## ND BUSINESS EDUCATION FRAMEWORKS

### Entrepreneurial Accounting

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Name/Course Description</th>
<th>Grade Levels</th>
<th>High School Credit Options</th>
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</thead>
<tbody>
<tr>
<td>14015</td>
<td>Entrepreneurial Accounting: Students examine the principles, techniques, and uses of accounting in the planning, control, and decision-making of business organizations from an entrepreneurial perspective.</td>
<td>10-12</td>
<td>1/2</td>
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</tbody>
</table>

**Prerequisite:** Accounting I - IV

### Role of the Entrepreneurial Accountant

- Explain how accounting information is used to allocate resources in the business and personal decision-making process (1.1.1.5)
- Explain the need for a code of ethics in accounting and the ethical responsibilities required of accountants (1.1.1.4)
- Explain the skills and competencies needed to be successful in the accounting profession (1.1.2.4)
- Discuss common types of unethical behavior in the workplace (4.2a.1.35)
- Discuss the importance of taking responsibility for all written communication (4.3a.1.17)
- Discuss the importance of taking responsibility for all spoken communication (4.4a.1.21)

### Terminology and Technology

- Explain the terms entrepreneur and entrepreneurship (6.1a.1.1)
- Evaluate software, methods, and systems available for maintaining business records (6.6a.1.9)
- Develop an accounting system for an entrepreneurial venture (6.6a.1.10)
- Use software to maintain business financial records (6.6a.1.11)

### Business Records and Financial Reports

- Identify sources for obtaining financial reports (1.2.1.1)
- Identify the classifications in an income statement and explain their relationship to each other (revenue, expense, gains, losses) (1.2.1.11)
- Describe changes in the ownership structure using the statement of equity (1.2.1.12)
- Identify the different types of business operations (1.2.1.16)
- Explain how the different types of business operations are reflected in the financial statements (1.2.1.17)
### Financial Data in Planning, Organizing, and Decision Making
- Discuss the information that can be obtained from analyzing financial statements (1.3.1.1)
- Perform a horizontal and vertical analysis of the income statement and balance sheet (1.3.1.3)
- Assess profitability and capital structure by calculating and interpreting financial ratios (gross profit margin, operating profit margin, net profit margin, return on assets, return on operating assets, sales turnover) (1.3.1.4)
- Assess liquidity and solvency by calculating financial ratios (working capital, current ratio, quick ratio, cash ratio, inventory turnover, accounts receivable turnover, operating cycle) (1.3.1.5)
- Compare and contrast debt and equity financing and explain the impact on the financial statements (1.3.1.6)
- Apply information technology to conduct financial analysis (1.3.1.9)
- Identify and explain common methods for manipulating financial statements and financial ratios (1.3.1.10)
- Describe the ethical and legal implications of financial statements and financial ratios (1.3.1.11)
- Identify and apply internal control procedures used to safeguard assets and ensure the integrity of the accounting information system (1.6a.1.1)
- Explain and compare the behavior of fixed, variable, and mixed costs (1.6a.1.4*)
- Prepare a budget for planning purposes (1.6a.1.6*)
- Explain how accounting information facilitates management decision-making (1.6b.1.1)
- Estimate staffing and purchasing needs based on sales data (1.6b.1.3)
- Select and complete appropriate records for an entrepreneurial venture (1.6b.1.4)
- Use sales and budget forecasts in business planning (1.6b.1.6)
- Develop plans to manage accounts receivable and accounts payable (1.6b.1.7)
- Compare actual income and expenses to budgeted amounts for a specific period (1.6b.1.8)
- Calculate financial ratios (1.6b.1.9)
- Analyze for decision-making purposes the financial health of a business (1.6b.1.10)
- Analyze for decision-making purposes the cash flow of a business (1.6b.1.11)
- Analyze for decision-making purposes the worth of a business (1.6b.1.12)

### Asset Management
- 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 (1.4b.1.1)
- Record transactions for accounts receivable, including uncollectible accounts, write-offs, and recoveries (1.4b.1.2)
- Explain the difference between the periodic and perpetual inventory methods (1.4b.1.3)
- Identify and describe the cost flow assumptions for inventory and explain the impact on the balance sheet and income statement (1.4b.1.5)
- Describe the criteria used to distinguish between capital expenditures and revenue expenditures (1.4b.1.6)
- Determine the costs of property, plant and equipment, natural resources, and intangible assets are determined (1.4b.1.7)
- Identify, calculate, and record depreciation, depletion, and amortization, and explain the impact on the financial statements (1.4b.1.9)
- Determine the impact on the financial statements when assets are sold, disposed, or rendered obsolete (1.4b.1.10)

<table>
<thead>
<tr>
<th>Liability Management</th>
<th>Record transactions for accounts payable and other short-term debt (1.4c.1.1)</th>
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<tbody>
<tr>
<td></td>
<td>Calculate the cost of borrowed funds and determine the impact on the financial statements (1.4c.1.4*)</td>
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<th>Equity Management</th>
<th>Record equity-related transactions (1.4d.1.3)</th>
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<tbody>
<tr>
<td>Revenue Management</td>
<td>Describe the criteria used to determine revenue recognition (1.4e.1.1)</td>
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<td>Record revenue-related transactions (1.4e.1.2)</td>
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<tr>
<td>Expense Management</td>
<td>Describe the criteria used to determine expense recognition (1.4f.1.1)</td>
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<td>Record expense-related transactions (1.4f.1.2)</td>
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| Gains and Loss Management | Distinguish between revenue and gains (1.4g.1.1) |
|                          | Distinguish between expenses and losses (1.4g.1.2) |
|                          | Record transactions resulting in gains and losses (1.4g.1.3) |

| Payroll and Taxes | Calculate net pay (1.7c.3.1) |
|                  | Calculate employer’s payroll taxes (1.7c.3.2) |
|                  | Prepare payroll reports (1.7c.3.3) |
|                  | Analyze the relationship of business and tax reporting (6.6a.1.12) |