

MARYLAND STATE DEPARTMENT OF EDUCATION IN PARTNERSHIP WITH THE
UNIVERSITY OF MARYLAND EASTERN SHORE

MSDE CAREER AND TECHNOLOGY EDUCATION PROGRAMS OF STUDY ACCOUNTING PATHWAY

Learning Objectives and Course Outlines

BMF Program Affiliate

3/4/2012



Prepared with special consideration by Dr. Nicole A. Buzzetto-More Associate Professor of Management, University of Maryland Eastern Shore and Director MSDE BMF Program Affiliate. Copyright 2011©. All rights reserved. This document is designed for educational purposes. Users are forbidden to reproduce, republish, redistribute, or resell any materials from this document in either machine-readable form or any other form without permission of the MSDE.

Contents

BMF Pathways..... 2

BMF Course Sequences5

Financial Accounting CLEP Exam Composition 6

Business, Management, And Finance Program Affiliate..... 7

Accounting Pathway Objectives 8

Course Information: Principles of Accounting & Finance 10

Principles of Accounting & Finance Performance Indicators 11

Principles of Accounting and Finance Units 14

Advanced Accounting..... 17

Advanced Accounting Performance Indicators 18

Advanced Accounting Units 22

For more information, please contact: 26

BMF PATHWAYS

The workforce has changed dramatically as a result of technological advancements made in the past two decades demanding that students enter the workplace prepared with advanced technical and 21st century skills. A study conducted by the Georgetown Center on Education and the Workforce (2008) projects that from 2008 to 2018, about two-thirds of the job openings in the U.S. will require at least some postsecondary education and training. More specifically, approximately half of the jobs that will require post-secondary education will go to people with an associate's degree or occupational certificate. Often referred to as middle skill occupations, they include such career paths as construction, paralegal, health technology, nursing, office management, administrative services, bookkeeping, sales, event planning, repair and installation, massage therapy, and law enforcement ⁽¹⁾.

Career and Technology Education (CTE) programs are developed in response to an identified opportunity to add value to students' overall educational programs and align with the most appropriate, reliable, and valid technical standards available. CTE programs provide multiple options for students as they prepare for entry into careers and further education and are measured against student attainment of rigorous academic, employability and technical skills and student success in further education and employment.

Is there any proof CTE works? Students who complete a rigorous academic core coupled with an academically challenging CTE program of study have test scores that equal or exceed college preparatory students. Additionally, they are more likely to pursue postsecondary education, have a higher grade point average in college, are less likely to drop out of college in the first year, and have an easier time finding internships and employment opportunities than non-CTE students. In short, CTE programs have been cited for: preparing students to be career and college ready, helping students learn how to apply core academic skills to real world professional situations, building the employability soft skills of students such as communications and critical thinking, and providing students with job-specific technical skills ⁽²⁾. Further, CTE students have also been found to be significantly more likely to report that they developed problem-solving, project completion, research, math, college application, work-related, communication, time management and critical thinking skills during high school ⁽³⁾.

The Business, Management, and Finance (BMF) programs of study include: Business Administrative Services, Business Management, National Academy of Finance, Accounting, and Marketing. They represent programs of study all found at the University level. Reports consistently show that business remains the number 1 college major in the nation overall for both men and women ⁽⁴⁾. Additionally, in terms of persistence to graduation and number of degrees awarded, business holds the top spot representing nearly 25% of all degrees awarded annually ⁽⁵⁾.

Do BMF programs of study prepare students for academic studies in undergraduate business programs? Yes, students who take business courses while in high school are found to be better prepared for academic success in college business programs ⁽⁶⁾.

This Maryland BMF cluster focuses on four programs of study based on the Maryland State Department of Education framework for Business Management and Finance. Each program includes rigorous academics, broad cluster knowledge and skills, and technical skills related to one of the specific programs of study. The programs of study are: Business Administrative Services, Business Management, Marketing, and Finance and Accounting. Each course in the program of study has been identified and developed with regional postsecondary and business partners. Skills for Success and other workforce requirements are integrated throughout the coursework. Examples include workplace readiness, computer applications, written and oral communication skills, and math skills. Industry certifications are incorporated where appropriate. Opportunities are available for students to earn college credit through articulation agreements—such as dual enrollment and CLEP exams. Each program allows students to graduate with the skills and knowledge necessary to pursue post-secondary education and entry-level business positions.

The Maryland State Department of Education has committed itself to increasing the rigor of all CTE programs of study. This effort has included the development of State-wide Program Objectives and Course Outlines aligned with the Microsoft Office Specialist (MOS) certification exams (Business Administrative Services) and the CLEP Exams (Accounting, Marketing, and Business Management). Further, the rigor of each program of study is being dramatically increased in order to better prepare students for career or college entry as well as to align with entry-level undergraduate courses for each respective discipline. With contemporary assurance of learning and assessment standards occurring in higher education, it is imperative that high school completer programs represent rigorous and not watered-down learning opportunities. The MSDE is supporting a federal mandate to incorporate certification and/or national standardized examinations into CTE programs to increase the career and college readiness of student, insure program validity and effectiveness as well as measure student achievement.

Students in all programs of study are required to take two core courses—Principles of Business Administration & Management and Principles of Accounting and Finance. All students learn effective decision-making techniques in financial management, business communication, problem-solving, teamwork and networking skills. Human resource topics such as diversity in the workplace, ethics, employer/employee rights, discrimination, accountability, time management, and setting priorities are also covered. Upon completion of the two core courses, students are required to complete remaining credits in their selected program of study such as Business Administrative Services, Business Management, Marketing, and Finance and Accounting. To complete the Finance and Accounting Pathway the required completer courses are Advanced Accounting and Finance and Accounting Capstone.

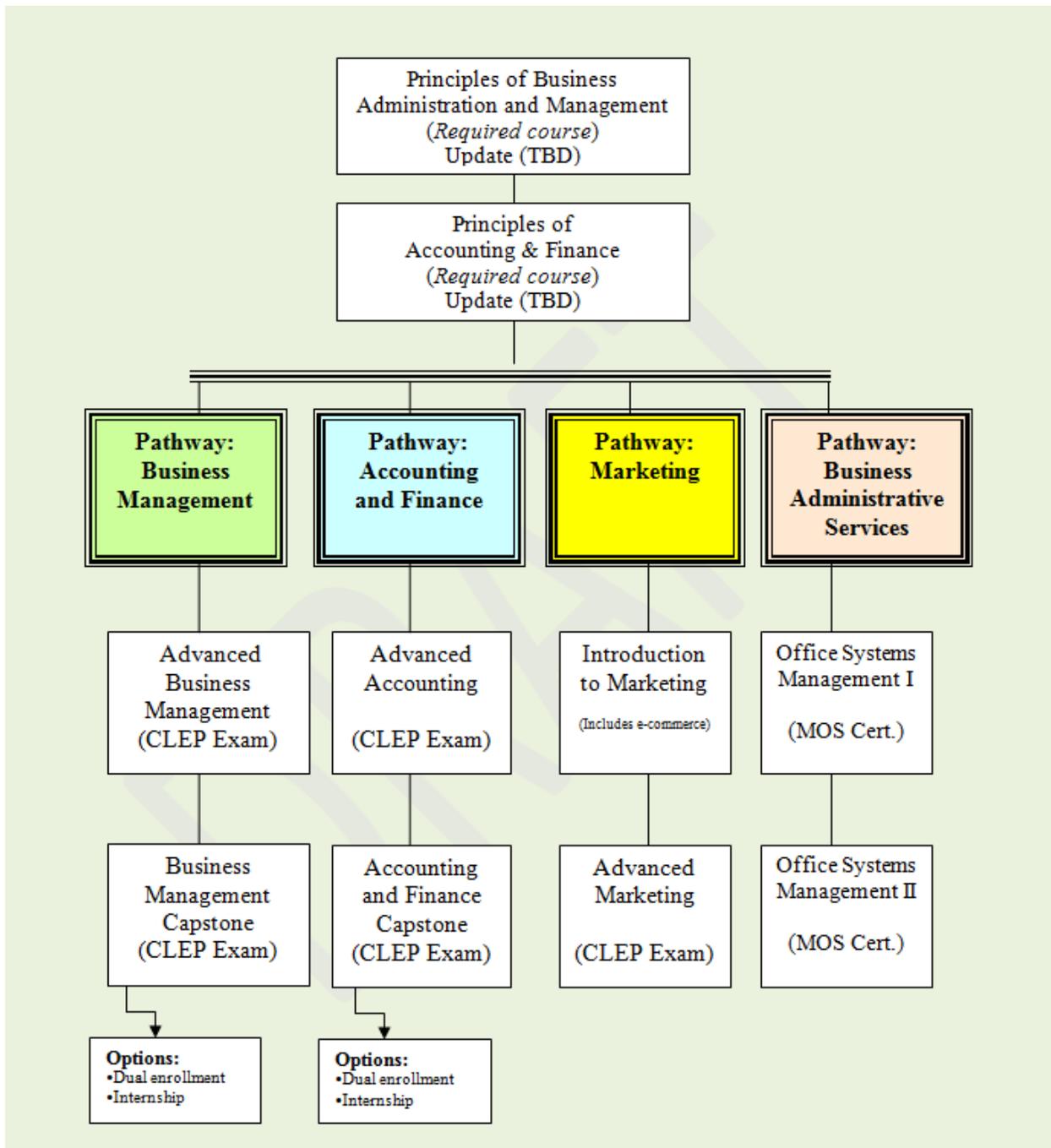
All BMF programs of study recommend that students should have access to work study, mentorship, internship, and job shadow opportunities. Students also benefit from national professional organizations such as the Future Business Leaders of America. Once students have completed the accounting program of study they are encouraged to take the CLEP-Financial Accounting exam offered by ETS.

The Financial Accounting CLEP Exam, covers content typically found in the first level accounting course typically offered by an undergraduate institution at the 200 level and often leads to granting of 3-credits. The exam is comprised of 75 questions and is given over 90 minutes covering accounting concepts and terms, financial reporting, accounting techniques, and principles and procedures.

More specifically, the exam assesses a student's knowledge through the ability to recall and comprehension through the ability to make associations between accounting concepts, terminology, procedures, and rules (10-30% of exam) such as (rules of double entry accounting, the accounting cycle, forms of businesses, transaction analysis, accounting principles, etc.); comprehension and application through the student's ability to recognize, explain, and associate elements in an income statement (20-30% of exam); analysis through a student's ability to analyze data contained on a balance sheet such as depreciation/amortization/depletion, valuation of inventories, long term liabilities, cash and internal controls, retained earnings, preferred and common stock, liquidity/solvency/activity analysis (30-40% of exam); analysis and synthesis through a student's ability to analyze and utilize cash flow information such as operating, financing and investing (5-10% of exam); and synthesis through a student's ability to make predictions and/or propose actions based on investments and contingent liabilities (5% of exam).

The following document identifies the learning objectives and the units to be taught in the Accounting Pathway. It is designed to culminate with the CLEP examination in Accounting.

- (1) Georgetown's Center on Education and the Workforce, (2010). Help Wanted: Projections of Jobs and Education Requirements Through 2018. Georgetown University
- (2) Association for Career and Technical Education. (2009). FactSheet. Retrieved 11/22/11 from: www.acteonline.org/uploadedFiles/About_CTE/files/CTUFactSheet2.0-3.doc
- (3) Grasmick, N. (2011). Across the nation during the month of February, Career and Technology Education programs are being celebrated during CTE Month. Maryland State Department of Education. Retrieved from: 2/16/2011 http://www.marylandpublicschools.org/NR/rdonlyres/F1D78DCC-1403-4029-A4CB-BF6BB8106752/27453/oped_career__technology_03_2012.pdf
- (4) Princeton Review. (2010). Top 10 College Majors. Retrieved 1/20/2011 from <http://www.princetonreview.com/college/top-ten-majors.aspx>
- (5) U.S. Department of Education, National Center for Education Statistics. (2010) Digest of Education Statistics, 2009 (NCES 2010-013)
- (6) Sweitzer, K. (2011). High School Preparation Tips for Aspiring Business Majors. Retrieved 3/17/2011 from <http://businessmajors.about.com/od/undergradbusinessmajors/a/HighSchoolPrep.htm>



FINANCIAL ACCOUNTING CLEP EXAM COMPOSITION**20-30% General Topics**

Generally accepted accounting principles
Rules of double-entry accounting/ transaction analysis/accounting equation
The accounting cycle
Business ethics
Purpose of, presentation of, and relationships between financial statements
Forms of business

20-30% The Income Statement

Presentation format issues
Recognition of revenue and expenses
Cost of goods sold
Irregular items (e.g., discontinued operations, extraordinary items, etc.)
Profitability analysis

30-40% The Balance Sheet

Cash and internal controls
Valuation of accounts and notes receivable (including bad debts)
Valuation of inventories
Acquisition and disposal of long-term asset
Depreciation/amortization/ depletion
Intangible assets (e.g., patents, goodwill, etc.)
Accounts and notes payable
Long-term liabilities (e.g., bonds payable)
Owner's equity
Preferred and common stock
Retained earnings
Liquidity, solvency, and activity analysis

5-10% Statement of Cash Flows

Indirect method
Cash flow analysis
Operating, financing, and investing activities

Less than 5% Miscellaneous

Investments
Contingent liabilities

<http://clep.collegeboard.org/>

Business, Management, and Finance Program Affiliate

The goal of the Maryland Business, Management, and Finance Program Affiliate is to provide curriculum development and professional development for business teachers in schools that are implementing the Maryland BMF Programs of Study. Formed in 2010, the Program Affiliate represents a partnership between the MSDE and UMES. In collaborative effort, the Maryland BMF Program Affiliate works with the MSDE Division of Career and College Readiness Career and Technology Education (CTE) branch to provide leadership; professional development opportunities for teachers; curriculum and technical assistance; program alignment to industry standards, professional certification requirements, and university/college credit requirements in order to ensure excellence across the BMF discipline. The Website for the BMF Program Affiliate can be found at www.BusinessEducationMSDE.com

Maryland State Department of Education (MSDE)

200 West Baltimore Street
Baltimore, MD 21201-2595
Phone: 410-767-0170

<http://www.marylandpublicschools.org>

MSDE Career and Technology Education Branch

Jeanne-Marie Holly, CTE Systems Branch
Pat Mikos, Program Manager Student Learning and Assessment
200 West Baltimore Street
Baltimore, MD 21201-2595

http://www.marylandpublicschools.org/MSDE/divisions/careertech/career_technology

Maryland BMF Program Affiliate

Nicole Buzzetto-More, Director
2109 Kiah Hall
University Blvd.
Princess Anne, MD 21853

Nabuzzetto-more@umes.edu

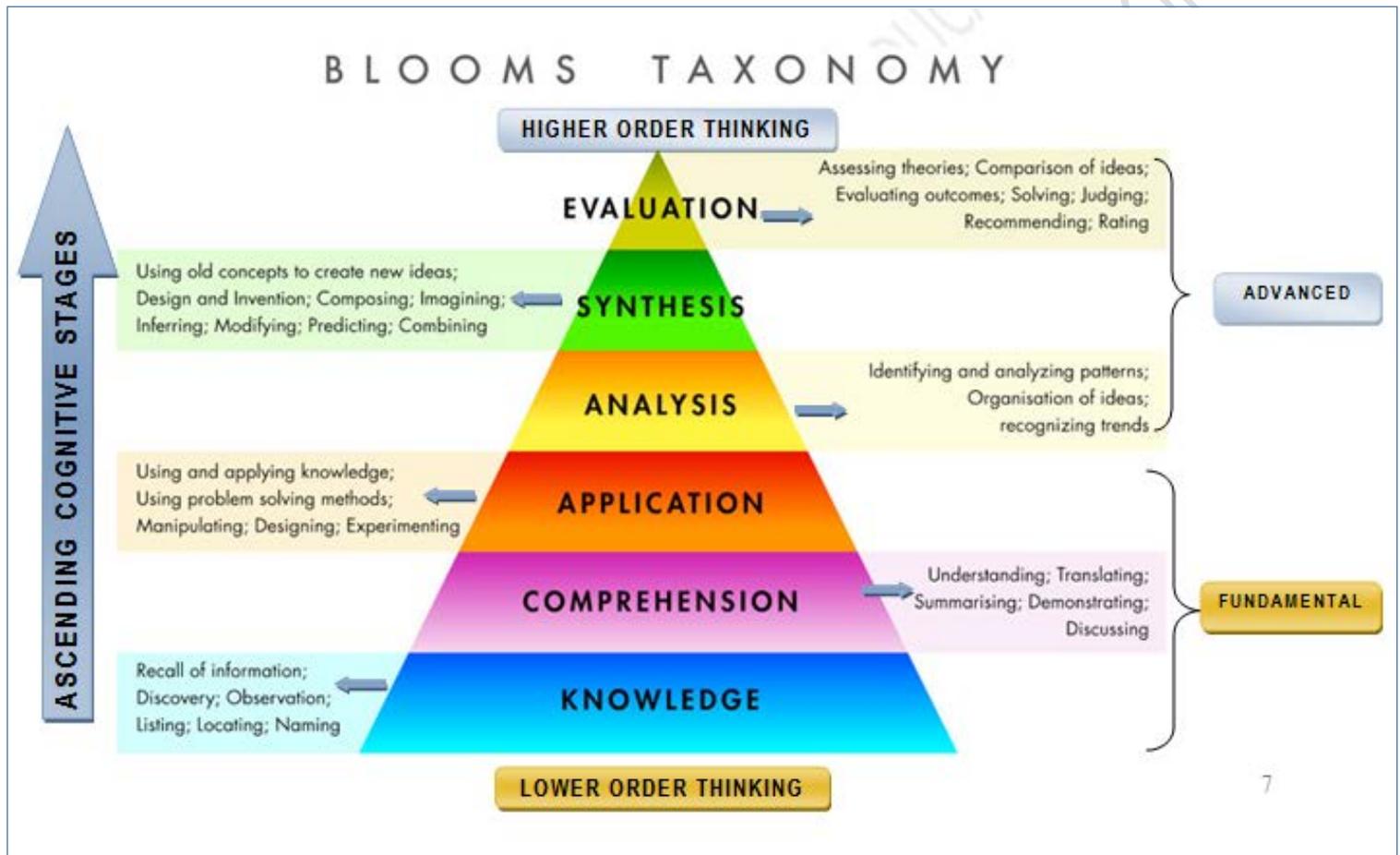
<http://www.BusinessEducationMSDE.com>

ACCOUNTING PATHWAY OBJECTIVES

Upon completion of the Financial Accounting Pathway and passage of the CLEP examination students will have been able to demonstrate:

1. Knowledge through the ability to recall and to make associations between accounting concepts, terminology, procedures, and rules such as the rules of double entry accounting, the accounting cycle, forms of businesses, transaction analysis, accounting principles, etc.);
2. Comprehension and application through the student's ability to recognize, explain, and associate elements in an income statement;
3. Analysis through a student's ability to analyze data contained on a balance sheet such as depreciation/amortization/depletion, valuation of inventories, long term liabilities, cash and internal controls, retained earnings, preferred and common stock, liquidity/solvency/activity analysis
4. Analysis and synthesis through a student's ability to analyze and utilize cash flow information such as Operating, financing and investing acting
5. Synthesis through a student's ability to make predictions and/or propose actions based on investments and contingent liabilities

The course objectives and learning outline have been carefully scaffolded with new concepts being built upon existing knowledge as appropriate. Performance indicators have been written using Bloom's Taxonomy of Educational Objectives. These performance indicators are appropriate to the intellectual development of the child in harmony with the curriculum content. As such, lesson plans and assessments should be developed with the educational objectives in mind. The model below is adapted from: <http://connect.in.com/blooms-taxonomy/images-blooms-taxonomy-verbs-1-668324600279.html>



Course Information: Principles of Accounting & Finance

Course Description:

The Principles of Accounting and Finance course provides students with knowledge necessary to manage and maintain a company's financial resources in daily operating decisions. A mastery of fundamental accounting concepts, skills and competencies is essential to making informed business decisions. Students will learn to apply generally accepted accounting principles to determine the value of assets, liabilities, and owner's equity as they apply to various forms of business ownership. Students will prepare, interpret, and analyze financial statements using manual and computerized systems for service and merchandising businesses. Students will apply appropriate accounting principles to payroll and tax liabilities. Students will identify positions and career paths in the field of accounting. Students will examine the role of ethics and social responsibility in decision making.

When students complete this course, they will know and be able to:

- Recognize and define basic accounting principles, concepts, and terminology using Generally Accepted Accounting Principles (GAAP as it applies to assets, liabilities, and owner's equity.
- Explain the forms of businesses and the purpose of all steps of the accounting cycle for the different types of business entities and recognize, explain, and associate elements in an income statement;
- Apply basic accounting principles to prepare and complete payroll and tax records.
- Use MS Excel and other software for simple accounting
- Apply internal controls to maintain and protect cash within the organization.
- Discuss the financial condition and operating results of a company by interpreting balance sheets, income statements, and other information
- Discuss ethical and legal issues in business and accounting such as the Federal Sentencing Guidelines for Organizations (FSGO) and the Sarbannes Oxley Act (SOX)
- Discuss careers in accounting, and identify the role that accountants play in business and society.
- Discuss fundamental financial concepts.

- Teacher-designed end-of-course assessment
- School system-designed end-of-course assessment
- E-Portfolio Project
- Partner-developed exam
- Nationally recognized examination: (other)

Principles of Accounting & Finance Performance Indicators

Performance Indicators

1. Recognize and define basic accounting principles, concepts, and terminology using Generally Accepted Accounting Principles (GAAP as it applies to assets, liabilities, and owner's equity)
 - Define the terms and use appropriate accounting terminology effectively and efficiently throughout the course.
 - Define assets, liabilities, credits, debits, depreciation, appreciation, valuation, equity, revenue, and expenses.
 - Classify items as assets, liabilities, or owner's equity.
 - Demonstrate an understanding of the fundamental accounting equation and the relationship between each classification.
 - Categorize the chart of accounts
 - Describe and explain the conceptual framework and generally accepted accounting principles (GAAP) and assumptions.
 - Explain the basics of transaction analysis
2. Explain the forms of businesses and the purpose of all steps of the accounting cycle for the different types of business entities
 - Explain the advantages and disadvantages of the three forms of business ownership
 - Explain how the different forms of business ownership are reported in financial statements.
 - Compare how the different types of business operations are reflected in the financial statements.
 - Identify the phases of the accounting cycle.
 - Identify business transactions using source documents and describe the effect on the accounting equation.
 - Explain the double-entry system of accounting and apply debit and credit rules when analyzing business transactions.
 - Explain the purpose of the capital and drawing accounts for sole proprietorship and partnership.
 - Describe the purpose of the revenue, expense, and withdrawal accounts and their effects on owner's equity
 - Identify the components of an income statement
 - Demonstrate knowledge of the relationship of contra accounts to sales and purchases within an organization.
 - Explain the purpose of recording transactions to the general and special journals.
3. Apply basic accounting principles to prepare and complete payments and tax records.
 - Record revenue and expense-related transactions.
 - Apply appropriate accounting techniques to account for investments and withdrawals

- Prepare invoices
 - Prepare payments
 - Analyze the trial balance to determine the necessary adjustments (accruals and deferrals) to prepare financial statements.
 - Differentiate between permanent and temporary accounts.
 - Justify the need for, and record adjusting and closing entries.
 - Calculate the cost of goods sold and gross profit for a merchandising business.
 - Generate financial statements for the different types of business operations and ownership structures.
 - Analyze the information provided in each financial statement, and how the statements articulate each other.
 - Describe relationship of the journal to the ledger.
 - Explain the purpose of general and subsidiary ledger accounts and post information from the journals to the ledgers.
 - Describe the statement of equity
 - Assess the relationship between assets, liabilities, and equity on the balance sheet
4. Apply internal controls to maintain and protect cash within the organization.
- Apply internal control procedures used to safeguard assets, and insure the integrity of the accounting information system
 - Write checks, prepare deposits, and maintain the checkbook.
 - Prepare bank reconciliations.
 - Record banking-related transactions
 - Differentiate between the types of compensation methods—salary, hourly, commission, etc.
 - Calculate gross earnings, deductions, and net pay.
 - Generate employee paychecks and update individual earnings records
 - Calculate and pay employer's payroll taxes and prepare payroll reports.
 - Record payroll transactions.
5. Use MS Excel and other software for basic accounting
- Explain MS Excel 2007/2010 basics
 - Prepare spreadsheets in MS Excel for accounting
 - Use MS Word to prepare invoices
 - Utilize conditional formatting to evaluate information
 - Prepare simple formulas to support accounting procedures
6. Assess the financial condition and operating results of a company by analyzing and interpreting balance sheets, income statements, and other information to make informed business decisions
- Examine the users and uses of financial information.
 - Identify the sections in an annual report and the purpose of each section.

- Apply information technology to conduct financial analysis.
 - Investigate sources for obtaining financial reports.
7. Discuss ethical and legal issues in business and accounting such as the FSGO and SOX
- Discuss the need for a code of ethics in accounting and the ethical responsibilities required of accountants
 - Discuss the implications of the Federal Sentencing Guidelines for Organizations
 - Discuss the events leading up to the passage of SOX
 - Discuss the implications of the Sarbanes Oxley Act
 - Examine the ethical and legal implications resulting from the manipulation of financial statements and financial ratios
8. Discuss careers in accounting, and identify the role that accountants play in business and society.
- Explore and research career opportunities in the accounting and accounting-related fields
 - Report how current events impact the accounting profession.
 - Examine the educational requirements for various careers, professional designations, and certifications in the accounting profession.
 - Examine the skills and competencies needed to be successful in the accounting profession.

Principles of Accounting and Finance Units

Unit 1 (Learning Objective 1)

What is accounting?

Role in the Shaping of Business and Industry

Basic accounting terms assets, liabilities, credits, debits, depreciation, appreciation,

Valuation, equity, revenue, and expenses

Careers in accounting

Unit 2 (Learning Objective 1)

Classifying assets, liabilities, or owner's equity.

The fundamental accounting equation and the relationship between each classification.

The chart of accounts

Generally accepted accounting principles (GAAP) and assumptions including: accounting entity, going concern, monetary unit principle, time period principle, historical cost, revenue recognition, matching principle, full disclosure principle, full disclosure principle, objectivity principle, materiality principle, consistency principle, conservation principle.

Role of the SEC and the AICPA

Unit 3 (Learning Objective 2)

The phases of the accounting cycle.

The basics of transaction analysis

The advantages and disadvantages of the forms of business ownership

How the different forms of business ownership are reported in financial statements.

How the different types of business operations are reflected in the financial statements.

Unit 4 (Learning Objective 3)

Journalizing Transactions

Posting to a General Ledger

Cash Control Systems

Analyzing business transactions using source documents and describe the effect on the accounting equation.

The double-entry system of accounting

The purpose of the capital and drawing accounts for sole proprietorship and partnership.

Revenue, expense, and withdrawal accounts and their effects on owner's equity

The components of an income statement

The purpose of recording transactions to general and special journals

Unit 5 (Learning Objective 3)

Journalizing Purchases and Cash Payments

Journalizing Sales and Cash Receipts Using Special Journals

Revenue and expense-related transactions.

Investments and withdrawals

Invoices

Payments

Analyzing the trial balance to determine the necessary adjustments (accruals and deferrals) to prepare financial statements.
Permanent and temporary accounts.
Adjusting and closing entries.
Posting to general and subsidiary ledgers

Unit 6 (Learning Objective 5)

What is a Spreadsheet
Why do we use MS Excel
Tabs and Features of MS Excel
Setting Up a Spreadsheet in MS Excel
Entering Text
Budgets in Excel
Using a Spreadsheet to Track Sales
Manipulating Information in MS Excel
Working with Simple Formulas
Applying Conditional Formatting
Formatting a Worksheet
Working with Charts
Previewing and Printing Worksheets

Unit 7 (Learning Objective 3)

Calculating the cost of goods sold and gross profit for a merchandising business.
Generating financial statements for different types of business operations and ownership structures.
Analyzing the information provided in each financial statement, and how the statements articulate each other.
Relationship of the journal to the ledger.
General and subsidiary ledger accounts.
Changes in ownership using the statement of equity
The relationship between assets, liabilities, and equity on the balance sheet

Unit 8 (Learning Objective 4 and 6)

The users and uses of financial information.
The sections in an annual report and the purpose of each section.
Applying information technology to conduct financial analysis.
Sources for obtaining financial reports.
Accrual Accounting including definition of revenues and expenses
Internal control procedures used to safeguard assets, and insure the integrity of the accounting information system
Writing checks, preparing deposits, and maintaining the checkbook.
Bank reconciliations.
Recording banking-related transactions
Payroll compensation methods—salary, hourly, commission, etc.
Gross earnings, deductions, and net pay.
Generating employee paychecks and update individual earnings records
Employer's payroll taxes and payroll reports.

Recording payroll transactions.

Unit 9 (Learning Objective 3)

The Adjustment Process

Deferred Expenses

Accrued Expenses

Deferred Revenues

Accrued Revenues

Trial Balance (adjusted and unadjusted)

Depreciation

Difference between Depreciation Expense and Accumulated Depreciation

Contra Account

Carrying Value/Book Value

Conventions that help in interpretation of financial information: consistency, full disclosure (transparency), materiality, conservatism, and cost-benefit.

Unit 10 (Learning Objective 6)

Assessing the financial condition and operating results of a company by analyzing and interpreting balance sheets, income statements, and other information to make informed business decisions

Profit Margin – Know the formula and purpose of computation

Liquidity

Sales R&A, Sales Discounts, Purchases, Purchases R&A, Purchases Discounts, Freight In, Freight Out, Cost of Goods Sold, and Merchandise Inventory

Unit 11 (Learning Objective 5)

Using MS Excel to analyze company financial information, conduct what if analyses, forecast for the future, and evaluate different conditions

Unit 12 (Learning Objective 7)

The need for a code of ethics in accounting and the ethical responsibilities required of accountants

The implications of the Federal Sentencing Guidelines for Organizations

The events leading up to the passage of SOX

The provisions of, and implications of the Sarbanes Oxley Act

The ethical and legal implications resulting from the manipulation of financial statements

Unit 12 (Learning Objective 8)

Career opportunities in the accounting and accounting-related fields

Requirements for the accounting profession

Advanced Accounting

Course Description:

This course is designed to be the second accounting course for students enrolled in the Financing and Accounting Program of Study. This course provides students with accounting knowledge that will prepare them for post-high school levels of education and entry-level positions in the work force. Focus will be on accounting procedures necessary to address long and short-term assets and investments, long and short-term liabilities, inventory management and accounting ratios used the decision-making process. A comprehensive study of the accounting procedures used in establishing corporations, declaring and paying dividends, the formation and dissolution of partnerships, distribution of net income and owners' equity statements is included in this course. Career pathways for accounting will be examined and the use of accounting knowledge in a variety of career clusters is also explored. Awareness of ethical issues and application of ethical decision-making models will be reinforced throughout the course. Upon completion, opportunities will be made for students to earn college credit through such methods as articulation agreements with local colleges, dual enrollment and CLEP exams.

When students complete this course, they will know and be able to:

- Apply advanced accounting theory including generally accepted accounting principles (GAAP). Explain the purpose of different accounting procedures;
- Assess the financial condition and operating results of a company by analyzing and interpreting financial statements using appropriate ratios.
- Journalize, post and make necessary calculations needed for long and short-term assets and investments, long and short-term liabilities, and inventory management.
- Explain how accounting information systems are used and use MS Excel and other software for accounting operations
- Complete necessary calculations and entries for corporations and partnerships.
- Evaluate ethical and legal issues in business and accounting and the impact of such measures as the Federal Sentencing Guidelines For Organizations (FSGO) and the Sarbanes Oxley Act (SOX)
- Discuss careers in accounting, and identify the role that accountants play in business and society.

Nationally recognized CLEP examination

Advanced Accounting Performance Indicators

1. Apply advanced accounting theory including generally accepted accounting principles (GAAP). Explain the purpose of different accounting procedures;
 - Define and use advanced accounting terminology throughout the course.
 - Explain the principle and application of: Going Concern, Business Entity, Unit of Measurement, and Fiscal/Accounting Period/Cycle, Adequate and Full Disclosure, Consistency of Reporting, Historical Cost, Matching Expenses with Revenue, Realization of Revenue and Objective Evidence.
2. Assess the financial condition and operating results of a company by analyzing and interpreting financial statements using the appropriate ratios
 - Use given amounts to calculate specific ratios
 - Interpret ratios as they apply to specific financial statements
 - Describe the proper use of the following ratios in analyzing the performance of a business.
 - Acid Test
 - Price Earnings Ratio (PPE)
 - Working Capital Ratio
 - Inventory Turnover Ratio
 - Ratio of PPE to Long Term
 - Liabilities
 - Ratio of Stockholders Equity to
 - Liabilities
3. Journalize, post and make necessary calculations needed for long and short-term assets and investments, long and short-term liabilities, and inventory management.
 - Explain the operating cycle
 - Manage merchandise inventory.
 - Differentiate between perpetual and periodic inventory.
 - Compare the effect of different inventory valuation methods on financial statements
 - Identify and briefly explain the choices in inventory systems
 - Define the difference between a trade discount, a sales discount, and a purchases discount.
 - Explain terms of credit
 - Explain the difference between FOB shipping point and FOB destination
 - Be able to make basic journal entries for merchandise inventory, sales, returns, discounts, freight in, and freight out using a perpetual inventory system

- Be able to make journal entries for purchases, sales, returns, discounts, freight in, and freight out using a periodic inventory system
- Determine the cost of merchandise using each the following methods: LIFO, FIFO, Weighted Average, and Specific ID.
- Estimate the cost of merchandise inventory using the Gross Profit Method and the Retail Method.
- Explain the purpose of estimating the cost of merchandise inventory
- Be able to create an income statement using the periodic inventory system, paying special attention to the cost of goods sold section and relevant terms
- Be able to create an income statement using the perpetual inventory system
- Define the term internal control, identify the components of internal control, and briefly explain each component.
- Identify and briefly explain the following control activities: authorization, recording transactions, documents and records, physical controls, periodic independent verification, separation of duties, and sound personnel practices
- Explain the purpose of each of the following Sales R&A, Sales Discounts, Purchases, Purchases R&A, Purchases Discounts, Freight In, Freight Out, Cost of Goods Sold, and Merchandise Inventory.
- Identify the inventory turnover and days' inventory on hand ratios, interpret what these ratios are telling us, and be able to do basic computations.
- Explain how merchandise in transit is handled in terms of balance sheet presentation.
- Explain the lower-of-cost-or-market rule.
- Define receivable turnover and days' sales uncollected
- Identify and determine the value of long term assets
- Demonstrate the ability to calculate and journalize the depreciation of property, plant and equipment using multiple methods.
- Demonstrate ability to perform necessary accounting procedures to dispose of Property, Plant and Equipment
- Discuss the following factors in computing depreciation: cost, residual value, depreciable cost, and estimated useful life.
- Be able to set up a basic depreciation schedule, defining each element of the schedule (cost, annual depreciation, accumulated depreciation, and carrying value).
- Explain the concept of revising depreciation rates and how this works.
- Demonstrate knowledge of intangible assets
- Use the Direct Write-Off Method to journalize and post entries for uncollectible accounts.
- Calculate the amount used for journalizing estimated uncollectible accounts using the net sales and the aging method.
- Use the Allowance Method, journalize and post the entries necessary for estimated uncollectible accounts.
- Make necessary entries to reinstate previously written off accounts.
- Define the parts of a Promissory Note.

- Calculate maturity dates, interest amounts and maturity values.
 - Journalize and post entries to accept note receivable.
 - Journalize and post entries to retire or renew a note receivable.
 - Journalize and post entries to discount a note receivable.
 - Differentiate between interest and non-interest bearing notes payables.
 - Journalize and post entries associated with an interest bearing note payable.
 - Journalize and post entries associated with a non-interest note payable.
 - Journalize entries associated with renewing notes payables.
 - Demonstrate the ability to perform the necessary accounting procedures related to Mortgage Payables
 - List and define the different types of bonds.
 - List the purposes, advantages and disadvantages to issuing a bond
 - Journalize and post entries for issuing a bond payable at face value and at a premium.
 - Journalize and post entries for bond interest.
 - Journalize and post entries for establishing and maintaining a Bond Sinking Fund.
 - Journalize and post entries redeeming a bond
4. Explain how accounting information systems are used and use MS Excel and other software for accounting operations
- Explain how accounting information systems are
 - Perform accounting activities using an industry standard accounting software system throughout the course.
5. Complete necessary calculations and entries as they apply to corporations and partnerships.
- Identify the advantages and disadvantages of corporations.
 - Identify and define the accounts listed in Stockholder's Equity.
 - Identify the differences between stocks; common, preferred, par, no- par, participating, non-participating.
 - Journalize and post entries associated with the sale of stock.
 - Journalize and post entries associated with treasury stock.
 - List the three dates important in issuing dividends.
 - Explain the difference between cash and stock dividends and stock splits.
 - Journalize and post entries associated with declaring and paying out dividends.
 - Journalize and post entries associated with stock splits.
 - Identify the advantages and disadvantages of a partnership
 - Journalize and post entries associated with starting a partnership.
 - Journalize and post entries associated with dissolving a partnership by admission of a new partner, or the withdrawal/death of a partner.

- Journalize and post the entries associated with the liquidation of a partnership.
 - Journalize and post the entries associated with distribution of net income or losses equally, on a fractional share bases and on a ratio of capital investment bases.
 - Journalize and post the entries associated with distribution of net income or losses based on salary allowances and salary and interest allowances
 - Assess financial condition and operating results
6. Evaluate ethical and legal issues in business and accounting and the impact of such measures as the Federal Sentencing Guidelines For Organizations (FSGO) and the Sarbanes Oxley Act (SOX)
- Evaluate ethical and legal issues in business and accounting and explain the need for a code of ethics in accounting and the ethical responsibilities required of accountants
 - Explain the implications of the Federal Sentencing Guidelines for Organizations
 - Discuss events leading up to the passage of SOX
 - Compare the provisions of, and implications of the Sarbanes Oxley Act
 - Discuss the ethical and legal implications resulting from the manipulation of financial statements
7. Discuss careers in accounting, and identify the role that accountants play in business and society
- Career opportunities in the accounting and accounting-related fields
 - Requirements for the accounting profession
 - Explore differences between public, private, and government accounting positions

Advanced Accounting Units

Unit 1 (Learning Goal 1)

Advanced accounting theory including generally accepted accounting principles (GAAP).

The forms of businesses

The purpose of all steps of the accounting cycle for the different types of business entities

Elements in an income statement;

The principles of: Going Concern, Business Entity, Unit of Measurement, and Fiscal/Accounting Period/Cycle, Adequate and Full Disclosure, Consistency of Reporting, Historical Cost, Matching Expenses with Revenue, Realization of Revenue and Objective Evidence

Unit 2 (Learning Goal 2)

Assessing the financial condition and operating results of a company by analyzing and interpreting financial statements using the appropriate ratios

Using given amounts to calculate specific ratios

Ratios as they apply to specific financial statements

The proper use of the following ratios in analyzing the performance of a business including:

- Acid Test
- Price Earnings Ratio (PPE)
- Working Capital Ratio
- Inventory Turnover Ratio
- Ratio of PPE to Long Term
- Liabilities
- Ratio of Stockholders Equity to
- Liabilities

Unit 3 (Learning Goal 3)

The operating cycle

The importance of managing merchandise inventory.

Perpetual and periodic inventory.

The effect of different inventory valuation methods on financial statements

Choices in inventory systems

The difference between a trade discount, a sales discount, and a purchases discount. terms of credit

FOB shipping point and FOB destination

Making basic journal entries for merchandise inventory, sales, returns, discounts, freight in, and freight out using a perpetual inventory system

Be able to determine the cost of merchandise using each the following methods: LIFO, FIFO, weighted average, and specific ID.

The cost of merchandise inventory using the gross profit method and the retail method.

An income statement using the periodic inventory system, paying special attention to the cost of goods sold section and relevant terms

An income statement using the perpetual inventory system

Internal control, components of internal control

Authorization, recording transactions, documents and records, physical controls, periodic independent verification, separation of duties, and sound personnel practices

The purpose of each of the following sales r&a, sales discounts, purchases, purchases r&a, purchases discounts, freight in, freight out, cost of goods sold, and merchandise inventory.

Inventory turnover and days' inventory on hand ratios,

How merchandise in transit is handled in terms of balance sheet presentation.

Receivable turnover and days' sales uncollected

Irregular items (e.g., discontinued operations, extraordinary items, etc.)

Profitability analysis

Unit 4 (Learning Goal 3)

The value of long term assets

The depreciation of property, plant and equipment using multiple methods.

Necessary accounting procedures to dispose of property, plant and equipment

Factors in computing depreciation: cost, residual value, depreciable cost, and estimated useful life.

Set up a basic depreciation schedule, defining each element of the schedule (cost, annual depreciation, accumulated depreciation, and carrying value).

Revising depreciation rates and how this works.

Intangible assets

Owner's equity

Preferred and common stock

Retained earnings

Liquidity, solvency, and activity analysis

Valuation of accounts and notes receivable (including bad debts)

Valuation of inventories

Using the direct write-off method to journalize and post entries for uncollectible accounts.

Journalizing estimated uncollectible accounts using the net sales and the aging method.

The allowance method, journalize

Estimated uncollectible accounts.

Reinstate previously written off accounts.

The parts of a promissory note.

How to calculate maturity dates, interest amounts and maturity values.

Journalize and post entries to accept note receivable.

Journalize and post entries to retire or renew a note receivable.

Journalize and post entries to discount a note receivable.

Interest and non-interest bearing notes payables.

Interest bearing note payable.

A non-interest note payable.

Renewing notes payables.

Accounting procedures related to mortgage payables
The different types of bonds.
The purposes, advantages and disadvantages to issuing a bond
Post entries for issuing a bond payable at face value and at a premium.
Post entries for bond interest.
Post entries for establishing and maintaining a bond sinking fund.
Post entries redeeming a bond

Unit 5 (Learning Goal 4)

Using MS Excel and other software for accounting
Preparing formulas to analyze accounting related data
Forecasting using spreadsheet software
Review workbooks and validate formulas by removing duplicates, performing error checking, refreshing, and tracing precedents/dependents.
Display formulas, track changes, and edit comments.
Create rules and examine data integrity.
How to analyze data and conduct basic computations by adding subtotals, and inserting formulas that calculate averages, modes, count, minimum, and maximum by using the Formula Tab.
Prepare formulas that reference cells across sheets
Sort using multiple criteria.
Custom auto-filter and other advanced filtering.
Conditional formatting
Use what-if analysis to synthesis concepts and make predictions
Scenarios and goal seeking
Setting an above average condition

Unit 6 (Learning Goal 5)

The advantages and disadvantages of corporations.
Stockholder's equity.
Stocks; common, preferred, par, no- par, participating, non-participating.
Entries associated with the sale of stock.
Entries associated with treasury stock.
The three dates important in issuing dividends.
Difference between cash and stock dividends and stock splits.
Entries associated with declaring and paying out dividends.
Stock splits.
Advantages and disadvantages of a partnership
Starting a partnership.
Entries associated with dissolving a partnership by admission of a new partner, or the withdrawal/death of a partner.
Entries associated with the liquidation of a partnership.
Entries associated with distribution of net income or losses equally, on a fractional share bases and on a ratio of capital investment bases.
Distribution of net income or losses based on salary allowances and salary and interest allowances

Unit 7 (Learning Goal 6)

The need for a code of ethics in accounting and the ethical responsibilities required of accountants

The Federal Sentencing Guidelines For Organizations

Events leading up to the passage of sox

Sarbanes Oxley Act

The ethical and legal implications resulting from the manipulation of financial statements

Unit 8 (Learning Goal 7)

Careers in accounting, and the role that accountants play in business and society

Requirements for the accounting profession

Differences between public, private, and government accounting positions

Unit 9

About the CLEP Exam

Test taking tips

CLEP Concept Review

MARYLAND STATE DEPARTMENT OF EDUCATION

For more information, please contact:

MSDE Career and Technology Education Branch

Jeanne-Marie Holly, CTE Systems Branch

Pat Mikos, Program Manager Student Learning and Assessment

200 West Baltimore Street

Baltimore, MD 21201-2595

Phone: 410-767-0170

http://www.marylandpublicschools.org/MSDE/divisions/careertech/career_technology



or

Maryland BMF Program Affiliate

Nicole Buzzetto-More, Director

2109 Kiah Hall

University Blvd.

Princess Anne, MD 21853

Nabuzzetto-more@umes.edu

<http://www.BusinessEducationMSDE.com>



Prepared with special consideration by Dr. Nicole A. Buzzetto-More Associate Professor of Management, University of Maryland Eastern Shore and Director MSDE BMF Program Affiliate. Copyright 2011©. All rights reserved. This document is designed for educational purposes. Users are forbidden to reproduce, republish, redistribute, or resell any materials from this document in either machine-readable form or any other form without permission of the MSDE.