

# Southern York County School District Lesson Plan

**Name:** Angela Lehigh  
**Course:** Accounting I

**Unit:** Sole Proprietorship Service Business  
**Months:** August - January (1st Semester)

## Stage 1 – Desired Results

**PA State Standard(s) Addressed:**

- 1.6 – A. Listen to others
  - F. Contribute to discussions
  - G. Participate in small and large group discussions and presentations
- 2.5 – D. Conclude a solution with a summary of results and evaluate degree to which results represent an acceptable response to initial problem and why reasoning is valid
- 6-3 – B. Evaluate economic reasoning behind a choice
- 6-4 – E. Analyze how US consumers and producers participate in global production and consumption of goods/services
- 11.2 – C. Assess and evaluate the effectiveness of use of teamwork and leadership skills in various work situations
- 13.1 – E. Career selection influences
- 13.3 – A. Work habits
  - G. Lifelong learning
- 13.4 – A. Risks and rewards

**PA Common Core (Common Core) Standard(s) Addressed:**

**Understanding(s):**

***Students will understand that. . .***

- Accounting teaches several transferable skills
- Accounting skills are valuable professionally and personally
- Service businesses organized as a sole proprietorship have specific accounting procedures

**Essential Question(s):**

- To what extent is accounting necessary for business and personal use?
- To what extent should ethical behaviors influence business decisions?
- What is the accounting cycle for a service business organized as a sole proprietorship?

**Learning Objectives:**

***Students will know . . .***

- Definitions of the following terms: accounting, accounting system, financial statements, net worth statement, service business, proprietorship, asset, equity, liability, personal net worth, ethics, business ethics, business plan, GAAP, equities, owner's equity, accounting equation, transaction, account, account title, account balance, capital account, creditor, revenue, sale on account, expense, withdrawal, T account, debit, credit, normal balance, chart of accounts, accounts payable, accounts receivable, journal, journalizing, entry, double-entry accounting, source document, check, invoice, sales invoice, receipt, memorandum, ledger, general ledger, account number, file maintenance, opening an account, posting, proving cash, correcting entry, checking account, deposit slip, endorsement, blank endorsement, special endorsement, restrictive endorsement, postdated check, voided check, bank statement, cancelled check, dishonored check, non-sufficient funds, check, electronic funds transfer, debit card, petty cash, petty cash slip, cash short, cash over, fiscal period, fiscal year, work sheet, trial balance,

***Students will be able to . . .***

- Define accounting terms and identify accounting concepts and practices related to:
  - starting a service business organized as a proprietorship
  - changes that affect owner's equity for a service business organized as a proprietorship
  - analyzing transactions into debit and credit parts
  - journalizing transactions
  - posting from a general journal to a general ledger
  - using a checking account and a petty cash fund
  - a work sheet
  - financial statements and preparing financial statements
  - adjusting and closing entries
- Describe the different users of accounting information
- Prepare a net worth statement and explain its purpose

prepaid expense, accrual basis of accounting, cash basis of accounting, adjustments, balance sheet, income statement, net income, net loss, adjusting entries, financial accounting, managerial accounting, financial ratio, ratio analysis, vertical analysis, return on sales (ROS), permanent accounts, temporary accounts, closing entries, post-closing trial balance, accounting cycle

- The role of accounting and an accountant in business
- The concepts of business entity, unit of measurement, realization of revenue, objective evidence, consistent reporting, accounting period cycle, materiality, matching expenses with revenue, full disclosure, and going concern
- The accounting equation
- Basic concepts of accounting
- What business ethics means
- How business activities change the accounting equation
- How transactions affect owner's equity
- How to use T accounts for debits and credits
- The normal balance side of a T account
- How to use a general journal to record financial activities in a proprietorship
- How to post from a general journal to a general ledger
- How businesses use and document use of cash
- How to use a business checking account and reconcile using a bank statement
- How an accounting cycle is completed for a service business organized as a sole proprietorship
- How the accounting cycle is used in real-life situations

- Classify accounts as assets, liabilities or owner's equity and demonstrate their relationships in the accounting equation
- Analyze how transactions affect accounts in an accounting equation
- Distinguish between cash and on account transactions
- Compare and contrast the types of transactions that increase and decrease owner's equity
- Explain the difference between expenses and liabilities
- Show the relationship between the accounting equation and a T account
- Identify the debit and credit side, the increase and decrease side and the balance side of various accounts
- Restate and apply the two rules that are associated with the increase side of an account
- Restate and apply the four questions necessary to analyze transactions for starting a business into debit and credit parts
- Analyze transactions for operating a business into debit and credit parts
- Define what a journal is and explain why it is used to record transactions
- Compare and contrast different types of source documents
- Identify the four parts of a journal entry
- Analyze and record cash transactions using source documents
- Analyze and record transactions for buying and paying on account
- Analyze and record transactions that affect owner's equity
- Analyze and record sales and receipt of cash on account
- Demonstrate when to end and how to start a new journal page
- Identify and correct errors using standard accounting practices
- Construct a chart of accounts for a service business organized as a proprietorship
- Demonstrate correct principles for numbering accounts
- Apply file maintenance principle to update a chart of accounts
- Complete the steps necessary to open general ledger accounts
- Post amounts from a general journal
- Demonstrate how to prove cash
- Analyze incorrect journal entries and prepare correcting entries
- Demonstrate how to correct errors made during the posting process
- Record a deposit on a check stub
- Endorse checks using blank, special and restrictive endorsements
- Prepare a check stub and a check
- Complete a bank statement reconciliation

- Record and journalize a bank service charge
- Complete recordkeeping for a dishonored check
- Journalize an electronic funds transfer and a debit card transaction
- Establish and replenish a petty cash fund
- Prepare a petty cash report
- Prepare the heading, trial balance section, Balance Sheet and Income Statement columns of a work sheet
- Analyze and explain the adjustments for supplies and prepaid insurance
- Complete the adjustment columns of a work sheet
- Total and rule the work sheet
- Apply the steps for finding errors on a work sheet
- Journalize and post the adjusting entries for supplies and prepaid insurance
- Prepare an income statement and balance sheet for a service business organized as a proprietorship
- Calculate and analyze financial ratios using income statement amounts
- Journalize and post closing entries for a service business organized as a proprietorship
- Prepare a post-closing trial balance

### Stage 2 – Assessment Evidence

#### Performance Task(s):

- Mastery problems
- Source document problems
- Simulations
- Written tests for theory and application

#### Other Evidence:

- Participation in class activities and discussion
- Practice problems

### Stage 3 – Learning Plan

#### Learning Activities:

- Daily lesson plans

# Southern York County School District Lesson Plan

**Name:** Angela Lehigh  
**Course:** Accounting I

**Unit:** Corporation Merchandising Business  
**Months:** January - June (2nd Semester)

## Stage 1 – Desired Results

**PA State Standard(s) Addressed:**

- 1.6 – A. Listen to others
  - F. Contribute to discussions
  - G. Participate in small and large group discussions and presentations
- 2.5 – D. Conclude a solution with a summary of results and evaluate degree to which results represent an acceptable response to initial problem and why reasoning is valid
- 6-3 – B. Evaluate economic reasoning behind a choice
- 6-4 – E. Analyze how US consumers and producers participate in global production and consumption of goods/services
- 11.2 – C. Assess and evaluate the effectiveness of use of teamwork and leadership skills in various work situations
- 13.1 – E. Career selection influences
- 13.3 – A. Work habits
  - G. Lifelong learning
- 13.4 – A. Risks and rewards

**PA Common Core (Common Core) Standard(s) Addressed:**

**Understanding(s):**

***Students will understand that . . .***

- Accounting teaches several transferable skills
- Accounting skills are valuable professionally and personally
- Merchandising businesses organized as a corporation have specific accounting procedures

**Essential Question(s):**

- To what extent is accounting necessary for business and personal use?
- To what extent should ethical behaviors influence business decisions?
- What is the accounting cycle for a merchandising business organized a corporation?
- How are merchandising business accounting procedures different than those for a service business?

### Learning Objectives:

***Students will know . . .***

- Definitions of the following terms: merchandising business, retail merchandising business, merchandise, wholesale merchandising business, corporation, capital, share of stock stockholder, capital stock, articles of incorporation, charter, special journal, markup, vendor, purchases on account, purchases journal, special amount column, purchase invoice, terms of sale, due date, cash payments journal, list price, trade discount, net price, cash discount, general amount column, discount period, purchases discount, contra account credit limit, sales tax, general journal, cash receipts journal, subsidiary ledger, accounts payable ledger, accounts receivable ledger, controlling account, schedule of accounts payable, schedule of accounts receivable, inventory, merchandise inventory, perpetual inventory, periodic inventory, physical inventory, cost of merchandise, requisition, purchase order, selling

***Students will be able to . . .***

- Complete tax forms related to federal, state and local income (W-4, 1040EZ, PA and local returns)
- Compare a sole proprietorship and a corporation/service business and merchandising business
- Define accounting terms and identify accounting concepts and practices related to purchases and cash payments for a merchandising business, sales and cash receipts for a merchandising business, purchases transactions using a general journal, payroll records, payroll accounting, payroll taxes and reports, uncollectable accounts receivable, preparing adjusting entries and a trial balance, financial statements and closing entries for a corporation, and
- Distinguish among service, retail merchandising and wholesale merchandising businesses
- Identify differences between a sole proprietorship and a corporation
- Explain the relationship between a subsidiary

price, point-of-sale (POS), terminal, terminal summary, batch report, batching out, sales discount, purchases return, purchases allowance, debit memorandum, sales return, sales allowance, credit memorandum, retained earnings, dividends, board of directors, declaring a dividend, wage, salary, commission, pay period, payroll, total earnings, payroll clerk, time clock, payroll taxes, withholding allowance, withholding allowance, payroll deduction, social security tax, Medicare tax, accumulated earnings, tax base, qualified retirement plan, 401(k), individual retirement account (IRA), Roth individual retirement account (Roth IRA), payroll register, net pay, employee earnings record, voucher check, direct deposit, state unemployment tax, federal unemployment tax, salary expense, deposit, lookback period

- The concept of historical cost, neutrality, adequate disclosure
- Reasons for taxes

ledger and a controlling account

- Describe accounting procedures used in ordering merchandise
- Discuss the purpose of a special journal
- Journalize purchases of merchandise on account using a purchases journal
- Post merchandise purchases to accounts payable and general ledgers
- Record cash payments using a cash payments journal
- Record replenishment of a petty cash fund
- Post cash payments to accounts payable and general ledgers
- Explain the relationship between the accounts receivable ledger and its controlling account
- Record sales on account using a sales journal
- Post sales on account to accounts receivable and general ledgers
- Record cash and credit card sales using a cash receipts journal
- Journalize cash receipts on account using a cash receipts journal
- Post cash receipts to accounts receivable and general ledgers
- Prepare a schedule of accounts receivable and accounts payable
- Explain the purpose of a general journal
- Account for purchases returns and allowances
- Post a general journal to the accounts payable and general ledgers
- Account for sales returns and allowances
- Post a general journal to accounts receivable and general ledgers
- Record a correcting entry to the accounts receivable ledger
- Explain the relationship between retained earnings and dividends
- Account for the declaration and payment of dividends
- Explain how employees are paid
- Calculate hourly employee earnings
- Demonstrate the process for determining federal income tax withholdings, social security and Medicare taxes
- Explain the benefit of funding medical and retirement plans with pretax contributions
- Prepare a payroll register, employee earnings records and payroll checks
- Justify the use of a payroll checking account
- Analyze a payroll transaction
- Journalize a payroll including employee payroll taxes
- Calculate and record employer payroll taxes
- Prepare selected payroll tax reports
- Pay and record withholding and payroll taxes

## Stage 2 – Assessment Evidence

### **Performance Task(s):**

- Mastery problems

### **Other Evidence:**

- Participation in class activities and discussion

- Source document problems
- Simulations
- Written tests for theory and application

- Practice problems

### Stage 3 – Learning Plan

#### Learning Activities:

- Daily lesson plans