

Catholic District School Board Writing Partnership

Course Profile

Introduction to Accounting

Grade 11
Workplace Preparation
BAI3E

• *for teachers by teachers*

This sample course of study was prepared for teachers to use in meeting local classroom needs, as appropriate. This is not a mandated approach to the teaching of the course. It may be used in its entirety, in part, or adapted.

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Acknowledgments

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Course Overview

Introduction to Accounting, Grade 11, Workplace Preparation, BAI3E

Course Description

This course introduces students to the use of accounting in business. Students study various types of businesses and business ownership, and the accounting procedures that are applied to each. Specifically, students record transactions, prepare financial statements, and analyse the process of cash management. They also examine the risks related to credit sales and the collection of debts. As well, students use accounting software.

How This Course Supports the Ontario Catholic School Graduate Expectations

The world of work, and more specifically, the world of accounting, lend themselves to the consideration of many economic and ethical issues in business that can draw upon the Catholic School Graduate Expectations as guiding principles. Leaders in education are directed by God to model Catholic behaviour and actions that would be expected of students when they enter the world of work.

Explanations of business terms such as assets, labour, revenue, and profits should parallel discussions of the intellectual, moral, emotional, and spiritual attributes that are also valued in the workplace. God directs us to encourage students to be responsible citizens who respect the environment and use resources wisely, and to lead students to be future collaborative contributors who find meaning, dignity, fulfillment, and vocation in work which contributes to the common good. The study of the many facets of business and the workplace must be based on the foundation of the Catholic School Graduate Expectations so that the leaders of tomorrow will provide leadership and contributions that not only consider economic growth, but that also serve and encourage moral and spiritual growth in individuals, the workplace and society as a whole.

Course Notes

Accounting is a process-driven pursuit. Students must learn the steps of the accounting cycle in a sequential manner. Teachers must ensure that students have mastered previous topics before progressing to new skills. Students need opportunities to practise and apply all skills learned and to receive constructive feedback on a regular basis. Teachers should follow a teach-practise-review-extend method of instruction. Once a new skill is taught, students should have the opportunity to practise the skill. The teacher should then review the material and extend the topic to include a new step. This process should continue throughout the course, and assessment opportunities should be provided on a continuous basis. Evaluation opportunities should include, among others, assignments, daily work completion, and unit tests.

Workplace preparation courses are designed to equip students with the knowledge and skills they need to meet the expectations of employers, should they plan to enter the workplace directly after graduation. Alternatively, workplace preparation courses also provide the requirements for admission to certain apprenticeship or other training programs. Students in Ontario secondary schools have the opportunity to apply what they learn in their courses through participation in various planned learning activities outside the classroom. Such learning activities increase students' awareness of educational and career opportunities and provide them with first-hand experience. This practical experience will help them make decisions about possible future careers and will assist them in making a successful transition from secondary school to the workplace or to an apprenticeship program.

This course could be integrated with a cooperative education program or be offered as part of a business studies program. Where possible, the course should include planned learning experiences connected to the workplace, such as job shadowing or presentations by local business people. See *Cooperative Education and Other forms of Experiential Learning, Policies and Procedures for Ontario secondary Schools, 2000* for more information about experiential learning.

Units: Titles and Times

* Unit 1	Introduction to the World of Accounting	20 hours
Unit 2	Revenue and Expenses	14 hours
Unit 3	The General Journal	20 hours
Unit 4	Worksheets and Closing Entries	16 hours
Unit 5	Accounts Payable and Accounts Receivable Ledgers	15 hours
Unit 6	Banking and Cash Management	10 hours
Unit 7	Accounting and You	15 hours

* This unit is fully developed in this Course Profile.

Unit Overviews

Unit 1: Introduction to the World of Accounting

Time: 20 hours

Unit Description

The first unit is important in introducing the major concepts in accounting such as the accounting equation and debit/credit theory. Students develop an understanding of the importance of the role of accounting in a business for financial control and decision making. The unit begins with an explanation of assets, liabilities, and owner's equity and their relationship within the accounting equation. Students then learn to organize these accounts into a balance sheet. The relevance of balance sheet ratios and analysis is explored using case studies. Students begin to develop accounting entry skills by using a transaction worksheet to record balance sheet transactions. Students progress to spreadsheets to record accounting entries electronically. Finally, students are introduced to debit and credit theory by recording balance sheet transactions on T-accounts and creating a trial balance.

If the co-op module is being used, this is an excellent time to employ a Job Shadowing Experience assignment. The assignment would include questions addressing the nature of accounting, an interview with an accountant in the industry and their career pathways, and a career panel with directed questions regarding the expectations.

Unit Overview Chart

Activity	Expectations	Assessment	Focus
1.1	WAV.01, CMV.03, WA1.01, AC1.01, CM3.01, CM3.03 CGE2b, 2c, 2e	Knowledge/Understanding Communication	Nature of Accounting The Accounting Equation
1.2	CMV.03, AC2.05, CM3.01, CM3.03 CGE2a, 2b	Knowledge/Understanding Application Thinking/Inquiry	The Balance Sheet
1.3	DMV.01, DMV.02, DMV.03, DM1.01, DM2.01 CGE2b, 2c, 2d, 3c, 4f	Thinking/Inquiry Communication Application	Analysis of the Balance Sheet

1.4	AC2.01 CGE2b, 2c	Knowledge/Understanding	Transaction Sheet
1.5	ACV.03, AC3.01 CGE2b, 2c	Application	Using Spreadsheets for Accounting
1.6	AC1.02, AC2.04 CGE2a, 2b, 3c	Knowledge/Understanding Communication Application	T-Accounts and Debit/Credit Theory Trial Balance
1.7	ACV.01, ACV.02, WA1.04, AC1.04 CGE2a, 2b, 2d	Knowledge/Understanding Thinking/Inquiry Communication Application	GAAP (Generally Accepted Accounting Principles) - the business entity - the cost principle - liquidity order - maturity date rule The Accounting Cycle

Unit 2: Revenue and Expenses

Time: 14 hours

Unit Description

Students are introduced to revenue and expense accounts and the income statement. By examining income statement ratios and analysis through case studies, students understand the importance of the income statement for decision making. Also through case studies, students understand the implications of cost overruns. Revenue and expense transactions are examined using T-accounts culminating with a discussion of the accounting cycle. The creation of income statements and balance sheets using a spreadsheet is explored.

Unit Overview Chart

Activity	Expectations	Assessment	Focus
2.1	AC2.05 CGE2a, 2b	Knowledge/Understanding Communication	The Income Statement
2.2	DMV.02, DM1.01, DM1.02, DM2.02, DM1.03, DM1.04, WA1.04 CGE2a, 3c, 4f, 7i	Thinking/Inquiry Knowledge/Understanding Communication Application	Analysis of the Income Statement The Matching Principle
2.3	ACV.02, AC1.02, AC1.03, AC2.01 CGE2a, 2b, 2c, 3c	Knowledge/Understanding Application	Revenue and Expense Transactions
2.4	ACV.03 CGE2b, 2e	Application	Using Computer Software for Income Statement Preparation
2.5	ACV.01, AC1.04 CGE2a, 2b, 2d	Knowledge/Understanding Communication	The Accounting Cycle

Unit 3: The General Journal

Time: 20 hours

Unit Description

This unit introduces the general journal and posting to the ledger. Students learn how to record transactions in a general journal. This is followed by an examination of the posting process to the ledger and checking for accuracy by creating a trial balance. As well, finding and correcting journal and ledger entries are explored and the concept of source documents is introduced. Finally, an expanded accounting cycle is discussed. The use of accounting software may be introduced.

Unit Overview Chart

Activity	Expectations	Assessment	Focus
3.1	ACV.02, AC1.02, AC2.01, AC2.02 CGE2b, 2d, 3c	Knowledge/Understanding Application	Recording Transactions in a General Journal
3.2	AC2.03 CGE2b, 2d, 3c	Knowledge/Understanding Application	Posting to a Ledger
3.3	AC2.04 CGE2a, 2b	Knowledge/Understanding Application	Trial Balance
3.4	ACV.01, WA1.04 CGE2a, 2b, 2d	Knowledge/Understanding Application	Source Documents The Accounting Cycle
3.5	AC3.02, AC3.03, AC3.05 CGE2b, 2e, 4f	Application Communication Thinking/Inquiry	Using Computer Software for Accounting

Unit 4: Worksheets and Closing Entries

Time: 16 hours

Unit Description

This unit focuses on the use of worksheets as an organizational tool and closing entries. The unit begins with students completing worksheets and creating financial statements both manually and electronically using spreadsheets. An analysis of financial statements from different time periods is surveyed. This is followed by an investigation of closing entries. Students are then shown the expanded accounting cycle. As with previous units, accounting software may be used to enrich learning. At this point in the course, a major project that includes all facets of the accounting cycle may be undertaken.

Unit Overview Chart

Activity	Expectations	Assessment	Focus
4.1	AC2.05 CGE2a, 2b, 2c, 2d	Knowledge/Understanding	Worksheets
4.2	WA1.04, DM2.03, AC2.05 CGE2b, 3c, 7a	Thinking/Inquiry Communication Application	Analysis of Financial Statements From Different Periods
4.3	AC1.02, AC2.01, AC2.02, AC2.03, AC2.06 CGE2a, 2b, 2c	Knowledge/Understanding Application Communication	Closing Entries
4.4	ACV.01, ACV.02, ACV.03, AC1.04, AC3.04 CGE2e	Knowledge/Understanding Application	The Accounting Cycle Using Computer Software for Accounting

Unit 5: Accounts Payable and Accounts Receivable Ledgers

Time: 15 hours

Unit Description

Many accounting students in the workplace preparation courses will gain employment as accounts receivable and/or payable clerks or, through self-employment and will need to manage payables and receivables. The unit begins with an explanation of the need for subsidiary ledgers and the integration of the ledgers into the accounting cycle. The job of the accounts payable clerk is explored. Students then study the use of discounts to encourage payment and learn how discounts are processed. The job of the accounts payable clerk is discussed and the method of processing accounts payable and associated discounts is demonstrated. Credit sale risks and risk management strategies are discussed using case studies. Finally, using accounting software, students learn about direct posting to the ledger. A major project using source documents, such as invoices and cheques, can be assigned.

This would be an appropriate time to provide an opportunity for two or three students to job shadow with organizations and report back to peers.

Unit Overview Chart

Activity	Expectations	Assessment	Focus
5.1	ACV.01, AC1.04 CGE5h	Knowledge/Understanding Communication	Integrating Subsidiary Ledgers into the Accounting Cycle
5.2	CMV.01, ACV.02, AC2.01 CGE2a, 2b, 2d	Knowledge/Understanding Application	Accounts Receivable Ledger
5.3	CMV.01, ACV.02, AC2.01 CGE2a, 2b, 2d	Knowledge/Understanding Application	Accounts Payable Ledger
5.4	CMV.02, CM1.01, CM1.02, CM1.03 CGE2e, 3c, 4e	Knowledge/Understanding Thinking/Inquiry Application	Discounts Collection and Payment of Debts
5.5	ACV.03 CGE2b, 2e	Application	Using Computer Software for Accounting

Unit 6: Banking and Cash Management

Time: 10 hours

Unit Description

Many students in the workplace preparation courses will gain employment as customer service representatives or as entrepreneurs, and therefore, will be required to deal with cash. It is important that students understand the need for cash management and the role banks play in maintaining a cash control system. Through the use of case studies and simulations, students probe the reasons for cash control and the principles of cash control. The needs and methods for borrowing money are studied. The bank reconciliation statement and the associated journal entries are examined.

A cooperative education investigative assignment regarding cash management would be appropriate at this time. Each student would report back to classmates regarding common scenarios in cash management. Guest speakers could include local Small Business Organizations representatives, Chamber of Commerce members, and a Bank Manager.

Unit Overview Chart

Activity	Expectations	Assessment	Focus
6.1	WA1.02, CM3.02 CGE2a, 2b, 2d, 3c	Knowledge/Understanding Communication	Reasons for Cash Control
6.2	DMV.01, CM2.01 CGE2a, 2b, 2d, 7a, 7b	Knowledge/Understanding Communication	Principles of Cash Control
6.3	DMV.01, WA1.02 CGE2e, 3b, 3c, 3d	Application Communication	Using Cash Control in Decision Making
6.4	CM2.02, CM2.03 CGE2a, 2b, 2d, 3c, 3d	Knowledge/Understanding Thinking/Inquiry Application	Bank Reconciliation
6.5	ACV.02, ACV.03 CGE2a, 2b, 2d, 3c	Knowledge/Understanding Application	Recording Cash Control Transactions

Unit 7: Business Ownership, Ethical Issues, Careers

Time: 15 hours

Unit Description

This unit explores the world of accounting and business. It is important that students understand that accounting is not just about crunching numbers but also about such things as customer relations on audits, appropriate dealings with suppliers, and the implications of layoffs. As well, various types of business ownership and the advantages and disadvantages of each are explored.

It is suggested that the career and ethical issues be integrated throughout the course. Many textbooks have career and ethical issue cases at the end of each chapter. Students examine the impact of decisions on society in the Catholic context of social responsibility and the common good.

If the teacher is using the integrated co-op package, a placement assignment would be appropriate. This assignment would use experiential learning and demonstration through a class presentation of the type of business ownership their particular firm uses. A follow up activity could be a reflective essay of classroom presentations which supports the student's position. The supervisor should also interview each student to assess the knowledge of career pathways available at placement. Career panels and guest speakers would also be an invaluable tool at this time.

Students could also develop case studies based on their placement experiences and lead the class through a workshop during integration sessions.

Unit Overview Chart

Activity	Expectations	Assessment	Focus
7.1	WAV.02, WA2.01, WA2.02, WA2.03, WA2.04 CGE2a, 2b, 2d, 4c	Knowledge/Understanding Communication Thinking/Inquiry	Types of Business Ownership
7.2	DMV.03, WA1.03, DM3.01, DM3.02, DM3.03 CGE1d, 3b, 3f, 5e, 5g, 7j	Thinking/Inquiry Communication Application	Ethical Issues in Accounting
7.3	WAV.03, WA3.01, WA3.02, WA3.03 CGE4e, 5b, 5d, 5h	Knowledge/Understanding Thinking/Inquiry Communication Application	Careers in Accounting

Teaching/Learning Strategies

Throughout this course, the teaching strategies employed should vary to allow students to apply their knowledge in a number of different situations. These strategies fall into four different categories: teacher-centred, learner-centred, self-directed, and community-based.

Teacher-centred Strategies

Teacher-centred strategies are those in which the teacher directs the learning. Teacher-centred strategies have a definite place in this course as a means of introducing, explaining, and discussing the concepts and theories of accounting. Examples include teacher-led reviews, worksheets, and note taking.

Learner-centred Strategies

Learner-centred strategies, which are activity-based, provide students with opportunities to actively apply what they have learned. The expectations for the use of these teaching strategies are that students apply learned accounting techniques and that they develop effective problem-solving skills. Examples include text referencing, group discussions, note making, case studies, and computer simulations.

Self-directed Strategies

Self-directed strategies may be used to promote independence and self-reliance. The benefits of these strategies are that students learn to take responsibility for and manage their own learning. Examples include sharing information with others, creating displays, and electronic media research.

Community-based Strategies

Community-based strategies integrate the local community into the classroom. This strategy provides students with real-life examples and applications of the theory they are learning. Examples include the following:

- a) Job Shadowing - half day to full day one-on-one observation of a worker at a place of employment:
 - involves the pairing of a student with a worker in a specific occupation;
 - may be integrated with a credit course;
 - may be part of a student's school-work transition program.
- b) Cooperative Education a planned learning experience, for which credits are earned, that integrates classroom theory and learning experiences at a workplace to enable students to apply and refine the knowledge and skills acquired in a related curriculum course.
 - requires a personalized placement learning plan;
 - involves the earning of credits;
 - requires pre-placement orientation;
 - is monitored by the cooperative education teacher;
 - integrates classroom and workplace learning;
 - involves reflective learning during integration sessions;
 - involves student assessment.
- c) Career Panels
- d) Telephone Interviews/industry supervisor interviews/health and safety audit of the placement

Assessment & Evaluation of Student Achievement

Teachers should employ assessment techniques frequently throughout the course in order to communicate the expectations of the course to students, make appropriate adjustments to teaching/learning strategies and accommodate the special needs of students. Student input to the assessment process should be welcomed and valued. Rubrics for some tasks will be useful.

Diagnostic – Informal Observation, Checklists, Tests/Quizzes

Formative – Informal and Formal Observation, Interviews, Verbal Feedback, Written Feedback, Graphic Organizers

Summative – Assignments, Products, Quizzes/Tests, Presentations, Individual and Group Assignments

Student Achievement

Seventy percent of the grade will be based on assessment and evaluation conducted throughout the course. Thirty per cent of the grade will be based on a final evaluation in the form of an examination, a cumulative project, performance, essay, and/or other method of evaluation.

Note: If the cooperative education program is implemented, greater assessment on student performance while in the placement should be considered. Placement Learning Assessment must include the following:

- careful, critical observation of the student’s placement activities, including performance of placement tasks and interaction with co-workers and the supervisor;
- an assessment of working conditions and the student’s work habits;
- discussions and consultations with both the student and the supervisor;
- documentation of student progress in developing the knowledge and refining the skills described in the curriculum expectations of the related course, and towards achieving the placement-related expectations of the classroom component of the cooperative education course, as well as the expectations of the employer;
- the updating and adjusting of all copies of the student’s personalized placement learning plan.

Accommodations

Teachers should address exceptional students’ Individual Educational Plans (IEPs) and consult with the appropriate support staff. This allows teachers to effectively implement prescribed accommodations and/or modifications. The following are some suggested strategies based on different exceptionalities that could be applied throughout the various activities:

Note: The electronic *Curriculum Planner* and the *Special Education Accompaniment* are excellent resources when developing accommodations for students.

Reading Difficulties	Math Difficulties	Memory Difficulties
<ul style="list-style-type: none">• read questions and instructions first• adjust reading requirements• provide varied opportunities for peer/group reading• pre-teach concepts/vocabulary• provide advance organizers to structure reading content (i.e., outlines, subtitles, main ideas, supporting detail)• provide opportunities for alternate methods of information sharing (i.e., videos, visuals)	<ul style="list-style-type: none">• check work after each example• relate problems to real life• modify complexity of examples• break into smaller steps• review daily• teach and encourage use of diagrams• teach use of calculator• use hands-on manipulatives• adjust number of problems• provide samples for the students to work from (i.e., an example balance sheet or income statement)	<ul style="list-style-type: none">• teach students to verbalize concepts• check that daily assignments are recorded in planner• include strategies to assist recall• ensure student write things down• provide lists and/or flow charts• give visual clues• give demonstrations• teach Mnemonics• allow student to tape lessons for more intensive review at a later time

<p>Oral Language Difficulties</p> <ul style="list-style-type: none"> • provide non-threatening environments • do not ask the students to respond to questions without forewarning • use cooperative learning • encourage the student to ask for clarification • use visual aids consistently to support oral message • provide choices • use electronic medium • permit small groups 	<p>Motivation Difficulties</p> <ul style="list-style-type: none"> • provide a variety of types of assignments • create personalized assignments • set realistic goals and expectations • avoid public confrontation • provide praise and positive feedback • be flexible with timelines • conference one-to-one basis • maintain contact with home • timely feedback 	<p>Written Language Difficulties</p> <ul style="list-style-type: none"> • vary assignments • give explicit instructions • allow more time • provide a print copy of board notes if necessary (i.e., photocopy, peer notes on NCR paper) • allow point-form notes • use peer editing • teach use of spell check • allow the use of assistive devices as outlined in the IEP
<p>Attention Difficulties</p> <ul style="list-style-type: none"> • provide a variety of activities and teaching techniques • give blocks of information and vary the activities frequently • use cooperative learning • ask students to repeat instructions to you • provide immediate feedback • move around room • use visuals • seat students in area of room that will minimize distractions 		<p>Enrichment</p> <ul style="list-style-type: none"> • work with an outside business organization (i.e., DECA (Distributive Education Clubs of America) or Junior Achievement) • participate in a stock market simulation • provide enriched material • provide an expanded cooperative education opportunity

ESL Accommodations

- pair or group students with English speakers
- provide note making guide
- promote peer tutoring
- encourage use of first language English dictionaries for assignments and assessment
- pair written instructions with verbal instructions
- provide visual and auditory clues
- allow extra time for reading or writing assignments. The teacher should set the tone for a positive attitude toward helping students with special needs.
- English-speaking students can help their ESL classmates by repeating, rephrasing, and writing words down.
- Bilingual peer tutors, if available, can be helpful, or use classroom groups to facilitate clarification in native language.
- Provide peer tutors and give them specific responsibilities up front.
- Give recognition to partners for undertaking responsibilities with students with special needs.
- Avoid “all ESL” groupings.
- Encourage ESL students to use their own language to explain terms in their private notes if it helps them remember.
- Have all concrete items labelled so that every time students sit at the workstation they are reminded of the terms.

- Allow speaking in first languages for clarification and explanation.
- Teachers help students decide on the skills and competencies that need work.
- Provide students with a summary sheet that can be used at the end of each class (with teacher assistance) to list main terms or concepts that were the focus of the lesson.
- Make overheads of handouts on which teacher highlights important terms, explains words, clarifies instructions, etc. while students do the same on their copy.
- Provide students with articles to choose from if they are unable to do their own research.
- Assist tutors for ESL students to help with the reading section.
- Provide a glossary of terms for the reading for students with special needs.

OSS Considerations

Mature Students

According to *OSS*, mature students (those age 18 and over) may take courses to work towards their high school diploma. These courses may be taken at a secondary school, through correspondence, or through any of the alternative ways described in Section 6.8 of *OSS*. Therefore, the delivery of this course may be adapted to meet the needs of mature students.

School-Work Transition Programs

School-work transition programs include both in-school and work-based experiences, including job shadowing, work experience, cooperative education, and in-depth skills training, and require the involvement of employers in their development and delivery. The job shadowing, work experience, and cooperative education portions of school-work transition programs must be implemented in accordance with the policies and procedures of the Ministry of Education *Cooperative Education and Other Forms of Experiential Learning, Policies and Procedures for Ontario Secondary Schools, 2000, 1.6.*

Proposed Cooperative Education Model

A cooperative education course, including both the classroom component and the placement component, must be scheduled for at least the same number of hours as required for any one of its related courses. (For a minimum of 110 hours) and for, at most, twice the number of hours required for each related course.

Number of Credits	Pre-Placement	Integration	Placement	Total Hours
1-credit course	15-20 hours	7 hours	83-88 hours	110 hours

Semester 1

Period 1	Period 2	Period 3	Period 4
BAI3E (in-school)	BAI3Ec (co-op ed)	elective*	elective**

* strongly suggest that the Math workplace destination be taken during the same semester as the Introduction to Accounting program for support of the curriculum and with the extension and application of the expectations in the community.

** strongly recommend English or computer programming.

BAI3E and BAI3Ec one offered through the co-op mode of delivery as a two credit program (same students in Period 1 and Period 2).

Staffing: same teacher to deliver both credits – the teacher should be qualified in business, accounting, and (if possible) cooperative education.

Students would complete identified expectations during the two-period delivery at the beginning of the semester.

Students would complete the classroom component (pre-placement orientation: 15-20 hours: student preparation for the workplace; health and safety; coverage under the workplace safety and insurance act; unions and collective bargaining) prior to entering workplace.

Integration sessions: seven hours, would be scheduled throughout the remainder of the semester.

Remaining hours would be spent in appropriate placements in the community for the application and extension of the expectations addressed in the delivery of the program.

Note: Before taking part in any workplace learning experiences, students must acquire the knowledge and skills needed for safe participation. Teachers should consult the Health and Safety Considerations outlined in *The Ontario Curriculum, Grades 11 and 12, Business Studies* and *Grades 9-12, Program Planning and Assessment*.

Violence Prevention

Expectations relating to violence prevention have been incorporated in the provincial curriculum where relevant. When planning their programs, teachers will base their decisions on the needs of students, taking into consideration their students' abilities, backgrounds, interests, and learning styles. Learning activities should be designed to help students develop respect for human rights and dignity, and to develop a sense of personal, social, and civic responsibility. Schools are also required to adopt measures to provide a safe environment for learning, free from harassment of all types, violence, and expressions of hate.

For more information, teachers should consult Section 7.13 Anti-discrimination Education of the *OSS* document.

Resources

Accounting Textbooks and Workbooks

Cougler, R. and N. J. Shoemaker. *Accounting Applications: A Systems Approach*. John Wiley and Sons Canada Limited. ISBN 0-471-79611-5

Cougler, Ron. *Introductory Accounting*, revised ed. John Wiley and Sons Canada Limited. ISBN 0-471-79691-3

D'Amico V. and J. Magnan. *Accounting: An Introduction*. Copp Clark Pitman. ISBN 0-7730-4711-5

D'Amico, V., T. Palmer, and T. D'Amico. *Principles of Accounting*. Copp Clark Pitman. ISBN 0-7730-5264-X

Dauderis, Henry. *Financial Accounting: An Introduction to Decision Making*. Holt, Rinehart & Winston, Harcourt Brace Canada. ISBN 0-03-922672-7

Gibson D. L. and N. J. Shoemaker. *Accounting Principles: A Skill-building Approach*. John Wiley, Nelson. ISBN 0-471-79658-1

Kaluza, Henry J., et al. *Accounting: A Systems Approach*. McGraw-Hill Ryerson. ISBN 0-07-549679-8

Kaluza, H., W.G. Leonard, and J.L.K. Ambacher. *Elements of Accounting: A Senior Course*. McGraw-Hill Ryerson. ISBN 0-07-549568-6

Syme, G.E. and T.W. Ireland. *Accounting 1*. Prentice-Hall Canada. ISBN 0-13-333825-8

Accounting Corporations

Note: The URLs for the websites have been verified by the writers prior to publication. Given the frequency with which these designations change, teachers should always verify the websites prior to assigning them for student use.

Pricewaterhouse Coopers – www.pricewaterhousecoopers.com

KPMG – www.kpmg.com

Deloitte and Touche – www.dttus.com

Accounting Associations

Canadian General Accountants – www.cga-canada.org/

Canadian Institute of Chartered Accountants – www.cica.ca/

Canadian Management Association – www.cma-canada.org/

Accounting Software

ACCPAC Discovery Series (ACCPAC International)

ACCPAC for Windows (ACCPAC International)

DAC Easy (DAC Easy / Sage Software)

BusinessWorks (Sage Software)

MYOB (MYOB Software)

NetLedger (www.netledger.com)

Simply Accounting (ACCPAC International)

Accounting Lesson Plans and Activities Websites

Accounting Activity (Cost of Merchandise Sold) – www.angelfire.com/ks/tonyaskinner/acctgscms.html

Accounting Activity (M&M Closing Entries) – www.angelfire.com/ks/tonyaskinner/acctgmm.html

Accounting Handouts for Introductory Accounting – www.bboinc.com/actghome/teacher.html

Accounting Monopoly – www.geocities.com/CollegePark/Quad/5687/monopoly.html

ANET (Accounting Education Resources) – www.csu.edu.au/anet/education/index.html

Lyman's Accounting Learning Activities – lyman.dtc.millard.k12.ut.us/Acct/account.htm

Sole Proprietorships – www.geocities.com/CollegePark/Quad/5687/acctg1.html

Southwestern Publishing Accounting Ideas – www.swcollege.com/vircomm/gita/gita.html

Business Associations

Canadian Shareowners' Association – www.shareowner.ca

Canadian Youth Business Foundation – www.cybf.ca

Credit Counselling Service of Ontario – www.creditcanada.com

Credit Union Central of Ontario – www.cuco.on.ca

Investment Funds Institute of Canada – www.ific.ca

Investor Learning Centre of Canada – www.investorlearning.ca

Junior Achievement of Canada – www.jacan.org

Government

Canada/Ontario Business Services – www.cbsc.org/ontario/index.html

Industry Canada – strategis.ic.gc.ca/sc-ecnm/engdoc/homepage.html

Ontario Ministry of Economic Development and Trade – www.ontario-canada.com/medtt

Revenue Canada – www.rc.gc.ca

Statistics Canada – www.statcan.ca/start.html

Youth Resource Network of Canada – www.youth.gc.ca/

Co-op Resources

Career Bridges – licensed by the Ministry of Education

Career.Max – Georgian Bay Career Centre, Kathy Gallacher

OSS Policy Documents

The Ontario Curriculum, Grades 11 and 12, Business Studies, 2000. Ministry of Education.

The Ontario Curriculum, Grades 9 to 12, Program, Planning and Assessment. Ministry of Education, 2000.

Ontario Secondary Schools, Grades 9 to 12, Program and Diploma Requirements. Ministry of Education and Training, 1999.

Ontario Catholic School Graduate Expectations. Institute for Catholic Education.

Ministry of Education Cooperative Education and Other Forms of Experiential Learning, Policies and Procedures for Ontario Secondary Schools, 2000.

Coded Expectations, Introduction to Accounting, Grade 11, Workplace Preparation, BAI3E

The World of Accounting

Overall Expectations

WAV.01 · describe the nature of accounting and its importance in managing a business;

WAV.02 · analyse the different types of businesses and different types of business ownership;

WAV.03 · describe career opportunities in the field of accounting.

Specific Expectations

The Nature of Accounting

WA1.01 – describe the role of accounting in a service business;

WA1.02 – describe the benefits of a good accounting system;

WA1.03 – demonstrate an understanding of the ethical criteria governing the field of accounting;

WA1.04 – demonstrate an understanding of the guidelines, principles, and concepts of accounting.

Types of Business and Business Ownership

WA2.01 – examine different businesses to identify their type of ownership (e.g., sole proprietorship, partnership, corporation, cooperative);

WA2.02 – analyse the advantages and disadvantages of the different types of business ownership;

WA2.03 – explain the basic differences between a service business and a merchandising business (e.g., a local courier, a local clothing store);

WA2.04 – describe the factors to be considered in selecting a suitable type of business ownership.

Career Opportunities

WA3.01 – define the challenges and benefits of a variety of accounting careers;

WA3.02 – describe the role and responsibilities of professional associations with respect to individuals' accounting careers;

WA3.03 – evaluate the role of technology in the changing nature of occupations in accounting.

The Accounting Cycle

Overall Expectations

ACV.01 · describe the basic accounting cycle for a service business;

ACV.02 · apply the recording and reporting process in manual accounting;

ACV.03 · apply the recording and reporting process in computer accounting.

Specific Expectations

Introduction to the Accounting Cycle for a Service Business

AC1.01 – explain the relationship among assets, liabilities, and owner's equity;

AC1.02 – describe the relationship between debit and credit entries;

AC1.03 – differentiate between revenue and expense transactions;

AC1.04 – describe the steps in the accounting cycle for a service business.

The Recording and Reporting Process in Manual Accounting

AC2.01 – demonstrate how to record transactions using the double-entry accounting system;

AC2.02 – demonstrate how to record transactions in general journal format;

AC2.03 – demonstrate how to post transactions to ledger accounts;

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- AC2.04** – demonstrate the accuracy of accounting records through the use of a trial balance;
AC2.05 – explain how to produce income statements and balance sheets from the worksheet;
AC2.06 – demonstrate how to prepare closing accounting entries and a post-closing trial balance.

The Recording and Reporting Process in Computer Accounting

- AC3.01** – demonstrate, using accounting software, how to record transactions using the double-entry accounting system;
AC3.02 – describe the advantages of using software to record transactions in the journal and to post transactions to ledger accounts;
AC3.03 – demonstrate the accuracy of accounting records through the use of a computerized trial balance;
AC3.04 – demonstrate how software can be used to prepare income statements, balance sheets, closing accounting entries, and a post-closing trial balance;
AC3.05 – determine the criteria to apply when selecting computer software options in accounting.

Finance: Cash Management in a Service Business

Overall Expectations

- CMV.01** · describe the process of accounts receivable and accounts payable management in a service business;
CMV.02 · analyse the process of cash management in a service business;
CMV.03 · analyse the sources of business and personal financing.

Specific Expectations

Accounts Receivable and Accounts Payable Management

- CM1.01** – summarize the risks of credit sales (e.g., poor credit risks) and risk-management strategies (e.g., use of credit reporting agencies);
CM1.02 – demonstrate how discounts for accounts receivable and accounts payable are processed;
CM1.03 – explain the steps involved in the collection and payment of debts.

Banking and Cash Management

- CM2.01** – describe procedures that can be used to safeguard cash (e.g., petty cash, cash control, and receipts and payment procedures);
CM2.02 – demonstrate an understanding of the bank reconciliation process;
CM2.03 – analyse the transactions initiated by the bank reconciliation process.

Sources of Financing

- CM3.01** – assess the sources of funds available to finance a service business (e.g., family, investors, banks);
CM3.02 – evaluate the costs of borrowing money to operate a service business (e.g., compare the costs of bank loans versus leasing arrangements);
CM3.03 – describe the purpose of collateral to secure business and personal financing.

The Use of Accounting Information in Decision Making

Overall Expectations

- DMV.01** · describe how accounting information is interpreted to help in decision making;
DMV.02 · explain the importance of financial statements in the decision-making process;
DMV.03 · demonstrate an understanding of human, environmental, and ethical issues in the field of accounting.

Specific Expectations

The Use of Accounting Information to Make Decisions

DM1.01 – describe the use of accounting information in decision making by company personnel (e.g., department managers, owners);

DM1.02 – describe the use of accounting information in decision making by outsiders (e.g., governments, investors, and banks);

DM1.03 – explain the implications of cost overruns on projects;

DM1.04 – demonstrate an understanding of cost changes that are beyond the control of business (e.g., an increase in taxes, minimum wage, or price of materials).

The Importance of Financial Statements

DM2.01 – assess the capability of a firm to manage its liquidity (e.g., by determining its ability to pay debts as they come due);

DM2.02 – assess the capability of a firm to manage its profitability (e.g., by determining expense ratio, preparing a comparative financial analysis);

DM2.03 – demonstrate an understanding of the use of financial statements from different fiscal periods.

Human and Ethical Issues in Accounting

DM3.01 – describe the financial and human costs that can arise when health and safety conditions in the workplace are inappropriate (e.g., losses in productivity through low staff morale or damage to equipment, increases in insurance or compensation payments);

DM3.02 – demonstrate an understanding of the effects of human resource management (e.g., staff training, team building, incentives) on the well-being of businesses;

DM3.03 – explain the financial and human costs that can arise when a company decreases staffing to improve profitability.

Ontario Catholic School Graduate Expectations

The graduate is expected to be:

A Discerning Believer Formed in the Catholic Faith Community who

- CGE1a** -illustrates a basic understanding of the **saving story** of our Christian faith;
- CGE1b** -participates in the **sacramental life** of the church and demonstrates an understanding of the centrality of the Eucharist to our Catholic story;
- CGE1c** -actively reflects on **God’s Word** as communicated through the Hebrew and Christian scriptures;
- CGE1d** -develops attitudes and values founded on Catholic **social teaching** and acts to promote social responsibility, human solidarity and the common good;
- CGE1e** -speaks the **language of life**... “recognizing that life is an unearned gift and that a person entrusted with life does not own it but that one is called to protect and cherish it.” (Witnesses to Faith)
- CGE1f** -seeks intimacy with God and celebrates **communion** with God, others and creation through prayer and worship;
- CGE1g** -understands that one’s purpose or **call in life** comes from God and strives to discern and live out this call throughout life’s journey;
- CGE1h** -respects the **faith traditions**, world religions and the life-journeys of **all people of good will**;
- CGE1i** -integrates faith with life;
- CGE1j** -recognizes that “sin, human weakness, conflict and forgiveness are part of the human journey” and that the cross, the ultimate sign of forgiveness is at the heart of **redemption**. (Witnesses to Faith)

An Effective Communicator who

- CGE2a** -listens actively and critically to understand and learn in light of gospel values;
- CGE2b** -reads, understands and uses written materials effectively;
- CGE2c** -presents information and ideas clearly and honestly and with sensitivity to others;
- CGE2d** -writes and speaks fluently one or both of Canada’s official languages;
- CGE2e** -uses and integrates the Catholic faith tradition, in the critical analysis of the arts, media, technology and information systems to enhance the quality of life.

A Reflective and Creative Thinker who

- CGE3a** -recognizes there is more grace in our world than sin and that hope is essential in facing all challenges;
- CGE3b** -creates, adapts, evaluates new ideas in light of the common good;
- CGE3c** -thinks reflectively and creatively to evaluate situations and solve problems;
- CGE3d** -makes decisions in light of gospel values with an informed moral conscience;
- CGE3e** -adopts a holistic approach to life by integrating learning from various subject areas and experience;
- CGE3f** -examines, evaluates and applies knowledge of interdependent systems (physical, political, ethical, socio-economic and ecological) for the development of a just and compassionate society.

A Self-Directed, Responsible, Life Long Learner who

- CGE4a** -demonstrates a confident and positive sense of self and respect for the dignity and welfare of others;
- CGE4b** -demonstrates flexibility and adaptability;
- CGE4c** -takes initiative and demonstrates Christian leadership;
- CGE4d** -responds to, manages and constructively influences change in a discerning manner;
- CGE4e** -sets appropriate goals and priorities in school, work and personal life;
- CGE4f** -applies effective communication, decision-making, problem-solving, time and resource management skills;
- CGE4g** -examines and reflects on one's personal values, abilities and aspirations influencing life's choices and opportunities;
- CGE4h** -participates in leisure and fitness activities for a balanced and healthy lifestyle.

A Collaborative Contributor who

- CGE5a** -works effectively as an interdependent team member;
- CGE5b** -thinks critically about the meaning and purpose of work;
- CGE5c** -develops one's God-given potential and makes a meaningful contribution to society;
- CGE5d** -finds meaning, dignity, fulfillment and vocation in work which contributes to the common good;
- CGE5e** -respects the rights, responsibilities and contributions of self and others;
- CGE5f** -exercises Christian leadership in the achievement of individual and group goals;
- CGE5g** -achieves excellence, originality, and integrity in one's own work and supports these qualities in the work of others;
- CGE5h** -applies skills for employability, self-employment and entrepreneurship relative to Christian vocation.

A Caring Family Member who

- CGE6a** -relates to family members in a loving, compassionate and respectful manner;
- CGE6b** -recognizes human intimacy and sexuality as God given gifts, to be used as the creator intended;
- CGE6c** -values and honours the important role of the family in society;
- CGE6d** -values and nurtures opportunities for family prayer;
- CGE6e** -ministers to the family, school, parish, and wider community through service.

A Responsible Citizen who

- CGE7a** -acts morally and legally as a person formed in Catholic traditions;
- CGE7b** -accepts accountability for one's own actions;
- CGE7c** -seeks and grants forgiveness;
- CGE7d** -promotes the sacredness of life;
- CGE7e** -witnesses Catholic social teaching by promoting equality, democracy, and solidarity for a just, peaceful and compassionate society;
- CGE7f** -respects and affirms the diversity and interdependence of the world's peoples and cultures;
- CGE7g** -respects and understands the history, cultural heritage and pluralism of today's contemporary society;
- CGE7h** -exercises the rights and responsibilities of Canadian citizenship;
- CGE7i** -respects the environment and uses resources wisely;
- CGE7j** -contributes to the common good.

Unit 1: Introduction to the World of Accounting

Time: 20 hours

Unit Developers: Michael Grottoli, Kimberly Jenkins, Christopher Woods

Unit Description

Students are introduced to the major concepts in accounting such as the accounting equation and debit/credit theory. Students also develop an understanding of the importance of the role of accounting in a business for financial control and decision making. The unit begins with an explanation of assets, liabilities, and owner's equity and their relationship within the accounting equation. Students then learn to organize these accounts into a balance sheet. The relevance of balance sheet ratios and analysis is explored using case studies. Next, students begin to develop accounting entry skills by using a transaction worksheet to record balance sheet transactions. These skills can be used in recording the data in a spreadsheet. Finally, students are introduced to debit and credit theory by recording balance sheet transactions on T-accounts and creating a trial balance.

Given that accounting is a process-driven pursuit, this unit is connected to subsequent units because it provides students with introductory skills and knowledge that are necessary to form a basic understanding of accounting procedures. Consequently, students have a knowledge foundation from which to learn more advanced accounting concepts. The expectations are clustered in a manner that allows students to study and apply one or two accounting principles prior to advancing to a new skill.

If the co-op module is being used, this is an excellent time to employ a Job Shadowing assignment. The assignment would include questions addressing the nature of accounting, an interview with an accountant in the industry and their career path, and a career panel for questioning.

Unit Synopsis Chart

Activity	Time	Expectations	Assessment	Tasks
1.1: The Balancing Act	120 min	WAV.01, CMV.03, WA1.01, AC1.01, CM3.01, CM3.03 CGE2b, 2c, 2e	Knowledge/ Understanding Communication	- calculate student's personal worth - calculate business worth - manipulate the accounting equation
1.2: Introducing the Balance Sheet	120 min	AC2.05, CMV.03, CM3.01, CM3.03 CGE2a, 2b	Knowledge/ Understanding Thinking/ Inquiry Application	- prepare a balance sheet
1.3: Let's Take a Closer Look at the Balance Sheet	120 min	DMV.01, DMV.02, DMV.03, DM1.01, DM2.01 CGE2b, 2c, 2d, 3c, 4f	Thinking/ Inquiry Communication Application	- compare balance sheets - compute ratios and draw inferences - communicate inferences - write a report explaining conclusions
1.4: Transaction Sheet	180 min	AC2.01 CGE2b, 2c	Knowledge/ Understanding	- complete transaction sheets - analyse changes in account balances

1.5: Integrating Computer Applications	180 min	ACV.03, AC3.01 CGE2b, 2c	Application	- learn computing and spreadsheet fundamentals - integrate technology with accounting (use spreadsheets to produce balance sheets and transaction sheets)
1.6: Debits and Credits – The Real Thing	300 min	AC1.02, AC2.04 CGE2a, 2b, 3c	Knowledge/ Understanding Communication Application	- make debit/credit entries using T-Accounts - compare and contrast with transaction sheet - prepare trial balance and balance sheets
1.7: The Accounting Cycle – Putting It All Together	180 min	ACV.01, ACV.02, WA1.04, AC1.04 CGE2a, 2b, 2d	Knowledge/ Understanding Thinking/ Inquiry Communication Application	- communicate the accounting cycle through a visual medium - examine GAAP case studies

Activity 1.1: The Balancing Act

Time: 120 minutes

Description

This activity introduces students to the purpose of accounting and some of its related terms. Specifically, students calculate business worth, their personal worth, and elements of the accounting equation. Each of the parts of the activity addresses the learning expectations as outlined for this activity. This activity directly develops students' thinking and problem-solving skills as they are introduced to accounting through the discussion and examination of a case study.

Strand(s) & Learning Expectations

Strand(s): The World of Accounting, The Accounting Cycle, Finance: Cash Management in a Service Business

Overall Expectations

WAV.01 - describe the nature of accounting and its importance in managing a business;

CMV.03 - analyse the sources of business and personal financing;

Specific Expectations

WA1.01 - describe the role of accounting in a service business;

AC1.01 - explain the relationship among assets, liabilities, and owner's equity;

CM3.01 - assess the sources of funds available to finance a service business (e.g., family, investors, banks);

CM3.03 - describe the purpose of collateral to secure business and personal financing.

Ontario Catholic School Graduate Expectations

CGE2b - read, understand, and use written materials effectively;

CGE2c - present information and ideas clearly and honestly and with sensitivity to others;

CGE2e - use and integrate the Catholic faith tradition, in the critical analysis of the arts, media, technology, and information systems to enhance the quality of life.

Prior Knowledge & Skills

- The ability to perform basic mathematical skills is required.

Planning Notes

- The teacher requires text or worksheets (Appendix A) to complete exercises.

Teaching/Learning Strategies

1. Following the introduction of the general course procedures to students, the teacher distributes Appendix A. Students complete the Grattoli's Convenience Store case and then report on their findings to the class. Students should conclude that profits could be lower due to shoplifting, employee theft of goods and/or money, or poor cash control and accounting procedures. As well, lead a discussion with students on the Christian attitude toward dealing with theft. Engage students in a discussion of the purpose of accounting in business. Discuss with students the information that is provided by accounting data such as profitability, efficiency, internal control (theft), and taxes. As well, have students conclude that the purpose of accounting is for internal and external decision-making for profit and not-for-profit organizations.
2. As a class, students select a type of service business that they would be interested in operating. This business is used to introduce students to the concepts of assets, liabilities, and owner's equity. Prior to introducing accounting concepts, engage students in a discussion of entrepreneurship and its importance in today's society. After selecting the business (e.g., hair salon, video game arcade, video rental, etc.), students list all of the items that would be needed to begin its operation (e.g., building, equipment, computers, furniture, etc.). Assign a monetary amount to each item and an overall total. Explain to students that these are the assets of the business and define this term. Next, ask students how they plan to pay for these assets. Draw out from students various liabilities such as bank loans, supplier loans, and personal loans. Assign monetary amounts to each of the liabilities and define the term liability. (Ensure that liabilities are less than assets.) Lastly, ask students how they will pay for the remainder of their assets. Discuss with students the need to invest personal money into the business. Explain the relationship between assets, liabilities, and owner's equity.
3. Students calculate their personal assets, liabilities, and owner's equity and discuss their results.
4. Provide examples of manipulating the accounting equation. Have students complete textbook exercises and/or Appendix A on classifying assets, liabilities, and owner's equity. As well, students complete exercises on calculating the elements of the accounting equation.

Assessment & Evaluation of Student Achievement

The focus of the assessment is Knowledge/Understanding and Communication.

Knowledge/Understanding is evaluated by the completion of exercises. Communication is evaluated through class discussion of the Appendix A case.

Accommodations

Some students may have difficulties reading the case studies outlined in this unit. These students should be paired with a reading partner or be given less complex cases. The teacher should check work after each example. A peer helper for this class would be an asset. For enrichment purposes, students could use the Internet to find financial information for Canadian companies to be used throughout this unit.

Appendices

Appendix A – The Accounting Equation

Activity 1.2: Introducing the Balance Sheet

Time: 120 minutes

Description

Students learn about the benefits of using a Balance Sheet format and how to prepare a Balance Sheet. As well, students are able to define accounts payable and accounts receivable. Each part of the activity addresses the learning expectations as outlined for this activity. This activity directly develops Knowledge/Understanding, Application, and Communication through the preparation and use of a Balance Sheet.

Strand(s) & Learning Expectations

Strand(s): The Accounting Cycle

Overall Expectations

CMV.03 - describe the process of accounts receivable and accounts payable management in a service business.

Specific Expectations

AC2.05 - explain how to produce income statements and balance sheets from the worksheet;

CM3.01 - assess the sources of funds available to finance a service business (e.g., family, investors, banks);

CM3.03 - describe the purpose of collateral to secure business and personal financing.

Ontario Catholic School Graduate Expectations

CGE2a - listen actively and critically to understand and learn in light of gospel values;

CGE2b - read, understand, and use written materials effectively.

Prior Knowledge & Skills

- Students should have an understanding of assets, liabilities, owner's equity, and the accounting equation.

Planning Notes

- The teacher may require a balance sheet template or workbook.

Teaching/Learning Strategies

1. With the class, transfer the data from the business worth exercise in Activity 1.1. to the accounting equation format. Discuss the limitations of using the accounting equation to represent assets, liabilities, and owner's equity. Explain to students that a Balance Sheet is a formal financial statement that can better represent these accounts.
2. With the class, create a Balance Sheet and define the term Balance Sheet. Make note of the formatting conventions related to the Balance Sheet, such as centring titles, underlining totals, and double-underlining final totals.
3. Discuss the following GAAPs: the business entity, the cost principle, liquidity order, maturity date rule. Refer to the *CICA Handbook* (see Resources).
4. Explain that money due to the business is called accounts receivable and money owed by the business is called accounts payable.
5. Students complete exercises that require them to prepare Balance Sheets.
6. Have students complete a number of Balance Sheet exercises and submit one or two for evaluation.
7. Complete a number of case studies from the textbook regarding the GAAPs covered in the unit.

Assessment & Evaluation of Student Achievement

All four categories of assessment can be evaluated through the completion of Balance Sheets and GAAP case studies.

Accommodations

An example of a Balance Sheet should be available to students at all times. Students should have a step-by-step method of completing the Balance Sheet. Some students may need a Balance Sheet form with larger spaces in order to complete the work. Modify the number and complexity of questions as needed. For enrichment purposes, students could use company information from the Internet to produce Balance Sheets. As an alternative, students may complete balance sheets on a formatted spreadsheet template, or format their own template.

Resources

Canadian Institute of Chartered Accountants Handbook.

Activity 1.3: Let's Take a Closer Look at the Balance Sheet

Time: 120 minutes

Description

Students learn to calculate, interpret, and draw conclusions from Balance Sheet ratios. This activity develops thinking/inquiry through the completion of exercises, and communication is assessed via the verbal and written comments and suggestions resulting from the analysis of the ratios.

Strand(s) & Learning Expectations

Strand(s): The Use of Accounting Information in Decision Making

Overall Expectations

DMV.01 - describe how accounting information is interpreted to help in decision making;
DMV.02 - explain the importance of financial statements in the decision-making process;
DMV.03 - demonstrate an understanding of human, environmental, and ethical issues in the field of accounting.

Specific Expectations

DM1.01 - describe the use of accounting information in decision making by company personnel (e.g., department managers, owners);
DM2.01 - assess the capability of a firm to manage its liquidity (e.g., by determining its ability to pay debts as they come due).

Ontario Catholic School Graduate Expectations

CGE2b - read, understand, and use written materials effectively;
CGE2c - present information and ideas clearly and honestly and with sensitivity to others;
CGE2d - write and speaks fluently one or both of Canada's official languages;
CGE3c - think reflectively and creatively to evaluate situations and solve problems;
CGE4f - apply effective communication, decision-making, problem-solving, time, and resource management skills.

Prior Knowledge & Skills

- Students should have an understanding of the Balance Sheet.

Planning Notes

- Copies of Appendix C are required.

Teaching/Learning Strategies

1. The teacher leads a discussion with the class on what information the Balance Sheet does/does not provide (e.g., balance sheet is a summary of what a business owns and owes but does not indicate profit or market value of the company).
2. Have students examine a balance sheet from previous exercises. As a means of assessing their own learning, have students work in small groups to discuss the financial position of the company. Students should tell their peers what they feel the financial position is and why. Ask students if they think that the company is in a good financial position. Show students how to calculate and interpret working capital, current ratio and debt to equity ratio.
3. Students complete Appendix C.
4. Discuss the financial position of each company from Appendix C given the calculation of the new information. Have students give suggestions to improve the financial position of the business.
5. Discuss how the financial position of the company could impact other areas of its business such as marketing and going global.
6. In small groups, using a Balance Sheet from previous exercises, have students calculate working capital, current ratio, and debt to equity ratio and comment on the current financial position of the company and how to improve it. Students communicate their results in written format and as a presentation to the class.
7. Using the financial information from a Church or other not-for-profit organization, discuss the differences in assessing working capital, current ratio, and debt to equity ratio of these organizations.
8. Students complete assignments from the text.

Assessment & Evaluation of Student Achievement

The focus of the assessment is Thinking/Inquiry, Communication, and Application, which are assessed through students' evaluations of Balance Sheet ratios as found in the case analysis report. As well, Communication is assessed through the discussion of profit and not-for-profit companies. Written reports and oral presentations related to Strategies 4-8 would allow students to demonstrate all of the assessment categories.

Accommodations

The teacher should check work after each example to ensure that students are completing ratios correctly. Students should have a calculator to complete ratios. A peer helper can help students to determine the financial stability of each company. For enrichment purposes, students can analyse and compare the financial statements of two or more Canadian companies.

Appendices

Appendix C – Balance Sheet Analysis

Activity 1.4: Transaction Sheet

Time: 180 minutes

Description

This activity introduces students to double-entry accounting using a transaction sheet. Students learn to prepare a Balance Sheet using the new transaction sheet balances. This activity develops knowledge/understanding and application through the completion of exercises and assignments.

Strand(s) & Learning Expectations

Strand(s): The Accounting Cycle

Specific Expectations

AC2.01 - demonstrate how to record transactions using the double-entry accounting system.

Ontario Catholic School Graduate Expectations

CGE2b - reads, understands, and uses written materials effectively;

CGE2c - presents information and ideas clearly and honestly and with sensitivity to others.

Prior Knowledge & Skills

- Students should have an understanding of Balance Sheet accounts.
- Diagnostic testing could be used to determine prior knowledge.

Planning Notes

- Copies of a transaction sheet (see Workbook) and Appendix B are required.

Teaching/Learning Strategies

1. Distribute transaction sheet template to students. Using the accounts and balances from the business worth exercise in Activity 1, have students enter the values into the template.
2. List some of the daily financial events that occur in the business (e.g., purchase of assets, payment of loan, owner invests in business, etc.). Discuss how these events would affect the account balances of the business.
3. Define business transaction.
4. Complete five or six transactions as a class, ensuring that the accounting equation is kept in balance after each.
5. Demonstrate how the final balances of each account are used to create a new Balance Sheet.
6. Discuss the protocols regarding transactions – transactions always affect at least two items; the effects are expressed in dollar amounts; the equation must always be in balance.
7. Complete transactions exercises.
8. Complete transactions assignment. In order to assess students' own learning, have students evaluate the transactions assignment with a partner to find and correct errors or problems.
9. At the end of the activity, Unit Test 1 should be given (see Appendix B).

Assessment & Evaluation of Student Achievement

The focus of the assessment is Knowledge/Understanding, which is evaluated by the completion of exercises and an assignment on Transaction Sheets.

Accommodations

Have the peer helper work one-on-one with students to complete each transaction. The teacher may have to adjust the number of exercises to be completed. Students should verbalize the effect of each transaction on the accounts of the business before completing the transaction analysis sheet. The teacher should check for accuracy after each transaction. Students who need an enriched program should receive more exercises to complete.

Appendices

Appendix B – Unit Test 1

Activity 1.5: Integrating Computer Applications

Time: 180 minutes

Description

This activity introduces students to the use of spreadsheet software for accounting purposes. Students must first be shown how to use a spreadsheet program at a basic level, and then they create Balance Sheets and transaction sheets. This activity develops application through the completion of these statements using the spreadsheet program.

Strand(s) & Learning Expectations

Strand(s): The Accounting Cycle

Overall Expectations

ACV.03 - apply the recording and reporting process in computer accounting.

Specific Expectations

AC3.01 - demonstrate, using accounting software, how to record transactions using the double-entry accounting system.

Ontario Catholic School Graduate Expectations

CGE2b - read, understand, and use written materials effectively;

CGE2c - present information and ideas clearly and honestly and with sensitivity to others.

Prior Knowledge & Skills

- Students should be able to use a spreadsheet at a basic level, have knowledge of Balance Sheet transactions, and be able to prepare a Balance Sheet.

Planning Notes

- Book the computer lab.

Teaching/Learning Strategies

1. Identify and explain the basic parts of a computer system so that students are familiar with the technology that they will be using. As well, discuss and demonstrate the benefits of an ergonomically correct workplace and keyboarding techniques.
2. Ensure students have an understanding of, and can perform, the following spreadsheet functions: opening, closing, creating, and saving files; entering labels and values; creating and filling simple formulas; using the SUM function; formatting cells and cell contents (e.g., borders, underlining, font sizes, etc.).
3. Create a Balance Sheet template with the students that can be used for all activities.
4. Use this template to prepare Balance Sheets.

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5. Create a transaction sheet template with students that can be used for all activities.
 6. Use this template to complete transaction sheets.
 7. Students complete an assignment.

Assessment & Evaluation of Student Achievement

The focus of the assessment is Application, which is evaluated by the completion of exercises and an assignment on the computer.

Accommodations

The teacher should have as many helpers as possible during these lessons. Peer helpers and Special Education assistants may be utilized to help students who encounter difficulties. Provide templates for all exercises. Students may work in groups to complete computer assignments. Students in an enriched program can help students in need.

Resources

Computer lab
Spreadsheet program

Activity 1.6: Debits and Credits – The Real Thing

Time: 300 minutes

Description

This activity introduces students to the use of T-accounts and debit/credit theory. It is crucial that students have a good understanding of debit/credit theory since it represents the foundation for the rest of the course. Students explain changes in various business accounts through the use of T-accounts. A trial balance is completed to ensure the accuracy of changes.

Strand(s) & Learning Expectations

Strand(s): The Accounting Cycle

Specific Expectations

AC1.02 - describe the relationship between debit and credit entries;

AC2.04 - demonstrate the accuracy of accounting records through the use of a trial balance.

Ontario Catholic School Graduate Expectations

CGE2a - listens actively and critically to understand and learn in light of gospel values;

CGE2b - reads, understands, and uses written materials effectively;

CGE3c - thinks reflectively and creatively to evaluate situations and solve problems.

Prior Knowledge & Skills

- Students should have an understanding of Balance Sheet accounts and transactions.

Planning Notes

- Make copies of Fred's Farms T-account sheet (Appendix D).

Teaching/Learning Strategies

1. Discuss the advantages and disadvantages of both the T-Account and the transaction analysis sheet as a method of recording accounting data. Introduce the T-Account as an alternative device used to record transactions.
2. Distribute T-Account sheet (Appendix D).

-
3. Illustrate how beginning balances are transferred from the Balance Sheet to the T-Account. Stress to students that the left side of the T-Account is the debit side and the right side of the T-Account is the credit side. The teacher may wish to utilize an Analytical Sheet (found in most workbooks).
 4. With the class, complete several Balance Sheet transactions. Clarify to students that debit accounts increase on the debit side and decrease on the credit side of the T-Account. Alternatively, clarify that credit accounts increase on the credit side and decrease on the debit side of the T-Account.
 5. Show students how to total and find the balances for each T-Account.
 6. Demonstrate the creation of the Trial Balance from the T-Account balances for students. Note to students the importance of the T-Account in verifying that the accounting equation is in balance.
 7. Students complete several transaction exercises involving the recording of transactions on T-Accounts, preparing Trial Balances, and preparing Balance Sheets.

Assessment & Evaluation of Student Achievement

The focus of the assessment is Knowledge/Understanding, Communication, and Application. Knowledge/Understanding is assessed by the completion of exercises. Communication and Application are assessed through the analysis of the advantages and disadvantages of the T-Account and the transaction analysis sheet, using either written reports or oral presentations.

Accommodations

Students require the debit/credit rules for assets, liabilities, and owner's equity accounts. A peer helper or teacher should ensure that each transaction is accounted for properly. The teacher may modify the number of exercises assigned. Students may also work in pairs to complete assigned work.

Appendices

Appendix D – Fred's Farms T-accounts

Activity 1.7: The Accounting Cycle – Putting It All Together

Time: 180 minutes

Description

This activity communicates the accounting cycle through a visual medium. Students complete summative exercises and apply GAAP rules to real-life business situations. Students evaluate their understanding of the accounting cycle and related GAAP rules.

Strand(s) & Learning Expectations

Strand(s): The Accounting Cycle, The World of Accounting

Overall Expectations

ACV.01 - describe the basic accounting cycle for a service business;

ACV.02 - apply the recording and reporting process in manual accounting.

Specific Expectations

WA1.04 - demonstrate an understanding of the guidelines, principles, and concepts of accounting;

AC1.04 - describe the steps in the accounting cycle for a service business.

Ontario Catholic School Graduate Expectations

CGE2a - listen actively and critically to understand and learn in light of gospel values;

CGE2b - read, understand, and use written materials effectively;

CGE2d - write and speaks fluently one or both of Canada's official languages.

Prior Knowledge & Skills

- Students should understand the process of entering transactions into T-accounts and checking accuracy through the completion of a Trial Balance. A properly formatted Balance Sheet is also a necessity.

Planning Notes

- Make copies of the assignment (Appendix E), checklist (Appendix F), and Unit Test 2 (Appendix G).

Teaching/Learning Strategies

1. Describe the steps of the accounting cycle on the board, through a poster or a bulletin board. Ideally students will use a range of creative ideas to present these in a variety of ways.
2. Assign a summative project, which requires students to take beginning balances and create an initial Balance Sheet, record transactions in T-accounts, create a Trial Balance to ensure accuracy of work, and create a modified Balance Sheet. Students then use their knowledge of financial ratios to determine the financial stability of the company. (See Appendix E – Unit 1 Accounting Assignment.)
3. Students submit this assignment in report form for formal evaluation. (See Appendix F for assignment checklist.)
4. Explain the importance of using high quality written and formatting skills in any business report. Students should demonstrate their proficiency in English and the use of basic word-processing skills.
5. A test is given to assess the knowledge of topics covered in the unit (Appendix G – Unit Test 2). Before the test, students should create their own mini-test for review purposes. This gives each student the opportunity to assess their own learning and to identify areas of strengths or weaknesses. Students should prepare a written assessment of their learning strengths and weaknesses and submit it to the teacher. This assessment should be returned after the test for comparison purposes.

Assessment & Evaluation of Student Achievement

The focus of the assessment includes Knowledge/Understanding, Thinking/Inquiry, Communication, and Application. These categories are represented on the checklist in Appendix F for the accounting cycle report. A Unit test is also utilized.

Accommodations

The assignment should be broken down into small, sequential steps. The teacher could evaluate each section as it is completed. Students should use their notes and text to complete the assignment. The teacher should be flexible with time limits where required.

Appendices

Appendix E – Unit 1 Accounting Assignment

Appendix F – Unit 1 Accounting Assignment Checklist

Appendix G – Unit Test 2

Appendix A

The Accounting Equation

Case: Grattoli's Convenience Store

Michael has recently purchased a convenience store at the corner of St. Vincent St. and Dunlop St. in Barrie, Ontario. He has three employees. Michael sells an average of \$30 000.00 worth of goods per week. However, Michael is concerned because profits are not as high as they should be and Michael seems to be ordering more goods than are sold.

In small groups, list at least three reasons why profits are lower than expected. Students should be prepared to discuss their answers with the class.

The Accounting Equation

Instructions: Calculate the missing value.

	ASSETS = LIABILITIES + OWNER'S EQUITY		
	\$10 000	\$1200	\$8800
A	880	100	
B	3000		2500
C	720	290	
D		600	2000
E	10100		5200
F	5000	2300	
G	18 000	7000	
H		4600	2900
I	1435		500
J	5275	0	

Instructions: Identify each item below as an Asset, Liability, or Owner's Equity.

ITEM	ELEMENT	ITEM	ELEMENT
A	Mortgage Payable	G	Accounts Receivable
B	Office Equipment	H	Sam Nguyen (customer)
C	Sara Hartney (owner)	I	Cash in bank
D	Property	J	Tony Angelo (partner)
E	Machinery	K	Bank Loan Payable
F	Delivery Equipment	L	X-Ray Co. (creditor)

Appendix B

Unit Test 1

Name:

1. A financial statement that lists assets, liabilities, and owner's equity as of a specific date is called a

2. The accounting equation is _____.

3. Match the following terms to their correct responses on the right:

- | | |
|----------------------|--|
| 1. CREDITOR _____ | A. something you owe |
| 2. DEBTOR _____ | B. something you own that has monetary value |
| 3. ASSETS _____ | C. someone who owes you money |
| 4. LIABILITIES _____ | D. someone you owe money to |

4. Fill in the missing value.

ASSETS	LIABILITIES	OWNER'S EQUITY
a) \$ 50 000.00	\$30 000.00	\$ _____
b) 100 000.00	_____	60 000.00
c) _____	90 000.00	30 000.00

5. a) Prepare a Balance Sheet for Angus Clothing Ltd. on February 12, 20-- from the following information:

Accounts Receivable	\$450	Truck	\$5000
Mortgage	\$39 100	Cash	\$7250
Land/Building	\$95 000	Bank Loan	\$22 000
Accounts Payable	\$3000	Office Supplies	\$300
Furniture / Equipment	\$13 000	J. Martin, Capital	\$?

b) Calculate the working capital, current ratio and debt to equity ratio for Angus Clothing. (Show the formulas and your work)

c) As a bank manager, would you give Ms. Martin a \$10 000 loan? Why or why not?

6. a) On the transaction sheet provided, record the following balances for Sparta Cleaners as of June 1, 20--.

Cash \$1000; Accounts Receivable \$2000; Supplies \$800; Equipment \$10 000; Furniture and Fixtures \$5000; Land and Buildings \$50 000; Accounts Payable - C. Wong \$3000; Bank Loan \$10 000; Mortgage \$15 000; G. Hussein, Capital \$40 800.

b) Record the following transactions:

June 2 Received \$200 from a customer.

June 4 Bought cleaning fluid for \$300 from G. Hussein, on account.

June 6 Returned one batch of cleaning fluid which cost \$50 because it was defective.

June 10 Owner invested another \$8000.

June 12 Paid \$10 000 on the bank loan in full.

June 18 Made our regular mortgage payment of \$400.

June 19 Bought cleaning supplies for \$100 cash.

June 20 Paid \$2500 to G. Hussein, a creditor.

c) Total and check the equality of the equation.

Appendix C

Balance Sheet Analysis

Greater Stayner Video Rental Company			
Balance Sheet			
as at September 30, 20--			
ASSETS		LIABILITIES	
Cash	\$6000	Bank Loan	\$4000
Accounts Receivable	2000	Accounts Payable	2000
Videos	20 000	Total Liabilities	<u>\$6000</u>
Furniture and Fixtures	8000	OWNER'S EQUITY	
Equipment	4000	C. Hall, Capital	<u>34 000</u>
Total Assets	<u>\$40 000</u>	Total Liabilities & Owner's Equity	<u>\$40 000</u>

Sunnidale Rent-A-Video			
Balance Sheet			
as at September 30, 20--			
ASSETS		LIABILITIES	
Cash	\$100	Bank Loan	\$5000
Accounts Receivable	400	Accounts Payable	4000
Videos	500	Total Liabilities	<u>\$9000</u>
Furniture and Fixtures	5000	OWNER'S EQUITY	
Equipment	4000	C. Hall, Capital	<u>1000</u>
Total Assets	<u>\$10 000</u>	Total Liabilities & Owner's Equity	<u>\$10 000</u>
		Equity	

Questions

1. Does the Balance Sheet indicate the profit of a company?
2. What does Capital represent on a Balance Sheet?
3. Does the Balance Sheet show the market value of the business? Explain why or why not.
4. Calculate the working capital, current ratio, and debt to equity ratio for Greater Stayner Video Rental Company.
5. Calculate the working capital, current ratio, and debt to equity ratio for Sunnidale Rent-A-Video company.
6. Assume you are the Loans Manager for the Clearview Credit Union. Mr. Hall and Mrs. Hartney both ask for \$5000 loans. For each business, write a brief report explaining why you would or would not give the loan. Use the ratios you calculated as a basis for your decision.

Appendix D

Fred's Farms T-Accounts

Fred's Farm			
Balance Sheet			
as at February 9, 2000			
ASSETS		LIABILITIES	
Cash	\$20 000.00	Bank Loan	\$30 000.00
Accounts Receivable	10 000.00	Accounts Payable	10 000.00
Equipment	50 000.00	Mortgage Payable	55 000.00
Building	20 000.00	Total Liabilities	\$95 000.00
Land	100 000.00	OWNER'S EQUITY	
		F. Fernwood, Capital	105 000.00
Total Assets	<u>\$200 000.00</u>	Total Liabilities & Owner's Equity	<u>\$200 000.00</u>

Appendix E

Unit 1 Accounting Assignment

The following accounts are from Barlow's Beans and Burgers Restaurant, owned by Bob (Big Guy) Barlow, as at November 1, 20--:

Cash \$18 970.00; Supplies \$7350.00; Mortgage Payable \$120 000.00; Equipment \$12 634.00; Bank Loan \$15 100.00; Accounts Receivable - L. Mooj \$2000.00; Accounts Receivable - D. Entist \$1150.00; Land \$25 000.00; Building \$180 000.00; Accounts Payable - Fred's Farms \$2630.00; Accounts Payable - Sid's Supplies \$3000.50

- a) Calculate the owner's equity for Bob.
- b) Create a Balance Sheet for Barlow's Beans and Burgers Restaurant as at November 1, 20--.
- c) Transfer the Balance Sheet accounts to appropriate T-accounts.
- d) Record the following transactions in the appropriate T-accounts for the month of November:
 - Nov 2. Purchased supplies at a cost of \$2800.00 cash
 - Nov 3. Mr. Barlow withdraws \$1600.00 from his personal savings account, which he deposits in the business bank account
 - Nov 4. Purchased equipment on account from Sid's Supplies for \$2750.00
 - Nov 6. Made a regular payment on bank loan for \$1400.00
 - Nov 10. Paid \$725.00 on account to Fred's Farm
 - Nov 15. Purchased land and an addition to the building for expansion at a cost of \$30 000.00 of which \$20 000.00 was applicable to land and \$10 000.00 to building. The transaction involved the cash payment of \$1500.00 with the remainder to be added to the mortgage
 - Nov 20. Paid \$1000.00 on account to Sid's Supplies
 - Nov 25. Mr. D. Entist paid his account in full
 - Nov 29. Mr. Barlow withdraws \$500 to purchase Christmas gifts for his family
- e) Total and rule all T-accounts.
- f) Prepare a trial balance for November 30, 20--.
- g) Prepare a Balance Sheet dated November 30, 20--.
- h) Using the November 30th Balance Sheet, calculate the following ratios: current ratio, working capital, and debt to equity ratio.
- i) Assume you are the loans manager for We're In the Money Financing Corporation. Mr. Barlow wishes to borrow \$100 000.00 in order to expand his business across Canada. Using the data from his most recent balance sheet and the ratios calculated in h), would you give Mr. Barlow the loan? Why or why not?

Appendix F

Unit 1 Accounting Assignment Checklist

Category/Criteria	Yes	No
Application		
Balance Sheet Formatting (titles, liquidity, underlining, etc.)		
Balance Sheet Accuracy		
T-account Opening		
Recording of Transactions		
Balancing of T-accounts		
Trial Balance		
Financial Ratios		
Thinking/Inquiry		
Financial Analysis		
Communication		
Communication of information and ideas		

Appendix G

Unit Test 2

Name:

1. Match each of the following terms with the best definition from the list on the right by writing the letter of the definition in the space provided. A definition may be used more than once.
 1. _____ Asset A. The left side of an account
 2. _____ Liability B. The owner's share of the assets
 3. _____ Debit C. An amount owing to someone outside the business
 4. _____ General Ledger D. The value of items taken out of the business by the owner
for personal use
 5. _____ Credit E. Something owned by a business
 6. _____ Capital F. The income of the business for a period
 7. _____ Owner's Equity G. The right side of an account
H. The main book of accounts for a business

2. Explain the difference between Accounts Receivable and Accounts Payable.

3. a) Using the T-accounts provided, record the following opening balances for Suzie's Sewing, an upholstery shop as of Jan. 2, 20--.
Cash \$20 000; Supplies \$1000; Tools \$5000; Equipment \$10 000; Furniture and Fixtures \$8000;
Accounts Payable - Martha's Office Supplies \$2000; Capital, Tobias Smyth \$42 000.
Open new accounts as needed.
b) Record the following:
Jan 4 Purchases a new calculator from Martha's Office Supplies on account for \$125.
Jan 5 Purchased new shelves for \$1000 cash.
Jan 8 The purchase of our new building is finalized at a price of \$140 000; of which we paid
\$14 000 down and borrowed the rest on a mortgage.
Jan 10 Received a sign for the front of our new store from Signs-For-Sale \$1200 on account.
Jan 11 Pays Martha's Office Supplies in full.
Jan 13 Suzie returned the calculator to Martha's Office Supplies and got her money back.
Jan 15 Buys paper from Speedy Print for \$100 cash.
Jan 25 Arranges a bank loan for \$5000.
Jan 28 Pays Signs-For-Sale \$1200 on account.
Jan 30 Pays \$2000 off the mortgage.
c) Prepare a Trial Balance on January 31, 20--.