

Texas University Interscholastic League

Contest Event: Accounting

The contest focuses on the elementary principles and practices of accounting for sole proprietorship, partnerships and corporations, and includes bookkeeping terminology, the work sheet with adjustments, income statement, balance sheet, trial balance, account classification, journalizing, posting, bank reconciliation, payroll and other items related to the basic accounting cycle.

The Texas Essential Knowledge and Skills are categorized by course area and grade level. The following are course area abbreviations used for the TEKS in Accounting:

Course	Abbr.	Recommended for Students in Grades:
Accounting I	AI	10-12
Accounting II	AII	10-12
Administrative Procedures	AP	11-12
Banking and Financial Systems	B&FS	11-12
Business Communications	BC	10-12
Business Law	BL	11-12
Business Management	BMgt	10-12
Business Ownership	BO	10-12
Business Support Systems	BSS	9-10
International Business	Int'lB	10-12
Introduction to Business	IntroB	9-10
Recordkeeping	R	9-10

Each TEKS begins with the outline number for the appropriate course area.

Texas Essential Knowledge and Skills	Contest Knowledge and Skills
<p><u>The Basic Accounting Cycle for a Service Business Organized as a Proprietorship:</u></p> <p>1A. Describe the purpose of accounting. (AI) 1B. Apply basic accounting concepts and terminology. (AI) 1C. Demonstrate the effects of transactions on the accounting equation, for example, T accounts. (AI) 1D. Prepare a chart of accounts. (AI) 1E. Apply information from source documents. (AI) 1F. Post general journal entries. (AI) 1G. Prepare a trial balance. (AI) 1H. Calculate and record end-of-period adjustments. (AI) 1I. Update accounts through adjusting and closing entries. (AI) 1J. Prepare a post-closing trial balance. (AI) 1K. Prepare financial statements. (AI) 2K. 2H. Compile data and prepare local, state, and federal tax reports. (AII) (R) 2H. Prepare an individual income tax return. (R) 3B. 11A. Calculate answers to problems using addition, subtraction, division, multiplication, percentages, and decimals. (R) (AP) 7G. 3C. 7E. 9B. Demonstrate use of the numeric</p>	<p><u>The Basic Accounting Cycle for a Service Business Organized as a Proprietorship:</u></p> <p>-Identify and define terminology used in basic accounting theory.</p> <p>-Analyze the accounting equation: Assets = Liabilities + Owner's Equity.</p> <p>-Classify accounts as assets, liabilities, owner's equity, revenue, and expense.</p> <p>-Identify for each classification of accounts the balance side, increase side, and decrease side.</p> <p>-Analyze how business transactions affect the accounting equation using T accounts and debits and credits.</p> <p>-Prepare a chart of accounts.</p> <p>-Identify and verify calculations on source documents used in a service business.</p> <p>-Journalize business transactions in the general journal.</p>

<p>key pad by touch. (AI) (R) (BSS) (AP) 4F. Adhere to proper legal, tax, and accounting principles. (BO)</p>	<ul style="list-style-type: none"> -Post journal entries to the general ledger. -Prepare a trial balance. -Identify accounts that require end-of-period adjustments. -Calculate account adjustments and plot on the work sheet. -Prepare a ten-column work sheet. -Prepare financial statements: Balance Sheet, Income Statement, and Statement of Owner's Equity. -Journalize and post adjusting entries. -Journalize and post closing entries. -Prepare a post-closing trial balance. -Identify permanent (real) accounts. -Identify temporary (nominal) accounts. -Identify the characteristics, advantages and disadvantages of a business organized as a proprietorship. -Identify and define terminology used in a service business organized as a proprietorship. -Apply accounting assumptions and principles such as historical cost, the matching principle, comparability, etc. -Prepare individual income tax return using Form 1040EZ. -Identify the purpose of certain tax forms that report income. -Use calculator numeric key pad by touch for mathematical computations. -Apply the various rules to locate calculation errors (slide, transposition, etc.)
<p><u>The Accounting Cycle for an Inventory-Based or Merchandising Business:</u></p> <p>2A. Contrast the characteristics of a service and a merchandising business. (AI)</p>	<p><u>The Accounting Cycle for an Inventory-Based or Merchandising Business:</u></p> <ul style="list-style-type: none"> -Compare and contrast the characteristics and terminology of a service and merchandising

<p>2B. Analyze transactions relating to purchase and sale of merchandise. (AI)</p> <p>2C. Record transactions in special journals. (AI)</p> <p>2D. Prepare schedules for subsidiary ledgers. (AI)</p> <p>2E. Generate trial balances and end-of-period adjustments. (AI)</p> <p>2F. Prepare financial statements. (AI)</p> <p>3I. Prepare a customer's statement of account. (R)</p> <p>3J. Verify invoices and statements. (R)</p> <p>3K. Compute and verify extensions on purchase orders. (R)</p> <p>3L. Calculate trade, chain, and quantity discounts. (R)</p> <p>3M. Compute cash discounts and the amount due on purchase orders after adjustments for transportation charges, discounts, and returned merchandise. (R)</p> <p>3N. Calculate payment dates. (R)</p> <p>3Q. Maintain accounts receivable. (R)</p> <p>3R. Maintain accounts payable. (R)</p> <p>11H. Complete purchase requisitions. (AP)</p>	<p>business.</p> <ul style="list-style-type: none"> -Identify and define terminology used in a merchandising business organized as a proprietorship. -Compare and contrast the accounting cycle of a service and merchandising business. -Identify and verify calculations on source documents used in a merchandising business. -Analyze business transactions relating to purchases, purchases discounts, and purchases returns and allowances. -Analyze business transactions relating to sales, sales discounts, and sales returns and allowances. -Identify terms of sale. -Determine if payment date is within the discount period. -Calculate trade and cash discounts. -Calculate sales taxes. -Journalize taxable and nontaxable sales. -Journalize sales using credit cards and bankcards. -Identify whether the buyer or seller is responsible for shipping costs using FOB Destination and FOB Shipping Point terminology. -Journalize merchandising transactions to the general journal and to special journals. -Post from special journals to the general ledger. -Post to the accounts receivable and accounts payable subsidiary ledgers. -Prepare schedules for subsidiary ledgers. -Reconcile subsidiary ledgers to their respective controlling account in the general ledger. -Prepare a trial balance for a merchandising business. -Identify accounts that require end-of-period adjustments for a merchandising business. -Calculate account adjustments for a merchandising business and plot on the work
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	<p>sheet.</p> <ul style="list-style-type: none"> -Prepare a ten-column work sheet for a merchandising business. -Prepare financial statements for a merchandising business: Balance Sheet, Income Statement, and Statement of Owner's Equity. -Prepare the Cost of Merchandise Sold section of an Income Statement either with or without the account called Transportation In. -Journalize and post adjusting entries for a merchandising business. -Journalize and post closing entries for a merchandising business. -Prepare a post-closing trial balance for a merchandising business.
<p><u>Accounting for Cash Funds and Banking Procedures:</u></p> <p>3K. 1F. 11D. Prepare commercial bank deposits. (AI) (BSS) (AP) 11C. Prepare and post check records. (AP) 3J. 1E. 2E. 11E. Reconcile a bank statement. (AI) (BSS) (R) (AP) 3B. Explain electronic banking. (B&FS) 11B. Manage cash fund accounts. (AP) 4F. Open and replenish a petty cash fund and journalize transactions. (AI)</p>	<p><u>Accounting for Cash Funds and Banking Procedures:</u></p> <ul style="list-style-type: none"> -Identify and define banking terminology. -Identify acceptable internal control procedures. -Compare and contrast the various types of check endorsements. -Prepare a check stub and check. -Prepare a bank deposit slip. -Reconcile the bank statement and checkbook records. -Demonstrate how to void a check and list proper internal controls for voided checks. -Prove cash. -Journalize entries required from the bank reconciliation process. -Journalize a stop payment order and any associated bank fees. -Journalize a dishonored check and any associated bank fees. -List reasons why a check can be dishonored.

	<ul style="list-style-type: none"> -Define and journalize an electronic funds transfer. -Define and journalize entries created from the use of a debit card. -Define a change fund. -Journalize the entries to establish a change fund and to increase the change fund. -Perform the cash proof of the change fund with or without cash shortages or cash overages. -Define a petty cash fund. -Journalize the entries to establish a petty cash fund and to increase the petty cash fund. -Journalize the entry to replenish the petty cash fund with or without cash shortages or cash overages. -Prepare a petty cash requisition, voucher, register, and report.
<p><u>Accounting for Payroll Procedures:</u></p> <p>3A. 1A. 2B. Compute gross pay. (AI) (BSS) (R) 3B. 1C. 2B. Compute net pay. (AI) (BSS) (R) 10D. Complete a W-4 form. (BSS) 3C. 1B. 2B. Compute employee-paid withholdings. (AI) (BSS) (R) 3D. Compute and complete payroll tax expense forms. (AI) 3E. Compute salary expenses. (AI) 3F. Prepare payroll registers. (AI) 3G. Record payroll transactions in journals. (AI) 3H. Complete payroll tax forms. (AI) 3I. 1D. Determine methods of dissemination of payroll funds, for example, direct deposit, and mail. (AI) (BSS) 2K. 3G. Compile data and prepare local, state, and federal tax reports. (AII) (R) 3F. Calculate pay using time cards. (R)</p>	<p><u>Accounting for Payroll Procedures:</u></p> <ul style="list-style-type: none"> -Compute gross pay using hourly wage, salary, commission pay, and when there is a piecework incentive wage plan. -Calculate hours worked from a time card. -Calculate overtime pay. -Complete Form W-4. -Define and calculate employee-paid withholdings. -Determine when employee withholdings should no longer be withheld using respective tax base provided. -Define voluntary deductions. -Compute net pay. -Define direct deposit and electronic funds transfer as it applies to payroll transactions. -Prepare a payroll register. -Journalize the salary expense and withholdings entry.

	<ul style="list-style-type: none"> -Prepare employee earnings records. -Compare and contrast an employee versus an independent contractor. -Calculate employer payroll taxes and journalize the employer's payroll tax expense and liabilities entry. -Determine when employer payroll taxes should no longer be withheld using respective tax bases provided. -Identify and define the purpose of IRS Form W-2, W-3, 940, and 941. -Prepare IRS Form 941.
<p><u>Accounting for Plant Assets and Depreciation:</u></p> <p>4A. Calculate and record depreciation of plant assets. (AI) 4B. Prepare depreciation schedules. (AI) 2H. Apply related accounting procedures to financial reporting. (AII) 1D. Differentiate between personal and real property. (BL)</p>	<p><u>Accounting for Plant Assets and Depreciation:</u></p> <ul style="list-style-type: none"> -Define accounting terms related to plant assets and depreciation. -Define and identify plant assets and current assets. -Identify the various components and costs that comprise the historical cost of a plant asset. -Define and apply the concept of depreciation. -Identify the terminology for each of the estimates necessary to compute depreciation under the various methods. -Compute depreciation using the straight-line method for a full year and for a partial year. -Compute depreciation using the double declining-balance method for a full year and for a partial year. -Compare and contrast the straight-line method and the various accelerated methods of depreciation. -Prepare a plant asset record. -Identify the contra-asset and expense accounts involved in the adjusting entry for depreciation. -Calculate account adjustments for depreciation and plot on the work sheet.

	<ul style="list-style-type: none"> -Journalize and post the adjusting entry for depreciation. -Calculate the book value of plant assets. -Identify the proper presentation of plant assets, accumulated depreciation, and depreciation expense in the financial statements. -Compare and contrast real property and personal property. -Calculate property tax. -Journalize and post the entry to record property tax expense. -Calculate the gain or loss on the sale of a plant asset. -Journalize the entry to record the disposal of a plant asset at book value, for a gain, or for a loss.
<p><u>Accounting for Uncollectible Accounts Receivable:</u></p> <p>4C. Determine and record uncollectible accounts receivable. (AI) 4H. Calculate bad debts expense and journalize transactions involving uncollectible accounts. (AI)</p>	<p><u>Accounting for Uncollectible Accounts Receivable:</u></p> <ul style="list-style-type: none"> -Define the concept of an uncollectible account and identify the terminology used in the accounting for this expense. -Journalize bad debt expense using the direct write-off method. -Journalize the collection of a bad debt that was previously written off using the direct write-off method. -Define the allowance method of recording losses from uncollectible accounts. -Compare and contrast the direct write-off method and the allowance method. -Calculate bad debt expense using the percentage of sales method and the aging of accounts receivable method. -Journalize bad debt expense using an allowance method. -Journalize the collection of a bad debt that was previously written off using an allowance method. -Identify the proper presentation of Accounts

	<p>Receivable, Allowance for Uncollectible Accounts, and Bad Debt Expense in the financial statements.</p> <p>-Calculate the book value of Accounts Receivable.</p>
<p><u>Accounting for Inventories:</u></p> <p>4D. Record inventories. (AI) 2J. Calculate the cost of inventory on hand using appropriate inventory calculation methods. (AII) 3H. Compare physical and perpetual inventories. (R)</p>	<p><u>Accounting for Inventories:</u></p> <ul style="list-style-type: none"> -Define accounting terms related to inventory. -Compare and contrast the periodic and perpetual inventory method. -Identify the importance of taking a physical inventory. -Prepare inventory records. -Journalize purchases and sales when the perpetual method is used. -Journalize purchases and sales when the physical method is used. -Calculate ending inventory using the various inventory costing methods (LIFO, FIFO, Weighted Average Cost, and Specific Identification). -Compare and contrast the effects of using the various inventory costing methods in an atmosphere of rising or falling prices. -Analyze the effects of incorrect cost of inventory on financial statements in current and future periods. -Apply the Lower-of-Cost-or-Market Rule. -Calculate the estimated amount of ending merchandise inventory using the gross profit method.
<p><u>Accounting for Promissory Notes:</u></p> <p>4E. Calculate and record notes payable and notes receivable. (AI) 4G. Calculate interest due and payable and journalize transactions involving notes payable and receivable. (AI)</p>	<p><u>Accounting for Promissory Notes:</u></p> <ul style="list-style-type: none"> -Identify and define terminology used in accounting for promissory notes receivable and payable. -Calculate the maturity date. -Calculate the interest on an interest-bearing note. -Calculate the maturity value of an interest-bearing note.

	<ul style="list-style-type: none"> -Journalize the entries for interest-bearing notes: issuance and payment. -Identify a non-interest-bearing note. -Calculate the bank discount and the proceeds of a non-interest-bearing note. -Journalize the entries for non-interest-bearing notes: issuance and payment. -Identify the proper presentation of interest-bearing notes and non-interest bearing notes (both payable and receivable) in the financial statements. -Classify notes payable into current and long-term liabilities. -Journalize a dishonored note.
<p><u>Accounting for a Business Organized as a Partnership:</u></p> <p>5C. Identify the various accounting functions involved with each form of business organization. (AI)</p> <p>1C. Apply related accounting procedures to the different types of business organizations. (AII)</p> <p>2C. Apply related accounting procedures to the division of profits and losses. (AII)</p> <p>2H. Apply related accounting procedures to financial reporting. (AII)</p> <p>2B. Apply related accounting procedures to the formation, dissolution, and liquidation of businesses. (AII)</p>	<p><u>Accounting for a Business Organized as a Partnership:</u></p> <ul style="list-style-type: none"> -Identify the characteristics, advantages and disadvantages of a business organized as a partnership. -Identify and define terminology used in a business organized as a partnership. -Identify the importance and recommended contents of a partnership agreement. -Journalize the entry to record the partner's opening entry and subsequent additional investments of cash and other assets to the partnership. -Journalize partner withdrawals of cash and of merchandise. -Complete the entire accounting cycle of a business organized as a partnership when the business is a service or merchandising business. -Distribute net income or loss equally and prepare the journal entry. -Distribute net income or loss using the fractional share basis stated either as a fraction or as a ratio and prepare the journal entry.

	<ul style="list-style-type: none"> -Distribute net income or loss based on partners' capital investment and prepare the journal entry. -Prepare financial statements for a partnership including the Balance Sheet, Income Statement, Distribution of Net Income Statement and the Statement of Changes in Partners' Equity. -Identify the federal income tax filing requirements of a partnership and how the individual partner's share of the profits is taxed. -Identify the four basic steps in a partnership's liquidation and prepare necessary journal entries.
<p><u>Accounting for a Business Organized as a Corporation:</u></p> <p>5C. Identify the various accounting functions involved with each form of business organization. (AI)</p> <p>1C. Apply related accounting procedures to the different types of business organizations. (AII)</p> <p>2D. Apply related accounting procedures to the organization of capital stock. (AII)</p> <p>2E. Apply related accounting procedures to determine taxes, dividends, and retained earnings. (AII)</p> <p>2H. Apply related accounting procedures to financial reporting. (AII)</p> <p>2B. 5D. Apply related accounting procedures to the formation, dissolution, and liquidation of businesses. (AII) (BL)</p>	<p><u>Accounting for a Business Organized as a Corporation:</u></p> <ul style="list-style-type: none"> -Identify the characteristics, advantages and disadvantages of a business organized as a corporation. -Identify and define terminology used in a business organized as a corporation. -Differentiate between a closely held corporation and a publicly held corporation. -Journalize the entry to issue common stock at par and also in excess of par. -Journalize the entry to issue preferred stock. -Calculate the dividends on preferred stock on an annual, semiannual, or quarterly basis. -Calculate dividends on a per share basis or in total for preferred and common. -Identify the requirements in order to declare dividends and journalize the entries on date of declaration and date of payment. -Complete the entire accounting cycle of a business organized as a corporation when the business is a service or merchandising business. -Prepare financial statements for a corporation including the Balance Sheet, Income Statement, Statement of Retained Earnings, and Statement of Stockholders' Equity. -Identify the federal income tax filing requirements of a corporation.

	<p>-Calculate the quarterly estimated federal corporate income tax payments and journalize the required entries.</p>
<p><u>Entity Types:</u></p> <p>5A. 9B. Compare the various forms of business organization. (AI) (IntroB) 4B. 9A. Identify different organizational structures available to an entrepreneur. (BO) (IntroB) 5B. 1B. List advantages and disadvantages of each form of business organization. (AI) (AII) 5C. 1C. Identify and apply the various accounting functions involved with each form of business organization. (AI) (AII)</p>	<p><u>Entity Types:</u></p> <p>-Compare and contrast the accounting functions involved with the proprietorship, partnership, and corporation entity types.</p> <p>-Compare each entity type's advantages and disadvantages.</p> <p>-Perform accounting functions in the accounting cycle for a sole proprietorship, partnership, and corporation.</p>
<p><u>Cash Basis Versus Accrual Basis Accounting:</u></p> <p>2I. Differentiate between the basics of a cash-basis accounting system and an accrued-basis accounting system. (AII)</p>	<p><u>Cash Basis Versus Accrual Basis Accounting:</u></p> <p>-Define, compare, and contrast cash basis accounting and accrual basis accounting.</p> <p>-Calculate and journalize accrued revenue receivable (such as interest receivable on a note).</p> <p>-Calculate and journalize accrued expense payable (such as interest payable on a note).</p> <p>-Journalize prepaid expense (such as insurance premiums paid in advance).</p> <p>-Journalize deferred revenue (such as rent received before it is earned).</p> <p>-Calculate and journalize end-of-period adjusting entries for accruals and deferrals.</p> <p>-Journalize reversing entries for all accruals and deferrals as required.</p>
<p><u>Financial Statement Analysis:</u></p> <p>2H. Apply related accounting procedures to financial reporting. (AII) 5C. Make decisions using appropriate accounting concepts. (AII) 1D. Interpret visual materials such as charts, graphs, pictures, and maps, and translate the information into textual form. (BC)</p>	<p><u>Financial Statement Analysis:</u></p> <p>-Prepare classified financial statements using detailed descriptors such as Other Income and Other Expense.</p> <p>-Define interim financial statements.</p> <p>-Perform vertical analysis.</p> <p>-Analyze component percentages compared to</p>

	<p>acceptable percentages for that business or for the industry.</p> <ul style="list-style-type: none"> -Perform horizontal analysis. -Calculate working capital. -Identify and define liquidity ratios and profitability ratios. -Calculate current ratio. -Calculate quick ratio. -Calculate return on sales. -Calculate return on owner's (or partner's) equity. -Calculate return on common stockholders' equity. -Calculate price earnings ratio. -Analyze graphs (pie, bar, and line) that represent various financial reporting data. -Use analysis results to formulate business decisions.
<p><u>International Accounting:</u></p> <p>10A. Compare domestic and world trade. (IntroB) 10B. Explain the impact of imports and exports on the United States economy. (IntroB) 8I. Survey import and export procedures and documents needed for international business. (Int'IB)</p>	<p><u>International Accounting:</u></p> <ul style="list-style-type: none"> -Differentiate between domestic and international sales. -Define imports and exports. -Compare and contrast the risks involved in domestic and international sales. -Define value added tax. -Identify the necessary information in a contract of sale. -Define terminology used in international sales. -Identify the documents used in international sales. -Journalize an international sales entry. -Differentiate between a sight draft and a time draft. -Journalize an international sale using a time draft.

	<p>-Journalize the entry to record the receipt of funds from a time draft.</p> <p>-Differentiate between a draft and a trade acceptance.</p>
<p><u>Business Basics, Ethics, and Accounting Careers:</u></p> <p>2C. Explain the characteristics of the private enterprise system. (IntroB)</p> <p>6A. Describe the purpose of accounting. (AI)</p> <p>5A. 4A. Define business ethics. (R) (BMgt)</p> <p>8A. Distinguish between ethical and unethical business practices. (IntroB)</p> <p>8B. Contrast ethical and legal choices. (IntroB)</p> <p>3A. 4B. 5B. Contrast honest or dishonest with legal or illegal business practices. (BL) (BMgt) (R)</p> <p>8C. Relate the ethical decision-making process to business situations. (IntroB)</p> <p>7D. 5D. 4A. Explain the concepts of integrity and confidentiality as they relate to the accounting profession. (AI) (AII) (BMgt)</p> <p>15F. Identify ethical standards. (AP)</p> <p>4B. Research career paths in private and public accounting. (AII)</p> <p>4A. 1A. Develop business and professional vocabulary skills. (BC) (R)</p>	<p><u>Business Basics, Ethics, and Accounting Careers:</u></p> <p>-Define the free enterprise system.</p> <p>-Distinguish between a for-profit business and a not-for-profit organization.</p> <p>-Identify the purpose of accounting in business.</p> <p>-Define GAAP (generally accepted accounting principles).</p> <p>-Distinguish between financial accounting and management accounting.</p> <p>-Define business ethics.</p> <p>-Analyze the relationship between law and business ethics.</p> <p>-Identify topics often addressed within a business's code of ethics.</p> <p>-Identify how accounting practices can affect the credibility of a business and the integrity of the accounting profession.</p> <p>-Identify key principles of accounting that provide the framework for rules of conduct for an accountant (integrity, objectivity, independence, competence, confidentiality, etc.).</p> <p>-Identify accounting organizations that provide guidelines for ethical decision making (AICPA, IMA, IIA, etc.).</p> <p>-Differentiate the duties of an accounting clerk, accountant, and certified public accountant.</p>
<p><u>Productivity Skills and Time Management:</u></p> <p>7A. 7A. 4G. Follow oral and written instructions. (AI) (AP) (BC)</p> <p>7B. 5A. 4A. Develop time management skills by setting priorities for completing work as scheduled. (AI) (AII) (R)</p>	<p><u>Productivity Skills and Time Management:</u></p> <p>-Follow oral and written instructions prior to and during the contest.</p> <p>-Answer 80-100 questions within one hour.</p>

<p>7C. 5C. Make decisions using appropriate accounting concepts. (AI) (AII)</p> <p>7F. Complete the accounting cycle within an assigned time frame. (AI)</p> <p>4D. 1A. Organize ideas logically and sequentially. (BSS) (BC)</p> <p>10B. 14E. Prioritize work to fulfill responsibilities and meet deadlines. (BSS) (AP)</p> <p>1B. Locate and interpret written information. (BC)</p>	<p>-Demonstrate integrity and confidentiality by participating independently in the contest.</p> <p>-Evaluate given information to determine what data is useful in solving problems.</p> <p>-Organize given information logically and sequentially.</p>
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Appendix – Examples of Accounting Concepts

DISTRICT LEVEL

1. Basic accounting theory: classification of accounts, balance side, increase side, decrease side, accounting equation, effect of transactions
2. Journalize transactions--General Journal
3. Posting
4. Trial Balance
5. Preparation of these financial statements:
 - a. Balance Sheet (report form and account form)
 - b. Income Statement
 - c. Statement of Owner's Equity (Statement of Changes in Owner's Equity)
6. Closing entries
7. Post-Closing Trial Balance
8. Accounting cycle for a service business and for a merchandising business
9. Cash control, banking terminology, entries, bank reconciliation
10. Petty cash fund and entries
11. Change fund and entries
12. Terms of sale (trade and cash discounts)
13. Accounting for sales tax
14. Credit card sales, bankcards
15. Special Journals--how to journalize and how to post to General and Subsidiary Ledgers:
 - a. Purchases Journal
 - b. Sales Journal
 - c. Cash Receipts Journal
 - d. Cash Payments Journal
16. Contra Purchases accounts: Purchases Discounts and Purchases Returns & Allowances
17. Contra Sales accounts: Sales Discounts and Sales Returns & Allowances
18. Shipping Charges: FOB Destination and FOB Shipping Point
19. Transportation In
20. Net Purchases, Net Sales, Cost of Delivered Merchandise, Cost of Merchandise Available for Sale, Cost of Merchandise Sold, and Gross Profit on Sales
21. Accounts Receivable (controlling account and subsidiary ledger)
22. Accounts Payable (controlling account and subsidiary ledger)
23. Worksheet (either with or without and Adjusted Trial Balance column)
24. Adjusting entries and expired costs (includes the following but is not limited to):
 - a. Supplies
 - b. Insurance
 - c. Inventory
25. Vertical analysis; component percentages
26. Payroll Accounting
27. Terminology and transactions for service and merchandising businesses
28. Sole proprietorship: characteristics, advantages, disadvantages, forming, dissolving, terminology, transactions, entries, taxation
29. Basics of business; ethics; accounting careers; accounting as the language of business
30. Federal taxation of individual income (Form 1040, Form 1040EZ, Form 1099)
31. Accounting Assumptions, Characteristics, Principles:
 - a. Accounting Period Cycle
 - b. Business Entity
 - c. Comparability
 - d. Conservatism
 - e. Consistent Reporting
 - f. Full (Adequate) Disclosure
 - g. Going Concern
 - h. Historical Cost
 - i. Matching Principle
 - j. Materiality
 - k. Objective Evidence
 - l. Realization of Revenue (Revenue Principle)
 - m. Relevance
 - n. Reliability
 - o. Unit of Measure

REGIONAL LEVEL

1. Any items on District List
2. Direct write off of uncollectible Accounts Receivable
3. Estimating uncollectible accounts (allowance method)--Percentage of Net Sales Method (Percentage of Total Sales on Account Method) and Aging of Accounts Receivable Method

4. Book value of Accounts Receivable
5. Writing off an account when an allowance method had been used
6. Collecting an account previously written off under direct write off method AND when an allowance method had been used
7. Depreciation and salvage value (and alternative terms)
8. Components of asset cost
9. Plant asset records
10. Classification of assets into current assets and plant assets
11. Property Taxes
12. Straight line depreciation (including partial year calculation) (calculate to nearest first of month)
13. Declining-balance method (including partial year calculation)
14. Disposal of an asset (at book value or with gain or loss)
15. Classifications: Other Income; Other Expense
16. Perpetual and periodic inventory methods and entries
17. Costing inventory (FIFO, LIFO, Weighted-Average, and Specific Identification), comparison of methods in rising and falling prices, and lower of cost of market method
18. Estimating ending inventory using gross profit method
19. Effects of incorrect cost of inventory on financial statements in current and future periods
20. Interim financial statements
21. Partnership: characteristics, advantages, disadvantages, forming, dissolving, terminology, transactions, entries, taxation, financial statements

STATE LEVEL

1. Any items on District and Regional Lists
2. Classified financial statements; comparative financial statements
3. Analyzing financial statements (horizontal analysis) and working capital
4. Ratio analysis (liquidity ratios and profitability ratios) (includes but not limited to):
 - a. Current ratio
 - b. Quick ratio
 - c. Return on sales
 - d. Return on Owner's Equity (or Partners' Equity or Stockholders' Equity)
5. Graphs and their use in analysis of financial statements
6. Combination Journal--how to journalize and how to post to General and Subsidiary Ledgers
7. Promissory notes (calculation, terminology, and entries) for notes payable and receivable (interest-bearing and non-interest-bearing)
8. Number of days in each month (February will be given)
9. Accruals (including entries, calculation, classification and financial statement presentation)
10. Deferrals (including entries, calculation, classification and financial statement presentation)
11. Reversing entries
12. Effects on financial statements of incorrect accruals and deferrals in current and future periods
13. Corporation: characteristics, advantages, disadvantages, forming, dissolving, terminology, transactions, entries, taxation, financial statements
14. Accounting for international sales