

ACCOUNTING IV

MIS03 14013

Students in Accounting IV will continue to develop skills in analyzing and interpreting information common to corporate forms of organization, preparing formal statements and supporting schedules, and using inventory and budgetary control systems. Higher level corporate, managerial and cost accounting concepts are presented in this course. A contemporary business simulation set that lets the student put accounting skills into practice is often included.

Credit ½ credit
Max credit = ½

Level Grades 10-12

Prerequisite: Accounting III

-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	ACCOUNTING	
THE ACCOUNTING PROFESSION		
Topic 1.1	Explain the role that accountants play in business and society.	
Student Competencies		
	1.1.3	Explain how current events impact the accounting profession.
	1.1.4	Explain how the rapid advances in technology continue to impact the accounting profession.
	1.1.5	Explain the need for a code of ethics in accounting and the ethical responsibilities required of accountants.
	1.1.6	Explain how accounting information is used to allocate resources in the business and personal decision-making process.
Topic 1.2	Explain career opportunities in the accounting profession.	
Student Competencies		
	1.2.4	Explain why accounting firms are shifting their hiring models to focus more on technology skills and nonaccountants.
	1.2.5	Explain the skills and competencies needed to succeed in the accounting profession and how those required skills and competencies are evolving with the rapid advances in technology.
	1.2.6	Explain the areas of specialization within the accounting profession and careers that require a knowledge of accounting.

Topic 1.3	Demonstrate the business and professional skills and competencies required to succeed in the accounting profession and/or in an accounting-related career.	
	Student Competencies	
	1.3.3	Demonstrate ethical decision-making skills and conduct in a business scenario.
	1.3.4	Apply analytical and critical decision-making skills.
	1.3.5	Use information technology productively.
	1.3.6	Exhibit leadership skills.
	1.3.7	Demonstrate the ability to work within a team.
	1.3.8	Demonstrate the ability to draft properly written communication based on the task (e.g., e-mail, memorandum, analytics, process document).
FINANCIAL REPORTS		
Topic 1.4	Use an annual report and financial statements to make informed business decisions.	
	Student Competencies	
	1.4.19	Define other comprehensive income (loss) and explain its relationship to operating results.
	1.4.20	Explain how disclosure requirements impact financial reporting.
FINANCIAL ANALYSIS		
Topic 1.5	Assess the financial condition and operating results of a company and analyze and interpret financial statements and information to make informed business decisions.	
	Student Competencies	
	1.5.8	Research industry averages and explain their use in assessing the financial condition, operating results, profitability, liquidity, and capital structure.
	1.5.9	Use current technology, research tools, financial/business or data analytic software to conduct financial analysis.
	1.5.10	State and explain common methods for manipulating financial statements and financial ratios.
	1.5.11	Explain the ethical and legal implications resulting from the manipulation of financial statements and financial ratios.
	1.5.12	Use the statement of cash flow to analyze business activities (e.g., operating, investing, financing).
	1.5.13	Analyze cash flow from operating activities to assess profitability and liquidity.
ACCOUNTING PRINCIPLES		
Topic 1.6	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.	
	Student Competencies	
	<i>CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING</i>	
	1.6.2	Discuss U.S. GAAP and International Financial Reporting Standards (IFRS) and explain the role of the Financial Accounting Standards Board (FASB), Securities and Exchange Commission (SEC), and International Accounting Standards Board (IASB).
	1.6.3	Explain the key differences between U.S. GAAP and IFRS.

	1.6.5	Distinguish between the accrual basis of accounting and the cash basis of accounting and discuss the impact each has on the financial statements.
	ASSETS	
	1.6.9	Determine the cost of inventory for merchandising and manufacturing businesses and apply appropriate valuation methods.
	1.6.10	State and explain the cost flow assumptions for inventory and explain the impact on the balance sheet and income statement.
	1.6.11	Explain the criteria used to distinguish between capital expenditures (recording an asset) and revenue expenditures (recording an expense).
	1.6.12	Determine the costs of property, plant and equipment, natural resources, and intangible assets.
	1.6.13	Explain the purpose of cost allocation.
	1.6.14	Calculate and record depreciation, depletion, and amortization expense and explain the impact on the financial statements.
	1.6.15	Determine the impact on the financial statements when assets are sold, disposed of, or rendered obsolete.
	LIABILITIES	
	1.6.18	Determine the initial valuation of long-term debt instruments and their impact on the financial statements.
	1.6.19	Explain why businesses issue bonds and why they are issued at a discount or premium.
	1.6.20	Calculate the cost of borrowed funds and determine the impact on the financial statements.
	1.6.21	Record bond-related transactions, including issuance, payment of interest, and retirement of bonds.
	EQUITY	
	1.6.26	Differentiate between a cash dividend and a stock dividend and explain the impact on the financial statements.
	1.6.27	Explain how the acquisition and sale of a company's own stock (treasury stock) impacts the financial statements.
	1.6.28	Explain a stock split and the impact on equity.
	1.6.29	Explain how other comprehensive income/(loss) affects equity.
	REVENUE	
	1.6.32	Record revenue-related transactions, including unearned portions of revenue.
	EXPENSE	
	1.6.34	Record expense-related transactions.
	GAINS AND LOSSES	
	1.6.37	Record transactions resulting in gains and losses.
	OTHER COMPREHENSIVE INCOME/(LOSS)	
	1.6.38	Distinguish between revenue, gains, and other comprehensive income.
	1.6.39	Distinguish between expenses, losses, and other comprehensive losses.
	1.6.40	Record transactions resulting in other comprehensive income or loss.
ACCOUNTING PROCESS		
Topic 1.7	Complete the steps in the accounting cycle to prepare financial statements.	
Student Competencies		

	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.
INTERPRETATION AND USE OF DATA		
Topic 1.8	Use planning and control principles to evaluate the organization's performance and apply differential analysis and present-value concepts to make informed business decisions.	
	Student Competencies	
	PLANNING AND CONTROL	
	1.8.6	Apply cost-volume- profit and contribution margin analysis in planning operations.
	DECISION MAKING	
	1.8.8	Apply differential analysis to make the following types of decisions: make or buy a product; lease or buy an asset; discontinue a department, plant, or product; offer discounted prices on special orders; replace or repair equipment.
	1.8.9	Apply present-value concepts to evaluate capital investment opportunities.