

ACCOUNTING AND FINANCE STANDARDS



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To improve student achievement and educator effectiveness by ensuring opportunities, facilitating learning, and promoting excellence



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BUSINESS AND INDUSTRY VALIDATION

All CTE standards developed through the Nevada Department of Education are validated by business and industry through one or more of the following processes: (1) the standards are developed by a team consisting of business and industry representatives; or (2) a separate review panel was coordinated with industry experts to ensure the standards include the proper content; or (3) the adoption of nationally recognized standards endorsed by business and industry.

The Accounting and Finance standards were validated through a complete review by an industry panel.

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INTRODUCTION

The standards in this document are designed to clearly state what the student should know and be able to do upon completion of an advanced high school Accounting and Finance program. These standards are designed for a three-credit course sequence that prepares the student for a technical assessment directly aligned to the standards.

These exit-level standards are designed for the student to complete all standards through their completion of a program of study. These standards are intended to guide curriculum objectives for a program of study.

The standards are organized as follows:

- **Content Standards** are general statements that identify major areas of knowledge, understanding, and the skills students are expected to learn in key subject and career areas by the end of the program.
- **Performance Standards** follow each content standard. Performance standards identify the more specific components of each content standard and define the expected abilities of students within each content standard.
- **Performance Indicators** are very specific criteria statements for determining whether a student meets the performance standard. Performance indicators may also be used as learning outcomes, which teachers can identify as they plan their program learning objectives.

The crosswalk and alignment section of the document shows where the performance indicators support the Nevada Academic Content Standards. Where correlation with an academic content standard exists, students in the Accounting and Finance program perform learning activities that support, either directly or indirectly, achievement of the academic content standards that are listed.

All students are encouraged to participate in the career and technical student organization (CTSO) that relates to the Accounting and Finance program. CTSOs are co-curricular national organizations that directly reinforce learning in the CTE classroom through curriculum resources, competitive events, and leadership development. CTSOs provide students the ability to apply academic and technical knowledge, develop communication and teamwork skills, and cultivate leadership skills to ensure college and career readiness.

The Employability Skills for Career Readiness identify the “soft skills” needed to be successful in all careers and must be taught as an integrated component of all CTE course sequences. These standards are available in a separate document.

The **Standards Reference Code** is only used to identify or align performance indicators listed in the standards to daily lesson plans, curriculum documents, or national standards. The Standards Reference Code is an abbreviated name for the program, and the content standard, performance standard, and performance indicator are referenced in the program standards. This abbreviated code for identifying standards uses each of these items. For example, ACCTF is the Standards Reference Code for Accounting and Finance. For Content Standard 2, Performance Standard 3, and Performance Indicator 4 the Standards Reference Code would be ACCTF.2.3.4.

CONTENT STANDARD 1.0: UNDERSTAND ACCOUNTING CONCEPTS AND PROCEDURES USED TO PLAN, MAINTAIN, AND CONTROL FINANCIAL RESOURCES**PERFORMANCE STANDARD 1.1: PERFORM ACCOUNTING FUNCTIONS TO PRODUCE NEEDED FINANCIAL INFORMATION**

- 1.1.1 Discuss the nature of the accounting cycle
- 1.1.2 Demonstrate the effects of transactions on the accounting equation
- 1.1.3 Prepare a chart of accounts
- 1.1.4 Use T accounts
- 1.1.5 Explain a variety of source documents
- 1.1.6 Record transactions in a general journal and in special journals
- 1.1.7 Post journal entries to general ledger accounts
- 1.1.8 Prepare a trial balance
- 1.1.9 Calculate, journalize, and post adjusting entries
- 1.1.10 Calculate, journalize, and post closing entries
- 1.1.11 Prepare a post-closing trial balance
- 1.1.12 Prepare worksheets
- 1.1.13 Classify items as assets, liabilities, and owner's equity
- 1.1.14 Examine documents for fundamental error detection
- 1.1.15 Prepare a bank reconciliation
- 1.1.16 Discuss the purpose of annual reports

PERFORMANCE STANDARD 1.2: PREPARE AND ANALYZE FINANCIAL STATEMENTS

- 1.2.1 Prepare and analyze income statements
- 1.2.2 Prepare and analyze a statement of equity and retained earnings
- 1.2.3 Prepare and analyze balance sheets
- 1.2.4 Prepare and analyze statement of cash flow
- 1.2.5 Describe the use of financial ratios in accounting

PERFORMANCE STANDARD 1.3: PERFORM ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE FUNCTIONS

- 1.3.1 Explain the nature of accounts payable and accounts receivable
- 1.3.2 Prepare and post to accounts payable and accounts receivable subsidiary ledger
- 1.3.3 Analyze purchase and sales transactions
- 1.3.4 Prepare accounts payable and accounts receivable schedules
- 1.3.5 Determine uncollectible accounts receivable and establish allowance for bad debt

PERFORMANCE STANDARD 1.4: MAINTAIN CASH CONTROLS TO TRACK CASH FLOW

- 1.4.1 Explain cash control procedures, e.g., internal and external controls and cash clearing
- 1.4.2 Prove cash inflows and cash outflows
- 1.4.3 Journalize and post entries to establish and replenish petty cash
- 1.4.4 Journalize and post entries related to banking activities

PERFORMANCE STANDARD 1.5: MAINTAIN INVENTORY RECORDS IN TERMS OF QUANTITY AND VALUE

- 1.5.1 Practice journalizing inventory transactions
- 1.5.2 Determine the value and cost of inventory, e.g., Last In First Out (LIFO), First In First Out (FIFO), and the weighted average method
- 1.5.3 Explain the role of loss prevention
- 1.5.4 Compare the periodic inventory system with the perpetual inventory system

PERFORMANCE STANDARD 1.6: EXPLAIN THE NATURE OF PLANT ASSETS

- 1.6.1 Record the purchase of different types of assets
- 1.6.2 Determine the book value of a plant asset
- 1.6.3 Prepare depreciation schedules using various methods
- 1.6.4 Record the disposition of assets

PERFORMANCE STANDARD 1.7: COMPLETE PAYROLL PROCEDURES TO CALCULATE, RECORD, AND DISTRIBUTE PAYROLL EARNINGS

- 1.7.1 Explain how employee earnings are recorded and maintained
- 1.7.2 Calculate employee earnings and withholdings, e.g., gross earnings and net pay
- 1.7.3 Record the payroll in the general journal
- 1.7.4 Describe compliance of payroll regulations

PERFORMANCE STANDARD 1.8: PERFORM ACCOUNTING FUNCTIONS SPECIFIC TO PROPRIETORSHIPS, PARTNERSHIPS, AND CORPORATIONS

- 1.8.1 Describe the relationship between the partnership agreement and the allocation of profits and losses
- 1.8.2 Prepare a statement of partners' equities
- 1.8.3 Prepare journal entries for the issuance of stock and dividends payable
- 1.8.4 Prepare a statement of equity and retained earnings for a corporation

PERFORMANCE STANDARD 1.9: UTILIZE A COMPANY'S BUDGET AND FINANCIAL STATEMENTS TO PREDICT AND ANALYZE ITS FINANCIAL SITUATION

- 1.9.1 Calculate business ratios to evaluate company performance, e.g., liquidity, debt ratios, profitability
- 1.9.2 Analyze a company's financial situation using its financial statements
- 1.9.3 Explain how value is created for a company
- 1.9.4 Calculate cost-benefit analysis to determine financial decisions
- 1.9.5 Discuss the importance of budgeting in a company's financial analysis

CONTENT STANDARD 2.0: UNDERSTAND THE LAWS AND REGULATIONS THAT AFFECT FINANCIAL OPERATIONS AND TRANSACTIONS**PERFORMANCE STANDARD 2.1: UNDERSTAND RELATIONS GOVERNING BUSINESS FINANCE TO ADHERE TO GOVERNMENT REQUIREMENTS**

- 2.1.1 Explain federal legislation impacting the finance industry, e.g., Gramm-Leach-Bliley Act, Sarbanes-Oxley Act, Uniform Commercial Code
- 2.1.2 Describe the role of the Securities and Exchange Commission (SEC), Federal Reserve System, the United States Treasury, Internal Revenue Service (IRS), and other state and federal agencies in regulating the financial industry
- 2.1.3 Discuss the application of Generally Accepted Accounting Principles (GAAP)
- 2.1.4 Examine business ethics scenarios

CONTENT STANDARD 3.0: EXPLORE CAREERS IN ACCOUNTING AND FINANCE**PERFORMANCE STANDARD 3.1: DESCRIBE THE ROLE OF COMPANY OFFICERS AND EXPLORE CAREERS IN FINANCE**

- 3.1.1 Explain the role and responsibilities of a board of directors
- 3.1.2 Describe the role and responsibilities of CPAs and outside auditors
- 3.1.3 Explain careers focused on data analytics
- 3.1.4 Explore careers in corporate finance
- 3.1.5 Describe careers in governmental finance

CONTENT STANDARD 4.0: UNDERSTAND THE CONCEPTS OF BANKING, INVESTMENTS, AND FINANCIAL MARKETS**PERFORMANCE STANDARD 4.1: UNDERSTAND FINANCIAL MARKETS**

- 4.1.1 Explain the ways companies raise capital, including stocks, bonds, and short-term funding
- 4.1.2 Explain how global economic systems are connected through trade and international finance
- 4.1.3 Describe global financial services, e.g., exchange rates
- 4.1.4 Describe currency and personal financial requirements
- 4.1.5 Analyze financial needs and goals to determine financial requirements

PERFORMANCE STANDARD 4.2: ACQUIRE KNOWLEDGE OF BANKING PROCESSES AND SERVICES

- 4.2.1 Describe types of services and products provided by banks and other financial institutions
- 4.2.2 Research other sources of available funding for businesses
- 4.2.3 Explain the use of digital ledger technology

CONTENT STANDARD 5.0: UNDERSTAND THE NATURE AND SCOPE OF RISK MANAGEMENT**PERFORMANCE STANDARD 5.1: UNDERSTAND HOW RISK ANALYSIS AFFECTS VARIOUS AREAS OF ACCOUNTING AND FINANCE**

- 5.1.1 Define risk management
- 5.1.2 Explain the role of ethics in risk management
- 5.1.3 Describe the use of technology in risk management
- 5.1.4 Explain the role of insurance as it pertains to risk management
- 5.1.5 Explain the responsibility of the company to protect data

CONTENT STANDARD 6.0: UNDERSTAND THE ECONOMIC PRINCIPLES AND CONCEPTS FUNDAMENTAL TO BUSINESS OPERATIONS**PERFORMANCE STANDARD 6.1: UNDERSTAND FUNDAMENTAL ECONOMIC CONCEPTS**

- 6.1.1 Explain the principles of supply and demand
- 6.1.2 Compare and contrast economic goods and services
- 6.1.3 Describe the effect of price on economic markets
- 6.1.4 Explain the concept of economic resources
- 6.1.5 Describe the impact of trade barriers on economic activity

PERFORMANCE STANDARD 6.2: UNDERSTAND BUSINESS CONTRIBUTIONS TO SOCIETY

- 6.2.1 Describe types of business activities
- 6.2.2 Explain the role of business and government in the economic system
- 6.2.3 Describe factors that affect the business environment

PERFORMANCE STANDARD 6.3: UNDERSTAND ECONOMIC SYSTEMS AND THEIR IMPACT ON BUSINESS

- 6.3.1 Research the history and types of economic systems and cycles
- 6.3.2 Explain the concept of free enterprise