

Texas University Interscholastic League

Contest Event: Accounting

The contest focuses on the elementary principles and practices of accounting for sole proprietorship, partnerships and corporations, and includes bookkeeping terminology, the work sheet with adjustments, income statement, balance sheet, trial balance, account classification, journalizing, posting, bank reconciliation, payroll and other items related to the basic accounting cycle.

The Texas Essential Knowledge and Skills are categorized by course area and grade level. The following are course area abbreviations used for the TEKS in Accounting:

Course	Abbr.	Recommended for Students in Grades:
Accounting I	AI	10-12
Accounting II	AII	10-12
Banking and Financial Services	B&FS	11-12
Business Law	BL	11-12
Business Management	BMgt	10-12
Principles of Business/Mrktg/Finance	PBMF	9-10
Money Matters	MM	9-10

Each TEKS begins with the outline number for the appropriate course area.

Texas Essential Knowledge and Skills	Contest Knowledge and Skills
<p><u>Basic Understanding of the Accounting Industry:</u></p> <p>(1) The student communicates an understanding of the accounting industry. The student is expected to:</p> <p>(A) describe the purpose of accounting and financial reporting; and</p> <p>(B) discuss its impact on industry. (AI)</p>	<p><u>Basic Understanding of the Accounting Industry:</u></p> <p>-Identify and define terminology used in basic accounting theory.</p> <p>-Analyze how business transactions affect the accounting equation</p>
<p><u>The Accounting Cycle for an Inventory-Based or Merchandising Business:</u></p> <p>(5) The student performs accounting functions specific for a merchandising business. The student is expected to explain the nature of special journals and recording transactions in special journals. (AI)</p>	<p><u>The Accounting Cycle for an Inventory-Based or Merchandising Business:</u></p> <p>-Compare and contrast the characteristics and terminology of a service and merchandising business.</p> <p>-Identify and define terminology used in a merchandising business organized as a proprietorship.</p> <p>-Compare and contrast the accounting cycle of a service and merchandising business.</p> <p>-Identify and verify calculations on source documents used in a merchandising business.</p> <p>-Analyze business transactions relating to purchases, purchases discounts, and purchases returns and allowances.</p>

- Analyze business transactions relating to sales, sales discounts, and sales returns and allowances.
- Identify terms of sale.

- Determine if payment date is within the discount period.

- Calculate trade and cash discounts.

- Calculate sales taxes.

- Journalize taxable and nontaxable sales.

- Journalize sales using credit cards and bankcards.

- Identify whether the buyer or seller is responsible for shipping costs using FOB Destination and FOB Shipping Point terminology.

- Journalize merchandising transactions to the general journal and to special journals.

- Post from special journals to the general ledger.

- Post to the accounts receivable and accounts payable subsidiary ledgers.

- Prepare schedules for subsidiary ledgers.
- Reconcile subsidiary ledgers to their respective controlling account in the general ledger.

- Prepare a trial balance for a merchandising business.

- Identify accounts that require end-of-period adjustments for a merchandising business.

- Calculate account adjustments for a merchandising business and plot on the work sheet.

- Prepare a ten-column work sheet for a merchandising business.

- Prepare financial statements for a merchandising business: Balance Sheet, Income Statement, and Statement of Owner's Equity.

- Prepare the Cost of Merchandise Sold section of an Income Statement either with or without the account called Transportation In.

- Journalize and post adjusting entries for a merchandising business.

	<p>-Journalize and post closing entries for a merchandising business.</p> <p>-Prepare a post-closing trial balance for a merchandising business.</p>
<p><u>Cash Flow and Banking Procedures:</u></p> <p>(10) The student performs specialized accounting procedures to track cash flow. The student is expected to:</p> <p>(A) process notes payable and receivable; (B) determine the book value of a plant asset; (C) prepare depreciation schedules; (D) record the disposition of assets; (E) account for intangible assets; and (F) analyze accounting records to make business decisions. (AI)</p> <p>(4) The student maintains cash controls. The student is expected to:</p> <p>(A) explain cash control procedures such as signature cards, deposit slips, internal and external controls, and cash clearing; (B) prove cash; (C) journalize and post entries to establish and replenish petty cash; (D) journalize and post entries related to banking activities; (E) explain the benefits of electronic funds transfer; and (F) prepare bank deposits, purchase requisitions, purchase orders, sales slips, and invoices. (AI)</p>	<p><u>Cash Flow and Banking Procedures:</u></p> <p>-Identify and define banking terminology.</p> <p>-Identify acceptable internal control procedures.</p> <p>-Compare and contrast the various types of check endorsements.</p> <p>-Prepare a check stub and check.</p> <p>-Prepare a bank deposit slip.</p> <p>-Reconcile the bank statement and checkbook records.</p> <p>-Demonstrate how to void a check and list proper internal controls for voided checks.</p> <p>-Prove cash.</p> <p>-Journalize entries required from the bank reconciliation process.</p> <p>-Journalize a stop payment order and any associated bank fees.</p> <p>-Journalize a dishonored check and any associated bank fees.</p> <p>-List reasons why a check can be dishonored.</p> <p>-Define and journalize an electronic funds transfer.</p> <p>-Define and journalize entries created from the use of a debit card.</p> <p>-Define a change fund.</p> <p>-Journalize the entries to establish a change fund and to increase the change fund.</p> <p>-Perform the cash proof of the change fund with or without cash shortages or cash overages.</p> <p>-Define a petty cash fund.</p> <p>-Journalize the entries to establish a petty cash fund and to increase the petty cash fund.</p>

	<ul style="list-style-type: none"> -Journalize the entry to replenish the petty cash fund with or without cash shortages or cash overages. -Prepare a petty cash requisition, voucher, register, and report.
<p><u>Payroll Procedures:</u></p> <p>(9) The student completes payroll procedures to calculate, record, and distribute payroll earnings. The student is expected to:</p> <ul style="list-style-type: none"> (A) interpret time cards to calculate hours worked; (B) maintain employee earnings records; (C) calculate employee earnings such as gross earnings and net pay; (D) calculate employee-paid withholdings; (E) prepare a payroll register; (F) record the payroll in the general journal; (G) complete payroll tax expense forms; and (H) prepare federal, state, and local payroll tax reports. (AI) 	<p><u>Payroll Procedures:</u></p> <ul style="list-style-type: none"> -Compute gross pay using hourly wage, salary, commission pay, and when there is a piecework incentive wage plan. -Calculate hours worked from a time card. -Calculate overtime pay. -Complete Form W-4. -Define and calculate employee-paid withholdings. -Determine when employee withholdings should no longer be withheld using respective tax base provided. -Define voluntary deductions. -Compute net pay. -Define direct deposit and electronic funds transfer as it applies to payroll transactions. -Prepare a payroll register. -Journalize the salary expense and withholdings entry. -Prepare employee earnings records. -Compare and contrast an employee versus an independent contractor. -Calculate employer payroll taxes and journalize the employer's payroll tax expense and liabilities entry. -Determine when employer payroll taxes should no longer be withheld using respective tax bases provided. -Identify and define the purpose of IRS Form W-2, W-3, 940, and 941.

	-Prepare IRS Form 941.
<p><u>Assets, Financial Resources, etc.:</u></p> <p>(8) The student maintains inventory records to track the location, quantity, and value of current assets. The student is expected to:</p> <p>(A) record inventory usage; (B) process invoice of inventory; (C) process results of inventory and adjustments; and (D) determine the cost of inventory. (AI)</p> <p>(3) The student uses equations, graphical representations, accounting tools, strategies, and systems in real-world situations to maintain, monitor, control, and plan the use of financial resources. The student will communicate how accounting procedures affect financial statements. The student is expected to:</p> <p>(A) classify, record, and summarize financial data; (B) discuss the accounting cycle; (C) demonstrate the effects of transactions on the accounting equation; (D) prepare a chart of accounts; (E) use T accounts; (F) record transactions in a general journal; (G) post journal entries to general ledger accounts; (H) prepare a trial balance; (I) journalize and post adjusting and closing entries; (J) prepare a post-closing trial balance; (K) prepare work sheets; (L) discuss the nature of annual reports; (M) discuss the use of financial ratios in accounting; (N) determine business liquidity; (O) calculate business profitability; (P) prepare income statements; (Q) prepare a statement of equity and retained earnings; and (R) prepare balance sheets. (AI)</p>	<p><u>Assets, Financial Resources, etc.:</u></p> <p>-Define accounting terms related to inventory.</p> <p>-Compare and contrast the periodic and perpetual inventory method.</p> <p>-Identify the importance of taking a physical inventory.</p> <p>-Prepare inventory records.</p> <p>-Journalize purchases and sales when the perpetual method is used.</p> <p>-Journalize purchases and sales when the physical method is used.</p> <p>-Calculate ending inventory using the various inventory costing methods (LIFO, FIFO, Weighted Average Cost, and Specific Identification).</p> <p>-Compare and contrast the effects of using the various inventory costing methods in an atmosphere of rising or falling prices.</p> <p>-Analyze the effects of incorrect cost of inventory on financial statements in current and future periods.</p> <p>-Apply the Lower-of-Cost-or-Market Rule.</p> <p>-Calculate the estimated amount of ending merchandise inventory using the gross profit method.</p> <p>-Organize and analyze financial data.</p> <p>-Prepare, adjust and analyze transaction data.</p> <p>-Define accounting terms related to assets and depreciation.</p> <p>-Define and identify current assets.</p> <p>-Identify the various components and costs that comprise the historical cost of assets.</p> <p>-Define and apply the concept of depreciation.</p> <p>-Identify the terminology for each of the estimates necessary to compute depreciation under the</p>

	<p>various methods.</p> <ul style="list-style-type: none"> -Compute depreciation using the straight-line method for a full year and for a partial year. -Compute depreciation using the double declining-balance method for a full year and for a partial year. -Compare and contrast the straight-line method and the various accelerated methods of depreciation. -Prepare asset record. -Calculate the book value of assets. -Identify the proper presentation of assets, accumulated depreciation, and depreciation expense in the financial statements. -Compare and contrast real property and personal property. -Calculate property tax. -Journalize and post the entry to record property tax expense. -Calculate the gain or loss on the sale of assets. -Journalize the entry to record the disposal of a assets at book value, for a gain, or for a loss. -Analyze the assets, liabilities and owner equity.
<p><u>The Basic Accounting Cycle for a Service Business Organized as a Proprietorship:</u></p> <p>(1) The student describes the characteristics of business. The student is expected to:</p> <p>(C) identify the types of business;</p> <p>(D) compare the different forms of ownership;</p> <p>(E) examine the organizational structure and functions of business; (PBMF)</p> <p>(3) The student describes economic systems. The student is expected to:</p> <p>(A) compare the types of economic systems and market structures;</p> <p>(B) explain the concept of private enterprise, including sole proprietorships, partnerships, and corporations; (MM)</p>	<p><u>The Basic Accounting Cycle for a Service Business Organized as a Proprietorship:</u></p> <ul style="list-style-type: none"> -Analyze the accounting equation: Assets = Liabilities + Owner's Equity. -Classify accounts as assets, liabilities, owner's equity, revenue, and expense. -Identify for each classification of accounts the balance side, increase side, and decrease side. -Analyze how business transactions affect the accounting equation using T accounts and debits and credits. -Prepare a chart of accounts.

	<ul style="list-style-type: none"> -Identify and verify calculations on source documents used in a service business. -Journalize business transactions in the general journal. -Post journal entries to the general ledger. -Prepare a trial balance. -Identify accounts that require end-of-period adjustments. -Calculate account adjustments and plot on the work sheet. -Prepare a ten-column work sheet. -Prepare financial statements: Balance Sheet, Income Statement, and Statement of Owner's Equity. -Journalize and post adjusting entries. -Journalize and post closing entries. -Prepare a post-closing trial balance. -Identify permanent (real) accounts. -Identify temporary (nominal) accounts. -Identify the characteristics, advantages and disadvantages of a business organized as a proprietorship. -Identify and define terminology used in a service business organized as a proprietorship. -Apply accounting assumptions and principles such as historical cost, the matching principle, comparability, etc. -Prepare individual income tax return using Form 1040EZ. -Identify the purpose of certain tax forms that report income. -Use calculator numeric key pad by touch for mathematical computations. -Apply the various rules to locate calculation errors (slide, transposition, etc.)
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Business Organized as a Partnership:

(1) The student uses equations, graphical representations, accounting tools, strategies, and systems in real-world situations to maintain, monitor, control, and plan the use of financial resources. The student is expected to communicate how accounting procedures affect financial statements. (AII)
(3) The student describes economic systems. The student is expected to:
(A) compare the types of economic systems and market structures;
(B) explain the concept of private enterprise, including sole proprietorships, partnerships, and corporations; (MM)
(7) The student identifies the different types of business organization. The student is expected to:
(B) explain the creation and operation of a partnership; (BL)

Business Organized as a Partnership:

- Identify the characteristics, advantages and disadvantages of a business organized as a partnership.
- Identify and define terminology used in a business organized as a partnership.
- Identify the importance and recommended contents of a partnership agreement.
- Journalize the entry to record the partner's opening entry and subsequent additional investments of cash and other assets to the partnership.
- Journalize partner withdrawals of cash and of merchandise.
- Complete the entire accounting cycle of a business organized as a partnership when the business is a service or merchandising business.
- Distribute net income or loss equally and prepare the journal entry.
- Distribute net income or loss using the fractional share basis stated either as a fraction or as a ratio and prepare the journal entry.
- Distribute net income or loss based on partners' capital investment and prepare the journal entry.
- Prepare financial statements for a partnership including the Balance Sheet, Income Statement, Distribution of Net Income Statement and the Statement of Changes in Partners' Equity.
- Identify the federal income tax filing requirements of a partnership and how the individual partner's share of the profits is taxed.
- Identify the four basic steps in a partnership's liquidation and prepare necessary journal entries.

Business Organized as a Corporation:

(11) The student performs specialized accounting functions to a corporation. The student is expected to:
(A) discuss the nature of a consolidated financial statement;

Business Organized as a Corporation:

- Identify the characteristics, advantages and disadvantages of a business organized as a corporation.
- Identify and define terminology used in a

<p>(B) communicate methods to account for the issuance of stock;</p> <p>(C) analyze the articles of incorporation needed to start a corporation;</p> <p>(D) compute the number of shares of common stock to be issued on the conversion of convertible preferred stock;</p> <p>(E) compute dividends payable on stock;</p> <p>(F) prepare a balance sheet for a corporation;</p> <p>(G) complete a work sheet for a corporation;</p> <p>(H) prepare an income statement for a corporation;</p> <p>(I) prepare a statement of equity and retained earnings for a corporation;</p> <p>(J) understand that internal accounting controls exist to ensure the proper recording of financial transactions; and</p> <p>(K) identify and perform tax accounting functions such as recordkeeping procedures and the nature of corporate tax accounting. (AI)</p> <p>(2) The student performs accounting functions specific to a corporation. The student is expected to:</p> <p>(A) discuss the nature of a consolidated financial statement;</p> <p>(B) communicate methods to account for the issuance of stock;</p> <p>(C) analyze the articles of incorporation needed to start a corporation;</p> <p>(D) compute the number of shares of common stock to be issued on the conversion of convertible preferred stock;</p> <p>(E) compute dividends payable on stock;</p> <p>(F) understand that internal accounting controls exist to ensure the proper recording of financial transactions;</p> <p>(G) complete a work sheet for a corporation;</p> <p>(H) generate an income statement for a corporation;</p> <p>(I) develop a statement of equity for a corporation;</p> <p>(J) produce a balance sheet for a corporation;</p> <p>(K) formulate a cash flow statement; and</p> <p>(L) perform accounting functions specific to corporate tax accounting, including discussing the nature of corporate tax accounting and applying record-keeping procedures for corporate tax accounting.</p> <p>(7) The student identifies the different types of business organization. The student is expected to:</p> <p>(C) discuss the nature and creation of a corporation;</p> <p>(D) depict the ownership of a corporation; and</p> <p>(E) describe the management and dissolution of a corporation. (BL)</p>	<p>business organized as a corporation.</p> <p>-Differentiate between a closely held corporation and a publicly held corporation.</p> <p>-Journalize the entry to issue common stock at par and also in excess of par.</p> <p>-Journalize the entry to issue preferred stock.</p> <p>-Calculate the dividends on preferred stock on an annual, semiannual, or quarterly basis.</p> <p>-Calculate dividends on a per share basis or in total for preferred and common.</p> <p>-Identify the requirements in order to declare dividends and journalize the entries on date of declaration and date of payment.</p> <p>-Complete the entire accounting cycle of a business organized as a corporation when the business is a service or merchandising business.</p> <p>-Prepare financial statements for a corporation including the Balance Sheet, Income Statement, Statement of Retained Earnings, and Statement of Stockholders' Equity.</p> <p>-Identify the federal income tax filing requirements of a corporation.</p> <p>-Calculate the quarterly estimated federal corporate income tax payments and journalize the required entries.</p>
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<p><u>International Accounting:</u></p> <p>(7) The student determines the impact of global/international trade on business decision making. The student is expected to:</p> <p>(A) explain the nature of global trade;</p> <p>(B) describe the determinants of exchange rates and their effects on the domestic economy;</p> <p>(C) discuss the impact of cultural and social environments on global trade; (MM)</p> <p>(6)(E) develop the importance of gathering and sharing information;</p> <p>(F) explain the importance of managing for productivity and growth;</p> <p>(G) define the quality-related characteristics for products and services;</p> <p>(H) explain International Standards Organization (ISO) standards, including ISO 9000 and ISO 14000; (BMgt.)</p> <p>(4) The student relates to the impact of international business on the United States economy. The student is expected to:</p> <p>(A) compare domestic and world trade; and</p> <p>(B) explain the impact of imports and exports on the United States economy. (PBMF)</p>	<p><u>International Accounting:</u></p> <ul style="list-style-type: none"> -Differentiate between domestic and international sales. -Define imports and exports. -Compare and contrast the risks involved in domestic and international sales. -Define value added tax. -Identify the necessary information in a contract of sale. -Define terminology used in international sales. -Identify the documents used in international sales. -Journalize an international sales entry. -Differentiate between a sight draft and a time draft. -Journalize an international sale using a time draft. -Journalize the entry to record the receipt of funds from a time draft. -Differentiate between a draft and a trade acceptance.
<p><u>Economic Systems:</u></p> <p>(3) The student describes economic systems. The student is expected to:</p> <p>(A) compare the types of economic systems and market structures;</p> <p>(B) explain the concept of private enterprise, including sole proprietorships, partnerships, and corporations and analyze the impact of economic concepts in historical documents, including the United States Constitution;</p> <p>(D) identify factors affecting profit, revenue, and expenses;</p> <p>(E) determine factors affecting business risk;</p> <p>(F) explain the concept of competition;</p> <p>(G) describe market structures; and</p> <p>(H) understand the rights and responsibilities of consumers within various economic systems. (MM)</p>	<p><u>Economic Systems:</u></p> <ul style="list-style-type: none"> -Analyze factors affecting profits, risk, etc. <p>Determine affects of competition.</p> <ul style="list-style-type: none"> -Calculate and journalize accrued revenue receivable (such as interest receivable on a note). -Calculate and journalize accrued expense payable (such as interest payable on a note). -Journalize prepaid expense (such as insurance premiums paid in advance). -Journalize deferred revenue (such as rent received before it is earned). -Calculate and journalize end-of-period adjusting entries for accruals and deferrals.

	<p>-Journalize reversing entries for all accruals and deferrals as required.</p> <p>-Analyze the impact of market structures.</p>
<p><u>Financial Information Analysis and Banking Services:</u></p> <p>(8) The student accesses, processes, maintains, and evaluates, and disseminates financial information to assist business decision making. The student is expected to:</p> <p>(A) discuss using accounting technology such as the use of data mining and integrating technology into accounting; and</p> <p>(B) create a clear and coherent oral and written presentation that includes the use of correct grammar, spelling, punctuation, and citation of resource materials. (AII)</p> <p>(8) The student maintains, monitors, controls, and plans the use of financial resources to enhance banking performance. The student is expected to:</p> <p>(A) describe the manner in which banks generate profit and explain measures banks take to ensure profitability; and</p> <p>(B) use financial formulas commonly used in banking to aid in the growth and stability of banking services, including key ratios and terms in banking, banking calculations such as interest and annual percentage rate, capital adequacy, asset quality, management administration, earnings, liquidity, and sensitivity to market risk. (BFS)</p>	<p><u>Financial Information Analysis and Banking Services:</u></p> <p>-Prepare classified financial statements using detailed descriptors such as Other Income and Other Expense.</p> <p>-Define interim financial statements.</p> <p>-Perform vertical analysis.</p> <p>-Analyze component percentages compared to acceptable percentages for that business or for the industry.</p> <p>-Perform horizontal analysis.</p> <p>-Calculate working capital.</p> <p>-Identify and define liquidity ratios and profitability ratios.</p> <p>-Calculate current ratio.</p> <p>-Calculate quick ratio.</p> <p>-Calculate return on sales.</p> <p>-Calculate return on owner's (or partner's) equity.</p> <p>-Calculate return on common stockholders' equity.</p> <p>-Calculate price earnings ratio.</p> <p>-Analyze graphs (pie, bar, and line) that represent various financial reporting data.</p> <p>-Use analysis results to formulate business decisions.</p> <p>-Analyze profits generate through banking, such as interest, capital adequacy, and management techniques.</p>

<p><u>Business Basics, Ethics, and Accounting Careers:</u></p> <p>(1) The student communicates an understanding of the accounting industry. The student is expected to:</p> <p>(A) describe the purpose of accounting and financial reporting; and</p> <p>(B) discuss its impact on industry.</p> <p>(2) The student uses career planning concepts, tools, and strategies to explore accounting careers. The student is expected to:</p> <p>(A) describe Generally Accepted Accounting Principles such as the purpose and use;</p> <p>(B) discuss the significance of responsibility in accounting such as ethical and social responsibility and careers in accounting;</p> <p>(C) explore careers in accounting, including education requirements, roles, and responsibilities of certified public accountants, general ledger accountants, management accountants, auditors, government accountants, international accountants, forensic accountants, and senior management in accounting; and</p> <p>(D) identify accounting licensing and certification programs, including professional designations for accountants such as certified public accountant and certified management accountant. (AI)</p> <p>(7) The student describes and abides by laws and regulations in order to manage business operations and transactions in accounting. The student is expected to:</p> <p>(A) describe and discuss regulation of accounting, including:</p> <p>(i) the impact of the Sarbanes-Oxley Act of 2002 on accounting;</p> <p>(ii) the role of the Securities and Exchange Commission in regulating the accounting industry; and</p> <p>(iii) the state regulation of the accounting industry; (AII)</p> <p>(2) The student defines ethics in business. The student is expected to:</p> <p>(A) distinguish between ethical and unethical business practices; and</p> <p>(B) contrast ethical, moral, and legal choices that relate to the decision-making process in business situations. (PBMF)</p> <p>(1)(G) define ethical workplace behavior;</p> <p>(H) summarize how to make ethical decisions;</p> <p>(I) define social responsibility;</p> <p>(J) explain how socially responsible management policies are initiated and implemented; (BMgt.)</p>	<p><u>Business Basics, Ethics, and Accounting Careers:</u></p> <p>-Define the free enterprise system.</p> <p>-Distinguish between a for-profit business and a not-for-profit organization.</p> <p>-Identify the purpose of accounting in business.</p> <p>-Define GAAP (generally accepted accounting principles).</p> <p>-Distinguish between financial accounting and management accounting.</p> <p>-Define business ethics.</p> <p>-Analyze the relationship between law and business ethics.</p> <p>-Identify topics often addressed within a business's code of ethics.</p> <p>-Identify how accounting practices can affect the credibility of a business and the integrity of the accounting profession.</p> <p>-Identify key principles of accounting that provide the framework for rules of conduct for an accountant (integrity, objectivity, independence, competence, confidentiality, etc.).</p> <p>-Identify accounting organizations that provide guidelines for ethical decision making (AICPA, IMA, IIA, etc.).</p> <p>-Differentiate the duties of an accounting clerk, accountant, and certified public accountant.</p>
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<p><u>Maintaining, Processing and Managing Financial Information:</u></p> <p>(13) The student accesses, processes, maintains, evaluates, and disseminates financial information to assist business decision-making. The student is expected to:</p> <p>(A) use accounting technology, including discussing the use of data mining and integrating technology into accounting; (AI)</p>	<p><u>Maintaining, Processing and Managing Financial Information:</u></p> <ul style="list-style-type: none">-Process oral and written instructions prior to and during the contest.-Answer 80-100 questions within one hour.-Demonstrate integrity and confidentiality by participating independently in the contest.-Evaluate given information to determine what data is useful in solving problems.-Organize given information logically and sequentially.
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Appendix – Examples of Accounting Concepts

DISTRICT LEVEL

1. Basic accounting theory: classification of accounts, balance side, increase side, decrease side, accounting equation, effect of transactions
2. Journalize transactions--General Journal
3. Posting
4. Trial Balance
5. Preparation of these financial statements:
 - a. Balance Sheet (report form and account form)
 - b. Income Statement
 - c. Statement of Owner's Equity (Statement of Changes in Owner's Equity)
6. Closing entries
7. Post-Closing Trial Balance
8. Accounting cycle for a service business and for a merchandising business
9. Cash control, banking terminology, entries, bank reconciliation
10. Petty cash fund and entries
11. Change fund and entries
12. Terms of sale (trade and cash discounts)
13. Accounting for sales tax
14. Credit card sales, bankcards
15. Special Journals--how to journalize and how to post to General and Subsidiary Ledgers:
 - a. Purchases Journal
 - b. Sales Journal
 - c. Cash Receipts Journal
 - d. Cash Payments Journal
16. Contra Purchases accounts: Purchases Discounts and Purchases Returns & Allowances
17. Contra Sales accounts: Sales Discounts and Sales Returns & Allowances
18. Shipping Charges: FOB Destination and FOB Shipping Point
19. Transportation In
20. Net Purchases, Net Sales, Cost of Delivered Merchandise, Cost of Merchandise Available for Sale, Cost of Merchandise Sold, and Gross Profit on Sales
21. Accounts Receivable (controlling account and subsidiary ledger)
22. Accounts Payable (controlling account and subsidiary ledger)
23. Worksheet (either with or without an Adjusted Trial Balance column)
24. Adjusting entries and expired costs (includes the following but is not limited to):
 - a. Supplies
 - b. Insurance
 - c. Inventory
25. Vertical analysis; component percentages
26. Payroll Accounting
27. Terminology and transactions for service and merchandising businesses
28. Sole proprietorship: characteristics, advantages, disadvantages, forming, dissolving, terminology, transactions, entries, taxation
29. Basics of business; ethics; accounting careers; accounting as the language of business
30. Federal taxation of individual income (Form 1040, Form 1040EZ, Form 1099)
31. Accounting Assumptions, Characteristics, Principles:
 - a. Accounting Period Cycle
 - b. Business Entity
 - c. Comparability
 - d. Conservatism
 - e. Consistent Reporting
 - f. Full (Adequate) Disclosure
 - g. Going Concern
 - h. Historical Cost
 - i. Matching Principle
 - j. Materiality
 - k. Objective Evidence
 - l. Realization of Revenue (Revenue Principle)
 - m. Relevance
 - n. Reliability
 - o. Unit of Measure

REGIONAL LEVEL

1. Any items on District List
2. Direct write off of uncollectible Accounts Receivable
3. Estimating uncollectible accounts (allowance method)--Percentage of Net Sales Method (Percentage of Total Sales on Account Method) and Aging of Accounts Receivable Method

4. Book value of Accounts Receivable
5. Writing off an account when an allowance method had been used
6. Collecting an account previously written off under direct write off method AND when an allowance method had been used
7. Depreciation and salvage value (and alternative terms)
8. Components of asset cost
9. Plant asset records
10. Classification of assets into current assets and plant assets
11. Property Taxes
12. Straight line depreciation (including partial year calculation) (calculate to nearest first of month)
13. Declining-balance method (including partial year calculation)
14. Disposal of an asset (at book value or with gain or loss)
15. Classifications: Other Income; Other Expense
16. Perpetual and periodic inventory methods and entries
17. Costing inventory (FIFO, LIFO, Weighted-Average, and Specific Identification), comparison of methods in rising and falling prices, and lower of cost of market method
18. Estimating ending inventory using gross profit method
19. Effects of incorrect cost of inventory on financial statements in current and future periods
20. Interim financial statements
21. Partnership: characteristics, advantages, disadvantages, forming, dissolving, terminology, transactions, entries, taxation, financial statements

STATE LEVEL

1. Any items on District and Regional Lists
2. Classified financial statements; comparative financial statements
3. Analyzing financial statements (horizontal analysis) and working capital
4. Ratio analysis (liquidity ratios and profitability ratios) (includes but not limited to):
 - a. Current ratio
 - b. Quick ratio
 - c. Return on sales
 - d. Return on Owner's Equity (or Partners' Equity or Stockholders' Equity)
5. Graphs and their use in analysis of financial statements
6. Combination Journal--how to journalize and how to post to General and Subsidiary Ledgers
7. Promissory notes (calculation, terminology, and entries) for notes payable and receivable (interest-bearing and non-interest-bearing)
8. Number of days in each month (February will be given)
9. Accruals (including entries, calculation, classification and financial statement presentation)
10. Deferrals (including entries, calculation, classification and financial statement presentation)
11. Reversing entries
12. Effects on financial statements of incorrect accruals and deferrals in current and future periods
13. Corporation: characteristics, advantages, disadvantages, forming, dissolving, terminology, transactions, entries, taxation, financial statements
14. Accounting for international sales