

Module 1

Title: Introduction to Accounting Transaction Analysis

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Concept:

Using the fundamental accounting equation, understand how to analyze basic business transactions.

Time Allotment: Two Class Periods

Grade Level: 11th and 12th Graders

ND Standards Competencies:

Achievement Standard (NBEA National Standards for Business Education Accounting Standard, 2001) Course Code 03031

Brief Description:

Given accounting transactions, students will learn to identify if the transaction is an asset, liability, or owner's equity.

Objectives:

Students will:

1. Know the fundamental accounting equation
2. Understand key concepts of the equation (Assets, Liabilities, and Owner's Equity)
3. Identify changes to the accounting equation, when given examples of a business transaction

Introduction:

Understanding this part of accounting is very important. Introduce the three main components of the accounting equation. Then have each student give examples of each component. The examples will have to be something they or their family owns or owes. Teacher will also stress keeping the accounting equation in balance.

Materials Needed:

1. Accounting books
2. Sample transaction sheets
3. Notebook and writing utensil
4. Calculator (To keep everything in balance)
5. Examples of assets and liabilities

Equipment Needed:

1. Board to write on
2. Projector, Overhead, or Smart board

Lesson Outline:

To Do: After the introduction, have students read section out loud as a class. Teacher will stop and talk about key terms.

Students will break up in groups of two.

To Say: Think of the school, name some assets and liabilities that the school has? In your group, write down three examples of each. Tell students they can not talk until I call on them.

To Do: After everybody has finished students will put the information on the board. This way we can see how many different examples we have. Each group will have a speaker and a writer. The writer will write down the examples, while the speaker explains why the example is in that category.

To Say: Ask the class if all these examples are in the right categories or not. If a student feels they are not, I will ask them to explain why.

To Do: Hand out sheets with one big list of assets, liabilities, and Owners Equity. Students will have to decide where each transaction falls under.

To Say: As a class we will discuss where each of these transactions goes to see if students had the right answers. Then students will have time to explain why they thought a transaction went where it did.

Resources:

Century 21 South-Western Accounting 7th Edition, text book and workbook.

Activities:

Students will get a list of transactions and have to decide where each goes. We will go over this in class to make sure students have an understanding of the accounting equation.

Assignment:

Students will do the section questions. After they finish the questions, at home they will have to find assets and liabilities around their homes. Each student will have to give three examples of each.

Evaluation Plan:

Evaluation will began when students start putting the list of transactions into their proper categories. I will be able to see which students grasp the concept and which students need more assistance. Also I will have students complete their end of the session work and have a grade of 85% or greater to move on.