

BUSINESS & COMPUTER SCIENCE

Accounting I

**Unit 14: Distributing Dividends & Preparing a Worksheet
For Merchandising Business**

Essential Understandings	<ul style="list-style-type: none"> ▪ The worksheet is a planning form used to assist in preparing the financial statements.
Essential Questions	<ul style="list-style-type: none"> ▪ What are the stockholder's equity accounts used in a merchandising business? ▪ What accounts are used to journalize the declaration and payment of a dividend? ▪ What are the steps used to complete an 8-column work sheet for a Merchandising business? ▪ What accounts are used for adjusting entries?
Essential Knowledge	<ul style="list-style-type: none"> ▪ The stockholder's equity accounts used by a merchandising business are capital stock, retained earnings, dividends, and income summary. ▪ The accounts used to journalize the declaration and payments of a dividend are dividends and dividends payable. ▪ The steps used to complete the worksheet for a merchandising business are similar to the proprietorship or service business: <ul style="list-style-type: none"> ○ Write the heading. ○ Record the trial balance amounts. ○ Total and rule the columns. ○ Record the adjustments. ○ Extend all balance sheet account balances to the balance sheet column. ○ Extend all income statement accounts balances to the income statement column. ○ Calculate and record the net income or loss. ○ Total and rule the income statement and balance sheet columns. ▪ The accounts used to record adjustments are: <ul style="list-style-type: none"> ○ Merchandise inventory—income summary. ○ Uncollectible accounts expense – allowance for uncollectible accounts. ○ Depreciation expense – accumulated depreciation. ○ Federal income tax expense—federal income tax payable ○ Supplies expense – supplies. ○ Insurance expense – prepaid insurance.

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Vocabulary	<ul style="list-style-type: none"> ▪ <u>Terms:</u> <ul style="list-style-type: none"> ○ retained earnings, dividends, board of directors, declaring a dividend, merchandise inventory, uncollectible accounts, allowance method of recoding losses form uncollectible accounts, book value, book value of accounts receivable, current assets, depreciation expense, estimated salvage value, straight-line depreciation, accumulated depreciation, book value of plant asset
Essential Skills	<ul style="list-style-type: none"> ▪ Define accounting terms related to distributing dividends and preparing a worksheet for a merchandising business. ▪ Identify accounting concepts and practices related to distributing dividends and preparing a worksheet. ▪ Journalize the declaration and payment of a dividend. ▪ Complete a worksheet. ▪ Plan and analyze worksheet adjustments for merchandise inventory, supplies, prepaid insurance, uncollectible accounts, depreciation and federal income tax. ▪ Calculate federal income tax.
Related Maine Learning Results	<p><u>Career and Education Development</u> B. Learning About and Exploring Education, Career, and Life Roles B2.Skills for Individual/Personal Success in the 21st Century Students evaluate strategies to improve skills that lead to lifelong learning and success in the classroom, and the achievement of schoolwork, work and career, and personal life goals.</p> <ol style="list-style-type: none"> a. Literacy skills b. Numeracy c. Critical thinking skills d. Information and communication technology (ICT) literacy e. Interpersonal skills f. Other academic skills and knowledge <p><u>Mathematics</u> B. Data Measurement and Approximation B1.Students understand the relationship between precision and accuracy.</p> <ol style="list-style-type: none"> a. Express answers to a reasonable degree of <i>precision</i> in the context of a given problem. b. Represent an approximate measurement using appropriate numbers of significant figures. c. Know that most measurements are approximations and explain why it is useful to take the mean of repeated measurements.

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<p>Related Maine Learning Results</p>	<p>Data Analysis B2.Students understand correlation and cause and effect.</p> <ol style="list-style-type: none"> Recognize when correlation has been confused with cause and effect. Create and interpret scatter plots and estimate correlation and lines of best fit. Recognize positive and negative correlations based on data from a table or scatter plot. Estimate the strength of correlation based upon a scatter plot. <p>B3.Students understand and know how to describe distributions and find and use descriptive statistics for a set of data.</p> <ol style="list-style-type: none"> Find and apply range, quartiles, mean absolute deviation, and standard deviation (using technology) of a set of data. Interpret, give examples of, and describe key differences among different types of distributions: uniform, normal, and skewed. For the sample mean of normal distributions, use the standard deviation for a group of observations to establish 90%, 95%, or 99% confidence intervals. <p>B4.Students understand the purpose of random sampling is to reduce bias when creating a representative sample for a set of data.</p> <ol style="list-style-type: none"> Describe and account for the difference between sample statistics and statistics describing the distribution of the entire population. Recognize that sample statistics produce estimates for the distribution of an entire population and recognize that larger sample sizes will produce more reliable estimates. Apply methods of creating random samples and recognize possible sources of bias in samples. <p>D. Algebra Symbols and Expressions D1.Students understand and use polynomials and expressions with rational exponents.</p> <ol style="list-style-type: none"> Simplify expressions including those with rational exponents. Add, subtract, and multiply polynomials. Factor the common term out of polynomial expressions. Divide polynomials by $(ax + b)$.
<p>Sample Lessons And Activities</p>	<ul style="list-style-type: none"> ▪ Calculate depreciation of a plant asset ▪ Complete a worksheet

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Sample Classroom Assessment Methods	<ul style="list-style-type: none">▪ Tests▪ Quiz▪ Assignments▪ Class Work
Sample Resources	<ul style="list-style-type: none">▪ <u>Publications:</u><ul style="list-style-type: none">○ <u>Century 21 Accounting</u> – Southwest Cengage Learning