

**Brunswick School Department  
Accounting  
Distributing Dividends & Preparing a Worksheet  
For Merchandising Business**

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

<b>Vocabulary</b>	<ul style="list-style-type: none"> <li>▪ <u>Terms:</u> <ul style="list-style-type: none"> <li>○ 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</li> </ul> </li> </ul>
<b>Essential Skills</b>	<ul style="list-style-type: none"> <li>▪ Define accounting terms related to distributing dividends and preparing a worksheet for a merchandising business.</li> <li>▪ Identify accounting concepts and practices related to distributing dividends and preparing a worksheet.</li> <li>▪ Journalize the declaration and payment of a dividend.</li> <li>▪ Complete a worksheet.</li> <li>▪ Plan and analyze worksheet adjustments for merchandise inventory, supplies, prepaid insurance, uncollectible accounts, depreciation and federal income tax.</li> <li>▪ Calculate federal income tax.</li> </ul>
<b>Related Maine Learning Results</b>	<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 21<sup>st</sup> 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> <ul style="list-style-type: none"> <li>a. Literacy skills</li> <li>b. Numeracy</li> <li>c. Critical thinking skills</li> <li>d. Information and communication technology (ICT) literacy</li> <li>e. Interpersonal skills</li> <li>f. Other academic skills and knowledge</li> </ul> <p><u>Mathematics</u>  B. Data  Measurement and Approximation  B1.Students understand the relationship between precision and accuracy.</p> <ul style="list-style-type: none"> <li>a. Express answers to a reasonable degree of <i>precision</i> in the context of a given problem.</li> <li>b. Represent an approximate measurement using appropriate numbers of significant figures.</li> <li>c. Know that most measurements are approximations and explain why it is useful to take the mean of repeated measurements.</li> </ul>

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

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