnover ratio, accounts payable turnover ratio, average payment period, and average collection period; A2.C.4.E

f determine business operating ratio; A2.C.4.F

g calculate business capital structure ratios, including debt-to-equity ratio and debt service coverage; A2.C.4.G

h compare financial ratios to industry benchmarks and past performance to identify key areas that need to be evaluated and improved; A2.C.4.H

i formulate and present recommendations based on financial ratio comparisons using spreadsheet software, graphs, and charts that identify business strategies and solutions needed to improve financial performance. A2.C.4.I

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5 The student describes and employs managerial accounting concepts. The student is expected to: A2.C.5

a explain the nature of managerial cost accounting, including costs and cost drivers; A2.C.5.A

b conduct cost-volume-profit analysis, including the use of linear regression data to determine the relationship between production and costs; A2.C.5.B

c identify cost accounting systems such as job order costing, process costing, activity-based costing, and project costing; A2.C.5.C

d calculate the cost of goods sold; A2.C.5.D

e compute overhead rates; A2.C.5.E

f apply overhead to jobs; A2.C.5.F

g describe the nature of cost accounting decision making; A2.C.5.G

h discuss the nature of cost accounting budgets; A2.C.5.H

i explain and create a variance analysis; A2.C.5.I

j discuss the nature of cost allocation; A2.C.5.J

k compute variable costs and contribution margins for a product; A2.C.5.K

l determine relevant costs in make-or-buy and accept-or-reject decisions; A2.C.5.L

m evaluate make-or-buy and accept-or-reject decisions to identify the best solutions for a business; A2.C.5.M

n prepare written recommendations that identify make-or-buy and accept-or-reject solutions using empirical data to support and justify conclusions; A2.C.5.N

o perform cost allocation functions; A2.C.5.O

p prepare cost of production reports. A2.C.5.P

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6 The student maintains, monitors, controls, and plans the use of financial resources to ensure business stability. The student is expected to: A2.C.6

Skip to main content

describe fundamental financial concepts involved in the management of corporate finances, including the nature of depreciation and cash flows; A2.C.6.A

b analyze the need for efficient capital markets in corporate finance; A2.C.6.B

c explore the capital budgeting process; A2.C.6.C

d perform calculations necessary for capital budget decision making, including: A2.C.6.D

  i calculating the initial investment associated with a proposed capital expenditure; A2.C.6.D.I

  ii calculating the initial investment associated with a proposed capital expenditure; A2.C.6.D.II

  iii calculating the initial investment associated with a proposed capital expenditure; A2.C.6.D.III

e conduct cash-flow analysis to select an acceptable capital expenditure, including: A2.C.6.E

  i interpreting the nature of relevant cash flow-analysis; A2.C.6.E.I

  ii explaining the nature of the payback period; A2.C.6.E.II

  iii calculating the payback period; A2.C.6.E.III

  iv explaining the relationship between the internal rate of return and net present value; A2.C.6.E.IV

  v calculating the net present value and future value; A2.C.6.E.V

  vi calculating the internal rate of return; A2.C.6.E.VI

f explain the role of financial planning in corporate finance, including the financial planning process, short-term operating, and long-term strategic planning; A2.C.6.F

g conduct cash planning, including: A2.C.6.G

  i explaining the use of cash budgets; A2.C.6.G.I

  ii coping with uncertainty in cash budgets; A2.C.6.G.II

  iii preparing a cash budget; A2.C.6.G.III

  iv evaluating a cash budget; A2.C.6.G.IV

h conduct profit planning, including pro forma income statements and balance sheets; A2.C.6.H

i define and describe the nature of short-term financial management; A2.C.6.I

j explain the role of valuation in making appropriate financial decisions for a company, including: A2.C.6.J

  i discussing the role of project valuation in capital allocation decisions; A2.C.6.J.I

  ii comparing methods for valuing flexibility; A2.C.6.J.II

  iii comparing methods for valuing flexibility; A2.C.6.J.III

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k use capital market securities to secure financing for a company, including: A2.C.6.K

i analyzing models and methods to determine the best financing option for a company; A2.C.6.K.I

ii analyzing the nature of corporate bonds; A2.C.6.K.II

iii analyzing the nature of corporate bonds; A2.C.6.K.III

iv describing the issuance of stock from a corporation; A2.C.6.K.IV

v comparing and contrasting preferred stock and common stock; A2.C.6.K.V

vi calculating the cost of preferred stock and common stock; A2.C.6.K.VI

vii computing leverage and debt to equity ratios; A2.C.6.K.VII

l explain the role of dividends in corporate finance, including forms of dividends and reinvestment plans; A2.C.6.L

m describe the effect of a firm's dividend decisions on its external financing requirements; A2.C.6.M

n illustrate the residual theory of dividends; A2.C.6.N

o describe the impact of dividends on the value of the firm; A2.C.6.O

p explain the nature of a dividend policy; A2.C.6.P

q explain factors to consider when deciding on the form of dividend distribution; A2.C.6.Q

r analyze ownership change transactions, including: A2.C.6.R

i comparing mergers and acquisitions; A2.C.6.R.I

ii explaining the nature of hostile takeovers; A2.C.6.R.II

iii discussing issues that arise from mergers and acquisitions; A2.C.6.R.III

iv explaining methods for evaluating potential merger/acquisition targets; A2.C.6.R.IV

v evaluating potential merger and acquisition targets; A2.C.6.R.V

vi analyzing the nature of restructurings A2.C.6.R.VI

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7 **The student describes laws and regulations in order to manage business operations and transactions in accounting. The student is expected to:** A2.C.7

a describe and discuss regulation of accounting, including: A2.C.7.A

i the impact of the Sarbanes-Oxley Act of 2002 on accounting; A2.C.7.A.I

ii the role of the Securities and Exchange Commission in regulating the accounting industry; A2.C.7.A.II

iii the state regulation of the accounting industry; A2.C.7.A.III

iv the impact of International Financial Reporting Standards (IFRS) versus Generally Accepted Accounting Principles (GAAP); A2.C.7.A.IV

Skip to main content

b identify and research a case study involving a fraud, compliance, or regulatory issue or possible scenario, including: A2.C.7.B

i formulating questions to analyze the issue; A2.C.7.B.I

ii gathering relevant sources; A2.C.7.B.II

iii evaluating the validity and reliability of those sources; A2.C.7.B.III

iv identifying and communicating which laws and regulations apply; A2.C.7.B.IV

v gathering data that supports evidence of fraud or non-compliance with regulations; A2.C.7.B.V

vi creating a clear and coherent presentation, including the use of correct grammar, spelling, punctuation, and citation of resource materials. A2.C.7.B.VI

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8 **The student accesses, processes, maintains, evaluates, and disseminates financial information to assist business decision making. The student is expected to:** A2.C.8

a use technology to acquire information such as the use of data mining and automated financial programs into accounting; A2.C.8.A

b create a clear and coherent oral and written presentation that includes the use of correct grammar, spelling, punctuation, and citation of resource materials on a current topic in accounting using concepts learned in this course. A2.C.8.B