

Accounting Standards and Objectives

I. The accounting cycle:

Complete and explain the purpose of the various steps in the accounting cycle.

1. Demonstrate an understanding of the accounting equation.
2. Classify items as assets, liabilities, or owner's equity.
3. Describe the purposes of the revenue, expense, and drawing accounts and illustrate their effects on owner's equity.
4. Analyze business transactions using source documents.
5. Explain the double-entry system of accounting (debits & credits)
6. Journalize business transactions.
7. Post journal entries into the ledger.
8. Prepare a trial balance, adjusting entries, and closing entries

II. The accounting process:

Apply accounting principles to determine the value of assets, liabilities, and owner's equity.

1. Explain the effect of assets, liabilities, and owner's equity on financial statements.
2. Prepare bank reconciliations and petty cash accounts.
3. Explain electronic funds transfers, atms, automated bill payments, and the use of debit and credit cards.
4. Maintain subsidiary ledgers and uncollectible accounts
5. Compare and evaluate inventory and depreciation.
6. Explain capital stock and retained earnings for a corporation.

III. Financial statements:

Prepare, interpret, and analyze financial statements using manual and computerized systems for service, merchandising, and manufacturing businesses.

1. Analyze the income statement and balance sheet.
2. Analyze cash flow.
3. Determine cost of goods sold and gross profit

IV. Special Applications:

Apply appropriate accounting principles to payroll, income taxation, managerial systems, and various forms of ownership.

1. Explain the 3 forms of business ownership.
2. Prepare and maintain payroll records.