

2024 APPLIED ACCOUNTING

Program Standards

CONTENT STANDARD 1.0: PROFESSIONAL ORGANIZATIONS AND LEADERSHIP

Performance Standard 1.1: Student Leadership in Career Technical Student Organizations (CTSO) and Professional Associations

- 1.1.1 Explore the role of professional organizations and/or associations in the accounting industry.
- 1.1.2 Define the value, role, and opportunities provided through career technical student organizations.
- 1.1.3 Engage in career exploration and leadership development.

CONTENT STANDARD 2.0: ACCOUNTING CAREERS

Performance Standard 2.1: Career Pathways

- 2.1.1 Identify career pathways related to accounting skill sets within the Business Management and Administration Career Cluster.
- 2.1.2 Identify industry certifications (e.g., Certified Bookkeeper, CPA, CIA, CMA) relevant to career pathways within the accounting profession.
- 2.1.3 Identify certifications related to industry-standard information technology applications (e.g., MOS, Excel, QuickBooks).
- 2.1.4 Describe the educational requirements (e.g., bachelor's degree, master's degree) for career pathways in the accounting profession.

Performance Standard 2.2: Accounting Ethics

- 2.2.1 Describe the importance of business ethics and accurate reporting in accounting.
- 2.2.2 Describe types of ethical violations and accounting-related fraud and their impacts.
- 2.2.3 List organizations that govern the accounting industry, and describe their functions to oversee, police, or enforce standards (e.g., FASB, SEC, IASB).
- 2.2.4 Describe trends in accounting, including technological advances.

Performance Standard 2.3: Business Ownership Structures

- 2.3.1 Identify types of business ownership structures (e.g., sole proprietorship, partnership, corporation).
- 2.3.2 Compare types of business ownership structures and the accounting methods they employ.

CONTENT STANDARD 3.0: ACCOUNTING CONCEPTS, PROCEDURES, AND STRATEGIES

Performance Standard 3.1: Accounting Concepts and Fundamentals

- 3.1.1 Describe the importance of following basic accounting principles (e.g., revenue recognition, cost, matching, objectivity/neutrality, full disclosure) within generally accepted accounting principles (GAAP).
- 3.1.2 Describe the importance of following basic accounting assumptions (e.g., consistency, going concern, time period, economic entity) within GAAP.
- 3.1.3 List the sequential steps in the accounting cycle.
- 3.1.4 Compare accrual accounting and cash-basis accounting.
- 3.1.5 Analyze the impact of business transactions on the accounting equation.
- 3.1.6 Classify accounts as assets, liabilities, or owner's equity.
- 3.1.7 Prepare a chart of accounts.
- 3.1.8 Analyze transactions using T accounts.
- 3.1.9 Identify source documents.
- 3.1.10 Describe the purposes of journals and double-entry accounting.
- 3.1.11 Journalize transactions in a general journal.

- 3.1.12 Post journal entries to general ledger accounts.
- 3.1.13 Describe how to use a worksheet to prepare trial balance and financial statements.
- 3.1.14 Classify nominal and real accounts.
- 3.1.15 Describe the reason and process for recording closing entries.
- 3.1.16 Describe the purpose of financial reports (e.g., income statement, statement of owner's equity, balance sheet, statement of cash flows).
- 3.1.17 Detect common accounting errors in documents.

Performance Standard 3.2: Computerized Accounting

- 3.2.1 Identify industry-standard computerized applications, including cloud-based applications.
- 3.2.2 Identify basic spreadsheet functions (e.g., concatenate, conditional formatting, importing external data, SUM, PMT, AVERAGE, MAX/MIN, IF functions) for financial calculations.
- 3.2.3 Identify advanced spreadsheet functions (e.g., pivot tables, macros, VLOOKUP, PV/FV).
- 3.2.4 Describe the main functions and benefits of using accounting applications.
- 3.2.5 Interpret financial statements using computer applications.
- 3.2.6 Export files from various applications in portable document format (PDF).
- 3.2.7 Identify data needed (e.g., company data, chart of accounts, customer job list, vendor list, item list, fixed asset item list, payroll information) to set up a business entity in a financial application.

Performance Standard 3.3: Financial Statements

- 3.3.1 Describe the purpose of an unadjusted trial balance.
- 3.3.2 Prepare an unadjusted trial balance.
- 3.3.3 Describe the purpose of a trial balance.
- 3.3.4 Prepare a trial balance.
- 3.3.5 Describe the purpose of adjusting entries.
- 3.3.6 Journalize and post adjusting entries.
- 3.3.7 Describe the purpose of closing entries.
- 3.3.8 Journalize and post the closing entries.
- 3.3.9 Describe the purpose of a post-closing trial balance.
- 3.3.10 Prepare a post-closing trial balance.
- 3.3.11 Describe the purpose of the four standard financial statements.
- 3.3.12 Prepare an income statement, statement of owner's equity, balance sheet, and statement of cash flows.
- 3.3.13 Calculate gross and net profit or loss.
- 3.3.14 Analyze the relationships among income statement, statement of owner's equity, balance sheet, and statement of cash flows.
- 3.3.15 Describe how accounting information is used by management to allocate resources in the business decision-making process.

Performance Standard 3.4: Accounts Payable Functions

- 3.4.1 Describe the nature of accounts payable.
- 3.4.2 Prepare and post to an accounts payable subsidiary ledger.
- 3.4.3 Prepare a schedule of accounts payable.
- 3.4.4 Identify types of accounts payable special journals (e.g., purchases, cash payments).
- 3.4.5 Describe current and contingent liabilities.
- 3.4.6 Describe bonds payable, notes payable, and interest expense.
- 3.4.7 Prepare current and long-term liabilities on the balance sheet.

Performance Standard 3.5: Accounts Receivable Functions

- 3.5.1 Describe the effects of accounts receivable on the accounting equation.
- 3.5.2 Prepare and post to an accounts receivable subsidiary ledger.
- 3.5.3 Prepare a schedule of accounts receivable.

- 3.5.4 Estimate a reserve for bad debt of uncollectable accounts receivable.
- 3.5.5 Record transactions for accounts receivable, including uncollectable accounts, write-offs, and recoveries.
- 3.5.6 Write off an uncollectable account receivable.
- 3.5.7 Identify types of accounts receivable special journals (e.g., sales, cash receipts).

Performance Standard 3.6: Asset Protection and Internal Controls

- 3.6.1 Describe how to prove cash by comparing a cash account ledger balance to a checking account.
- 3.6.2 Journalize and post entries to establish and replenish petty cash.
- 3.6.3 Prepare a bank statement reconciliation.
- 3.6.4 Journalize and post entries related to banking and checking activities (e.g., service charges, EFT, debit/credit card transactions).
- 3.6.5 Describe internal-control objectives (e.g., safeguard assets, encourage employees to follow company policy, promote operational efficiency, ensure accurate, reliable accounting records, comply with legal requirements) and internal-control components (e.g., control environment, risk assessment, information system, control procedures, monitoring of controls).

Performance Standard 3.7: Inventory and Cost of Goods Sold

- 3.7.1 Describe the reason for establishing an inventory method.
- 3.7.2 Record inventory, tracking fluctuations through a perpetual and periodic inventory system.
- 3.7.3 Prepare journal entries for sales transactions, sales discounts, and sales returns and allowances in a perpetual and periodic inventory system.
- 3.7.4 Record inventory shrinkage or overage adjustments.
- 3.7.5 Determine the value and cost of inventory, using the last-in-first-out (LIFO), the first-in-first-out (FIFO), and the weighted-average methods.
- 3.7.6 Calculate the cost of goods sold (COGS).
- 3.7.7 Analyze financial statements by using the COGS model to make management decisions.
- 3.7.8 Evaluate gross profit margin percentage, inventory turnover, and days inventory outstanding (DIO).

Performance Standard 3.8: Long-Term Assets

- 3.8.1 Prepare depreciation schedules, using various methods (e.g., straight-line, double declining).
- 3.8.2 Record the costs of property, plant and equipment, natural resources, and intangible assets.
- 3.8.3 Determine the book value of a long-term asset.
- 3.8.4 Record the disposal of plant assets.

Performance Standard 3.9: Stockholders' Equity

- 3.9.1 Describe the features of a corporation.
- 3.9.2 Identify classes of stock.
- 3.9.3 Account for the issuance of stock.
- 3.9.4 Prepare a statement of stockholders' equity.

Performance Standard 3.10: Payroll Procedures

- 3.10.1 Describe the use of required employee documentation (e.g., W-4, timecards, employee earnings records).
- 3.10.2 Calculate employee earnings (e.g., gross pay, net pay, benefits, voluntary deductions).
- 3.10.3 Calculate employee payroll taxes (e.g., federal, state, Social Security, Medicare, and other state and local payroll taxes).
- 3.10.4 Calculate employer payroll taxes (e.g., Social Security, Medicare, FUTA, SUTA).
- 3.10.5 Prepare a payroll register.

- 3.10.6 Maintain payroll records, according to internal controls and federal and state records-retention regulations.
- 3.10.7 Record payroll in the general journal.
- 3.10.8 Identify legal obligations that pertain to payroll to ensure compliance with federal and state regulations.
- 3.10.9 Journalize and post employee and employer tax liability.
- 3.10.10 Prepare mid-year and year-end employer tax reporting forms (e.g., W-2, W-3, 940, 941) and deposits.
- 3.10.11 Prepare payroll checks.

IDCTE Document Control Information

Program Standard Revision: BME Applied Accounting

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