

Advanced Placement (AP) Accounting

The Advanced Placement (AP) Accounting Course is a full academic year course. The course is based on high school teachers having 120 contact hours with students from August/September through May/June.

The AP course, an integrated approach to teaching accounting, consists of eight modules. Each module contains a learning objective and stated student learning outcomes. Since the course uses an integrated approach, each student's learning outcome is characterized as relating to a financial accounting topic, including financial statement analysis, or managerial accounting topics. Approximately 75% of the course is dedicated to financial accounting topics and approximately 25% are dedicated to managerial accounting topics.

Introduction to Financial Reporting and Operating Activities

1. Explain how and why the conceptual framework of accounting and generally accepted accounting principles provide guidance and structure for preparing financial statements.
2. Describe the information provided in each financial statement and how the statements articulate with each other.
3. Explain the role of management and the auditor in preparing and issuing an annual report.
4. Describe the relationship between assets, liabilities, and equity on the balance sheet.
5. Identify and explain the classifications within assets, liabilities and equity.
6. Calculate current ratio and debt-equity ratio.
7. Identify the classifications in an income statement and explain their relationship to each other.
8. Identify the different formats of an income statement.
9. Calculate return on sales, earning per share, and DuPont ROI
10. Identify and explain the three phases of the management cycle.
11. Identify and explain the four business processes.
12. Explain how internal control procedures are used to safeguard assets.

13. Prepare bank reconciliation.

Financial Planning and Decision-Making for Operating Activities

14. Identify and explain variable costs, fixed costs, and mixed costs.
15. Use high-low analysis to determine variable costs, fixed costs, and mixed costs.
16. Calculate break-even point and perform cost-volume-profit analysis.
17. Apply sensitivity analysis to CVP analysis.
18. Determine selling price using sensitivity analysis and CVP analysis.
19. Identify and explain product costs.
20. Analyze a make-or-buy decision and/or accept-reject decision.
21. Prepare a contribution margin income statement.
22. Calculate the operating cycle and accounts payable in turnover in days.
23. Calculate the quick ratio.

Financial Reporting for Operating Activities (Part I)

24. Describe the purpose of the accounting system.
25. Describe the purpose of the journals and ledgers and their relationship.
26. Analyze and describe how business transactions impact the accounting equation.
27. Apply the double-entry system of accounting to record business transactions and prepare a trial balance.
28. Explain the need for adjusting entries and record adjusting entries.
29. Explain the purposes of the closing process and record closing entries.
30. Prepare the financial statements for the different types of business operations and ownership structures.

31. Describe the relationship between the closing process, the financial statements and the post-closing trial balance.
32. Complete the steps in the accounting cycle and prepare financial statements.
33. Describe the differences between the periodic and perpetual inventory systems.
34. Record business transactions using the periodic inventory system and the perpetual inventory system.
35. Describe the difference between the gross price method and the net price method.
36. Record business transactions using the gross price method and the net price method.
37. Determine cash paid for inventory and operating expenses.
38. Calculate payroll taxes.
39. Describe the composition of taxable income and calculate income tax.
40. Complete the applicable individual income tax forms.
41. Identify, discuss and apply strategies for minimizing taxable income.

Financial Reporting for Operating Activities (Part II)

42. Describe the criteria used to determine revenue recognition.
43. Record revenue-related transactions.
44. Explain the accounting methods used to determine the value of accounts receivable to be reported on the balance sheet and describe the effect on the income statement.
45. Record transactions for accounts receivable, including uncollectible accounts, write-offs and recoveries.
46. Identify and describe the cost flow assumptions for inventory and explain the impact on the balance sheet and income statement.
47. Calculate costs of goods sold and ending inventory using LIFO and FIFO inventory costing methods.
48. Explain how inventory for a manufacturing business differs from inventory for a merchandising business.

49. Record direct materials and direct labor transactions.
50. Prepare direct materials and direct labor price and use variances.

Financial Planning and Decision-Making for Capital Investment Activities

51. Use time value of money concepts to solve present value and future value problems.
52. Use net present value concepts to make investment decisions.
53. Financial Reporting for Capital Investment Activities
54. Explain the purpose and methods of costs allocation.
55. Calculate and record depreciation, depletion and amortization and explain the impact on the financial statements.
56. Record the sale and disposal of fixed assets and the impact on the financial statements.

Financial Planning and Decision-Making for Financing Activities, and Financial Reporting for Financing Activities

57. Compare and contrast debt and equity financing; review debt-to equity ratio.
58. Calculate TIE and ROE.
59. Identify and describe the different classes of stock and explain the rights afforded to each class of stock.
60. Calculate Return on Common Equity.
61. Describe the difference between cash dividends, stock dividends and stock splits, and the impact on the financial statements.
62. Allocate partner profit and losses.
63. Compare and contrast a periodic payment note payable, a lump-sum note payable, and a periodic and lump-sum note payable.
64. Calculate the carrying value, interest expense and cash payment for note payable transactions.

65. Allocate partner profits and losses.
66. Calculate the carrying value, interest expense and cash payment for note payable transactions.
67. Record stock transactions.
68. Record transactions for notes payable.
69. Record transactions for bonds issued at face value, a premium and a discount.
70. Record interest expense for bonds issued at face value, a premium and a discount using the straight-line method and effective-interest method.

Financial Reporting for Cash Flow

71. Identify and explain the three sections of a statement of cash flow.
72. Prepare the operating activities section of a statement of cash flow using the direct and indirect method.
73. Prepare the investing activities section of a statement of cash flow.
74. Prepare the financing activities section of a statement of cash flow.