

ORANGE COUNTY
BOARD OF EDUCATION

AGENDA ITEM ABSTRACT

Meeting Date: April 28, 2014

AGENDA ITEM No. 14-04-(2)-09

ACTION: (Y/N) Y

SUBJECT: High School Course Addition Request

INFO. CONTACT: Dr. Amanda Hartness/Patricia Harris PHONE: 919-732-8126

ATTACHMENTS: 1. College Level Accounting Course Addition Request
2. Course Overview

PURPOSE: To provide the Board of Education with Career and Technical Education recommendation for replacing Accounting II with the College Level Accounting course.

BACKGROUND: The state Career and Technical Education (CTE) Department is instituting a new course called College Level Accounting which has been proposed to the College Board to be approved as an Advanced Placement (AP) Course. This accounting course will be in pilot stage for the 2014-2015 school year. The state CTE department is hoping to hear from the College Board this summer about the status of the course.

Orange County Schools is interested in offering this in 2014-2015 in place of Accounting II. The course for the 2014-2015 school year would have at least one extra grade point average as an honors course and if approval occurs for AP status this summer it will allow students to earn two extra grade points, pending no further changes in calculation of GPA from the NC Department of Public Instruction.

Students will take Accounting I as a prerequisite. The Orange High School teacher has surveyed the students who have already passed Accounting I successfully and they are interested. We hope to have a class of 10 – 12 next year and then this number will increase the following years. The current teacher of Accounting II at Orange High will teach this class. No additional teaching staff is required.

This course is being presented to the School Board for consideration in compliance with Board Policy #3105

FINANCIAL IMPACT: (funding from current CTE budget)

Advanced Placement Training	\$2000.00
College Level Accounting Textbooks (15)	<u>\$1500.00</u>
	\$3500.00

RECOMMENDATION: The Superintendent recommends the Board of Education approve the proposed replacement of Accounting II with College Level Accounting at Orange High School. for the 2014-2015 school year.

Course Addition Request

Print Form

for
 School Year 2014-2015
 Procedure Number 3105-P

School Orange High School

Person Making the Request/Title Patricia Harris Director of Career and Technical (CTE) Education

Title of Proposed Course College Level Accounting

Department/Subject Area Business / CTE

Units of Credit 1

Course Prerequisites Accounting I

Jason Johnson Principal's Signature Patricia Harris Date 4/16/14

1. In four-five sentences, explain the course as you wish for it to appear in the district's course guide.
 Course Description:

Course Description for College Level Accounting

This course includes financial accounting, managerial accounting and financial statement analysis topics. Compared to the traditional, stand-alone financial accounting and managerial accounting courses, this pilot course encompasses more topics and learning outcomes than the traditional financial accounting course, and at least a quarter of the topics and learning outcomes in a traditional managerial course.

2. What is the major justification for addition of this course?

Students would be able to earn 1 extra point towards the student's GPA. If the course is approved by the college board it will be counted as an Advanced Placement course which will earn 2 extra points toward the student's GPA.

3. Is this course in the *North Carolina Standard Course of Study*? YES NO

4. What is the anticipated/total enrollment for the course over a two-year period?
 Include number of periods offered and students enrolled in each period.

We have surveyed the students who have taken Accounting I and we have 8 - 10 interested for 2014-2015 which would be one section. Interest should grow after the first year.

5. How will the new class impact the current schedule and student/teacher ratio by period and department?

This course is replacing Accounting II so no impact on current schedule.

6. What is the staffing plan? Estimate costs.

Teacher already in place and has been teaching Accounting I and II for several years.

7. Specify the textbooks, instructional supplies, technology needs and materials needed to teach this course. Estimate costs.

Textbooks - \$1500

8. What are the classroom needs?

Classroom Space

NA

Furniture

NA

Estimated Costs

NA

Are outside resources available to support this course? (i.e. grants, partnerships, college/university partner, etc.) If so, please explain.

Career and Technical Education has budgeted the dollars needed. Also the University of Kentucky will be providing the training and the teacher resources.

9. Provide a course outline of content and sequence of the proposed course.

*If your course request includes honors level credit, please review the state guidelines for requesting an honors level course at: www.ncpublicschools.org/curriculum/honorsguide

Attached

Sequence
Students would take Accounting I and then College Level Accounting.

10. Submit the *Course Addition Request* to the Director of Secondary Instruction.

Accounting Pilot & Bridge Project
Course Outline, Learning Objectives and Student Outcomes

Course Overview

The Accounting Pilot & Bridge Project is a year-long course based on high school teachers having 90 contact hours with students from August/September through May/June.

The course includes financial accounting, managerial accounting and financial statement analysis topics. Compared to the traditional, stand-alone financial accounting and managerial accounting courses, this pilot course encompasses more topics and learning outcomes than the traditional financial accounting course, and at least a quarter of the topics and learning outcomes in a traditional managerial course.

Presented below are the learning outcomes for the course according to whether they are addressed in the traditional financial accounting or managerial accounting course. Learning outcomes for a financial statement analysis course are included with those for a financial accounting course. There are 75 learning outcomes for the course. Of the 75 learning outcomes, 57 learning outcomes, or 76% of the course, are related to a financial accounting course and 18 learning outcomes, or 24% of the course, are related to a managerial accounting course.

Learning Objectives and Student Outcomes

Introduction to Accounting (Module 1)

1. Explain how and why the conceptual framework of accounting and generally accepted accounting principles provide guidance and structure for preparing financial statements
2. Describe the information provided in each financial statement and how the statements articulate with each other.
3. Identify business ownership structures
4. Explain the role of management and the auditor in preparing and issuing an annual report.
5. Describe the relationship between assets, liabilities and equity on the balance sheet.
6. Identify and explain the classifications within assets, liabilities, and equity.
7. Define and calculate the current ratio and debt-equity ratio
8. Describe the information presented in an income statement. (See supplement)
9. Calculate return on sales (net profit margin) and return on equity
10. Identify and explain the three phases of the management cycle.
11. Identify and explain the four business processes.
12. Explain and calculate the operating cycle (accounts receivable turnover and inventory turnover)
13. Explain how internal control procedures are used to safeguard assets.
14. Prepare a bank reconciliation.

Accounting Information System (Module 3)

15. Describe the purpose of the accounting system.
16. Describe the purpose of journals and ledgers and their relationship.
17. Analyze and describe how business transactions impact the accounting equation.
18. Apply the double-entry system of accounting to record business transactions and prepare a trial balance.
19. Explain the need for adjusting entries and record adjusting entries.
20. Prepare the financial statements for the different types of business operations and ownership structures.
21. Explain the purposes of the closing process and record closing entries.
22. Complete the steps in the accounting cycle and prepare financial statements. (Practice set)

Accounting for Merchandising Companies (Module 3 & 4)

23. Describe the differences between the periodic and perpetual inventory systems.
24. Record business transactions using the periodic inventory system and the perpetual inventory system.
25. Describe the difference between the gross price method and the net price method.
26. Record business transactions using the gross price method and the net price method.
27. Determine cash paid for inventory and operating expenses.
28. Identify and describe the cost flow assumptions for inventory and explain the impact on the balance sheet and income statement.
29. Calculate cost of goods sold and ending inventory using LIFO and FIFO inventory costing methods.
30. Explain how inventory for a manufacturing business differs from inventory for a merchandising business.
31. Explain how an activity-based costing system operates, including the identification of activity cost pools, and the selection of cost drivers.
32. Explain the flow of costs through the manufacturing accounts used in product costing.
33. Compute a predetermined overhead rate, and explain its use in job-order costing.
34. Determine whether manufacturing overhead is over/under-applied.
35. Prepare journal entries to record the costs of direct material, direct labor, and manufacturing overhead in a job-order costing system.
36. Prepare a schedule of cost of goods manufactured, a schedule of cost of goods sold, and an income statement for a manufacturer.

Introduction to Taxes (Module 3)

37. Calculate payroll taxes.

Accounting for Sales and Accounts Receivable (Module 4)

38. Describe the criteria used to determine revenue recognition.
39. Record revenue-related transactions.
40. Explain the accounting methods used to determine the value of accounts receivable to be reported on the balance sheet and describe the effect on the income statement.
41. Record transactions for accounts receivable, including uncollectible accounts, write-offs, and recoveries.

Time Value of Money (Module 5)

42. Determine the present value and future value cash flows

Accounting for Fixed Assets (Module 6)

43. Use net present value concepts to make investment decisions.
44. Explain the purpose and methods of cost allocation.
45. Calculate and record depreciation, depletion and amortization and explain the impact on the financial statements.
46. Record the sale and disposal of fixed assets and the impact on the financial statements.

Accounting for Debt (Module 7)

47. Compare and contrast debt and equity financing.
48. Define and calculate TIE (Times-interest-earned ratio)
49. Compare and contrast a periodic payment note payable, a lump-sum note payable, and a periodic and lump-sum note payable.
50. Calculate the carrying value, interest expense and cash payment for note payable (periodic payment, lump-sum, periodic and lump-sum) transactions.
51. Record transactions for notes payable: issuance and interest expense.
52. Record transactions for bonds issued at face value, a premium and a discount.
53. Record interest expense for bonds issued at face value, a premium and a discount using the straight-line method and effective-interest method.

Accounting for Stockholder's Equity (Module 7)

54. Identify and describe the different classes of stock and explain the rights afforded each class of stock.
55. Describe the difference between cash dividends, stock dividends and stock splits, and the impact on the financial statements
56. Record stock transactions: contributions by owners, corporate distributions (dividends), and the reacquisition of company stock.

Financial Statements (Module 8)

57. Describe the information provided in an income statement, and the purpose of an income statement.
58. Prepare an income statement.
59. Explain the difference in net income and income from continuing operations (discontinued operations, extraordinary items).
60. Describe the information provided in a balance sheet and statement of equity, and the purpose of a balance sheet and statement of equity.
61. Prepare a balance sheet and statement of equity.
62. Describe the information provided in statement of cash flows, and the purpose of a statement of cash flows.
63. Prepare a statement of cash flows using the direct method

Cost-Volume-Profit Analysis (Module 2)

64. Identify the activities in the three operating processes.
65. Identify and explain variable costs, fixed costs, and mixed costs.
66. Use high-low analysis to determine variable costs, fixed costs, and mixed costs.
67. Calculate break-even point and perform cost-volume-profit (CVP) analysis.
68. Apply sensitivity analysis to CVP analysis.
69. Determine selling price using sensitivity analysis and CVP analysis.
70. Describe the process of determining selling prices and demonstrate how various strategies are used to determine selling price
71. Describe the differences among product and non-product costs.
72. Identify and explain product costs: direct/indirect materials, direct/indirect labor, manufacturing overhead.
73. Record direct materials and direct labor transactions.
74. Analyze a make-or-buy decision.
75. Describe the process of determining selling prices and demonstrate how various strategies are used to determine selling price.

Summary of Ratios:

Assess a company's profitability by calculating:

1. Return on sales (Net profit margin) (Module 1)
2. Earnings per share (EPS) (Module 8)
3. DuPont ROI (ROA) (Module 8)
4. ROE (Return on Equity) (Module 1)

Assess a company's liquidity and solvency by calculating:

5. Current ratio (Module 1)
6. Operating cycle (Module 1)
 - a. Inventory turnover in days
 - b. accounts receivable turnover in days

Assess a company's debt position and ability to pay interest by calculating:

7. Debt-equity ratio (Module 1)
8. TIE (Times-interest-earned ratio) (Module 7)

Course Outline

Module	TITLE	Hours	% of Course
Module 1	Introduction To Accounting & Financial Reporting	8	9%
Module 2	Cost-Volume-Profit Analysis	13	14%
Module 3	Accounting Information System	17	19%
Module 4	Accounting for Sales and Inventory	10	11%
Module 5	Time Value of Money	8	9%
Module 6	Accounting for Fixed Assets	8	9%
Module 7	Accounting for Long-term Liabilities and Equity	15	16%
Module 8	Financial Statements	12	13%
	Total	91	100%

MODULE 1: INTRODUCTION to ACCOUNTING & FINANCIAL REPORTING
Chapters 1, 2 & Supplements

Learning Objective: Describe generally accepted accounting principles and the objectives of financial reporting.

Student Outcomes:	Topic*	Ch & Time
Explain how and why the conceptual framework of accounting and generally accepted accounting principles provide guidance and structure for preparing financial statements	F	Ch 1 4 hours
Describe the information provided in each financial statement and how the statements articulate with each other. (See revised exhibit 1.4)	F	
Identify business ownership structures.	F	
Explain the role of management and the auditor in preparing and issuing an annual report.	F	
Describe the relationship between assets, liabilities and equity on the balance sheet.	F	
Identify and explain the classifications within assets, liabilities, and equity. (See revised exhibit 1.4)	F	
Define and calculate the current ratio and debt-equity ratio.	A	
Describe the information presented in an income statement. (See supplement.)	F	
Calculate return on sales (net profit margin) and return on equity	A	Ch 2 4 hours
Identify and explain the three phases of the management cycle.	F	
Identify and explain the four business processes.	F	
Explain and calculate the operating cycle (accounts receivable turnover and inventory turnover).	A	
Explain how internal control procedures are used to safeguard assets.	F	
Prepare a bank reconciliation.	F	
Module 1 Total Hours		8 Hours

* F: Financial Accounting; M: Managerial Accounting; A: Financial Statement Analysis

MODULE 2: COST-VOLUME-PROFIT ANALYSIS Chapters 3, 4, & 5		
Learning Objective: Evaluate the operating results of a company.		
Student Outcomes:	Topic*	Ch & Time
Identify the activities in the three operating processes.	M	Ch 3 (p 64 – 84) 5 hours
Identify and explain variable costs, fixed costs, and mixed costs.	M	
Use high-low analysis to determine variable costs, fixed costs, and mixed costs.	M	
Calculate break-even point and perform cost-volume-profit (CVP) analysis.	M	Ch 4 (p 101–115) 6 hours
Apply sensitivity analysis to CVP analysis.	M	
Determine selling price using sensitivity analysis and CVP analysis.	M	
Describe the process of determining selling prices and demonstrate how various strategies are used to determine selling price.	M	
Describe the differences among product and non-product costs.	M	
Identify and explain product costs: direct/indirect materials, direct/indirect labor, manufacturing overhead.	M	
Analyze a make-or-buy decision.	M	Ch 5 (p 128–135) 2 hours
Describe the process of determining selling prices and demonstrate how various strategies are used to determine selling price.	M	
Module 2 Total Hours		13 Hours

* F: Financial Accounting; M: Managerial Accounting; A: Financial Statement Analysis

MODULE 3: ACCOUNTING INFORMATION SYSTEM Chapters 7 & 8

Learning Objectives:
 1. Complete the steps in the accounting cycle in order to prepare the financial statements
 2. Apply generally accepted accounting principles to the purchasing (inventory) process for merchandising companies

Student Outcomes:	Topic*	Ch & Time
Describe the purpose of the accounting system.	F	Ch 7 12 hours
Describe the purpose of journals and ledgers and their relationship.	F	
Analyze and describe how business transactions impact the accounting equation.	F	
Apply the double-entry system of accounting to record business transactions and prepare a trial balance.	F	
Explain the need for adjusting entries and record adjusting entries.	F	
Prepare the financial statements for the different types of business operations and ownership structures.	F	
Explain the purposes of the closing process and record closing entries.	F	
Complete the steps in the accounting cycle and prepare financial statements. (Practice set)		Ch 8 (p 216; 220 – 236) 5 hours
Describe the differences between the periodic and perpetual inventory systems.	F	
Record business transactions using the periodic inventory system and the perpetual inventory system.	F	
Describe the difference between the gross price method and the net price method.	F	
Record business transactions using the gross price method and the net price method.	F	
Determine cash paid for inventory and operating expenses.	F	
Calculate payroll taxes.	F	
Module 3 Total Hours		17 Hours

* F: Financial Accounting; M: Managerial Accounting; A: Financial Statement Analysis

MODULE 4: ACCOUNTING FOR SALES AND INVENTORY Chapter 9 & 10		
Learning Objectives:		
1. Apply generally accepted accounting principles to the sales and collection process.		
2. Apply generally accepted accounting principles to the inventory and cost of goods sold.		
Student Outcomes	Topic*	Ch & Time
Describe the criteria used to determine revenue recognition.	F	Ch 10 (p 276–294) 6 hours
Record revenue-related transactions.	F	
Explain the accounting methods used to determine the value of accounts receivable to be reported on the balance sheet and describe the effect on the income statement.	F	
Record transactions for accounts receivable, including uncollectible accounts, write-offs, and recoveries.	F	
Identify and describe the cost flow assumptions for inventory and explain the impact on the balance sheet and income statement.	F	
Calculate cost of goods sold and ending inventory using LIFO and FIFO inventory costing methods.	F	Ch 9 (p 247–258) 4 hours
Explain how inventory for a manufacturing business differs from inventory for a merchandising business.	M	
Explain how an activity-based costing system operates, including the identification of activity cost pools, and the selection of cost drivers.	M	
Explain the flow of costs through the manufacturing accounts used in product costing.	M	
Compute a predetermined overhead rate, and explain its use in job-order costing.	M	
Determine whether manufacturing overhead is over/under-applied.	M	
Prepare journal entries to record the costs of direct material, direct labor, and manufacturing overhead in a job-order costing system.	M	
Prepare a schedule of cost of goods manufactured, a schedule of cost of goods sold, and an income statement for a manufacturer.	M	
Module 4 Total Hours		10 Hours

* F: Financial Accounting; M: Managerial Accounting; A: Financial Statement Analysis

MODULE 5: TIME VALUE OF MONEY/CAPITAL INVESTMENTS Chapter 11		
Learning Objective: Apply time value of money concepts to business scenarios.		
Student Outcomes	Topic*	Ch & Time
Determine the present value and future value cash flows.	F	Ch 11 8 hours
Section 5 Total Hours		8 Hrs

* F: Financial Accounting; M: Managerial Accounting; A: Financial Statement Analysis

MODULE 6, ACCOUNTING FOR FIXED ASSETS Chapter 12 & 16		
Learning Objective:		
1. Apply time value of money concepts to make capital investments.		
2. Apply generally accepted accounting principles to fixed assets.		
Student Outcome	Topic*	Ch & Time
Use net present value concepts to make investment decisions.	F	Ch 12 (p 341–348) 2 hours
Explain the purpose and methods of cost allocation.	F	Ch 16 6 hours
Calculate and record depreciation, depletion and amortization and explain the impact on the financial statements.	F	
Record the sale and disposal of fixed assets and the impact on the financial statements.	F	
Module 6 Total Hours		8 hours

* F: Financial Accounting; M: Managerial Accounting; A: Financial Statement Analysis

MODULE 7: ACCOUNTING FOR LONG-TERM LIABILITIES AND EQUITY		
Chapters 13, 14 & 15		
Learning Objective: Apply generally accepted accounting principles to long-term liabilities and equity transactions.		
Student Outcomes	Topic	Ch. & Time
7.1	Compare and contrast debt & equity financing; review debt-to-equity ratio.	F
7.2	Identify and describe the different classes of stock and explain the rights afforded each class of stock.	F
7.3	Describe the difference between cash dividends, stock dividends and stock splits, and the impact on the financial statements.	F
7.4	Record stock transactions: contributions by owners, corporate distributions (dividends), and the reacquisition of company stock.	F
7.5	Define and calculate TIE (Times-interest-earned ratio).	F
7.6	Compare and contrast a periodic payment note payable, a lump-sum note payable, and a periodic and lump-sum note payable.	F
7.7	Calculate the carrying value, interest expense and cash payment for note payable (periodic payment, lump-sum, periodic and lump-sum) transactions.	F
7.8	Record transactions for notes payable: issuance and interest expense.	F
7.9	Record transactions for bonds issued at face value, a premium and a discount.	F
7.10	Record interest expense for bonds issued at face value, a premium and a discount using the effective-interest method.	F
Module 7 Total Hours		15 Hours

* F: Financial Accounting; M: Managerial Accounting; A: Financial Statement Analysis

MODULE 8: FINANCIAL STATEMENTS Chapters 17, 18, and 19		
Learning Objective: Prepare and analyze financial statements.		
Student Outcomes	Topic*	Ch & Time
Describe the information provided in an income statement, and the purpose of an income statement.	F	Ch 17 (p 477–486) 3 hours
Prepare an income statement.	F	
Explain the difference in net income and income from continuing operations (discontinued operations, extraordinary items).	F	
Define and calculate earnings per share (EPS) and DuPont ROI (supplement).	F	
Describe the information provided in a balance sheet and statement of equity, and the purpose of a balance sheet and statement of equity.	F	Ch 18 (p 504–518) 3 hours
Prepare a balance sheet and statement of equity.	F	
Describe the information provided in statement of cash flows, and the purpose of a statement of cash flows.	F	Ch 19 6 hours
Prepare a statement of cash flows using the direct method.	F	
Module 8 Total Hours		12 Hours

* F: Financial Accounting; M: Managerial Accounting; A: Financial Statement Analysis