

# ACCOUNTING II

**MIS03 14011**

*Students in Accounting II will continue learning the fundamental concepts of Accounting. Topics covered include terminology, accounting cycle, basic concepts, financial statements, roles of accountants and ethics in accounting.*

**Credit** ½ credit  
Max credit = ½

**Level** Grades 9-12

*Prerequisite: Accounting I*

*-These are the standards/competencies taken from the larger Business Education document that are the bare minimum to be covered in the class in any school using this MIS03 code.*

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Standard 1	<i>ACCOUNTING</i>	
THE ACCOUNTING PROFESSION		
Topic 1.1	Explain the role that accountants play in business and society.	
	Student Competencies	
	1.1.1	Describe the current and historical regulatory environment of the accounting profession.
	1.1.2	Identify the major policy-setting bodies in the accounting profession and explain their role.
	1.1.3	Explain how current events impact the accounting profession.
	1.1.5	Explain the need for a code of ethics in accounting and the ethical responsibilities required of accountants.
Topic 1.2	Explain career opportunities in the accounting profession.	
	Student Competencies	
	1.2.1	State and explain the role, service, or mission of student and professional accounting organizations and associations.
	1.2.2	State and explain the professional designations and certifications in the accounting profession.
	1.2.3	Explain the educational requirements for various careers, professional designations, and certifications in the accounting profession.

<b>Topic 1.3</b>	<b>Demonstrate the business and professional skills and competencies required to succeed in the accounting profession and/or in an accounting-related career.</b>	
	<b>Student Competencies</b>	
	1.3.1	Deliver a speech and make a presentation.
	1.3.3	Demonstrate ethical decision-making skills and conduct in a business scenario.
	1.3.4	Apply analytical and critical decision-making skills.
	1.3.6	Exhibit leadership skills.
	1.3.7	Demonstrate the ability to work within a team.
<b>FINANCIAL REPORTS</b>		
<b>Topic 1.4</b>	<b>Use an annual report and financial statements to make informed business decisions.</b>	
	<b>Student Competencies</b>	
	1.4.3	Identify the sections in an annual report and explain the purpose of each.
	1.4.4	Explain the role of management and the auditor in preparing and issuing an annual report.
	1.4.14	State and explain the different forms of business ownership and the advantages and disadvantages of each form.
	1.4.15	Explain how the different forms of business ownership are reported in the financial statements.
	1.4.16	State and explain the different types of business operations.
	1.4.17	Explain how the different types of business operations are reflected in the financial statements.
	1.4.18	State and explain the business activities reported in a statement of cash flow (e.g., operating, investing, financing).
<b>FINANCIAL ANALYSIS</b>		
<b>Topic 1.5</b>	<b>Assess the financial condition and operating results of a company and analyze and interpret financial statements and information to make informed business decisions.</b>	
	<b>Student Competencies</b>	
	1.5.1	Discuss the information that can be obtained from analyzing financial statements.
	1.5.2	Recognize the primary areas of analysis (e.g., trend analysis, profitability, liquidity, capital structure) and explain the information that can be obtained from each type of analysis.
<b>ACCOUNTING PRINCIPLES</b>		
<b>Topic 1.6</b>	<b>State and explain generally accepted accounting principles (GAAP) and explain how applying GAAP impacts the recording of financial transactions and the preparation of financial statements.</b>	
	<b>Student Competencies</b>	
	<i>CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING</i>	
	1.6.1	Explain the conceptual framework of accounting and GAAP and assumptions.
	1.6.4	Define assets, liabilities, equity, revenue, expenses, gains, and losses.
	<i>ASSETS</i>	
	1.6.6	Explain the accounting methods used to determine the value of accounts receivable to be reported on the balance sheet and describe the effect on the income statement.

	1.6.7	Record transactions for accounts receivable, including uncollectible accounts, write-offs, and recoveries.
	1.6.8	Explain the difference between the periodic and perpetual inventory methods.
	LIABILITIES	
	1.6.16	Record transactions for accounts payable and other short-term debt.
	1.6.17	Record transactions for long-term debt instruments.
	1.6.18	Determine the initial valuation of long-term debt instruments and their impact on the financial statements.
	EQUITY	
	1.6.22	Explain how operating results, capital contributions, and distribution of earnings affect equity for the various ownership structures.
	1.6.23	State the different classes of stock and explain the rights afforded each class of stock.
	1.6.24	Explain how classes of stock can be converted into other classes and how to account for the conversion.
	1.6.25	Record equity-related transactions.
	REVENUE	
	1.6.30	Explain the criteria used to determine revenue recognition.
	1.6.31	Determine the amount of revenue earned and the proper period.
	1.6.32	Record revenue-related transactions, including unearned portions of revenue.
	EXPENSE	
	1.6.33	Explain the criteria used to determine expense recognition.
	1.6.34	Record expense-related transactions.
	GAINS AND LOSSES	
	1.6.35	Distinguish between revenue and gains.
	1.6.36	Distinguish between expenses and losses.
	1.6.37	Record transactions resulting in gains and losses.
ACCOUNTING PROCESS		
Topic 1.7	Complete the steps in the accounting cycle to prepare financial statements.	
Student Competencies		
	1.7.3	Explain the impact of technology on the accounting process.
	1.7.4	State and explain the advantages and disadvantages of different types of accounting systems.
	1.7.6	Explain and analyze how business transactions impact the accounting equation.
	1.7.7	Apply the double-entry system of accounting to record business transactions and prepare a trial balance.
	1.7.8	Explain the need for adjusting entries and record adjusting entries.
	1.7.9	Explain the purposes of the closing process and record closing entries.
	1.7.10	Prepare the financial statements for the different types of business operations and ownership structures.
	1.7.11	Explain the relationship between the closing process, the financial statements, and the post-closing trial balance.
	1.7.12	Use ledgers and financial statements to determine the business transactions that occurred and to trace back to source documents.

COMPLIANCE		
Topic 1.9	<b>PERSONAL FINANCE---Explain the individual income tax procedures and requirements to comply with tax laws and regulations.</b>	
	Student Competencies	
	1.9.4	Identify, discuss, and apply strategies for minimizing taxable income.
	1.9.5	Distinguish between tax avoidance and tax evasion.
Topic 1.10	<b>PAYROLL---Apply appropriate accounting practices to payroll.</b>	
	Student Competencies	
	1.10.2	Explain common methods of paying compensation (e.g., hourly, salary, commission, independent contractor) and the financial and tax implications of each.
	1.10.3	Calculate net pay and the employer's payroll taxes.
	1.10.4	Prepare payroll reports.
	1.10.5	Record payroll-related transactions (e.g., payroll payment, accrued payroll, payroll taxes).