

DESCRIPTION

Students will develop advanced skills that build upon those acquired in Accounting I. Students continue applying concepts of double-entry accounting systems related to merchandising businesses. Additional accounting skills will be developed, including preparing and journalizing payroll records, calculating and recording adjusting entries, and interpreting financial information. Exposure to automated accounting procedures is strongly encouraged.

Total Test Questions: 57

Levels: Grades 10-12

Units of Credit: .50

Prerequisites: Accounting I

STANDARDS, OBJECTIVES, AND INDICATORS

STANDARD 1

11% of Exam Blueprint

◆ STUDENTS WILL ACQUIRE ACCOUNTING VOCABULARY AND BUSINESS SKILLS USED IN ACCOUNTING.

- Objective 1: Define accounting, explain the purpose of the accounting system, and apply each step of the accounting cycle.
- Objective 2: Define and use accounting terminology and generally accepted accounting principles (GAAP).
- Objective 3: Demonstrate critical thinking, problem solving, and decision making skills.
- Objective 4: Understand and use business ethics in accounting decision making.
- Objective 5: Identify and explain the three forms of business ownership.
 - I. List the characteristics, advantages, and disadvantages of a sole proprietorship, partnership, and corporation.
- Objective 6: Identify and explain three types of businesses.
 - I. List the characteristics of service, merchandising, and manufacturing businesses.
- Objective 7: Demonstrate mathematical calculations necessary for accounting procedures.

STANDARD 2

17% of Exam Blueprint

◆ STUDENTS WILL PREPARE PAYROLL RECORDS.

- Objective 1: Prepare and maintain payroll records using manual and computerized systems.
 - I. Calculate earnings at an hourly and piece rate and on a salary, commission, and salary/commission basis.



2. Calculate deductions including Federal income tax, Social Security tax, Medicare tax, State Income tax, and other deductions to determine net pay.
3. Calculate employer's payroll taxes (e.g., Social Security, Medicare, Federal Unemployment, and State Unemployment) and employee benefits paid by the employer.
4. Prepare payroll reports.

Objective 2: Make journal entries related to payroll.

1. Journalize and post payment of the payroll (Salary Expense).
2. Journalize and post employer payroll taxes (Payroll Taxes Expense).
3. Journalize and post payment of tax liabilities.

STANDARD 3

32% of Exam Blueprint

◆ APPLY ACCEPTED ACCOUNTING PRINCIPLES TO SALES, PURCHASES, CASH RECEIPTS AND CASH PAYMENT TRANSACTIONS.

Objective 1: Verify and analyze source documents related to business transactions.

1. Identify different types of source documents.
2. Evaluate source documents to determine accounts affected by a transaction.

Objective 2: Analyze transactions for purchases and cash payments.

1. Journalize and post purchases of merchandise.
2. Journalize and post cash payments.
3. Journalize and post the return of merchandise to a vendor.
4. Calculate purchases discounts.
5. Compute updated account balances and comparing it to the appropriate controlling account in the general ledger.
6. Prove subsidiary ledger by preparing a schedule of accounts payable.

Objective 3: Analyze transactions for sales and cash receipts.

1. Journalize and post-sale of merchandise including calculation of sales tax.
2. Journalize and post cash receipts.
3. Journalize and post the return of merchandise from a customer.
4. Calculate sales discounts.
5. Compute updated account balances.
6. Prove subsidiary ledger by preparing a schedule of accounts receivable.



STANDARD 4

7% of Exam Blueprint

◆ **STUDENTS WILL DEMONSTRATE THE ABILITY TO HANDLE UNCOLLECTIBLE ACCOUNTS/BAD DEBTS/DOUBTFUL ACCOUNTS.**

Objective I: Explain the purpose of and record transactions related to uncollectible accounts/bad debts/doubtful accounts.

1. Justify the need for writing off uncollectible accounts/bad debts/doubtful accounts.
2. Explain the differences between the direct write-off and allowance methods.
3. Estimate uncollectible accounts/bad debts/doubtful accounts using the percentage of total sales method; record and post the adjusting entry.
4. Journalize and post the adjusting entry for uncollectible accounts expense.
5. Journalize and post the entry to write off an account.
6. Journalize and post the entries for collecting a previously written-off account.

STANDARD 5

7% of Exam Blueprint

◆ **DEMONSTRATE AND EXPLAIN THE PRINCIPLES FOR HANDLING DEPRECIATION OF ASSETS AS A MEANS OF COST ALLOCATION.**

Objective I: Explain the purpose of and record transactions related to depreciation of assets.

1. Justify and explain the need for recording the depreciation of assets.
2. Estimate depreciation expense using the straight-line method.
3. Journalize and post the adjusting entry for depreciation.
4. Compute updated account balances.
5. Compute the book value of a plant asset as a result of depreciation.

STANDARD 6

19% of Exam Blueprint

◆ **STUDENTS WILL PREPARE ADJUSTING ENTRIES AND FINANCIAL STATEMENTS FOR A CORPORATION.**

Objective I: Perform the necessary steps prior to preparing financial statements.

1. Prepare a Trial Balance to prove equality of debits and credits.
2. Identify accounts to be adjusted, calculate adjustments, prepare adjusting entries, post to general ledger accounts and compute updated account balances.
3. Prepare an Adjusted Trial Balance to show updated account balances and prove equality of debits and credits.



- Objective 2: Prepare financial statements.
1. Prepare a formal Income Statement for a merchandising business calculating the following: Net Sales, Cost of Goods/Merchandise Sold, Gross Profit, Total Expenses and Net Income/Net Loss.
 2. Use appropriate formulas to prepare a Statement of Stockholders' Equity/Retained Earnings.
 3. Use knowledge of the accounting equation to prepare a Balance Sheet.
 4. Explain the purposes of each financial statement and describe the way the statements articulate with each other.
 5. Use percentages and ratios to analyze financial statement data.

STANDARD 7

7% of Exam Blueprint

❖ STUDENTS WILL PREPARE CLOSING ENTRIES AND A POST-CLOSING TRIAL BALANCE.

- Objective 1: Prepare closing entries.
1. Identify accounts that need to be closed (temporary/nominal accounts).
 2. Journalize and post-closing entries to bring temporary/nominal account balances to zero.
 3. Close income summary to a zero balance dependent on net income or net loss.
 4. Calculate current balance of Retained Earnings and verify with the Balance Sheet.
- Objective 2: Prepare a Post-Closing Trial Balance to prove equality of debits and credits for permanent real accounts.

STANDARD 8 (Optional)

❖ STUDENTS WILL DEMONSTRATE AN UNDERSTANDING OF THE FOLLOWING RECOMMENDED ENRICHMENT ACTIVITIES.

- Objective 1: Use various methods to calculate the value of inventory.
1. Use LIFO, FIFO, or the Weighted-Average method for calculating ending inventory.
- Objective 2: Understand and use various tax forms.
- Objective 3: Use spreadsheet and accounting software.
1. Maintain accounting records.
 2. Graph accounting data.



ACCOUNTING II (212)

- Objective 4: Describe the differences between manual and computerized accounting systems.
1. Understand automated posting.
 2. Understand automated computation.
 3. Print reports.
- Objective 5: Identify types of accounting software.
1. Identify industry-standard accounting & tax software.
- Objective 6: Explore internet web sites for accounting purposes.
- Objective 7: Explore careers in the field of accounting.
- Objective 8: Use vertical and horizontal analysis with the Income Statement and Balance Sheet.



PERFORMANCE STANDARD EVALUATION CHECKLIST

Student Name _____

Instructor's Name _____

School _____ District _____

Performance Rating Scale:



Limited Skills.....Moderate Skills.....High Skills

Performance assessments may be completed and evaluated at any time during the course. The following performance skills are to be used in connection with the associated written exam. To pass the performance standard the student must attain a performance standard average of **8 or higher** on the rating scale. Students may be encouraged to repeat the objectives until they average **8 or higher** for the following elements:

PERFORMANCE SKILLS STANDARDS	
STANDARD 2 – Payroll	Score:
<input type="checkbox"/> Calculate, prepare, journalize, and post: <ul style="list-style-type: none"> • Employee payroll records • Employer payroll tax records 	
STANDARD 3 – Business Transactions	Score:
<input type="checkbox"/> Journalize and post business transactions for: <ul style="list-style-type: none"> • Sale of merchandise with cash • Sale of merchandise on account • Return of merchandise • Purchase of merchandise with cash • Purchase of merchandise on account 	
STANDARD 4 – Uncollectible Accounts	Score:
<input type="checkbox"/> Journalize and post the entry to record the direct write-off and allowance methods of an uncollectible accounts receivable <input type="checkbox"/> Journalize and post the adjusting entry for collecting a previously written-off account	



PERFORMANCE SKILLS STANDARDS	
STANDARD 5 – Depreciation of Assets	Score:
<input type="checkbox"/> Estimate, journalize, and post depreciation expense using the Straight-Line Method	
STANDARD 6 – Adjusting Entries	Score:
<input type="checkbox"/> Journalize and post adjusting entries	
STANDARD 7 – Financial Statements	Score:
<input type="checkbox"/> Prepare and analyze financial statements for partnerships and/or corporations	
STANDARD 8 – Forms of Business Ownership	Score:
<input type="checkbox"/> Identify the three forms of business ownership <input type="checkbox"/> List the advantages and disadvantages of the three forms of business ownership	
PERFORMANCE STANDARD AVERAGE	Average:

