

Accounting II

Primary Career Cluster:	Finance
Course Contact:	CTE.Standards@tn.gov
Course Code(s):	C29H01
Prerequisite(s):	<i>Accounting I</i> (C29H00)
Credit:	1
Grade Level:	11-12
Focused Elective Graduation Requirements:	This course satisfies one of three credits required for an elective focus when taken in conjunction with other <i>Finance</i> .
POS Concentrator:	This course satisfies one out of two required courses to meet the Perkins V concentrator definition, when taken in sequence in an approved program of study.
Programs of Study and Sequence:	This is the third course in the <i>Accounting</i> program of study.
Aligned Student Organization(s):	DECA: https://www.tndeca.org/ FBLA: http://www.fblatn.org
Promoted Tennessee Student Industry Credentials:	Credentials are aligned with postsecondary and employment opportunities and with the competencies and skills that students acquire through their selected program of study. For a listing of promoted student industry credentials, visit https://www.tn.gov/education/educators/career-and-technical-education/student-industry-certification.html..
Teacher Endorsement(s):	024, 030, 033, 035, 037, 039, 052, 054, 055, 152, 153, 158, 201, 203, 204, 311, 424, 430, 434, 435, 436, 470, 471, 472, 474, 475, 476, 952, 953, 958
Required Teacher Certifications/Training:	None
Teacher Resources:	https://www.tn.gov/education/educators/career-and-technical-education/career-clusters/cte-cluster-finance.html . Best for All Central: https://bestforall.tnedu.gov/

Course at a Glance

CTE courses provide students with an opportunity to develop specific academic, technical, and 21st century skills necessary to be successful in career and in life. In pursuit of ensuring every student in Tennessee achieves this level of success, we begin with rigorous course standards which feed into intentionally designed programs of study.

Students engage in industry relevant content through general education integration and experiences such as career and technical student organizations (CTSO) and work-based learning (WBL). Through these experiences, students are immersed with industry standard content and technology, solve industry-based problems, meaningfully interact with industry professionals and use/produce industry specific, informational texts.

Using a Career and Technical Student Organization (CTSO) in Your Classroom

CTSOs are a great resource to put classroom learning into real-life experiences for your students through classroom, regional, state, and national competitions, and leadership opportunities. Below are CTSO connections for this course, note this is not an exhaustive list.

- Participate in the CTSO Fall Leadership Conference, DECA and FBLA Fall Leadership Camps, FBLA Regional and State Leadership Conferences, and the DECA Emerging Leader Summit to engage with peers, demonstrate logical thought processes, and develop industry specific skills that involve teamwork and project management.
- Participate in conferences that promote career development such as DECA Career Pathways and Career Development Conferences.
- Participate in FBLA career competitive events that highlight career development, including developing an electronic career portfolio, interviewing skills, career exploration, and crafting an elevator speech.
- Participate in DECA competitive events such as AT&T Later Haters Challenge, Accounting Applications Series, Business Finance Series, Financial Services Team Decision Making, Stock Market Game, Virtual Business Challenge – Accounting, and Financial Literacy Project.
- Participate in FBLA competitive events such as Accounting II, Middle-Level Business Math and Financial Literacy, Spreadsheet Applications, and Business Calculations.

For more ideas and information, visit Tennessee DECA at <https://www.decatn.org/> and Tennessee FLBA at <https://www.fblatn.org/>.

Using Work-Based Learning (WBL) in Your Classroom

Sustained and coordinated activities that relate to the course content are the key to successful work-based learning. Possible activities for this course include the following. This is not an exhaustive list.

- **Standards 1.1-1.3** | Integrated project with multiple interactions with business and industry professionals to provide real-world application to accounting processes.
- **Standards 3.1-3.3** | Integrated project with multiple interactions with business and industry professionals in the fields of accounting and financial planning to provide students hands-on experience working with financial data and documents.
- **Standards 4.1-4.4** | Industry tours and job shadowing with a local business or financial firm to illustrate the differences between merchandising and manufacturing business operations.
- **Standard 5.2** | Guest speakers from local small businesses to discuss small business startup and expansion in the real world.
- **Standards 5.3-5.4** | Integrated project with multiple interactions with business and industry professionals from franchised companies in the area.
- **Standards 6.1-6.2** | Virtual exchanges with multiple business and industry professionals in accounting, personal finance, and banking to discuss business ethics and application in real-world situations.

Course Description

Accounting II is an advanced study of concepts, principles, and techniques businesses use to maintain electronic and manual financial records. This course expands on *Accounting I* to cover the accounting processes of various firms, including merchandising, manufacturing, and service-oriented businesses. Upon completion of this course, proficient students will gain in-depth knowledge of business accounting procedures and their applications to business operations. This course also prepares students for postsecondary study and advanced training in accounting or business and can lead to a work-based learning (WBL) experience as the program of study capstone.

Course Standards

1. Accounting Processes and Operations

- 1.1 Accounting Cycles: Demonstrate a thorough understanding of **merchandising, manufacturing, and service businesses' accounting cycles**. Differentiate the inventory for merchandising and manufacturing businesses and explain how these businesses apply **appropriate valuation methods** when preparing financial statements.
- 1.2 Transactions: Describe how a merchandising business prepares, reviews, and analyzes **source documents as part of the accounting cycle**.
- 1.3 Journalizing Transactions: Analyze **source documents from various merchandising, manufacturing, and service operations**. For a given transaction, determine debits and credits; journalize transactions in the general journal or special journals; post to the general ledger and subsidiary ledger accounts; and determine the ending balances of each account.

2. Cash Flow, Budgets, and Planning

- 2.1 Cash-Flow Analysis: Identify the key parts of **cash-flow analysis**, including **payback period, internal rate of return, net present value, and future value**. Conduct a cash-flow analysis by calculating the payback period, the net present value and future value, and the internal rate of return.
- 2.2 Cash Planning: Explain the use and purpose of **cash budgets**, including the uncertainties of using cash budgets. Prepare and evaluate a cash budget.

3. Financial Data and Data Analysis

- 3.1 Accounting Worksheets: Determine how **merchandising businesses prepare financial records**. Prepare an **original 10 column worksheet**, and define, with examples, key categories and terms, including accounts receivable, accounts payable, and various tax accounts.
- 3.2 Financial Data Analysis: Demonstrate **accurate analysis of financial data** by performing the following processes:
 - a. Record and post adjusting entries to affected supplies, inventory, notes receivable, insurance, accounts payable, and tax accounts.
 - b. Prepare and analyze financial statements.

- c. Record closing entries of temporary accounts, including revenue, expense, and withdrawals accounts.
- d. Prepare the post-closing trial balance.

4. Accounting Applications

- 4.1 Merchandising Cost Accounting Records: Analyze the **means of tracking and accounting for physical inventory** and determining the **actual cost of the merchandise resold** to customers. Calculate the **ending balance of the inventory account** using the adjustment process. Account for direct labor, direct material, and factory overhead.
- 4.2 Manufacturing Cost Accounting Records: Review the **systems used to maintain records of manufacturing costs**. Differentiate between **job order and process cost accounting** and demonstrate an understanding of the advantages of each system for different manufacturing processes. Track the **flow of inventory in the product process**, from raw materials to work-in-process to finished goods inventory. Account for direct labor, direct material, and factory overhead budgeting
- 4.3 Annual Reports: Analyze an **annual report for a service, merchandising, and/or manufacturing business**, identifying the major sections and the implications of the financial data and statements included within the report. Determine how the comparison of budgeted to actual revenue, expenses, and cash amounts affects management decision making regarding budgetary planning, fiscal control policies, product line expansion, asset acquisition, downsizing, and operational improvements.
- 4.4 Advanced Accounting Applications: Examine various **advanced accounting applications for a merchandising business** and analyze the **implications of each for the business' profitability**. Advanced applications include, but are not limited to, the following:
 - a. Prepare adjustments for uncollectible accounts using both the direct write-off and the allowance method.
 - b. Analyze methods related to assigning cost to inventory, including the specific identification method, first-in first-out (FIFO) method, last-in first-out (LIFO) method, and weighted average cost method.
- 4.5 Depreciation: Define **depreciation** and determine its **effects on goods in different industries** (e.g., manufacturing, agriculture, retail services, and more). Analyze and journalize acquisition, depreciation, and disposal of a plant asset, then calculate depreciation using the straight-line, declining balance, and sum-of-the-years digits methods.

5. Accounting in a Business Startup and Expansion

- 5.1 Taxes and Tax Information: Follow procedures to complete **sample federal income tax employment/payroll forms** (e.g., 940, 941, 944, W2) for small businesses, including social security and Medicare taxes, FUTA, and self-employment taxes. Prepare **quarterly and end-of-tax-year examples** for a real or fictitious small business.
- 5.2 Partnership Formation and Expansion: Analyze the **necessary steps and transactions for forming a partnership**, admitting new partners, and distributing net income among partners, including identification of federal income tax forms for partnerships.

- 5.3 Incorporation: Analyze **practices and forms related to the start-up of a corporation**, including stock subscriptions, dividends declaration, dividend payment, capital acquisition, and treasury stock. Examine **income tax filing requirements for corporations** and note **SEC (U.S. Securities and Exchange Commission) requirements** for expansion of existing stocks in the process.
- 5.4 Franchising: Examine the process companies use to **expand into a franchising business** and the process franchisees use to **buy into the franchise**. Analyze the financial obligations associated with franchised businesses for both the franchisor and franchisee.

6. Business Ethics

- 6.1 Codes of Ethics: Investigate and synthesize **codes of ethics from professional organizations** in accounting, personal finance, and banking and GAAP (Generally Accepted Accounting Principles).
- 6.2 Ethical Dilemmas and Professional Conduct: Examine real-world situations that involve **ethical dilemmas** and the **application of correct professional conduct** and analyze the importance of ethics and professional standards in accounting.

Standards Alignment Notes

*References to other standards include:

- P21: Partnership for 21st Century Skills [Framework for 21st Century Learning](#) o Note: While not all standards are specifically aligned, teachers will find the framework helpful for setting expectations for student behavior in their classroom and practicing specific career readiness skills.