

## Principles of Accounting (Sole Proprietorship)

This course covers the topics shown below.  
Students navigate learning paths based on their level of readiness.  
Institutional users may customize the scope and sequence to meet curricular needs.

Curriculum (192 topics + 23 additional topics)

- Accounting Cycle (33 topics)
  - Introduction: Basic Transactions and Financial Statements (19 topics)
    - Types of accounts
    - Information classification into assets, liabilities, and change of equity
    - Information classification into revenue, expense, or other
    - Information classification into financial statements
    - Account classification into financial statements
    - Balancing the basic accounting equation
    - Basic structure of the Balance Sheet, the Income Statement, and the Equity Statement
    - Effect of transactions on accounts
    - Effects of a transaction on assets, liabilities, and equity: Problem type 1
    - Effects of a transaction on assets, liabilities, and equity: Problem type 2
    - Changes to owner's equity: Problem type 1
    - Changes to owner's equity: Problem type 2
    - Completing a sole proprietorship balance sheet
    - Completing an income statement
    - Completing an owner's equity statement
    - Creating a basic income statement
    - Creating a basic equity statement
    - Creating a basic balance sheet
    - Basic tabular transaction
  - Journal Entries (4 topics)
    - Normal account balances
    - Basic journal entry with the step-through method
    - Journalizing transactions
    - Ending balances of accounts
  - Adjusting Entries (5 topics)
    - Adjusting entry calculations
    - Adjusting entries: Accruals
    - Adjusting entries with deferrals: Problem type 1
    - Property, plant, and equipment section of a balance sheet: Basic problem
    - Effects of adjusting entries on financial statements: Problem type 1
  - Closing Process and Financial Statements (5 topics)
    - Closing entries
    - Effects of closing entries on account balances
    - Creating a balance sheet with asset depreciation
    - Balance sheet subtotals
    - Balance sheet classification
- Cash and Cash Equivalents (15 topics)
  - Internal Control of Cash and Cash Management (3 topics)
    - Cash and cash equivalents
    - Principles of internal control
    - Principles of effective cash management
  - Bank Reconciliation (7 topics)
    - Bank reconciliation items: Problem type 1
    - Bank reconciliation items: Problem type 2
    - Bank reconciliations: Problem type 1
    - Bank reconciliations: Problem type 2
    - Bank reconciliations: Deposits in transit and outstanding checks
    - Preparing a bank reconciliation
    - Journal entries for bank reconciliations
  - Petty Cash (2 topics)
    - Petty cash: Cash short and over
    - Journal entries for petty cash

- Manual Accounting Systems (3 topics)
  - Identifying special journals
  - Special journals: Buyer's entries
  - Special journals: Seller's entries
- Merchandising and Inventory (27 topics)
  - Merchandising Accounting (11 topics)
    - Normal account balances for a retail company
    - Account classification for a retail company
    - Merchandising: FOB Shipping point or Destination and Discount
    - Merchandising: Computing amount due
    - Buyer's retail entries: Problem type 1
    - Seller's retail entries: Problem type 1
    - Seller's retail entries: Problem type 2
    - Parts of the retail income statement
    - Merchandising: Computing income statement amounts
    - Preparing a retail income statement
    - Merchandising: Closing entries
  - Inventory (16 topics)
    - Inventory costs
    - Merchandise inventory calculation: FOB and consigned goods
    - Inventory errors: Problem type 1
    - Inventory errors: Problem type 2
    - FIFO versus LIFO
    - Use of perpetual inventory system for merchandise inventory calculation
    - Use of periodic inventory system for merchandise inventory calculation: Problem type 1
    - Use of periodic inventory system for merchandise inventory calculation: Problem type 2
    - Periodic inventory: Buyer's entries
    - Perpetual inventory: Adjusting the Merchandise Inventory account
    - Merchandise inventory: Lower of cost or market method
    - Inventory estimation techniques: Gross profit method
    - Inventory estimation techniques: Retail inventory method
    - Income statement with periodic inventory: Problem type 1
    - Income statement with periodic inventory: Problem type 2
    - Income statement with periodic inventory: Problem type 3
- Receivables (16 topics)
  - Revenue Recognition (3 topics)
    - Revenue recognition: Basic questions
    - Revenue recognition: Percentage of completion
    - Revenue recognition: Installment sales
  - Notes Receivable (5 topics)
    - Maturity dates
    - Computing interest on a promissory note
    - Computing principal, interest rate, or term of a promissory note
    - Notes receivable: Basic journal entry
    - Notes receivable: Recording accrued interest
  - Accounting for Uncollectible Receivables (6 topics)
    - Bad debts expense: Direct write-off method
    - Bad debts expense: Percentage of sales method
    - Bad debts expense: Balance sheet approach
    - Allowance method: Journal entry
    - Accounts receivable in the balance sheet
    - Changes to net realizable value
  - Discounting, Factoring, and Credit Card Sales (2 topics)
    - Credit cards: Journal entry
    - Factoring receivables
- Property, Plant, and Equipment (14 topics)
  - Determining the Cost of Plant Assets (3 topics)
    - Acquisition of an asset
    - Revenue versus capital expenditures
    - Revenue versus capital expenditures: Journal entry
  - Accounting for Depreciation (6 topics)
    - Straight-line depreciation of asset purchased at beginning of year
    - Double-declining-balance depreciation of asset purchased at beginning of year
    - Straight-line depreciation of asset purchased during the year

- Units-of-production depreciation of asset purchased during the year
  - Double-declining-balance depreciation of asset purchased during the year
  - Revision of depreciation
- Disposal of Plant Assets (3 topics)
  - Scrapping an asset
  - Selling an asset
  - Trading in a plant asset for another
- Accounting for Intangible Assets (2 topics)
  - Amortization calculations
  - Depletion
- Current Liabilities, Payroll, Warranties, and Discounted Notes (15 topics)
  - Current Liabilities (9 topics)
    - Accounting for contingencies
    - Sales tax: Basic problem
    - Sales tax: Advanced problem
    - Sales tax: Journal entry
    - Interest computation with notes payable: Problem type 1
    - Interest computation with notes payable: Problem type 2
    - Accounting for accrued interest payable: Journal entries
    - Accounting for issued note payable on account: Journal entry
    - Accounting for short-term note payable: Journal entry
  - Payroll Accounting (4 topics)
    - Payroll: Net pay
    - Payroll: Employer's payroll tax computation
    - Payroll: Journal entry
    - Employer's payroll tax: Journal entry
  - Warranties (2 topics)
    - Warranties: One year
    - Accounting for warranties: Journal entry
- Partnerships (15 topics)
  - Calculation of Profit and Loss and Ending Balances of Partners' Accounts (6 topics)
    - Calculation of profit and loss in a partnership: Basic problem type 1
    - Calculation of profit and loss in a partnership: Basic problem type 2
    - Calculation of profit and loss in a partnership: Advanced problem type 1
    - Calculation of profit and loss in a partnership: Advanced problem type 2
    - Calculation of ending capital balances in a partnership: Problem type 1
    - Calculation of ending capital balances in a partnership: Problem type 2
  - Liquidation of a Partnership (3 topics)
    - Liquidation, gain on sale of partnership
    - Liquidation, loss on sale of partnership
    - Liquidation, loss on sale of partnership: Deficit balance in partner account
  - Admission of a Partner (3 topics)
    - Partnership admission: Bonus to existing partners
    - Partnership admission: Bonus to new partner
    - Partnership admission: Purchasing an interest from the existing partners
  - Retirement of a Partner (3 topics)
    - Partnership retirement: Bonus to remaining partners
    - Partnership retirement: Bonus to retiring partner
    - Partnership retirement: Selling an interest to the existing partners
- Corporate Balance Sheet, Income Statement, and Analysis (23 topics)
  - Corporate Balance Sheet (9 topics)
    - Annual dividends for preferred stock
    - Preferred stock and common stock dividends
    - Treasury stock entries
    - Issuance of stock entries
    - Issuing stock in exchange for fixed assets
    - Stockholders' equity: General questions
    - Stockholders' equity: Book value per share
    - Preparation of stockholders' equity section of the balance sheet
    - Preparation of corrected stockholders' equity section of the balance sheet
  - Corporate Income Statement and Statement of Retained Earnings (9 topics)

- Weighted average of common shares outstanding
- Earnings per share
- Par values after a stock split
- Cash dividend entries
- Stock dividend entries
- Income statement classification
- Financial statement effects of various types of dividends
- Preparing a corporate income statement
- Preparing a statement of retained earnings
- Financial Statement Analysis (5 topics)
  - Ratio analysis: Liquidity ratios
  - Ratio analysis: Profitability ratios
  - Ratio analysis: Solvency ratios
  - Financial statement analysis: Horizontal analysis
  - Financial statement analysis: Vertical analysis
- Bonds, Investments, and Cash Flow (34 topics)
  - Long-term Liabilities (Bonds) (16 topics)
    - Cash received from issuance of bonds
    - Computing the amount of discount or premium of bonds
    - Computing the carrying value of bonds
    - Computing the semiannual interest payment of bonds
    - Selling price of a bond: Problem type 1
    - Selling price of a bond: Problem type 2
    - Issuance of bonds: Journal entry
    - Bonds issued between interest dates: Journal entry
    - Straight-line method of amortization of bonds
    - Effective-interest method of amortization of bonds
    - Effective-interest method vs. straight-line method of amortization of bonds
    - Straight-line method of amortization of bonds: Journal entry
    - Effective-interest method of amortization of bonds: Journal entry
    - Retirement of bonds
    - Conversion of bonds
    - Balance sheet presentation of bonds
  - Investments (9 topics)
    - Marketable securities: Computing unrealized gains and losses
    - Cost method entries
    - Equity method entries
    - Investment in bonds entries: Bond purchase
    - Investment in bonds entries: Receipt of interest
    - Computing unrealized gains and losses for marketable securities: Journal entry
    - Financial statement effects of unrealized gains and losses for marketable securities
    - Cost method: Financial statement effects
    - Equity method: Financial statement effects
  - Statement of Cash Flows (9 topics)
    - Statement of cash flows transaction classification
    - Transactions affecting cash flow, net income, or both
    - Statement of cash flows: Operating activities, direct method
    - Statement of cash flows: Operating activities, indirect method
    - Preparation of statement of cash flows: Indirect method
    - Statement of cash flows: Effects of selling equipment
    - Computing cash from investing activities
    - Computing cash from financing activities
    - Statement of cash flows: Property, plant, and equipment
- Other Topics Available(\*) (23 additional topics)
  - Accounting Cycle (8 topics)
    - Components of annual report
    - Trial balance errors
    - Adjusting entries with deferrals: Problem type 2
    - Effects of adjusting entries on financial statements: Problem type 2
    - Permanent and temporary accounts
    - Correcting entries
    - Reversing entries: Selecting which entries should be reversed
    - Reversing entries: Preparing a reversing entry
  - Merchandising and Inventory (4 topics)
    - Buyer's retail entries: Problem type 2
    - Buyer's retail entries: Problem type 3

- Merchandising: Amount received by seller with FOB Shipping point and freight prepaid
- Seller's retail entries: Problem type 3
- Receivables (1 topics)
  - Customer's discounted notes receivable: Journal entry
- Property, Plant, and Equipment (5 topics)
  - Acquisition of an asset: Date to compute depreciation
  - Sum-of-the-years'-digits depreciation of asset purchased at beginning of year
  - Sum-of-the-years'-digits depreciation of asset purchased during the year
  - Goodwill estimation: Capitalization of excess earnings method
  - Property, plant, and equipment section of balance sheet: Advanced problem
- Current Liabilities, Payroll, Warranties, and Discounted Notes (5 topics)
  - Warranties: Multiple years
  - Accounting for discounted notes payable: Journal entry
  - Balance sheet presentation: Discounted notes payable
  - Balance sheet effects of discounted notes payable: Problem type 1
  - Balance sheet effects of discounted notes payable: Problem type 2

**\*Other Topics Available** By default, these topics are NOT included in the course, but can be added using the content editor in the Teacher Module.