

Manasquan High School

Principles of Accounting – Course Outline

Chapter 1 – Starting a Proprietorship: Changes That Affect the Accounting Equation

After studying Chapter 1, student will be able to:

1. Define accounting terms related to starting a service business organized as a proprietorship and to changes that affect the accounting equation.
2. Identify accounting concepts and practices related to starting a service business organized as a proprietorship and to changes that affect the accounting equation.
3. Classify accounts as assets, liabilities, or owner's equity and demonstrate their relationships in the accounting equation.
4. Analyze how transactions affect accounts in an accounting equation.

Chapter 2 – Analyzing Transactions into Debit and Credit Parts

After studying Chapter 2, student will be able to:

1. Define accounting terms related to analyzing transactions into debit and credit parts.
2. Identify accounting practices related to analyzing transactions into debit and credit parts.
3. Use T accounts to analyze transactions showing which accounts are debited or credited for each transaction.
4. Analyze how transactions to set up a business affect accounts.
5. Analyze how transactions affect owner's equity accounts.

Chapter 3 – Journalizing Transactions

After studying Chapter 3, student will be able to:

1. Define accounting terms related to journalizing transactions.
2. Identify accounting concepts and practices related to journalizing transactions.
3. Record transactions to set up a business in a five-column journal.
4. Record Transactions to buy insurance for cash and supplies on account in a five-column journal.
5. Record transactions that affect owner's equity and receiving cash on account in a five-column journal.
6. Prove and rule a five-column journal and prove cash.

Chapter 4 – Posting to a General Ledger

After studying Chapter 4, student will be able to:

1. Define accounting terms related to posting from a journal to a general ledger.
2. Identify accounting concepts and practices related to posting from a journal to a general ledger.
3. Prepare a chart of accounts for a service business organized as a proprietorship.
4. Post separate amounts from a journal to a general ledger.
5. Post column totals from a journal to a general ledger.
6. Analyze and journalize correcting entries.

Chapter 5 – Cash Control Systems

After studying Chapter 5, student will be able to:

1. Define accounting terms related to using a checking account and a petty cash fund.
2. Identify accounting concepts and practices related to using a checking account.
3. Prepare business papers related to using a checking account.
4. Reconcile a bank statement.
5. Journalize dishonored checks and electronic banking transactions.
6. Establish and replenish a petty cash fund.

Chapter 6 – Work Sheet for a Service Business

After studying Chapter 6, student will be able to:

1. Define accounting terms related to a work sheet.
2. Identify accounting concepts and practices related to a work sheet.
3. Prepare a heading and a trial balance on a work sheet.
4. Plan adjustments for supplies and prepaid insurance.
5. Complete a work sheet for a service business organized as a proprietorship.
6. Identify selected procedures for finding and correcting errors in accounting records.

Chapter 7 – Financial Statements for a Proprietorship

After studying Chapter 7, student will be able to:

1. Define accounting terms related to preparation of financial statements.
2. Identify accounting concepts and practices related to preparation of financial statements.
3. Prepare an income statement and analyze an income statement using component percentages.
4. Prepare a balance sheet for a service business organized as a proprietorship.

Chapter 8 – Recording Adjusting and Closing Entries for a Service Business

After studying Chapter 8, student will be able to:

1. Define accounting terms related to adjusting and closing entries.
2. Identify accounting concepts and practices related to adjusting and closing entries.
3. Record adjusting entries.
4. Record closing entries.
5. Prepare a post-closing trial balance.

Chapter 9 – Journalizing Purchases and Cash Payments

After studying Chapter 9, student will be able to:

1. Define accounting terms related to purchases and cash payments for a merchandising business.
2. Identify accounting concepts and practices related to purchases and cash payments for a merchandising business.
3. Journalize purchases of merchandise using a purchases journal.
4. Journalize cash payments and cash discounts using a cash payments journal.
5. Prepare a petty cash report and journalize the reimbursement of the petty cash fund.
6. Total, prove, and rule a cash payments journal and start a new cash payments journal page.
7. Journalize purchases returns and allowances and other transactions using a general journal.

Chapter 10 – Journalizing Sales and Cash Receipts Using Special Journals

After studying Chapter 10, student will be able to:

1. Define accounting terms related to sales and cash receipts for a merchandising business.
2. Identify accounting concepts and practices related to sales and cash receipts for a merchandising business.
3. Journalize sales on account using a sales journal.
4. Journal cash receipts using a cash receipts journal.
5. Record sales returns and allowances using a general journal.

Chapter 11 – Posting to General and Subsidiary Ledgers

After studying Chapter 11, student will be able to:

1. Define accounting terms related to posting to ledgers.
2. Identify accounting practices related to posting to ledgers.
3. Post separate items from purchases, cash payments, and general journal to an accounts payable ledger.
4. Post separate items from sales, cash receipts, and general journal to an accounts receivable ledger.
5. Post separate items from a cash payments and general journal to a general ledger.
6. Post special journal column totals to a general ledger.
7. Journalize and post correcting entries affecting customer accounts.

Chapter 12 – Preparing Payroll Records

After studying Chapter 12, student will be able to:

1. Define accounting terms related to payroll records.
2. Identify accounting practices related to payroll records.
3. Complete a payroll time card.
4. Calculate payroll taxes.
5. Complete a payroll register and an employee earnings record.
6. Prepare payroll checks.

Additional Information: Comparison to a College Course Outline

1. The outline above shows the topics by section that are covered in each chapter. It is not a timeline for the class, but the topics covered as we study each chapter.
2. The MoneySkill Project is used to cover many accounting topics as a supplement to the class. All modules are completed online, and a cumulative final test is given in class.
3. Accrual accounting, fixed assets, and depreciation are covered when we discuss the preparation of financial statements and adjusting/closing entries.
4. Inventories and cost of goods sold are covered when we begin the chapters related to Merchandising Businesses. (The first 8 chapters cover a service business and the last chapters cover a merchandising business)
5. Long-Term Debt and ratio calculation and analysis are covered through a Financial Statement Analysis Project.
6. Ethical conduct is covered through articles from the Journal of Accountancy, examples from the textbook, and a documentary about the Enron collapse.