

# **TRUMBULL PUBLIC SCHOOLS**

**Trumbull, Connecticut**

## **H CCP PRINCIPLES OF FINANCIAL ACCOUNTING**

**Grades 11-12**

**Business Education Department**

**2020**

**(Last revision date: 2011)**

### **Curriculum Writing Team**

**Christina Rusate**

**Department Chair**

**Katelyn Southard**

**Teacher**

**Jonathan S. Budd, Ph.D.**

**Assistant Superintendent**

**H CCP Principles of Financial Accounting**  
**Grades 11-12**  
**Table of Contents**

Core Values & Beliefs .....	2
Introduction & Philosophy .....	2
Course Goals.....	2
Course Enduring Understandings .....	3
Course Essential Questions.....	3
Course Knowledge & Skills.....	3
Course Syllabus .....	5
Unit 1: The Financial Statements .....	7
Unit 2: Transaction Analysis .....	8
Unit 3: Internal Control and Cash .....	10
Unit 4: Current Assets .....	11
Unit 5: Inventory and Cost of Goods Sold .....	12
Unit 6: Plant Assets .....	13
Unit 7: Liabilities .....	15
Unit 8: Stakeholders' Equity .....	17
Unit 9: Accounting Software Systems .....	19
Unit 10: Statement of Cash Flows .....	21
Course Credit .....	22
Prerequisites .....	22
Assured Student Performance Rubrics .....	22

The Trumbull Board of Education promotes non-discrimination in all of its programs, including educational opportunities and services provided to students, student assignment to schools and classes, and educational offerings and materials.

## CORE VALUES AND BELIEFS

The Trumbull High School community engages in an environment conducive to learning which believes that all students will **read and write effectively**, therefore communicating in an articulate and coherent manner. All students will participate in activities **that present problem-solving through critical thinking**. Students will use technology as a tool applying it to decision making. We believe that by fostering self-confidence, self-directed and student-centered activities, we will promote **independent thinkers and learners**. We believe **ethical conduct** to be paramount in sustaining the welcoming school climate that we presently enjoy.

Approved 8/26/2011

## INTRODUCTION & PHILOSOPHY

Accounting is an essential aspect of every business institution and organization. As future workers, small business owners, or entrepreneurs, students who understand basic accounting principles will more knowledgeably manage their companies' financial resources. As citizens, future parents, and investors, students will then be better prepared to make economic decisions that will affect their communities and to make financial decisions that will affect their own financial futures.

H CCP Principles of Financial Accounting is an honors-level course that provides a deeper understanding of accounting topics and develops the student's knowledge and ability in the accounting field. This course is the second step of a two-year accounting pathway and follows the syllabus and requirements of an accounting course at Housatonic Community College. This course is essential for students considering a business and/or accounting degree in college. Students will continue the study of the basic principles and procedures of the accounting process as it relates to the recording, measurement, and communications of a business entity's financial data. Students will benefit from learning material through a hands-on approach via spreadsheets, simulations, and projects.

## COURSE GOALS

The following Course Goals derive from the 2007 National Standards for Business Education.

NSBE.Accounting.I (The Accounting Profession)	Understand the role that accountants play in business and society.
NSBE.Accounting.III (Financial Analysis)	Assess the financial condition and operating results of a company and analyze and interpret financial statements and information to make informed business decisions.
NSBE.Accounting.IV (Accounting Principles)	Identify and describe generally accepted accounting principles (GAAP), and explain how the application of GAAP impacts the recording of financial transactions and the preparation of financial statements.

NSBE.Accounting.V  
(Accounting Process) Complete the steps in the accounting cycle in order to prepare financial statements.

NSBE.Accounting.VI  
(Interpretation and Use of Data) Use planning and control principles to evaluate the performance of an organization . . . .

The following Course Goal derives from the 2014 CSDE Business and Finance Technology Education Frameworks for Accounting.

Content Standard 4  
(Financial Reports) Develop an understanding and working knowledge of financial statements.

The following course goals derive from the 2010 Connecticut Core Standards.

CCS.MP.5 Use appropriate tools strategically.

CCS.MP.6 Attend to precision.

CCS.HSN-Q.1 Use units as a way to understand problems and to guide the solution of multi-step problems . . . .

The following course goal derives from the 2016 International Society for Technology in Education Standards.

ISTE Computational Thinker  
(Standard 5) Students develop and employ strategies for understanding and solving problems in ways that leverage the power of technological methods to develop and test solutions.

## **COURSE ENDURING UNDERSTANDINGS**

Students will understand that . . .

- accounting professionals must be able to understand, interpret, and use accounting information to make financial decisions.
- the accounting process is an integral aspect of all business activities.

## **COURSE ESSENTIAL QUESTIONS**

- Why do businesses follow generally accepted accounting principles (GAAP)?
- How are financial statements essential to making business decisions?
- How does ethics play a role in business decisions?
- How are companies financially evaluated by potential investors?

## **COURSE KNOWLEDGE & SKILLS**

Students will know . . .

- required accounting principles for corporations.

- the role of various financial reports in making business decisions.

Students will be able to . . .

- prepare accounting records for a business organized as a corporation.
- create financial reports for a business organized as a corporation.
- compute various financial ratios.
- analyze financial statements of a business to develop strategies with regard to the financial outlook of the business.

# COURSE SYLLABUS

## Course Name

H CCP Principles of Financial Accounting

## Level

Honors

## Prerequisites

Grade of B or better in Accounting I, and teacher recommendation

## Materials Required

None

## General Description of the Course

Students will expand on the skills successfully learned in Accounting I. Students will continue the study of the basic principles and procedures of the accounting process as it relates to the recording, measurement, and communications of a business entry's financial data. The course follows the syllabus and requirements of an accounting course at Housatonic Community College. This course is essential for students considering a business and/or accounting degree in college.

## Assured Assessments

Formative Assessments:

- Hands-on applications (Units 1, 2, 4, 5, 6, 8)

Summative Assessments:

- "10K Annual Report" (Unit 1)
- "Music Concert Partner Project" (Unit 2)
- "Accounting Scandals Group Project" (Unit 3)
- "Finance Board Meeting" (Unit 5)
- "The Adviser: Picking the Right Depreciation" (Unit 6)
- "Understanding Long-Term Debt: A WebQuest Activity" (Unit 7)
- "Company Analysis of Stockholders' Equity" (Unit 8)
- Brooke's Books Simulations (Units 8, 9)
- "Lawn Mowing: Creating a Cash Flow Statement" (Unit 10)
- "Cash Flow Company Comparison" (Unit 10)

## Core Texts

- "The Adviser: Picking the Right Depreciation."  
<https://www.startheregoplaces.com/teacher/classroom-resources/adviser-picking-right-depreciation/>. Accessed September 14, 2020. Web.
- *Brooke's Books Advanced Accounting 2019-20*. n.p.: Crunched, 2019. Print.
- Microsoft Excel / Google Sheets
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *Financial Accounting*. 12<sup>th</sup> ed. New York: Pearson, 2019. Print.

- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *MyLab Accounting*. New York: Pearson, 2019. Web.
- “Understanding Long-Term Debt: A WebQuest Activity.”  
<https://www.startheregoplaces.com/teacher/classroom-resources/understanding-long-term-debt/>. Accessed September 14, 2020. Web.

# UNIT 1

## The Financial Statements

### Unit Goals

At the completion of this unit, students will:

CSDE.Content Standard 4 (Financial Reports)	Explain and analyze the information provided in each financial statement and how the statements relate.
NSBE.Accounting.IV (Accounting Principles)	Describe and explain the conceptual framework of accounting and generally accepted accounting principles and assumptions.
ISTE Computational Thinker (Standard 5)	Use spreadsheets to prepare and compute financial statements.

### Unit Essential Questions

- Why do businesses follow generally accepted accounting principles (GAAP)?
- How are the income statement, balance sheet, statement of retained earnings, and statement of cash flows essential to making business decisions?

### Scope and Sequence

1. Basic accounting principles, assumptions, and concepts
2. Applying the accounting equation
3. Constructing the financial statements

### Assured Assessments

- Hands-on application of constructing financial statements via spreadsheet program
- “10K Annual Report”

### Resources

#### Core

- Microsoft Excel / Google Sheets
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *Financial Accounting*. 12<sup>th</sup> ed. New York: Pearson, 2019. Print.
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *MyLab Accounting*. New York: Pearson, 2019. Web.

#### Supplemental

- *Yahoo! Finance*. <https://finance.yahoo.com/>. Accessed September 14, 2020. Web.

### Time Allotment

- Approximately 2 weeks

## UNIT 2

### Transaction Analysis

#### Unit Goals

At the completion of this unit, students will:

NSBE.Accounting.V (Accounting Process)	Describe and explain how business transactions impact the accounting equation.
NSBE.Accounting.V (Accounting Process)	Apply the double-entry system of accounting to record business transactions and prepare a trial balance.
NSBE.Accounting.V (Accounting Process)	Explain the need for adjusting and closing entries and record adjusting and closing entries.
NSBE.Accounting.IV (Accounting Principles)	Distinguish between the accrual basis of accounting and the cash basis of accounting, and discuss the impact each has on the financial statement.
NSBE.Accounting.III (Financial Analysis)	Assess liquidity and solvency by calculating and interpreting financial ratios.
ISTE Computational Thinker (Standard 5)	Use formulas to compute financial ratios.

#### Unit Essential Questions

- How do transactions affect the accounting equation?
- What defines an asset, a liability, and an owner's equity account?
- How do transactions impact the financial condition of a company?
- What is the impact of adjusting entries on financial statements?
- Why is it important to close the books at the end of an accounting period?
- How can ratios be used to evaluate a company's financial position?

#### Scope and Sequence

1. Identifying business transactions
2. The three basic types of accounts
3. Double-entry accounting recording transactions
4. Recording transactions
5. The Trial Balance
6. Accrual vs. cash-based accounting
7. Revenue and expense recognition principles
8. Adjusting the accounts
9. Closing the books
10. Accounting ratios to analyze debt-paying ability

## **Assured Assessments**

### Formative Assessment:

- Hands-on application of journaling business transactions
- “Music Concert Partner Project”

## **Resources**

### Core

- Microsoft Excel / Google Sheets
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *Financial Accounting*. 12<sup>th</sup> ed. New York: Pearson, 2019. Print.
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *MyLab Accounting*. New York: Pearson, 2019. Web.

### Supplemental

- *Yahoo! Finance*. <https://finance.yahoo.com/>. Accessed September 14, 2020. Web.

## **Time Allotment**

- Approximately 5 weeks

## UNIT 3

### Internal Control and Cash

#### Unit Goals

At the completion of this unit, students will:

NSBE.Accounting.I  
(The Accounting Profession)

Explain the need for a code of ethics in accounting and the ethical responsibilities required of accountants.

NSBE.Accounting.VI  
(Interpretation and Use of Data)

Identify and apply internal control procedures used to safeguard assets and ensure the integrity of the accounting information system.

#### Unit Essential Questions

- Why are strong internal controls important for a business?
- How do internal controls protect the finances of a business?

#### Scope and Sequence

1. Fraud and ethics
2. Components of internal control
3. Internal control procedures
4. Preparing bank reconciliations
5. Controlling cash receipts and cash payments

#### Assured Assessments

- “Accounting Scandals Group Project”

#### Resources

##### Core

- Microsoft Excel / Google Sheets
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *Financial Accounting*. 12<sup>th</sup> ed. New York: Pearson, 2019. Print.
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *MyLab Accounting*. New York: Pearson, 2019. Web.

##### Supplemental

- *Yahoo! Finance*. <https://finance.yahoo.com/>. Accessed September 14, 2020. Web.

#### Time Allotment

- Approximately 4 weeks

## UNIT 4 Current Assets

### Unit Goals

At the completion of this unit, students will:

NSBE.Accounting.IV (Accounting Principles)	Record transactions for accounts receivable, including uncollectible accounts and write-offs.
NSBE.Accounting.III (Financial Analysis)	Assess liquidity by calculating and interpreting financial ratios.
ISTE Computational Thinker (Standard 5)	Use formulas to compute financial ratios.

### Unit Essential Questions

- What are the risks and the rewards of a company investing in marketable securities?
- Why is it important to account for and control accounts receivable?
- How do companies manage the risk of not collecting accounts receivable?

### Scope and Sequence

1. Short-term investments
2. Accounts and notes receivable
3. Accounting for uncollectible receivables
4. Speeding up cash flow from receivables
5. Evaluating liquidity with key ratios regarding receivables

### Assured Assessments

- Hands-on application of recording transactions, calculating ratios, and analyzing results

### Resources

#### Core

- Microsoft Excel / Google Sheets
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *Financial Accounting*. 12<sup>th</sup> ed. New York: Pearson, 2019. Print.
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *MyLab Accounting*. New York: Pearson, 2019. Web.

#### Supplemental

- *Yahoo! Finance*. <https://finance.yahoo.com/>. Accessed September 14, 2020. Web.

### Time Allotment

- Approximately 4 weeks

## UNIT 5

### Inventory and Cost of Goods Sold

#### Unit Goals

At the completion of this unit, students will:

NSBE.Accounting.IV (Accounting Principles)	Determine the cost of inventory for a merchandising business, and apply appropriate valuation methods.
NSBE.Accounting.IV (Accounting Principles)	Explain the difference between the periodic and perpetual inventory methods.
NSBE.Accounting.III (Financial Analysis)	Assess profitability, liquidity, and solvency by calculating and interpreting financial ratios.
ISTE Computational Thinker (Standard 5)	Use formulas to compute financial ratios.

#### Unit Essential Questions

- How do managers use inventory information to make business decisions?
- How does maintaining an adequate amount of merchandise inventory impact a business?
- How do the various inventory costing methods impact financial statements?

#### Scope and Sequence

1. Accounting for inventory
2. Inventory costing
3. Accounting principles related to inventory
4. Reporting inventory on financial statements
5. Evaluating gross profit margin and inventory turnover

#### Assured Assessments

- Hands-on application of calculating various inventory costing methods
- “Finance Board Meeting”

#### Resources

##### Core

- Microsoft Excel / Google Sheets
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *Financial Accounting*. 12<sup>th</sup> ed. New York: Pearson, 2019. Print.
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *MyLab Accounting*. New York: Pearson, 2019. Web.

##### Supplemental

- *Yahoo! Finance*. <https://finance.yahoo.com/>. Accessed September 14, 2020. Web.

#### Time Allotment

- Approximately 6 weeks

## UNIT 6 Plant Assets

### Unit Goals

At the completion of this unit, students will:

NSBE.Accounting.IV (Accounting Principles)	Describe the criteria used to distinguish between capital expenditures and revenue expenditures.
NSBE.Accounting.IV (Accounting Principles)	Determine the costs of property, plant, and equipment.
NSBE.Accounting.IV (Accounting Principles)	Identify, calculate, and record depreciation.
ISTE Computational Thinker (Standard 5)	Use spreadsheets to compute depreciation tables.

### Unit Essential Questions

- How are financial statements impacted if a transaction is improperly classified as a capital expenditure versus an expense?
- What happens to the balance sheet when assets lose their value?
- How are assets disposed of?

### Scope and Sequence

1. Types of assets
2. Depreciation methods
3. Depreciation for tax purposes
4. Accounting for disposal of depreciated assets

### Assured Assessments

- Hands-on application of calculating various depreciation methods
- “The Adviser: Picking the Right Depreciation”

### Resources

#### Core

- Microsoft Excel / Google Sheets
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *Financial Accounting*. 12<sup>th</sup> ed. New York: Pearson, 2019. Print.
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *MyLab Accounting*. New York: Pearson, 2019. Web.
- “The Adviser: Picking the Right Depreciation.”  
<https://www.startheregoplaces.com/teacher/classroom-resources/adviser-picking-right-depreciation/>. Accessed September 14, 2020. Web.

## Supplemental

- *American Greed: Inside the WorldCom Scam*. CNBC, February 28, 2020, <https://www.youtube.com/watch?v=juebYwvU91o&feature=youtu.be>. Accessed September 14, 2020. Web.
- Beresford, Dennis R., Nicholas deB. Katzenbach, and C.B. Rogers, Jr. *Report of Investigation by the Special Investigative Committee of the Board of Directors of WorldCom, Inc.* March 31, 2003. <https://www.sec.gov/Archives/edgar/data/723527/000093176303001862/dex991.htm>. Accessed September 14, 2020. Web.
- Hayes, Adam. "The Rise and Fall of WorldCom." Investopedia, May 5, 2020. <https://www.investopedia.com/terms/w/worldcom.asp>. Accessed September 14, 2020. Web.
- Kottasova, Ivana. "7 of the Biggest Corporate Scandals." CNN Money, October 14, 2015. <https://money.cnn.com/gallery/news/2015/10/14/biggest-corporate-scandals/index.html>. Accessed September 14, 2020. Web.
- Obringer, Lee Ann. "How Cooking the Books Works." August 16, 2005. <https://money.howstuffworks.com/cooking-books9.htm>. Accessed September 14, 2020. Web.
- Tharp, Paul. "\$1.7B Trash Heap – Waste Management Inflated Profits: SEC." *New York Post*, March 27, 2002. <https://nypost.com/2002/03/27/1-7b-trash-heap-waste-management-inflated-profits-sec/>. Accessed September 14, 2020. Web.
- *Yahoo! Finance*. <https://finance.yahoo.com/>. Accessed September 14, 2020. Web.

## **Time Allotment**

- Approximately 5 weeks

## UNIT 7

### Liabilities

#### Unit Goals

At the completion of this unit, students will:

NSBE.Accounting.IV (Accounting Principles)	Determine the initial valuation of long-term debt instruments and their impact on financial statements.
NSBE.Accounting.IV (Accounting Principles)	Record transactions for long-term debt instruments.
CCS.MP.5	Use appropriate tools strategically.
CCS.MP.6	Attend to precision.
CCS.HSN-Q.1	Analyze the impact of long-term liabilities on a business.

#### Unit Essential Questions

- What is the impact of financing a company with debt versus equity?
- How are income statements and balance sheets impacted by long-term debt?

#### Scope and Sequence

1. Current liabilities of known amounts
  - a. Key ratios for liabilities
2. Estimated current liabilities
3. Financing with debt
4. Long-term liabilities
5. Reporting liabilities

#### Assured Assessments

- “Understanding Long-Term Debt: A WebQuest Activity”

#### Resources

##### Core

- Microsoft Excel / Google Sheets
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *Financial Accounting*. 12<sup>th</sup> ed. New York: Pearson, 2019. Print.
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *MyLab Accounting*. New York: Pearson, 2019. Web.
- “Understanding Long-Term Debt: A WebQuest Activity.” <https://www.startheregoplaces.com/teacher/classroom-resources/understanding-long-term-debt/>. Accessed September 14, 2020. Web.

### Supplemental

- *Yahoo! Finance*. <https://finance.yahoo.com/>. Accessed September 14, 2020. Web.

### **Time Allotment**

- Approximately 4 weeks

## **UNIT 8**

### **Stockholders' Equity**

#### **Unit Goals**

At the completion of this unit, students will:

NSBE.Accounting.III (Financial Analysis)	Compare and contrast debt and equity financing, and explain the impact on financial statements.
NSBE.Accounting.IV (Accounting Principles)	Record equity-related transactions.
NSBE.Accounting.IV (Accounting Principles)	Explain how the acquisition and sale of a company's own stock affects its financial statements.
ISTE Computational Thinker (Standard 5)	Use spreadsheets to track stocks and calculate financial ratios to evaluate companies.

#### **Unit Essential Questions**

- What are the benefits of forming a corporation?
- Why do companies sell stock?
- Why do companies pay dividends?

#### **Scope and Sequence**

1. Organizing a corporation
  - a. Stockholders' rights, equity
2. Accounting for the issuance of stock
3. Treasury stocks
4. Accounting for retained earnings and dividends

#### **Assured Assessments**

- Hands-on application of stock tracking via spreadsheets and evaluation of stocks
- "Company Analysis of Stockholders' Equity"
- Brooke's Books Simulation

#### **Resources**

##### Core

- Microsoft Excel / Google Sheets
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *Financial Accounting*. 12<sup>th</sup> ed. New York: Pearson, 2019. Print.
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *MyLab Accounting*. New York: Pearson, 2019. Web.
- *Brooke's Books Advanced Accounting 2019-20*. n.p.: Crunched, 2019. Print.

### Supplemental

- *Yahoo! Finance*. <https://finance.yahoo.com/>. Accessed September 14, 2020. Web.

### **Time Allotment**

- Approximately 5 weeks

## UNIT 9

### Accounting Software Systems

#### Unit Goals

At the completion of this unit, students will:

NSBE.Accounting.V (Accounting Process)	Apply the double-entry system of accounting to record business transactions and prepare a trial balance.
NSBE.Accounting.IV (Accounting Principles)	Record transactions for accounts receivable.
NSBE.Accounting.IV (Accounting Principles)	Determine the cost of inventory for a business.
NSBE.Accounting.IV (Accounting Principles)	Identify, calculate, and record depreciation.
NSBE.Accounting.IV (Accounting Principles)	Record transactions for long-term debt instruments.
NSBE.Accounting.IV (Accounting Principles)	Record equity-related transactions.
CCS.MP.5	Use appropriate tools strategically.
CCS.MP.6	Attend to precision.
CCS.HSN-Q.1	Use income statements and balance sheets as ways to understand a company's financial position.
ISTE Computational Thinker (Standard 5)	Use formulas to compute financial ratios.

#### Unit Essential Questions

- What do the finances of a new business look like?
- How do businesses use accounting software to manage their finances?

#### Scope and Sequence

1. Setting up accounting software systems
2. Starting capital, fixed assets, and beginning balances
3. Recording accounts payable and operating expenses,
  - a. Payment terms, aging schedules, checkbook disbursements
4. Sales revenue and accounts receivable
  - a. Inventory adjustments and cost of goods sold tracking
  - b. Receiving customer payments and posting deposits
  - c. Wholesale revenue vs. e-commerce revenue

5. Employees, payroll administration, taxes, and liabilities
6. Inventory, cost of goods sold
7. Prepaids, accruals, depreciation, and adjustments
8. Financial reporting

### **Assured Assessments**

- Brooke's Books Simulation

### **Resources**

#### Core

- *Brooke's Books Advanced Accounting 2019-20*. n.p.: Crunched, 2019. Print.

#### Supplemental

- *Yahoo! Finance*. <https://finance.yahoo.com/>. Accessed September 14, 2020. Web.

### **Time Allotment**

- Approximately 2 weeks

## UNIT 10

### Statement of Cash Flows

#### Unit Goals

At the completion of this unit, students will:

NSBE.Accounting.III (Financial Analysis)	Use the statement of cash flow to analyze business activities.
NSBE.Accounting.III (Financial Analysis)	Analyze cash flow from operating activities to assess profitability and liquidity.
CCS.MP.5	Use appropriate tools strategically.
CCS.MP.6	Attend to precision.
CCS.HSN-Q.1	Use cash flow statements as ways to understand a company's financial position.

#### Unit Essential Questions

- How do managers evaluate cash flow statements to make business decisions?
- How can cash flow statements be used to predict future cash flows?
- How do cash flow statements show the relationship to net income to cash flows?

#### Scope and Sequence

1. Purpose of the statement of cash flows
2. Distinguishing among operating, investing, and financing cash flow activities
3. Preparing a statement of cash flows via the indirect method

#### Assured Assessments

- “Lawn Mowing: Creating a Cash Flow Statement”
- “Cash Flow Company Comparison”

#### Resources

##### Core

- Microsoft Excel / Google Sheets
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *Financial Accounting*. 12<sup>th</sup> ed. New York: Pearson, 2019. Print.
- Thomas, C. William, Wendy M. Tietz, Walter T. Harrison, Jr., and Charles T. Horngren. *MyLab Accounting*. New York: Pearson, 2019. Web.

##### Supplemental

- *Yahoo! Finance*. <https://finance.yahoo.com/>. Accessed September 14, 2020. Web.

#### Time Allotment

- Approximately 3 weeks

## **COURSE CREDIT**

One credit in STEM  
One class period daily for a full year

## **PREREQUISITES**

Open to students in grades 11-12 with a grade of B or better in Accounting I, and teacher recommendation

## **ASSURED STUDENT PERFORMANCE RUBRICS**

- Trumbull High School School-Wide Reading Rubric (attached)
- Trumbull High School School-Wide Problem-Solving Rubric (attached)
- Trumbull High School School-Wide Independent Learning and Thinking Rubric (attached)
- H CCP Principles of Financial Accounting 10K Annual Report (attached)
- H CCP Principles of Financial Accounting Music Concert Partner Project (attached)
- H CCP Principles of Financial Accounting Accounting Scandals Group Project & Rubric (attached)
- H CCP Principles of Financial Accounting Finance Board Meeting (attached)
- H CCP Principles of Financial Accounting Company Analysis of Stockholders' Equity (attached)
- H CCP Principles of Financial Accounting Lawn Mowing: Creating a Cash Flow Statement (attached)

## Trumbull High School School-Wide Reading Rubric

Category/ Weight	Exemplary 4 Student work:	Goal 3 Student work:	Working Toward Goal 2 Student work:	Needs Support 1-0 Student work:
Respond X_____	<ul style="list-style-type: none"> <li>• Demonstrates exceptional understanding of text by:               <ul style="list-style-type: none"> <li>○ Clearly identifying the purpose of the text</li> <li>○ Providing initial reaction richly supported by text</li> <li>○ Providing a perceptive interpretation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates understanding of text by:               <ul style="list-style-type: none"> <li>○ Identifying the fundamental purpose of the text</li> <li>○ Providing initial reaction supported by text</li> <li>○ Providing a clear/straightforward interpretation of the text</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates general understanding of text by:               <ul style="list-style-type: none"> <li>○ Partially identifying the purpose of the text</li> <li>○ Providing initial reaction supported by text</li> <li>○ Providing a superficial interpretation of the text</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates limited or no understanding of text by:               <ul style="list-style-type: none"> <li>○ Not identifying the purpose of the text</li> <li>○ Providing initial reaction not supported by text</li> <li>○ Providing an interpretation not supported by the text</li> </ul> </li> </ul>
Interpret X_____	<ul style="list-style-type: none"> <li>• Demonstrates exceptional interpretation of text by:               <ul style="list-style-type: none"> <li>○ Extensively reshaping, reflecting, revising, and/or deepening initial understanding</li> <li>○ Constructing insightful and perceptive ideas about the text</li> <li>○ Actively raising critical questions and exploring multiple interpretations of the text</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates ability to interpret text by:               <ul style="list-style-type: none"> <li>○ Reshaping, reflecting, revising, and/or deepening initial understanding</li> <li>○ Summarizing main ideas of text</li> <li>○ Actively interpreting text by raising questions and looking for answers in text</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates general ability to interpret text by:               <ul style="list-style-type: none"> <li>○ Guided reflection and/or revision of initial understanding</li> <li>○ Summarizing some of the main ideas of text</li> <li>○ Guided interpretation of text by locating answers to given questions in text</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates limited ability to interpret text as evidenced by:               <ul style="list-style-type: none"> <li>○ Struggle to implement guided reflection and/or revision of initial understanding</li> <li>○ Struggle to summarize any main ideas of text</li> <li>○ Struggle to answer questions by locating responses in text</li> </ul> </li> </ul>
Connect X_____	<ul style="list-style-type: none"> <li>• Demonstrates perceptive connections               <ul style="list-style-type: none"> <li>○ text-to-text</li> <li>○ text-to-self</li> <li>○ text-to-world</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates specific connections               <ul style="list-style-type: none"> <li>○ text-to-text</li> <li>○ text-to-self</li> <li>○ text-to-world</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates general connections               <ul style="list-style-type: none"> <li>○ text-to-text</li> <li>○ text-to-self</li> <li>○ text-to-world</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Struggles to make connections               <ul style="list-style-type: none"> <li>○ text-to-text</li> <li>○ text-to-self</li> <li>○ text-to-world</li> </ul> </li> </ul>
Evaluate X_____	<ul style="list-style-type: none"> <li>• Demonstrates insightful evaluation of text by one or more of the following:               <ul style="list-style-type: none"> <li>○ Critical analysis to create a conclusion supported by the text</li> <li>○ Perceptive judgments about the quality of the text</li> <li>○ Synthesis of text</li> <li>○ Expression of a personal opinion</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates an evaluation of text by one or more of the following:               <ul style="list-style-type: none"> <li>○ Critical analysis to form a conclusion from the text</li> <li>○ Thoughtful judgments about the quality of the text</li> <li>○ Evaluation of text to express personal opinion(s)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates a general evaluation of text by one or more of the following:               <ul style="list-style-type: none"> <li>○ Formulation of a superficial conclusion from the text</li> <li>○ Assessment of the quality of the text</li> <li>○ Use of text to express personal opinion(s)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates a struggle to evaluate text by one or more of the following:               <ul style="list-style-type: none"> <li>○ Formulation of a conclusion from the text</li> <li>○ Assessment of the quality of the text</li> <li>○ Use of text to express personal opinion(s)</li> </ul> </li> </ul>

## Trumbull High School School-Wide Problem-Solving Rubric

Category/ Weight	Exemplary 4	Goal 3	Working Toward Goal 2	Needs Support 1-0
Understanding X_____	<ul style="list-style-type: none"> <li>• Student demonstrates clear understanding of the problem and the complexities of the task</li> </ul>	<ul style="list-style-type: none"> <li>• Student demonstrates sufficient understanding of the problem and most of the complexities of the task</li> </ul>	<ul style="list-style-type: none"> <li>• Student demonstrates some understanding of the problem but requires assistance to complete the task</li> </ul>	<ul style="list-style-type: none"> <li>• Student demonstrates limited or no understanding of the fundamental problem after assistance with the task</li> </ul>
Research X_____	<ul style="list-style-type: none"> <li>• Student gathers compelling information from multiple sources including digital, print, and interpersonal</li> </ul>	<ul style="list-style-type: none"> <li>• Student gathers sufficient information from multiple sources including digital, print, and interpersonal</li> </ul>	<ul style="list-style-type: none"> <li>• Student gathers some information from few sources including digital, print, and interpersonal</li> </ul>	<ul style="list-style-type: none"> <li>• Student gathers limited or no information</li> </ul>
Reasoning and Strategies X_____	<ul style="list-style-type: none"> <li>• Student demonstrates strong critical thinking skills to develop a comprehensive plan integrating multiple strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Student demonstrates sufficient critical thinking skills to develop a cohesive plan integrating strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Student demonstrates some critical thinking skills to develop a plan integrating some strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Student demonstrates limited or no critical thinking skills and no plan</li> </ul>
Final Product and/or Presentation X_____	<ul style="list-style-type: none"> <li>• Solution shows deep understanding of the problem and its components</li> <li>• Solution shows extensive use of 21<sup>st</sup>-century technology skills</li> </ul>	<ul style="list-style-type: none"> <li>• Solution shows sufficient understanding of the problem and its components</li> <li>• Solution shows sufficient use of 21<sup>st</sup>-century technology skills</li> </ul>	<ul style="list-style-type: none"> <li>• Solution shows some understanding of the problem and its components</li> <li>• Solution shows some use of 21<sup>st</sup>-century technology skills</li> </ul>	<ul style="list-style-type: none"> <li>• Solution shows limited or no understanding of the problem and its components</li> <li>• Solution shows limited or no use of 21<sup>st</sup>-century technology skills</li> </ul>

## Trumbull High School School-Wide Independent Learning and Thinking Rubric

Category/ Weight	Exemplary 4	Goal 3	Working Toward Goal 2	Needs Support 1-0
Proposal X_____	<ul style="list-style-type: none"> <li>• Student demonstrates a strong sense of initiative by generating compelling questions, creating uniquely original projects/work</li> </ul>	<ul style="list-style-type: none"> <li>• Student demonstrates initiative by generating appropriate questions, creating original projects/work</li> </ul>	<ul style="list-style-type: none"> <li>• Student demonstrates some initiative by generating questions, creating appropriate projects/work</li> </ul>	<ul style="list-style-type: none"> <li>• Student demonstrates limited or no initiative by generating few questions and creating projects/work</li> </ul>
Independent Research & Development X_____	<ul style="list-style-type: none"> <li>• Student is analytical, insightful, and works independently to reach a solution</li> </ul>	<ul style="list-style-type: none"> <li>• Student is analytical, and works productively to reach a solution</li> </ul>	<ul style="list-style-type: none"> <li>• Student reaches a solution with direction</li> </ul>	<ul style="list-style-type: none"> <li>• Student is unable to reach a solution without consistent assistance</li> </ul>
Presentation of Final Product X_____	<ul style="list-style-type: none"> <li>• Presentation shows compelling evidence of an independent learner and thinker</li> <li>• Solution shows deep understanding of the problem and its components</li> <li>• Solution shows extensive and appropriate application of 21<sup>st</sup>-century skills</li> </ul>	<ul style="list-style-type: none"> <li>• Presentation shows clear evidence of an independent learner and thinker</li> <li>• Solution shows adequate understanding of the problem and its components</li> <li>• Solution shows adequate application of 21<sup>st</sup>-century skills</li> </ul>	<ul style="list-style-type: none"> <li>• Presentation shows some evidence of an independent learner and thinker</li> <li>• Solution shows some understanding of the problem and its components</li> <li>• Solution shows some application of 21<sup>st</sup>-century skills</li> </ul>	<ul style="list-style-type: none"> <li>• Presentation shows limited or no evidence of an independent learner and thinker</li> <li>• Solution shows limited or no understanding of the problem and its components</li> <li>• Solution shows limited or no application of 21<sup>st</sup>-century skills</li> </ul>

## H CCP Principles of Financial Accounting 10K Annual Report

Student Name: \_\_\_\_\_

**Directions:** Pick a publicly traded company and view their most recent 10K. Answer the questions below using information from their most recent 10K.

- To start: do a Google search for: “[name of company] financial statements.”
- View their most recent *10K Annual Report*.
- In the Table of Contents, find “**ITEM 8: Financial Statements.**”

**Name of company:** \_\_\_\_\_

**Year of most recent 10K Annual Report:** \_\_\_\_\_

**Using the Income Statement, answer the questions below:**

1. What was the company’s total revenue for this year?
  - a. How did this compare to previous years?
2. What was the company’s net income for this year?
  - a. How did this compare to previous years?
3. If you were a potential investor of this company, why would you want to look at the Income Statement?

**Using the Balance Sheet, answer the questions below:**

1. List at least 2 items that are included in the company’s current assets and the dollar amount.
2. List at least 1 item that is included in the company’s long-term assets and the dollar amount.
3. Identify total ASSETS, LIABILITIES, AND OWNER’S EQUITY for the current year and write this in the form of the accounting equation (e.g.,  $40,000 = 15,000 + 25,000$ ).
4. Looking at the financial position of this company, how does this year compare to last year? Provide an answer discussing assets, liabilities, and shareholders’ equity.

---

### CURRENT EVENT #1

*Each month you will be following this company, reporting upon what is happening in the news. Find a current event article and write a summary below. (The summary should be at least 5 sentences.) Include the LINK for your current event.*

## **H CCP Principles of Financial Accounting**

### **Music Concert Partner Project (40 points)**

**Directions:** You and a partner are planning and promoting a music concert in your area. Your purpose is to earn a profit, so you need to establish the formal structure of a business entity. Assume you organize as a corporation.

**Requirements:** Use the provided Google Slides template to present your information.

1. Slide #1 (1 point):
  - a. Give a name for your musical concert
  
2. Slide #2 (2 points):
  - a. Pick at least 3 musical guests that will perform at your concert
  - b. Provide the location that will host your concert
  
3. Slide #3 (5 points): Make a detailed list of 10 additional factors to consider as you establish the business.
  
4. Slides #4-5 (10 points): Identify 10 transactions that your business can undertake to organize, promote, and stage the concert. Journalize these transactions.
  
5. Slide #6 (5 points): Post to the relevant T-Accounts.
  
6. Slides #7-8 (15 points): Prepare the income statement, statement of retained earnings, and balance sheet immediately after the concert → before you have had time to pay all the bills and to collect receivables.
  
7. Slide #9 (2 points): Assume that you will promote concerts if the venture is successful. If it is unsuccessful, you will terminate the business within three months after the concert. Provide a written response on how to evaluate the success of your venture and how to decide whether to continue in business.

## H CCP Principles of Financial Accounting Accounting Scandals Group Project



### Task:

- Imagine you are the lead investigator on an accounting fraud case. You've just closed the case, but need to relay the results to your department.
- Prepare a crime report to present to the department (class) with all the critical information about the case.

### Project Requirements:

- Company Overview:
  - Name & brief company description; background information about company
- Crime Scene:
  - Where it occurred
  - Why you believe the company was vulnerable to fraud
- Evidence:
  - What happened?
  - How did "they" do it?
  - How did "they" get caught?
- Suspects:
  - Who were the main players?
- Conclusion:
  - Results of the case
  - What were the penalties?
  - What can be done to prevent this from occurring in the future?

**\* Cite your sources; at least 2 different sources must be referenced and provided.**

**\* Presentation can be in the form of Google Slides, Flyer, Video, or Skit.**

## Accounting Scandals Group Project Rubric

Student Name(s): \_\_\_\_\_

Criteria	Points Possible	Points Received
Project Includes: <ul style="list-style-type: none"> <li>• Company Overview (5 points)</li> <li>• Crime Scene (3 points)</li> <li>• Suspects (5 points)</li> <li>• Evidence (10 points)</li> <li>• Conclusion (10 points)</li> </ul>	35	
<ul style="list-style-type: none"> <li>• Project contains evidence of thorough research and includes at least 2 source links – referenced and used</li> <li>• Material is professional; no spelling/grammar errors</li> </ul>	5	
Presentation: <ul style="list-style-type: none"> <li>• Displayed professionalism in delivering presentation</li> <li>• Utilized proper presentation skills:               <ul style="list-style-type: none"> <li>○ Eye contact</li> <li>○ Spoke clearly, comfortable pace; minimal filler words</li> </ul> </li> <li>• Presented information in logical manner; easy to follow</li> <li>• Discussed points beyond slides</li> <li>• Showed preparedness</li> <li>• Wrapped up presentation effectively</li> </ul>	10	
<b>TOTAL</b>	<b>50</b>	

## H CCP Principles of Financial Accounting Finance Board Meeting

Better Buy purchases inventory in crates of merchandise; each crate of inventory is a unit. The fiscal year of Better Buy ends January 31. Assume you are dealing with a single Better Buy store in San Diego, California. The San Diego store began 2012 with an inventory of 20,000 units that cost a total of \$1,000,000. During the year, the store purchased merchandise on account as follows:

July (32,000 units @ \$58)	\$1,856,000
November (52,000 units @ \$62)	\$3,224,000
December (62,000 units @ \$68)	\$4,216,000
<b>Total Purchases</b>	<b>\$</b>

During fiscal year 2012, the store sold 154,000 units of merchandise for \$14,784,000, of which \$5,000,000 was for cash and the balance on account.

- **Calculate the Cost of Goods Sold and Ending Inventory using each of the three methods below:**

	<b>FIFO</b>	<b>LIFO</b>	<b>Average Cost</b>
<b>COGS</b>			
<b>Ending</b>			

- **Journalize the purchase of inventory and sale of merchandise using average cost.**

Date	Account	Debit	Credit

Operating expenses for the year were \$2,750,000. Better Buy paid 70% in cash for operating expenses and the rest was credited as accrued liabilities. The store accrued income taxes at a rate of 40%. (Calculate net income and then take 40%.)

- **Journalize the payment of expenses and accrual of income taxes using income tax expense and income tax payable.**

Date	Account	Debit	Credit

- Prepare the store's income statement for the year ended January 31, 2012. Show totals for gross profit, income before tax, and net income after taxes.

<hr/> <hr/> <hr/>	

### **Finance Board Meeting Roles/Discussion Topics**

GROUP 1: Explain purchases made throughout the year, sales, and calculating the cost of goods sold using average cost method.

GROUP 2: Explain calculations of cost of goods sold using FIFO and LIFO. Would you recommend the company changing their costing method if possible?

GROUP 3: Explain the income statement generated.

GROUP 4: Below is the income statement for 2011. Compare this to the 2012 income statement and outline good/bad changes.

<b>Better Buy Income Statement For the Year Ended January 31, 2011</b>	
Sales Revenue	\$12,864,000
COGS	\$8,310,680
Gross Profit	\$4,553,320
Operating Expenses	\$3,300,000
Income Before Taxes	\$1,253,320
Income Tax Expense	\$501,328
Net Income	\$751,992

GROUP 5: Better Buy is looking to save on their income taxes. How much money would they save if they switched from average cost to LIFO?

GROUP 6: Better Buy is looking to increase net income for 2013. Provide some suggestions on how the company can do so.

GROUP 7: Explain ending inventory amounts: is this good or bad to leave this amount as unsold merchandise? Suggestions to improve this number?

GROUP 8: You and your partner are CEO and CFO. You have scheduled for this meeting to take place to discuss the company's financial position. You will start the meeting and provide a brief outline for how the meeting will run. [Visit each group to gain an understanding of what they will be discussing during the meeting; groups will present according to their group #]. You will also recap and close out the meeting upon ending.

## **H CCP Principles of Financial Accounting Company Analysis of Stockholders' Equity**

**Directions:** Prepare a slideshow presentation, outlining the following information as an analysis of your company's performance, specifically examining the stockholders' equity section of the balance sheet.

In conclusion, state whether or not you recommend this company as a successful investment to potential shareholders. Utilize the most recent Annual Report as well as current events and reputable sources to research your findings.

**MAKE SURE TO CITE ALL SOURCES! A Works Cited Page is required!**

---

### **PART ONE: COMPANY PROFILE**

1. **What is the name of your company?**
  
  2. **All about the CEO.**
    - Who is the CEO of the company?
    - How long has he or she been CEO?
    - If it is a family-run company, is the CEO part of the family? If not, what career path did the CEO take to get to the top? (Did he come from within the organization or from outside?)
    - How much did the CEO make in the most recent fiscal year?
    - How much stock in the company does the CEO own?
  
  3. **The Board of Directors**
    - How many members make up the board of directors of the company? What is the average length of time these members have served on the board?
    - How many of the directors are "inside" directors (i.e., employees or managers of the company)?
    - How many of the directors are CEOs of other companies?
  
  4. **Shares/Voting Structure**
    - Are there differences in voting rights across shares? Explain.
-

## **PART TWO: DEBT**

1. Determine how your company got its initial financial start in terms of debt (liabilities) and/or equity (capital). State the year in which the company was started.
    - a. How long after the company was started did it enter the stock market?
  2. What are the **CURRENT** types of financing that this company has used to raise funds? (Liabilities or equity financing?)
  3. Identify the type of industry your company falls into. Identify one major competitor.
    - a. What is your company's debt ratio? How does this compare to the industry average and your competitor?
- 

## **PART THREE: STOCKHOLDERS' EQUITY SECTION**

Use the most recent Annual Report and analyze the equity section of your company's balance sheet.

1. What is the balance in Common Stock and Preferred Stock (if applicable)?
    - a. How many shares are authorized/issued/outstanding?
  2. What is the balance in Retained Earnings? Has this balance increased or decreased from the previous year? What may have caused this change?
  3. Did your company buy back any stock within the past 5 years? If so, how much? What may have been their motive to currently buy back stock? If they have not repurchased within the past 5 years, has your company ever bought back their stock? If so, when, how much, and explain why.
    - a. If applicable, what is the current balance in Treasury Stock? Has this balance increased or decreased from the previous year?
  4. Calculate EPS and compare to 1 competitor. What does this number signify? Has this number increased or decreased from the previous year? What may have caused this change?
  5. Calculate P/E Ratio and compare to 1 competitor. What does this number signify? Has this number increased or decreased from the previous year? What may have caused this change?
  6. Did the company pay dividends in the most recent fiscal year? If so, how much? Has this number increased or decreased from the last time the company paid a dividend?
    - a. How does this firm's dividend policy compare to those of the competitor you identified above and to the rest of the market?
-

## **PART FOUR: STOCK TRACKING**

- Three companies you invested \$10,000 in: how many share of each did you buy, and at what price?
  - Graphs of progress
  - FINAL GAIN/LOSS number for each company and overall
  - Reasoning for investing in these three companies
- 

## **PART FIVE: RECOMMENDATION**

After thoroughly analyzing your company above as well as following its stocks and two additional companies, would you recommend someone investing in your main company? Use specific evidence from your research above, past current events explored, and new current events/research performed. Reference at least two current events and two pieces of information from Parts 1-4.

---

---

## **H CCP Principles of Financial Accounting**

### **Lawn Mowing: Creating a Cash Flow Statement**

**Directions:** Cash flow is one of the most important things for a business to pay attention to. Cash flow can be positive when income is more than the cost of expenses. Cash flow can be negative if expenses are more than the income of the business.

Assume you and a partner own a lawn mowing business. Use the following information to put together a positive cash flow by the end of the summer.

- You and your partner want to earn \$2,400 by the 31<sup>st</sup> of August.
  - You can each mow 2 lawns per day – one in the morning and one in the afternoon.
  - You charge \$15 per lawn.
  - School is out June 21st through August 31st, and those are the days that you can mow lawns.
  - You cannot mow lawns on the 4<sup>th</sup> of July, because it is a holiday.
  - The gasoline for each lawn mower is \$4.00 per gallon, and each mower holds 2 gallons.
  - A full tank of gas will last for 2 days of mowing.
  - Mowers need a tune up every 30 days.
  - A tune-up will cost \$200, and takes 2 days out of your schedule.
  - For every 3 customers who pay on time (the day that you mow their lawn), there is 1 customer who pays you 1 week later.
1. How many days do you have to work this summer to have a positive cash flow?
  2. How many days do you have to work this summer to earn \$2,400 by the 31<sup>st</sup> of August?
  3. Give your business a name.
  4. Create your Statement of Cash Flows as of August 31, 20-- if you both work morning and afternoon every day until August 31, 20-- (except for holidays). Prepare the heading of your statement using the business name.