



## BLUE VALLEY DISTRICT CURRICULUM OVERVIEW

# Honors Accounting

### UNIT 1: Introduction to Accounting and Financial Reporting

#### ESSENTIAL QUESTIONS

Why is Accounting important in the business industry?

What defines a business and how do we measure its financial stability?

How is Accounting important to me personally?

#### BIG IDEAS

- Students will understand that financial data drives business decisions.
- Students will understand that financial statements are interrelated and have a purpose.
- Students will understand the differences between various businesses and organizational structures.
- Students will understand how to complete a bank reconciliation.
- Students will understand and demonstrate the mindset of an accountant.

#### GUIDING QUESTIONS

##### Content

- What is the mindset of an Accountant? What are their priorities?
- What questions should an Accounting ask?
- What information is provided in each financial statement and how do the statements articulate with each other? (1.2)
- What are the various business ownership structures? (1.3)
- What is the role of management and auditors in preparing and issuing an annual report? (1.4)
- What is the relationship between assets, liabilities and equity on the balance sheet? (1.5)
- What differentiates and is included within the classifications of assets, liabilities, and equity? (1.6)
- What information is presented in an income statement? (1.8)
- What are the three phases of the management cycle? (1.10)
- What are the four business processes? (1.11)
- What is the operating cycle and how can it be calculated? (accounts receivable turnover and inventory turnover) (1.12)

##### Process

- How and why do the conceptual framework of accounting and generally accepted accounting principles provide guidance and structure for preparing financial statements? (1.1)
- How are the current ratio and debt-equity ratio calculated and what do they mean? (1.7)
- How are return on sales (net profit margin) and return on equity calculated? (1.9)
- How is a bank reconciliation prepared? (1.14)

**Reflective**

- How can internal control procedures be used to safeguard assets? (1.13)
- When might it benefit me to apply the mindset of an accountant?
- What Accounting questions do I want to remember to ask when I’m making a financial decision?
- What can I do if I don’t understand an accounting concept or process?

**UNIT 2: Accounting Information Systems**

**ESSENTIAL QUESTIONS**

Why is financial data important?

How does an accountant record and organize data?

**BIG IDEAS**

- Students will understand the specific flow of the Accounting cycle.
- Students will understand how to analyze business transactions needed to prepare financial statements.
- Students will understand how to calculate payroll taxes.
- Students will understand that there are different methods for valuing and recording inventory.

**GUIDING QUESTIONS**

**Content**

- What is the purpose of the accounting system? (2.1)
- What is the purpose of journals and ledgers and their relationship? (2.2)
- What are the steps in the accounting cycle and how are financial statements prepared? (2.8)
- What are the differences between the periodic and perpetual inventory systems? (2.9)
- What is the difference between the gross price method and the net price method? (2.11)

**Process**

- How do we apply the double-entry system of accounting to record business transactions and prepare a trial balance?(2.4)
- How are business transactions recorded using the periodic inventory system and the perpetual inventory system? (2.10)
- How are business transactions recorded using the gross price method and the net price method? (2.12)
- How does a company determine cash paid for inventory and operating expenses? (2.13)

- How are payroll taxes calculated? (2.14)

### Reflective

- How do business transactions impact the accounting equation? (2.3)
- Why do we need adjusting entries and why is it important to record adjusting entries? (2.5)
- What is the purpose of the closing process and why must closing entries be recorded? (2.7)
- What did I find most challenging in this unit regarding attention to detail and organization?

## UNIT 3: Short-term Decision Making

### ESSENTIAL QUESTIONS

What factors impact business decisions?

### BIG IDEAS

- Students will understand that costs impact business decisions.
- Students will understand that products have different types of costs associated.
- Students will understand the importance of calculating a business' break even point.

### GUIDING QUESTIONS

#### Content

- What roles will be essential for the successful completion of a team project?
- What are the activities in the three operating processes? (3.1)
- What is the difference between variable costs, fixed costs, and mixed costs? (3.2)
- What are the differences between product and non-product cost? (3.8)

#### Process

- How can a team plan for the successful completion of a project? What decisions will need to be made and how will those decisions be made?
- How do we calculate high-low analysis to determine variable costs, fixed costs, and mixed costs? (3.3)
- How do we calculate break-even point and cost-volume-profit (CVP) analysis? (3.4)
- How can we apply sensitivity analysis to CVP analysis? (3.5)
- How do we determine selling price using sensitivity analysis and CVP analysis? (3.6)
- What is the process of determining selling prices, and how can we demonstrate how various strategies are used to determine selling price? (3.7, 3.11)

#### Reflective

- How do the following product costs impact businesses: direct/indirect materials, direct/indirect labor, manufacturing overhead? (3.9)

- How can accept-or-reject and make-or-buy decision processes impact business decisions? (3.10)
- During the team project, was each team member effective in their role?
- How did I contribute to my team's success?

## UNIT 4: Accounting for Sales & Inventory

### ESSENTIAL QUESTIONS

What is the purpose of recording inventory?

What is the purpose of recording sales and payment?

How do records of sales and inventory drive decisions?

### BIG IDEAS

- Students will understand how to account for inventory.
- Students will understand how to account for sales, payment and non-payment on accounts.
- Students will understand that the manufacturing process starts with raw materials and ends with a finished good.

### GUIDING QUESTIONS

#### Content

- What is the criteria used to determine revenue recognition? (4.1)
- What is the difference between LIFO & FIFO
- What accounting methods are used to determine the value of accounts receivable and what is the effect on the income statement. Explain. (4.3)

#### Process

- How are revenue-related transactions recorded? (4.2)
- How are transactions for accounts receivable, including uncollectible accounts, write-offs, and recoveries recorded? (4.4)
- How are the cost flow assumptions for inventory identified and described and what is the impact on the balance sheet and income statement? (4.5)
- How is cost of goods sold and ending inventory using LIFO and FIFO inventory costing methods calculated? (4.6)
- How does an activity-based costing system operate, including the identification of activity cost pools, and the selection of cost drivers? (4.7)
- How do costs flow through the manufacturing accounts used in product costing? (4.8)
- How is a predetermined overhead rate calculated and what is its use in job-order costing? (4.9)
- How is it determined whether manufacturing overhead is over or under applied? (4.10)
- How are journal entries to record the costs of direct material, direct labor, and manufacturing overhead in a job-order costing system prepared? (4.11)
- How is a schedule of cost of goods manufactured, a schedule of cost of goods sold, and an income statement for a manufacturer prepared? (4.12)

#### Reflective

- How might I use inventory practices in my life?

- Why do some accounts become uncollectible?

## UNIT 5: Time Value of Money

### ESSENTIAL QUESTIONS

How does a company plan for financing and investing?

### BIG IDEAS

- Students will understand that risk and reward are related.
- Students will understand that there are tools to calculate cash flows that occur at different points in time.

### GUIDING QUESTIONS

#### Content

- What is risk and how can it be measured?
- What is simple interest vs. compound interest?
- What is an annuity?

#### Process

- How are present value, future value cash flows, and annuities calculated?

#### Reflective

- How might the relationship between risk and reward impact my future decisions (borrowing, loan payment, investing, etc.)? How might the relationship between risk and reward impact a businesses decisions?
- How can I pay off my student loans upon graduation in the most efficient way?
- How will a down payment on a house or a car affect the overall amount of interest that I'll pay?

## UNIT 6: Accounting for Fixed Assets

### ESSENTIAL QUESTIONS

Why do assets depreciate?

### BIG IDEAS

- Students will understand that depreciation impacts the valuation of assets.

How do businesses dispose of assets?

- Students will understand that investment decisions are impacted by net present value.
- Students will understand the differences between depreciation, depletion and amortization.

## GUIDING QUESTIONS

### Content

- What is the purpose and methods of cost allocation? (6.2)
- How do we record the sale and disposal of fixed assets? (6.4)

### Process

- How does net present value impact investment decisions? (6.1)
- How are depreciation, depletion and amortization calculated and recorded? (6.3)

### Reflective

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- What is the impact of depreciation on the financial statements? Explain. (6.3)
- When selling or disposing of fixed assets, what is the impact on the financial statements? (6.4)
- How will my knowledge of depreciation aide in deciding whether to buy a new or used car?

## UNIT 7: Accounting for Long-term Liabilities and Equity

### ESSENTIAL QUESTIONS

Why do companies borrow money?

Why are stockholders important to a company?

### BIG IDEAS

- Students will understand that all companies borrow money.
- Students will understand that there are options in debt financing.
- Students will understand that there are many different types of stock, each offering different advantages.

## GUIDING QUESTIONS

### Content

- What are the differences between debt & equity financing? (7.1)

- What are the different classes of stock and what are the rights afforded to each class of stock? (7.2)
- What is the difference between cash dividends, stock dividends and stock splits, and what is the impact on the financial statements. (7.3)
- What is the difference between stock splits and reverse stock splits?
- What are the differences between a periodic payment note payable, a lump sum note payable, and a periodic and lump-sum note payable? (7.5)
- What is the difference between cash dividends, stock dividends and stock splits, and the impact on the financial statements? (7.9)

**Process**

- How are stock transactions, contributions by owners, corporate distributions (dividends), and the reacquisition of company stock recorded? (7.4)
- How are carrying value, interest expense and cash payment for note payable (periodic payment, lump-sum, periodic and lump-sum) transactions calculated? (7.6)
- How are transactions for notes payable( issuance and interest expense) recorded? (7.7)
- How are transactions for bonds issued at face value, a premium and a discount recorded? (7.8)

**Reflective**

- Why is the debt to equity ratio important? (7.1)
- What kind of investments might I make in the future and in which companies might I be interested in investing as a stock owner?

**UNIT 8: Prepare and Analyze Financial Statements**

ESSENTIAL QUESTIONS	BIG IDEAS
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What determines a company’s profitability?

- Students will understand that earnings per share is a measure of profitability.
- Students will understand how to interpret a cash flow statement.

GUIDING QUESTIONS
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**Content**

- What kind of information is provided in an income statement, and what is the purpose of an income statement? (8.1)
- What is the difference in net income and income from continuing operations (discontinued operations)? (8.3)
- What is earnings per share? (8.4)
- What kind of information is provided in statement of cash flows? (8.7)
- What kind of information is provided in the statement of comprehensive income, statement of equity and the balance sheet? (8.5)

**Process**

- How is an income statement prepared? (8.2)
- How do we calculate earnings per share? (8.4)
- How are a statement of comprehensive income, statement of equity, and balance sheet prepared? (8.6)
- How does a business prepare a statement of cash flows using the direct method? (8.8)

**Reflective**

- What is the purpose of the statement of comprehensive income, statement of equity and the balance sheet? (8.5)
- What is the purpose of a statement of cash flows? (8.7)
- How can I analyze my own financial wealth?