

**Brunswick School Department  
Accounting  
Starting a Proprietorship:  
Changes that Affect the Accounting Equation**

<b>Essential Understandings</b>	<ul style="list-style-type: none"><li>▪ Accounting is the “language of business”.</li></ul>
<b>Essential Questions</b>	<ul style="list-style-type: none"><li>▪ What is accounting?</li><li>▪ What is the accounting equation?</li><li>▪ What is a transaction?</li><li>▪ How does a transaction affect the accounting equation?</li></ul>
<b>Essential Knowledge</b>	<ul style="list-style-type: none"><li>▪ <math>\text{Assets} = \text{liability} + \text{owner's equity}</math>.</li><li>▪ Business transactions change the owner's investment either positively or negatively.</li></ul>
<b>Vocabulary</b>	<ul style="list-style-type: none"><li>▪ <u>Terms</u>:<ul style="list-style-type: none"><li>○ accounting, accounting system, accounting records, financial statements, service business, proprietorship, asset, equities, liability, owner's equity, accounting equation, ethics, business ethics, transaction, account, account title, account balance, capital, revenue, sale on account, expense, withdrawals</li></ul></li></ul>
<b>Essential Skills</b>	<ul style="list-style-type: none"><li>▪ Apply the accounting equation.</li><li>▪ Define accounting terms related to starting a business organized as a proprietorship.</li><li>▪ Classify accounts as assets, liabilities and owner's equity.</li><li>▪ Analyze how transactions affect the accounts in the equation.</li></ul>

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<b>Related Maine Learning Results</b>	<p><u>Social Studies</u></p> <p>B. Civics and Government</p> <p>B3.Individual, Cultural, International, and Global Connections in Civics and Government</p> <p>Students understand political and civic aspects of unity and diversity in Maine, the United States, and the world, including Maine Native Americans.</p> <ol style="list-style-type: none"><li>Analyze the constitutional, political, and civic aspects of historical and/or current issues that involve unity and diversity in Maine, the United States, and other nations.</li><li>Analyze the political structures, political power, and political perspectives of diverse cultures, including those of Maine and other Native Americans, various historical and recent immigrant groups in Maine and the United States, and those of various world cultures.</li></ol> <p>C. Economics</p> <p>C1.Economic Knowledge, Concept, Themes, and Patterns</p> <p>Students understand the principles and processes of personal economics, the role of markets, the economic system of the United States, and other economic systems in the world, and how economics serves to inform decisions in the present and future.</p> <ol style="list-style-type: none"><li>Explain that the study of economics includes the analysis and description of production, distribution, and consumption of goods and services by business and is the basis of individual personal finance management including saving and investing.</li><li>Explain and analyze the role of financial institutions, the stock market, and government, including fiscal, monetary, and trade policies, in personal, business, and national economics.</li><li>Evaluate different forms of money management, and the positive and negative impacts that credit can have on individual finances, using economic reasoning.</li><li>Identify and explain various economic indicators and how they represent and influence economic activity.</li><li>Analyze economic activities and policies in relationship to freedom, efficiency, equity, security, growth and sustainability.</li><li>Explain and apply the concepts of specialization, economic interdependence, and comparative advantage.</li><li>Solve problems using the theory of supply and demand.</li></ol>
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<b>Related Maine Learning Results</b>	<p>C2.Individual, Cultural, International, and Global Connections in Economics Students understand economic aspects of unity and diversity in Maine, the United States, and the world, including Maine Native American communities.</p> <ul style="list-style-type: none"><li>a. Analyze the role of regional, international, and global organizations that are engaged in economic development.</li><li>b. Compare a variety of economic systems and the economic development of Maine, the United States, and various regions of the world that are economically diverse.</li><li>c. Analyze wealth, poverty, resource distribution, and other economic factors of diverse cultures, including Maine and other Native Americans, various historical and recent immigrant groups in Maine and the United States, and various world cultures.</li></ul> <p><u>Career and Education Development</u></p> <p>B. Learning About and Exploring Education, Career, and Life Roles</p> <p>B1.Relationships Among Learning, Work, the Community, and the Global Economy Students evaluate strategies for improving educational achievement, increasing participation as an involved citizen, and increasing work options and earning potential in a 21<sup>st</sup> century global economy.</p> <p>B2.Skills for Individual/Personal Success in the 21<sup>st</sup> Century Students evaluate strategies to improve skills that lead to lifelong learning and success in the classroom, and the achievement of schoolwork, work and career, and personal life goals.</p> <ul style="list-style-type: none"><li>a. Literacy skills</li><li>b. Numeracy</li><li>c. Critical thinking skills</li><li>d. Information and communication technology (ICT) literacy</li><li>e. Interpersonal skills</li><li>f. Other academic skills and knowledge</li></ul> <p>B3.Education and Career Information Students use previously acquired knowledge and skills to evaluate and utilize a variety of resources to articulate a plan and make decisions for post-secondary education, training, and career choices.</p>
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<b>Sample Lessons And Activities</b>	<ul style="list-style-type: none"><li>▪ Notes</li><li>▪ In class problems</li><li>▪ Assignments about the accounting equation</li></ul>
<b>Sample Classroom Assessment Methods</b>	<ul style="list-style-type: none"><li>▪ Quiz</li><li>▪ Test</li><li>▪ Observations</li><li>▪ Projects</li><li>▪ Class Assignments</li></ul>
<b>Sample Resources</b>	<ul style="list-style-type: none"><li>▪ <u>Publications:</u><ul style="list-style-type: none"><li>○ <u>Century 21 Accounting</u> – Southwest Cengage Learning</li></ul></li></ul>