

## FBLA HS: Accounting 2

Competency A: Financial Statements	MBA Research Performance Indicators	LAPs
<b>Tasks</b>		
1. Describe the different types of financial statements; explain their purpose and compare the difference.	FI:091 Describe the nature of cash flow statements (SP) FI:093 Explain the nature of balance sheets (SP) FI:094 Describe the nature of income statements (SP) FI:630 Explain the nature of statements of changes in equity (SP)	LAP-FI-091 Count the Cash (Cash Flow Statements) LAP-FI-093 The Right Balance (The Nature of Balance Sheets) LAP-FI-094 Watch Your Bottom Line (Income Statements)
2. Prepare a trial balance, a worksheet (8 and 10 columns), and an adjusted trial balance.	FI:383 Prepare a trial balance (CS) FI:387 Prepare worksheets (SP)	**Just for You! FI:383, Prepare a trial balance
3. Prepare and interpret an income statement.	FI:149 Prepare income statements (MN) FI:102 Interpret financial statements (MN)	**Just for You! FI:149, Prepare income statements **Just for You! FI:102, Interpret financial statements
4. Prepare and interpret a balance sheet that reports the financial condition of the entity.	FI:393 Prepare balance sheets (MN) FI:102 Interpret financial statements (MN)	**Just for You! FI:393, Prepare balance sheets **Just for You! FI:102, Interpret financial statements
5. Prepare a statement of Owner's Equity/Partner's Equity/Retained Earnings.	FI:392 Prepare statements of changes to equity (MN)	

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<p>6. Explain the purposes of each financial statement and describe the way they articulate with each other.</p>	<p>FI:091 Describe the nature of cash flow statements (SP)  FI:093 Explain the nature of balance sheets (SP)  FI:094 Describe the nature of income statements (SP)  FI:630 Explain the nature of statements of changes in equity (SP)</p>	<p>LAP-FI-091 Count the Cash (Cash Flow Statements)  LAP-FI-093 The Right Balance (The Nature of Balance Sheets)  LAP-FI-094 Watch Your Bottom Line (Income Statements)</p>
<p>7. Analyze the effects of revenue on financial statements.</p>	<p>FI:449 Analyze transactions and accounts (e.g., purchase, sales, sales returns and allowances, uncollectible accounts, depreciation, debt) (SP)</p>	
<p>8. Use manual and computerized accounting systems for preparing financial statements and evaluating the effect of changes.</p>	<p>FI:149 Prepare income statements (MN)  FI:393 Prepare balance sheets (MN)  FI:392 Prepare statements of changes to equity (MN)  FI:092 Prepare cash flow statements (MN)  NF:225 Use accounting applications and systems (CS)  NF:133 Integrate technology into accounting (SP)  FM:014 Demonstrate financial analysis applications (SP)</p>	<p><b>**Just for You! FI:149, Prepare income statements</b>  <b>**Just for You! FI:393, Prepare balance sheets</b></p>
<p>9. Determine acceptable levels of financial performance to be used as a basis for management decisions.</p>	<p>SM:027 Identify and benchmark key performance indicators (e.g., dashboards, scorecards, etc.) (MN)</p>	

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<p>10. Define terminology and classifications necessary for financial statements.</p>	<p>FI:091 Describe the nature of cash flow statements (SP)                  FI:093 Explain the nature of balance sheets (SP)                  FI:094 Describe the nature of income statements (SP)                  FI:630 Explain the nature of statements of changes in equity (SP)                  FI:149 Prepare income statements (MN)                  FI:393 Prepare balance sheets (MN)                  FI:392 Prepare statements of changes to equity (MN)                  FI:092 Prepare cash flow statements (MN)</p>	<p>LAP-FI-091 Count the Cash (Cash Flow Statements)                  LAP-FI-093 The Right Balance (The Nature of Balance Sheets)                  LAP-FI-094 Watch Your Bottom Line (Income Statements)                  **Just for You! FI:149, Prepare income statements                  **Just for You! FI:393, Prepare balance sheets</p>
<p><b>Competency B: Corporate Accounting</b></p>	<p><b>MBA Research Performance Indicators</b></p>	<p><b>LAPs</b></p>
<p><b>Tasks</b></p>		
<p>1. Identify the methods for forming a corporation and complete the various steps of the accounting cycle for a corporation or for a not-for-profit business.</p>	<p>FI:472 Analyze the articles of incorporation needed to start a corporation (MN)</p>	
<p>2. Identify and describe the different classes of stock and explain the rights afforded each class of stock.</p>	<p>FI:471 Explain methods to account for the issuance of equity (MN)</p>	

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<p>3. Journalize transactions: capital stock issuance, organization costs, stock subscriptions, and dividend declaration and payment to stockholders.</p>	<p>FI:703 Account for the issuance of equity (MN)  FI:473 Compute common stock outstanding after stock transaction occurs (e.g., stock buybacks, preferred stock conversions, stock option exercises, stock dividends, stock splits, etc.) (MN)  FI:474 Compute dividends payable on stock (MN)  FI:704 Account for equity transactions (e.g., cash dividend, stock dividend, treasury stock, etc.) (MN)</p>	
<p>4. Differentiate between stock splits and stock dividends, and explain how each affects equity.</p>	<p>FI:473 Compute common stock outstanding after stock transaction occurs (e.g., stock buybacks, preferred stock conversions, stock option exercises, stock dividends, stock splits, etc.) (MN)</p>	
<p>5. Determine stockholders' equity and earnings per share and prepare a statement of stockholders' equity for a corporation.</p>	<p>FI:705 Calculate earnings-per-share (MN)  FI:704 Account for equity transactions (e.g., cash dividend, stock dividend, treasury stock, etc.) (MN)</p>	

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<p>6. Perform all of the functions of the closing process, journalize and post the closing entries, prepare the post-closing trial balance, and prepare all of the appropriate financial statements and reports for a corporation.</p>	<p>FI:384 Journalize and post adjusting entries (CS)  FI:385 Journalize and post closing entries (CS)  FI:383 Prepare a trial balance (CS)  FI:149 Prepare income statements (MN)  FI:393 Prepare balance sheets (MN)  FI:392 Prepare statements of changes to equity (MN)  FI:092 Prepare cash flow statements (MN)  FI:476 Complete a worksheet for a corporation (MN)</p>	<p>**Just for You! FI:384, Journalize and post adjusting entries  **Just for You! FI:385, Journalize and post closing entries  **Just for You! FI:383, Prepare a trial balance  **Just for You! FI:149, Prepare income statements  **Just for You! FI:393, Prepare balance sheets</p>
<p>7. Apply appropriate accounting techniques for the formation, allocation, and distribution of earnings and dissolution of corporations.</p>		
<p>8. Describe the purposes of the revenue, expense, and drawing accounts and illustrate the effects on capital/owner's or stockholder's equity.</p>		
<p>9. Describe the different levels of liability and taxation for Subchapter S Corporations and Limited Liability Corporations.</p>		
<p>10. Analyze the information derived from the corporate financial statements.</p>	<p>FI:102 Interpret financial statements (MN)</p>	<p>**Just for You! FI:102, Interpret financial statements</p>

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Competency C: Partnerships	MBA Research Performance Indicators	LAPs
<b>Tasks</b>		
1. Identify the characteristics of a partnership and the steps for forming a partnership and admitting new partners.	FI:463 Analyze a partnership agreement (MN)	
2. Create financial statements for partnerships including end-of-fiscal-period worksheet, income statement, distribution of net income statement/owner's equity statement, balance sheet, adjusting and closing entries, and post-closing trial balance.	FI:384 Journalize and post adjusting entries (CS) FI:385 Journalize and post closing entries (CS) FI:383 Prepare a trial balance (CS) FI:149 Prepare income statements (MN) FI:393 Prepare balance sheets (MN) FI:392 Prepare statements of changes to equity (MN) FI:092 Prepare cash flow statements (MN) FI:702 Prepare partnership financial schedules (MN)	**Just for You! FI:384, Journalize and post adjusting entries **Just for You! FI:385, Journalize and post closing entries **Just for You! FI:383, Prepare a trial balance **Just for You! FI:149, Prepare income statements **Just for You! FI:393, Prepare balance sheets
3. Apply appropriate accounting techniques for the formation, allocation, and distribution of earnings and dissolution of a partnership.	FI:700 Account for partnership capital investments and withdrawals (MN) FI:464 Allocate profits and losses to the partners (MN) FI:701 Account for significant partnership changes (e.g., admission of new partner, withdrawal of partner, etc.) (MN)	

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Competency D: Ratios and Data Analysis	MBA Research Performance Indicators	LAPs
<b>Tasks</b>		
<p>1. Compute financial ratios and analyze financial statements using horizontal analysis, vertical analysis, and commonly used financial ratios.</p>	<p>FI:334 Describe types of financial statement analysis (e.g., ratio analysis, trend analysis, etc.) (MN)            FI:097 Calculate financial ratios (MN)            FI:551 Determine business liquidity (MN)            FI:552 Calculate activity/efficiency ratios (MN)            FI:553 Calculate debt/leverage ratios (MN)            FI:695 Calculate financial risk ratios (MN)            FI:554 Calculate business profitability (MN)            FI:555 Calculate market ratios (MN)            FI:102 Interpret financial statements (MN)</p>	<p><b>**Just for You!</b> FI:097, Calculate financial ratios  <b>**Just for You!</b> FI:102, Interpret financial statements</p>
<p>2. Analyze and describe how a change in an independent variable can produce a change in a dependent variable.</p>		
<p>3. Calculate financial strength analysis by determining current ratio of assets to liabilities, acid-test ratio, debt ratio, working capital, equity ratio, and equity and earnings per share.</p>	<p>FI:551 Determine business liquidity (MN)            FI:552 Calculate activity/efficiency ratios (MN)            FI:553 Calculate debt/leverage ratios (MN)            FI:695 Calculate financial risk ratios (MN)            FI:554 Calculate business profitability (MN)            FI:555 Calculate market ratios (MN)</p>	

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<p>4. Apply differential analysis to make decisions such as buying or making a product; leasing or buying an asset; discontinuing a department, plant, or product; replacing or repairing equipment; or offering discounted prices on special orders.</p>	<p>FI:646 Use the time value of money to make business decisions (e.g., projects, investments, etc.) (SP)                  FI:748 Calculate capital investment return (e.g., payback, net present value, internal rate of return) (SP)</p>	
<p><b>Competency E: Accounts Receivable and Payable</b></p>	<p><b>MBA Research Performance Indicators</b></p>	<p><b>LAPs</b></p>
<p><b>Tasks</b></p>		
<p>1. Analyze and journalize transactions of merchandise sold for cash, on account, or by credit card; post to proper ledger accounts; and prove subsidiary ledger by preparing a schedule of accounts receivable.</p>	<p>FI:424 Explain the nature of accounts receivable (CS)                  FI:682 Account for sales (e.g., invoices, sales receipts, etc.) (CS)                  FI:683 Process accounts receivable (e.g., post to ledger, process payment, process uncollectible account, etc.) (SP)</p>	<p><b>**Just for You!</b> FI:424, Explain the nature of accounts receivable</p>
<p>2. Analyze and journalize purchases of merchandise on account; demonstrate knowledge of net purchases; post to proper ledger accounts; and prove subsidiary ledger by preparing a schedule of accounts payable.</p>	<p>FI:409 Explain the nature of accounts payable (CS)                  FI:679 Account for purchases (e.g., purchase requisitions, purchase orders, invoices, vouchers, etc.) (CS)                  FI:680 Process accounts payable (e.g., maintain vendor file, post to ledger, process invoices and checks) (SP)</p>	<p><b>**Just for You!</b> FI:409, Explain the nature of accounts payable</p>
<p>3. Record transactions and journalize entries to write off uncollectible accounts using the direct write-off and allowance method.</p>	<p>FI:683 Process accounts receivable (e.g., post to ledger, process payment, process uncollectible account, etc.) (SP)</p>	

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4. Prepare adjustments using aging accounts receivable, percentage of sales, and percentage of accounts receivable methods.	FI:683 Process accounts receivable (e.g., post to ledger, process payment, process uncollectible account, etc.) (SP)	
5. Explain the purpose of notes payable and notes receivable and calculate, record transactions, and journalize interest and payment of notes payable and receivable.	FI:692 Account for long-term liabilities (e.g., bonds payable, notes payable, leases, etc.) (SP)	
6. Prepare adjusting and reversing entries for prepaid and accrued expenses and unearned and accrued revenue.	FI:384 Journalize and post adjusting entries (CS)	**Just for You! FI:384, Journalize and post adjusting entries
<b>Competency F: Budgeting and Cash Flow</b>	<b>MBA Research Performance Indicators</b>	<b>LAPs</b>
<b>Tasks</b>		
1. Review revenues, expenditures, trends, priorities, and projections in preparation of a budget.	FI:394 Project future revenues and expenses (SP) FI:460 Process preliminary budget detail (SP) FI:099 Develop company's/department's budget (MN)	
2. Prepare master and flexible budgets and describe how they are each used.	FI:099 Develop company's/department's budget (MN)	LAP-FI-099 Build Your Game Plan (Developing a Company/Department Budget)
3. Compare the projected budgeted amounts with the actual amounts through preparation of a performance report.	OP:030 Use budgets to control operations (MN) SM:005 Analyze operating results in relation to budget/industry (MN)	
4. Use cost-volume-profit and contribution margin analysis to plan operations.	FI:718 Discuss the use of cost-volume-profit analysis (SP) FI:454 Conduct cost-volume-profit analysis (MN)	

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5. Prepare budget analysis using spreadsheet software.	FM:013 Demonstrate budgeting applications (SP) FM:014 Demonstrate financial analysis applications (SP)	
6. Calculate and prepare cash flow statements.	FI:092 Prepare cash flow statements (MN)	
7. Determine cash flows from operating activities, investing activities, and financing activities.	FI:359 Describe the nature of cash flows (SP) FI:100 Analyze cash-flow patterns (MN)	
<b>Competency G: Cost Accounting/Manufacturing</b>	<b>MBA Research Performance Indicators</b>	<b>LAPs</b>
<b>Tasks</b>		
1. Define managerial accounting and understand the terminology and techniques related to cost accounting.	FI:085 Explain the concept of accounting (CS) FI:658 Describe types of costs used in managerial accounting (e.g., direct cost, indirect cost, sunk cost, differential cost, etc.) (SP) FI:660 Explain the nature of managerial accounting (SP) FI:719 Discuss cost accounting systems (e.g., job costing, process costing, standard costing, activity-based costing [ABC]) (SP)	LAP-FI-085 Show Me the Money (Nature of Accounting)
2. Interpret and explain costs and accounts that are unique to the manufacturing process.	FI:658 Describe types of costs used in managerial accounting (e.g., direct cost, indirect cost, sunk cost, differential cost, etc.) (SP)	

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3. Calculate manufacturing cost of finished goods by determining cost of direct materials, labor, and factory overhead.	FI:450 Maintain job order cost sheets (SP) FI:451 Calculate the cost of goods sold (SP) FI:726 Apply cost accounting techniques (e.g., job costing, process costing, standard costing, activity-based costing [ABC]) (SP) FI:458 Perform cost allocation functions (MN) FI:459 Prepare cost of production reports (MN) FI:455 Develop costs per unit of product (MN)	
4. Prepare a schedule of cost of goods manufactured and explain its relationship to the income statement.	FI:451 Calculate the cost of goods sold (SP) FI:462 Determine relevant cost and revenue data for decision-making purposes (MN)	
5. Journalize entries that summarize cost records at the end of the fiscal year.		
6. Use various allocation methods to allocate overhead and indirect costs.	FI:458 Perform cost allocation functions (MN)	
7. Explain the difference between variable, mixed, and fixed costs.	OP:024 Explain the nature of overhead/operating costs (SP)	LAP-OP-024 Watch Your (Over) Head (Overhead/Operating Costs)
8. Compute break-even and cost-revenue analysis values and understand how to interpret the results.	OP:192 Conduct breakeven analysis (MN) FI:727 Calculate relevant costs for decision making (e.g., opportunity costs, out-of-pocket costs) (MN)	
9. Prepare a materials ledger and a finished goods ledger for a manufacturing business.		
10. Apply appropriate software to prepare and maintain cost accounting records.		

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Competency H: Departmentalized Accounting	MBA Research Performance Indicators	LAPs
<b>Tasks</b>		
1. Define terminology related to departmentalized accounting.	FI:717 Differentiate among management accounting responsibility centers (i.e., cost, profit, investment, revenue) (SP)	
2. Analyze and journalize departmental purchases/cash payments and sales/cash receipts in special journals and posts to ledgers.	FI:769 Perform responsibility center budgeting (i.e., cost, profit, investment, revenue) (SP)	
3. Create a departmental statement of gross profit, financial statements, and end-of-period work.		
4. Prepare and maintain payroll records for a departmentalized business.	FI:686 Account for payroll transactions (e.g., earnings, taxes, benefits, other deductions) (SP)	
5. Journalize and post adjusting and closing entries for a departmentalized business.	FI:384 Journalize and post adjusting entries (CS) FI:385 Journalize and post closing entries (CS)	**Just for You! FI:384, Journalize and post adjusting entries **Just for You! FI:385, Journalize and post closing entries
6. Apply appropriate software to maintain departmentalized records.	NF:227 Integrate technology into accounting (SP)	
Competency I: Ethics	MBA Research Performance Indicators	LAPs
<b>Tasks</b>		
1. Describe the importance of integrity, confidentiality, and high ethical standards in preparation of financial statements, and in interpretation and use of data.	FI:351 Discuss the role of ethics in accounting (SP)	<i>*LAP-FI-351 With Due Care (The Role of Ethics in Accounting)</i>

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2. Explain the importance of ethical business decisions.	EC:106 Explain the nature of business ethics (SP)	<i>*LAP-EC-106 On the Up and Up (Business Ethics)</i>
3. Adhere to financial laws and regulations and to established company rules, regulations, and policies.	FI:353 Explain legal considerations for accounting (SP) BL:088 Comply with financial reporting and internal control regulations in accounting (SP)	
4. Utilize security measures to minimize loss and to create trust (e.g., maintain data security, develop strategies to protect data).	OP:064 Maintain data security (CS) OP:155 Establish policies to protect company information and intangibles (MN)	
<b>Competency J: Income Tax</b>	<b>MBA Research Performance Indicators</b>	<b>LAPs</b>
<b>Tasks</b>		
1. Complete various basic business-related tax forms, such as 941, 940, payroll, etc.	FI:443 Prepare federal, state, and local payroll tax returns and reports (SP)	
2. Identify differences between pretax financial income and taxable income.	BL:134 Discuss the effect of tax laws and regulations on financial transactions (SP)	
3. Identify special issues related to deferred income taxes, explain the effect of various tax rates on deferred income taxes, and describe their presentation in financial statements.	BL:009 Explain the nature of tax regulations on business (ON)	
4. Differentiate between taxation at personal and business levels, including tax-planning strategies.	EC:072 Describe the nature of taxes (SP) FI:696 Calculate taxes owed by clients (i.e., individual and business) (SP)	LAP-EC-072 Pay Your Share (Business Taxes)
5. Calculate federal income tax expense, record the adjustment, and complete the corporate worksheet.	FI:696 Calculate taxes owed by clients (i.e., individual and business) (SP) FI:697 Account for taxes (SP) FI:652 File business tax returns (ON)	

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6. Identify the basic differences between Generally Accepted Accounting Principles (GAAP) and tax law.	PD:158 Explain the nature of accounting standards (CS)	
7. Distinguish between tax avoidance and tax evasion.	BL:134 Discuss the effect of tax laws and regulations on financial transactions (SP)	
8. Evaluate accrual methods, inventory methods, and depreciation options to determine tax effects.		
9. Analyze current business decisions to determine the impact on taxes.		
<b>Competency K: Inventory</b>	<b>MBA Research Performance Indicators</b>	<b>LAPs</b>
<b>Tasks</b>		
1. Explain the importance of an inventory system and its valuation.	FI:586 Explain methods used to value inventory (e.g., FIFO, LIFO, average cost, etc.) (CS)	
2. Determine the value of inventory using various costing methods, such as LIFO, FIFO, or Weighted Average method.	FI:436 Determine the cost/value of inventory (SP)	
3. Estimate the cost of inventory using the retail and the gross profit methods.	FI:436 Determine the cost/value of inventory (SP)	
4. Calculate and analyze merchandise turnover ratio.	FI:552 Calculate activity/efficiency ratios (MN)	
5. Determine costs of obsolete inventory and/or materials.	FI:435 Process inventory adjustments (e.g., shrinkage, obsolescence, returns, etc.) (CS)	

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Competency L: Journalizing and Posting	MBA Research Performance Indicators	LAPs
<b>Tasks</b>		
1. Analyze and journalize cash receipts and cash payment transactions and post to proper ledger accounts.	FI:381 Journalize business transactions (CS) FI:677 Account for cash receipts (e.g., record cash, record income) (CS) FI:678 Account for cash payments (e.g., record cash, record expenses) (CS)	**Just for You! FI:381, Journalize business transactions
2. Analyze and journalize purchases and sales on account.	FI:381 Journalize business transactions (CS) FI:679 Account for purchases (e.g., purchase requisitions, purchase orders, invoices, vouchers, etc.) (CS)	**Just for You! FI:381, Journalize business transactions
3. Analyze and journalize transactions for the return of merchandise and post to the appropriate ledger accounts.	FI:381 Journalize business transactions (CS) FI:435 Process inventory adjustments (e.g., shrinkage, obsolescence, returns, etc.) (CS)	**Just for You! FI:381, Journalize business transactions
4. Journalize and post the adjusting and closing entries for a business.	FI:384 Journalize and post adjusting entries (CS) FI:385 Journalize and post closing entries (CS)	**Just for You! FI:384, Journalize and post adjusting entries **Just for You! FI:385, Journalize and post closing entries
5. Record business transactions in the general journal and the special journals using appropriate correction methods.	FI:381 Journalize business transactions (CS)	**Just for You! FI:381, Journalize business transactions
6. Post business transactions to the general and subsidiary ledger accounts and prove their accuracy.	FI:382 Post journal entries to general ledger accounts (CS)	**Just for You! FI:382, Post journal entries to general ledger accounts
7. Journalize business transactions using multicolumn journals.	FI:381 Journalize business transactions (CS)	**Just for You! FI:381, Journalize business transactions

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8. Journalize adjustments of prepaid (deferred) expenses as assets or expenses, of prepaid (deferred) revenue as liabilities or income, and of accrued expenses and accrued revenue.	FI:384 Journalize and post adjusting entries (CS)	**Just for You! FI:384, Journalize and post adjusting entries
9. Prove and rule journals.		
10. Prepare a post-closing trial balance.	FI:386 Prepare a post-closing trial balance (CS)	
11. Journalize entries in a voucher system.		
<b>Competency M: Payroll</b>	<b>MBA Research Performance Indicators</b>	<b>LAPs</b>
<b>Tasks</b>		
1. Calculate earnings at an hourly and piece rate; and on a salary, commission, and salary/commission basis.	FI:438 Calculate employee earnings (SP)	**Just for You! FI:438, Calculate employee earnings
2. Calculate and journalize deductions including federal income tax, social security tax, Medicare tax, state income tax, and other deductions to determine net pay.	FI:439 Calculate employee deductions (SP) FI:686 Account for payroll transactions (e.g., earnings, taxes, benefits, other deductions) (SP)	**Just for You! FI:439, Calculate employee deductions
3. Calculate and journalize employer's payroll taxes (e.g., social security, Medicare, federal unemployment, state unemployment) and employee benefits paid by the employer.	FI:442 Calculate payroll taxes (SP) FI:686 Account for payroll transactions (e.g., earnings, taxes, benefits, other deductions) (SP)	
4. Prepare payroll checks and vouchers.	FI:687 Process payroll payments and remittances (e.g., employees, benefits, taxes) (SP)	
5. Record payroll earnings and deductions in a payroll register.	FI:638 Explain the nature of payroll expenses (e.g., Social Security tax, Medicare tax, FUTA, SUTA, workers' compensation, etc.) (CS)	

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6. Maintain employee earnings record.	FI:134 Maintain employee earnings records (e.g., timecards, time sheets, etc.) (CS)	
7. Complete federal and state employment tax forms such as W-4, W-2, quarterly reports, and unemployment tax forms.	FI:443 Prepare federal, state, and local payroll tax returns and reports (SP)	
<b>Competency N: Plant Assets and Depreciation</b>	<b>MBA Research Performance Indicators</b>	<b>LAPs</b>
<b>Tasks</b>		
1. Explain the need for recording the depreciation of assets.	FI:345 Discuss the nature of depreciation (SP) FI:691 Account for long-term assets (e.g., record acquisition, record depreciation/amortization, record disposal) (SP)	
2. Calculate and journalize annual and partial-year depreciation for plant assets using straight line, sum-of-the-year's digits, declining balance, production unit, MACRS, and depletion of natural resources.	FI:691 Account for long-term assets (e.g., record acquisition, record depreciation/amortization, record disposal) (SP)	
3. Record disposition of plant assets through buying, selling, or trading.	FI:691 Account for long-term assets (e.g., record acquisition, record depreciation/amortization, record disposal) (SP)	
4. Explain, compare, and analyze various depreciation methods and their effect on the value of assets.	FI:345 Discuss the nature of depreciation (SP) FI:691 Account for long-term assets (e.g., record acquisition, record depreciation/amortization, record disposal) (SP)	

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5. Identify property, plant, and equipment assets; and record their initial costs.	FI:691 Account for long-term assets (e.g., record acquisition, record depreciation/amortization, record disposal) (SP)	
<b>Competency O: Purchases and Sales</b>	<b>MBA Research Performance Indicators</b>	<b>LAPs</b>
<b>Tasks</b>		
1. Evaluate a business's sales and purchasing activities to minimize expenses.	FI:449 Analyze transactions and accounts (e.g., purchase, sales, sales returns and allowances, uncollectible accounts, depreciation, debt) (SP)	
2. Differentiate between cost of sales and general operating expenses.	OP:024 Explain the nature of overhead/operating costs (SP) FI:098 Explain the nature of operating budgets (SU) EN:009 Assess start-up requirements (ON)	LAP-OP-024 Watch Your (Over) Head (Overhead/Operating Costs)
3. Compare and contrast transactions recorded as assets versus expenses, such as supplies inventory/supplies expense.	FI:449 Analyze transactions and accounts (e.g., purchase, sales, sales returns and allowances, uncollectible accounts, depreciation, debt) (SP)	
4. Calculate sales dollars and sales units required to earn a set amount of net income.	FI:098 Explain the nature of operating budgets (SU)	
5. Calculate the contribution margin rate, breakeven point, sales dollars, and units required to earn a planned amount of net income.	FI:454 Conduct cost-volume-profit analysis (MN) OP:192 Conduct breakeven analysis (MN)	
6. Describe the effects of changes in sales volume, unit costs, and unit sales prices on net income.	FI:454 Conduct cost-volume-profit analysis (MN)	

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7. Calculate the cost of goods sold for a specified period.	FI:451 Calculate the cost of goods sold (SP)	
8. Calculate amount due with given terms of sales, sales tax, discounts, etc.		
9. Calculate cash discounts/trade discounts with given terms of sale, shipping, etc.		
10. Identify the difference between debit and credit memorandums.		

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