

BUSINESS & COMPUTER SCIENCE

Accounting I

Unit 2: Analyzing Transactions into Debit and Credit Parts

Essential Understandings	<ul style="list-style-type: none"> ▪ A successful proprietor understands the importance of analyzing business transactions. ▪ Analyzing and understanding transactions is an important business function.
Essential Questions	<ul style="list-style-type: none"> ▪ What is a transaction? ▪ What is a debit? ▪ What is a credit? ▪ How does a transaction affect an account? ▪ What is a chart of accounts? ▪ How is a T-account used to analyze a transaction? ▪ What are the two accounting rules that regulate increases and decreases of account balance?
Essential Knowledge	<ul style="list-style-type: none"> ▪ $\text{Assets} = \text{liability} + \text{owner's equity}$. ▪ Business transactions change the owner's investments either positively or negatively. ▪ The chart of accounts lists all the accounts a business uses. ▪ The T-account is used to analyze transactions into debit or credit parts. ▪ An amount recorded on the left side of an account is a debit. ▪ An amount recorded on the right side of an account is a credit. ▪ The two accounting rules that regulate increases and decreases are: <ul style="list-style-type: none"> ○ Account balances increase on the normal balance side of an account. ○ Account balances decrease on the side opposite the normal balance side of an account. ▪ All asset accounts are increased on the debit side. ▪ All liability accounts are increased on the credit side. ▪ All owner's equity accounts are increased on the credit side. ▪ All expense accounts are increased on the debit side. ▪ All revenue accounts are increased on the credit side. ▪ All withdrawal accounts are increased on the debit side. ▪ The steps used to analyze a transaction into debit and credit parts are: <ul style="list-style-type: none"> ○ Which accounts are affected? ○ How is each account classified? ○ How is each classification changed? ○ How is each amount entered in the accounts?
Vocabulary	<ul style="list-style-type: none"> ▪ <u>Terms</u>: <ul style="list-style-type: none"> ○ T-account, debit, credit, normal balance, chart of accounts

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<p>Essential Skills</p>	<ul style="list-style-type: none"> Identify accounting practices related to analyzing transactions into debit and credit parts. Define accounting terms related to analyzing transactions into debit and credit parts. Use T-accounts to analyze transactions showing which accounts are debited or credited for each transaction. Analyze how transactions to set up a business affect accounts. Analyze how transactions affect owner's equity accounts.
<p>Related Maine Learning Results</p>	<p><u>Career and Education Development</u> B. Learning About and Exploring Education, Career, and Life Roles B1.Relationships Among Learning, Work, the Community, and the Global Economy Students evaluate strategies for improving educational achievement, increasing participation as an involved citizen, and increasing work options and earning potential in a 21st century global economy. 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. 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 B3.Education and Career Information Students use previously acquired knowledge and skills to evaluate and utilize a variety of resources to articulate a plan and make decisions for post-secondary education, training, and career choices.</p> <p><u>Mathematics</u> D. Algebra Symbols and Expressions D1.Students understand and use polynomials and expressions with rational exponents. a. Simplify expressions including those with rational exponents. b. Add, subtract, and multiply polynomials. c. Factor the common term out of polynomial expressions. d. Divide polynomials by $(ax + b)$.</p>

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Sample Lessons And Activities	<ul style="list-style-type: none">▪ Notes▪ Analyze transactions by completing applications in problems
Sample Classroom Assessment Methods	<ul style="list-style-type: none">▪ Quiz▪ Test▪ Observations▪ Projects▪ Class Assignments
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