

**Accounting Unit Objectives** – by the end of this unit, students will be able to...

1. Summarize why accounting and financial record keeping are important to a business.
2. Compare and contrast accounting and book-keeping.
3. Describe the difference between a balance sheet and a profit-loss statement.
4. Define each of the following: a. Liability b. Asset c. Accounts Receivable d. Accounts Payable e. Equity
5. Describe the difference between a current asset and a fixed asset.
6. Define current liability, long-term liability, and owner's equity and provide examples.
7. Explain what it means if a business' books are balanced.
8. Define each of the following: a. Net Profit b. Income c. Expenses d. Loss e. Profit
9. Describe how service income calculations differ from how sales income is calculated.
10. Explain the difference between the cash method of accounting and the accrual method of accounting.
11. Assess whether a business is better off using a fiscal or calendar year.
12. Explain the purpose of a chart of accounts.
13. Set up a chart of accounts using proper organizational structures.
14. Define each of the following: a. Current Asset Account Record b. Inventory c. Cost of Goods Sold