

ACCOUNTING, 52.0300.00	
1.0	DEMONSTRATE THE STEPS OF THE ACCOUNTING CYCLE
1.1	Explain the purpose of the accounting cycle
1.2	Define terminology related to the accounting cycle
1.3	Demonstrate the fundamental accounting equation
1.4	Classify items as assets, liabilities, or equity
1.5	Determine how equity is affected by revenue, expense, and drawing accounts
1.6	Practice the double-entry system of accounting
1.7	Analyze the effect of business transactions on the basic accounting equation using source documents
1.8	Develop the process of journalizing business transactions
1.9	Explain the relationship of the journal to the ledger
1.10	Post transactions from the journal to the ledger
1.11	Prepare a trial balance including determining necessary adjustments
1.12	Prepare financial statements
1.13	Explain the purposes of the closing process
1.14	Prepare a post-closing trial balance
2.0	GENERATE PROCEDURES FOR CASH CONTROL
2.1	Define petty cash
2.2	Complete check stubs or register manually and using computerized systems
2.3	Enter appropriate data on a deposit slip
2.4	Reconcile a bank statement
2.5	Establish procedures for managing and reconciling petty cash manually and using computerized systems
2.6	Understand and show knowledge of the Electronic Funds Transfer (EFT) process

These standards were validated by a Technical Standards Validation Committee on February 11, 2014. First testing date using the new standards will be Fall 2014.

ARIZONA CTE PROGRAM TECHNICAL STANDARDS

3.0	DETERMINE PROCEDURES FOR ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE
3.1	Establish and maintain the accounts receivable subsidiary ledger
3.2	Process sales orders and invoices
3.3	Process customer payments
3.4	Analyze accounts receivable using an aging schedule to determine doubtful accounts
3.5	Establish and maintain the accounts payable subsidiary ledger
3.6	Maintain vendor files
3.7	Process invoices for payment
3.8	Journal and reconcile credit card statements
3.9	Process accounts payable checks
3.10	Explain the relationship of subsidiary ledgers
4.0	DETERMINE PAYROLL
4.1	Prepare and journal payroll records using manual and computerized systems
4.2	Calculate earnings for various methods of compensation (commissions, hourly, and salary)
4.3	Compute employee deductions to determine net pay
4.4	Calculate employer's payroll taxes
4.5	Prepare basic federal payroll forms (e.g., W-2, W-4, 940, 941)
5.0	EVALUATE ASSETS, LIABILITIES, AND EQUITY
5.1	Define and use terminology related to assets and liabilities
5.2	Explain the purposes of notes receivable
5.3	Maintain inventory records
5.4	Apply inventory costing procedures (FIFO, LIFO, and weighted average)
5.5	Compute the cost basis of assets

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5.6	Calculate depreciations (e.g., Straight Line, Double Declining)
5.7	Identify internal controls used to protect assets from loss, waste, theft, forgery, and embezzlement
5.8	Determine current and long-term liabilities and assets
5.9	Apply revenue realization and matching principles to an income statement for service and merchandising businesses
5.10	Determine cost of goods sold and gross profit for merchandising and manufacturing businesses
6.0	DEMONSTRATE AN UNDERSTANDING OF BASIC BUSINESS, ECONOMIC, AND FINANCIAL MANAGEMENT PRACTICES
6.1	Describe basic methods used to organize accounting records and information.
6.2	Review a budget based on an organization's business plan
6.3	Review an income statement for an organization
6.4	Review a balance sheet for an organization
6.5	Interpret financial information for decision making and planning
6.6	Monitor and adjust business operations based on financial performance
6.7	Describe the impact of quality business communications on the success of an organization
6.8	Manage customer relations
6.9	Explain the role of insurance in managing risk
6.10	Explain the role of accounting in support of the five functions of management (planning, organizing, directing, staffing, and controlling) and related decision making
6.11	Define the differences among service, merchandising, and manufacturing businesses
7.0	APPRAISE COMPONENTS OF BUSINESS OPERATIONS
7.1	Explain GAAP (Generally Accepted Accounting Principles) and other basic accounting methods
7.2	Differentiate between taxation at the personal and business level
7.3	Explain the purpose of the capital and drawing accounts for a sole proprietorship and partnership
7.4	Explain the purpose of various accounts (common stock, preferred stock, paid-in capital, retained earnings, and dividends for a corporation)

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7.5	Identify three basic types of business funding (operating, investing, and financing)
7.6	Identify not-for-profit and governmental organizations accounting requirements
8.0	ASSESS THE FINANCIAL PERFORMANCE OF A BUSINESS
8.1	Analyze the income statement and balance sheet of a business
8.2	Analyze current and long-term assets including their impact on the financial statements
8.3	Analyze current and long-term liabilities including their impact on the financial statements
8.4	Analyze the statement of cash flow and the effect on healthy performance
8.5	Calculate financial ratios (price earnings, quick, liquidity, and merchandise inventory turnover)
8.6	Determine the effect of changes in sales volume, unit costs, and unit sales process on net income
9.0	USE ACCOUNTING TECHNOLOGY IN MANAGING FINANCIAL INFORMATION
9.1	Use spreadsheet software to organize, calculate, and complete an accounting financial statement
9.2	Use spreadsheet and/or accounting software to prepare charts and graphs used to analyze the financial condition of a business
10.0	EXAMINE ETHICAL STANDARDS IN ACCOUNTING
10.1	Differentiate between ethical and legal issues
10.2	Describe social responsibility in accounting
10.3	Explain the importance of high ethical standards in the preparation of financial statements

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