

# Minnesota Articulated College Credit (ACC) Agreement

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**Agreement Name:** **Financial Accounting**

**Agreement Last Reviewed:** Fall 2022

**Next Review Date:** Fall 2024

## College Courses

Class	Title	School	Credits
BUSN 1030	Financial Management	Dakota County Technical College	1.0 of 2.0
BUS 2201	Principles of Accounting I	Minnesota West Community & Technical College	4.0 of 4.0
ACCT 1815	Principles of Accounting	Ridgewater College	4.0 of 4.0
ACCT 1810	Financial Accounting	South Central College	4.0 of 4.0

## Curriculum Content Objectives

To receive credit, students will perform 100% of the following content objectives according to the assessments set forth in this agreement:

1. Describe accounting and business.
  - Describe the nature of a business and the role of ethics and accounting in business.
  - Summarize the development of accounting principles and relate them to practice.
  - State the accounting equation and define each element of the equation.
  - Describe and illustrate how business transactions can be recorded in terms of resulting change in the basic elements of the accounting equation.
  - Describe the financial statements of a proprietorship and explain how they interrelate.
2. Analyze transactions.
  - Describe the characteristics of an account and record transactions using a chart of accounts.
  - Describe and illustrate the posting of journal entries to accounts.
  - Prepare an unadjusted trial balance and explain how it can be used to discover errors.
  - Discover and correct errors in recording transactions.
3. Describe the adjusting process.
  - Describe the nature of the adjusting process.
  - Journalize entries for accounts requiring adjustment.
  - Summarize the adjustment process.
  - Prepare an adjusted trial balance.
4. Complete the accounting cycle.
  - Describe the flow of accounting information from the unadjusted trial balance into the adjusted trial balance and financial statements.
  - Prepare financial statements from adjusted account balances.
  - Prepare closing entries.
  - Describe the accounting cycle.
  - Illustrate the accounting cycle for one period.
  - Explain what is meant by the fiscal year and the natural business year.
5. Describe accounting systems.
  - Define an accounting system and describe its implementation.
  - Journalize and post transactions in a manual accounting system that uses subsidiary ledgers and special journals.
  - Describe and give examples of additional subsidiary ledgers and modified special journals.

- Apply computerized accounting to the revenue and collection cycle.
- Describe the basic features of e-commerce.
- 6. Describe accounting for merchandising businesses.
  - Describe the nature of merchandising businesses.
  - Describe the financial statements for a merchandising business.
  - Perform merchandising transactions.
  - Describe the adjusting and closing process for a merchandising business.
- 7. Describe inventory systems.
  - Describe the importance of control over inventory.
  - Describe three inventory cost flow assumptions and how they impact the income statement and balance sheet.
  - Determine the cost of inventory under the perpetual inventory system, using the FIFO, LIFO, and average cost methods.
  - Determine the cost of inventory under the periodic inventory system, using the FIFO, LIFO, and average cost methods.
  - Compare and contrast the use of the three inventory costing methods.
  - Describe and illustrate the reporting of merchandising inventory in the financial statements.
  - Estimate the cost of inventory, using the retail method and gross profit method.
- 8. Describe Sarbanes-Oxley, internal control, and cash.
  - Describe the Sarbanes-Oxley Act of 2002 and its impact on internal controls and financial reporting.
  - Describe and illustrate the objectives and elements of internal control.
  - Describe and illustrate the application of internal controls to cash.
  - Describe the nature of a bank account and its use in controlling cash.
  - Describe the accounting for special-purpose cash funds.
  - Describe and illustrate the reporting of cash and cash equivalents in the financial statements.
- 9. Define receivables.
  - Describe the common classifications of receivables.
  - Describe the nature of and the accounting for uncollectible receivables.
  - Describe the direct write-off method of accounting for uncollectible receivables.
  - Describe the allowance method of accounting for uncollectible receivables.
  - Compare the direct write-off and allowance methods of accounting for uncollectible accounts.
  - Describe the nature, characteristics, and accounting for notes receivable.
  - Describe the reporting of receivables on the balance sheet.
- 10. Describe the Statement of Cash Flows.
  - Summarize the types of cash flow activities reported in the statement of cash flows.
  - Prepare a statement of cash flows, using the indirect method.
  - Prepare a statement of cash flows, using the direct method.
- 11. Analyze financial statements.
  - List basic financial statement analytical procedures.
  - Apply financial statement analysis to assess the solvency of a business.
  - Apply financial statement analysis to assess the profitability of a business.
  - Describe the content of corporate annual reports.
- 12. Discuss a corporate organization.
  - Define the characteristics of corporations.
  - Describe the basics of capital stock.
  - Describe and record common stock.
  - Describe and record preferred stock.
  - Record dividends transactions.

### **Assessments**

Students must achieve no less than 80% or B for a final grade in the high school course to receive ACC.

### **ACC Concept**

Through Articulated College Credit (ACC) Program, specific college curriculum content goals and assessments are embedded in participating high school career and technical education (CTE) programs as specified in this agreement. Relevant knowledge, skills, and standards are taught by qualified CTE high school instructor(s) in one or more course(s). ACC is awarded if the student meets the college equivalency standards and later enrolls in the college(s) articulated requiring the course in a specific program.