A large, stylized outline of the province of Manitoba is positioned on the right side of the page. The interior of the outline is white, while the background of the page is a light gray. The outline is thick and black.

# **Grade 12 Accounting Systems (40S)**

A Course for  
Independent Study

Field Validation Version



## Senior 4 Accounting Systems

### Introduction

Welcome to *Accounting Systems 40S*. The purpose of this Introduction is to help you become familiar with the course. It's like the first few days of school, when the teacher tells you about the course, and what you are going to learn.

#### What Will You Learn?

This course is designed to help you develop the skills required to meet the challenges in the changing world of accounting. It builds and expands on the principles and concepts that you learned in *Accounting Principles 30S*.

This course will prepare you to meet personal needs, provide you with an awareness of the variety of accounting careers, and give you the foundation for lifelong learning in accounting

As you work through this course, you will develop the ability to understand and use accounting information effectively. You will actively explore accounting by using computer applications. Computers in accounting offer an exciting way to perform the mathematical and repetitive tasks, as well as the ability to quickly prepare accurate financial statements.

#### How is the Course Organized?

The course is divided into six modules. Here is a list of the titles, along with the estimated amount of time that it will take you to complete each one:

Module 1: Introduction to Accounting Systems (18 hours)

Module 2: Introduction to Adjusting Entries and Computerized Accounting (12 hours)

Module 3: Introduction to Receivables—Customers and Sales (25 hours)

Module 4: Introduction to Payables—Merchandise Purchases and Payments (Vendors) (25 hours)

Module 5: Introduction to Conversion Process and Analysis (11 hours)

Module 6: Introduction to Inventory and Completing the Accounting Cycle (13 hours)

Each module is made up of several lessons. Each lesson begins with outcomes that measure the new knowledge you gain in the lesson. Explore the concepts in each lesson further by collaborating with your study partner, your peers, adults working in the accounting profession, as well as searching the Internet.

Most lessons include a learning activity that you do not send in for assessment (Assignments are handed in. Learning activities are not.) The answer keys for the learning activities are found at the end of each module. Learning activities help you practise what you have learned. Once you have completed the learning activities, you will have the skills and confidence to complete your assignments and exams (midterm and final). Then, you will have the skills that will help you be efficient and employable in the accounting field.

## What Resources Will You Need for This Course?

### Resources That Come with the Course

You will need to download the Accounting Systems 40S Student Data Files at the following URL: <[www.edu.gov.mb.ca/k12/dl/downloads/](http://www.edu.gov.mb.ca/k12/dl/downloads/)>. If you experience difficulties downloading these files, contact your tutor/marker.

### Resources That You Purchase

- Student Version of *Simply Accounting Pro 2005*
  - It is available from the Independent Study Option at 1-800-465-9915.
  - If you are attending school, you may be able to have access to it there.

### Resources to Which You Must Have Access

- **Computer**

A Windows computer with the following:

1. enough RAM and hard-drive space to run *Simply Accounting*
2. word-processing software (e.g., MS Word)
3. spreadsheet software (e.g., Excel)
4. an email program and email address so that you are able to email your assignments to your tutor/marker

- **Access to the Internet**

You do not need access to the Internet in order to complete this course. However, it would be helpful to have access to the Internet because there are many interesting websites listed in the course that you would find helpful.

- **Textbook**

There is no textbook associated with this course.

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Please **note** that the Independent Study Option cannot provide technical support for hardware-related issues. Consult your tutor/marker for software support. If further troubleshooting is required you may have to consult the software manufacturer or a professional computer technician.

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## Who Can Help You with This Course?

Taking an independent study course is different from taking a course in a classroom. Instead of relying on the teacher to tell you to learn, you must tell yourself. However, two people can help you be successful in your course: your tutor/marker and your study partner.

### Your Tutor/Marker

Tutor/markers are experienced teachers who tutor independent study students and mark assignments, projects, and examinations. When you are having difficulty with something in this course, contact your tutor/marker, who is there to help you. Feel free to contact your tutor/marker at any time during this course through the Independent Study Option (ISO) office:

ISO Tutor/Marker, Grade 12 Accounting Systems  
555 Main Street  
Winkler MB R6W 1C4  
Telephone: 1-800-465-9915

### Your Study Partner

A study partner is **someone you choose** who will help you learn. It may be someone who knows something about accounting, but it doesn't have to be. A study partner could be someone else who is taking this course, a teacher, a parent, a sibling, a friend, or anybody else who can help you. Most importantly, a study partner should be someone with whom you feel comfortable and who will support you as you work through this course.

Your study partner can help you keep on schedule, check and respond to your work, or help you make sense of learning activities, projects, or assignments. You may even study for the examination with your study partner.

## What Do the Guide Graphics Mean?

Graphics have been placed inside the margins of the course to identify a specific task. Each graphic has a specific purpose to guide you. The significance of each graphic is described below:



**Outcomes:** Know your target student learning outcomes.



**Learning Activity:** You must complete a learning activity, in order to review and practice what you have learned.



**Assignments:** You must complete and email an assignment.



**Watch Your Time:** The approximate time it will take you to complete this lesson.



**Internet:** If you have access to the Internet, you can use it to get more information. Internet access is optional.



**Note:** Reminder.



**Examination:** Study for examination.



**Checkmark:** Complete the checklist.

## How Do You Know How Well You Are Learning?

You will know how well you are learning by how well you complete the following tasks:

- **Assignments**—In each of the six modules there is one assignment. In all, these are worth a total of 50% of your final grade. You will email in your assignments to your tutor/marker for assessment. Assignments provide the opportunity to develop analytical, decision-making, communication, and accounting skills.

Assignments should be considered as “the contracts of business” which in “real life” are highly competitive. This means that you should do your very best to complete each assignment as accurately and attractively as possible.

Here is how to email your assignments to your tutor/marker:

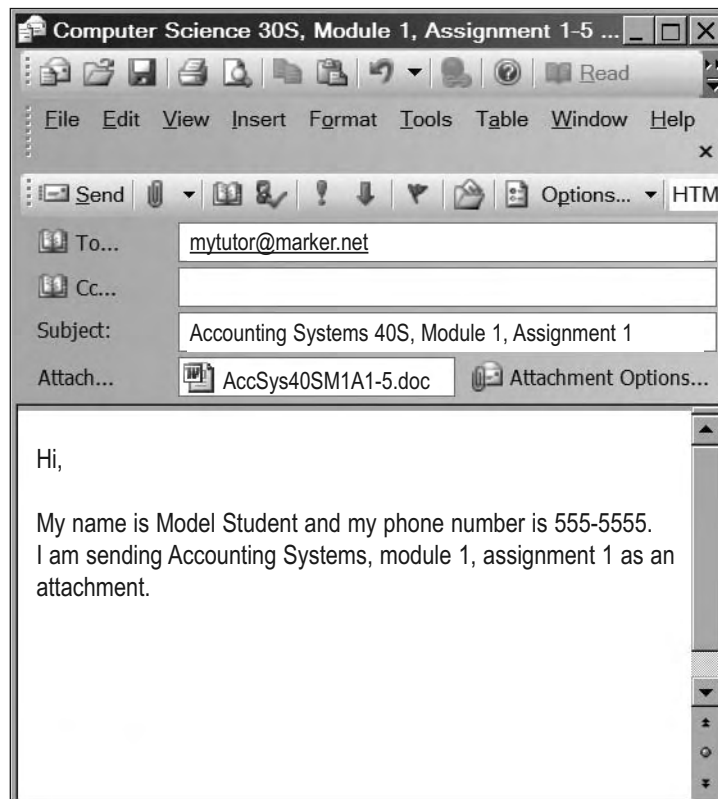
1. Complete your work and save the file in a version of Microsoft Word, or as a .rtf file. All other files for your programming work will be saved according to the software for this course.
2. Write an email message to your tutor/marker, identifying yourself (your name), the course, module number, and assignment number.

Compose your email like this:

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**Note:** Please be advised that your email, including attachments must not exceed 5MB. If it is larger than 5MB, send it in two parts.

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3. Send the email message, with your assignment documented as an attachment.

If you cannot email your assignments, you can mail them to the following address:

ISO Tutor/Marker  
555 Main St.  
Winkler, MB  
R6W 1C4

Include a cover sheet with the assignment. You will find these at the end of this introduction.

4. Depending on the format of the assignment you will receive the assignment back via email or regular mail. Your attachments may be printed to provide handwritten feedback and then returned via regular mail. OR

Comments on some formats of assignments will be noted electronically on the files through tracking and emailed back to you.

- **Examinations** (Midterm and Final)—When you complete Module 3, you will write your midterm examination. When you complete Module 6, you will write your final examination. Both examinations are written **under supervision**. Each is worth 25% for a total of 50% of your final grade.

In order to complete your **midterm** examination, you will need access to a computer with both **Microsoft Word** and **Excel**. While writing your examination, you will be asked to create new files in Word and Excel which you will submit to your examination supervisor on either of the two disks which will be provided with the examination. You may also use your own memory stick, which your examination supervisor will return to you after he or she has sent it to your tutor/marker.

In order to complete your **final** examination, you will need access to a computer with **Simply Accounting**. While writing your examination, you will be asked to create new files in Simply Accounting which you will submit to your examination supervisor on either of the two disks which will be provided with the examination. You may also use your own memory stick, which your examination supervisor will return to you after he or she has sent it to your tutor/marker.

Applying for your examination:

- **If you are attending school**, ask your school's Independent Study Option (ISO) facilitator to add your name to the ISO examination eligibility list. Do this at least three weeks prior to the next scheduled examination week.

- **If you are not attending school**, check the **Examination Request Form** for options available to you. The Examination Request Form was mailed to you with this course. Mail or fax the completed form three weeks before you are ready to write the examination. The address is:

Independent Study Option (ISO) Registration  
 555 Main Street  
 Winkler MB R6W 1C4  
 Fax: 204-325-1719  
 Telephone: 1-800-465-9915

### How Much Time Will You Need for This Course?

Studying accounting through independent study is different from studying it in the classroom. One of the advantages of independent study is that you are in charge of how you learn and can choose how quickly you will complete the course. You don't have to wait for your teacher or classmates, and you can choose how quickly you want to work. Please read the next few pages to get an idea of how to pace yourself so that you can succeed in this course.

You will spend a minimum of 110 hours on this course. That means at least 45 minutes per school day to complete the course in a regular school year, or at least at least 90 minutes daily in a semester. Look at the following charts and decide which chart best describes the time of year when you want to take the course.

If you plan to graduate in June, remember to schedule yourself so that you complete your final examination by May 25.

#### Chart A: Semester 1

Here is a suggested timeline that you can follow if you have registered for this course in September and would like to complete it by January.

Chart A: Semester 1		
Module 1	Assignment 1	September 15
Module 2	Assignment 2	October 5
Module 3	Assignment 3	October 31
Mid-term Exam		November 5
Module 4	Assignment 4	November 15
Module 5	Assignment 5	November 30
Module 6	Assignment 6	December 15
Final Exam		January 5

**Chart B: Semester 2**

Here is a suggested timeline that you can follow if you have registered for this course in January and would like to complete it by June.

<b>Chart B: Semester 2</b>		
Module 1	Assignment 1	February 15
Module 2	Assignment 2	March 5
Module 3	Assignment 3	March 31
Mid-term Exam		April 5
Module 4	Assignment 4	April 15
Module 5	Assignment 5	April 30
Module 6	Assignment 6	May 15
Final Exam		May 25

**Chart C: Full School Year (Not Semestered)**

Here is a suggested timeline that you can follow if you have registered for this course in September and would like to complete it by June.

<b>Chart B: Semester 2</b>		
Module 1	Assignment 1	February 15
Module 2	Assignment 2	March 5
Module 3	Assignment 3	March 31
Mid-term Exam		April 5
Module 4	Assignment 4	April 15
Module 5	Assignment 5	April 30
Module 6	Assignment 6	May 15
Final Exam		May 25

Do not wait until the last minute to complete your work, since your tutor/marker may not be available to mark it. Remember, it might take over a week for your work to travel through the mail, so make sure you leave enough time for that. It may also take a few weeks for your tutor/marker to mark everything and send the marks to you or to your school.

### What Do You Email to Your Tutor/Marker?

You will be emailing assignments to your tutor/marker at the end of each of the six modules. Here is a chart showing what those are.

Assignments You Will Be Emailing to Your Tutor/Marker	Where it is found
Assignment 1	Module 1 Lesson 3
Assignment 2	Module 2 Lesson 3
Assignment 3	Module 3 Lesson 5
Assignment 4	Module 4 Lesson 5
Assignment 5	Module 5 Lesson 2
Assignment 6	Module 6 Lesson 3

### Goal Setting

Plan to succeed. Set aside specific times on a daily basis when you will work on this course. Do not allow other activities to divert your attention. Only dire emergencies should take precedence over your studies. Remember, one page at a time to the end of the course will provide success in achieving your goal of completing the course.

Use the Module and Lesson Goal Chart that is provided for you on the pages that follow. Look at Module 1 in your package and at your calendar and schedule. Fill in the target dates for each lesson. This will assist you in monitoring your progress as you work through the course. Be realistic and allow adequate time to complete each lesson. It may take a few lessons for you to determine how much time you need to complete each lesson. Make the necessary adjustments on your chart.

### A Note on GST



Please note that, when this course was written, the GST was at 7%. Since that time, the GST has been revised at least once and may be revised again. The writers of this course have left the GST at 7% because of its unpredictability, and also because accounting students need to learn how to work with the GST, regardless of its rate.

## Module and Lesson Goal Chart

Module Topic	Lesson	Estimated Hours	Learning Activity	Assignment	Value	Target Date	Completion Date
<b>Module 1</b>							
Introduction to Accounting Systems	1. Accounting Profession	3	1.1				
	2. Introduction to Technology and Communication	3	1.2				
	3. Integration of Technology and Communication	4	1.3	1	5		
	4. Business Communication	4	1.4				
	5. Electronic Commerce	4	1.5			(One month after receiving the course)	
<b>Module 2</b>							
Introduction to Adjusting Entries and Computerized Accounting	1. Adjusting Entries—Prepaid Expenses and Amortization	4	2.1				
	2. Adjusting Entries—Accrued Revenues and Expenses	3	2.2				
	3. Integration of Technology and Communication	5	2.3	2	5		
<b>Module 3</b>							
Introduction to Receivables—Customers and Sales	1. Sales	5	3.1				
	2. Sales Transactions	5	3.2				
	3. Receipts	5	3.3				
	4. Sales Returns, Allowances, and Discounts	5	3.4				
	5. Reviewing Receivables	5	3.5	3	10		
Mid-term Exam					25		

continued

(continued)

Module Topic	Lesson	Estimated Hours	Learning Activity	Assignment	Value	Target Date	Completion Date
<b>Module 4</b>							
Introduction to Payables—Merchandise Purchases and Payments (Vendors)	1. Purchases—(Invoices)	5	4.1				
	2. Purchases—Order	5	4.2				
	3. Payments	5	4.3				
	4. Purchase Returns, Allowances, and Discounts	5	4.4				
	5. Reviewing Payables	5	4.5	4	10		
<b>Module 5</b>							
Introduction to Conversion Process and Analysis	1. Financial Statement Analysis	5	5.1				
	2. Conversion Process	6		5	10		
<b>Module 6</b>							
Introduction to Inventory and Completing the Accounting Cycle	1. Merchandise Inventory	4	6.1				
	2. Computerized Inventory	5					
	3. Completing the Accounting Cycle	4		6	10		
Final Exam				25	May 25 if needed for graduation		

**Notes**

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**Grade 12**  
**Accounting Systems (40S)**

Module 1  
Introduction to Accounting Systems

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## Module 1

# Introduction to Accounting Systems

### Overview

Accounting is called the language of business. Accounting involves identifying, measuring, recording, interpreting, and communicating the results of business activities. Accounting is used as a basis for controlling resources, determining profits, and measuring accomplishments.

The purpose of accounting is to provide decision makers with useful information to assist in making business and economic decisions. Decision making is carried out by individuals, businesses, communities, churches, and governments.

Accounting education provides an awareness of a wide variety of accounting and technology careers and lays the foundation for continued study and lifelong learning.

The course Introduction contains a lot of information that will help you. If you haven't read it yet, do yourself a favour and do it now.

### Content Description

Lesson 1 – Accounting Profession

Lesson 2 – Introduction to Technology and Communication

Lesson 3 – Integration of Technology and Communication

Lesson 4 – Business Communication

Lesson 5 – Electronic Commerce

Following each lesson, there are one or more learning activities to test your knowledge and understanding of the lesson material. It is important that you complete all learning activities carefully to the best of your ability so that you can develop as many skills as possible to become efficient and employable in the accounting field.

**There is one assignment in this module to be emailed to your tutor/marker.**

**This assignment is at the end of Lesson 3.**

**It is worth 5 per cent of your final mark.**

Use the Module and Lesson Goal Chart that is provided for you in the Introduction of this course. Look at Module 1 in your package and at your calendar and schedule. Fill in the target dates for each lesson. This will assist you in monitoring your progress as you work through the course. Be realistic and allow adequate time to complete each lesson.



## Lesson 1

# Accounting Profession

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### Introduction

This lesson presents the practices of the accounting profession and the importance of interpersonal and management skills in the accounting field. Ethics, procedures, education, and employability skills profile are topics discussed in this lesson.



### Outcomes

When you have completed this lesson, you will be able to:

- identify personal qualities and experiences
- recognize the importance of setting realistic goals
- outline the requirements for post-secondary accounting education
- compare the relationship between accounting and employment opportunities
- demonstrate and apply techniques of management, communication, and technical skills
- demonstrate the correct method of completing all accounting assignments
- demonstrate the accepted method of correcting errors
- discuss the application of ethics in the workplace

## Goal Setting and Planning

Short-term goals are stepping stones. Stepping stones in this course are the lessons in a module with outcomes that can be completed in a shorter time frame than long-term goals.

Long-term goals are milestones and have a longer time frame than short-term goals. In this course, the milestones represent each module with outcomes that have a longer time frame. When all modules are completed, the long-term goals have been reached.

A target date should be set for each goal. It is the date by which you expect to have achieved the goal.

Research the Internet to learn more about goal setting and planning. The following sites are suggested sites. You may also use your favourite search engine.

- <[www.mindtools.com](http://www.mindtools.com)>
- <[www.psywww.com/mtsite/page6.html](http://www.psywww.com/mtsite/page6.html)>
- <[www.about-goal-setting.com](http://www.about-goal-setting.com)>



## Communication, Technical, and Management Skills

The ability to communicate effectively is the most important skill that anyone can possess. The best way to learn this skill is by following models and practising a lot. Accountants must know and practice the traditional accounting skills as well as possess the computer and technical skills necessary to perform computer accounting. This means using spreadsheets and accounting software effectively.

Experience in problem solving and decision making is provided throughout the accounting course. These management skills are useful to all persons, whether they choose to follow accounting or another career.

## Employability Skills Profile

The Conference Board of Canada has worked with business people throughout Canada to identify the skills that should be developed to successfully participate in the business world. The Board has established The Employability Skills Profile: The Critical Skills Required of the Canadian Work Force.



This Skills Profile can be accessed on the Internet at the following address:

- <http://www.conferenceboard.ca/education/learning-tools/pdfs/esp2000.pdf>

After reading the Profile, you will be able to apply goal-setting techniques and learn and apply the identified skills.

## Ethics

Ethics are standards of conduct that society believes people should follow. To say something is unethical does not mean that it is illegal. Some acts (such as theft and assault) are both illegal and unethical; others may be strictly legal, but still unethical. For example, unless you are under oath it is not illegal to lie, but it is unethical to lie.

Ethics are the moral principles an individual uses in governing his or her behaviour—the rules by which an individual distinguishes “right” from “wrong”. For example, if an auditor is also an investor in the firm being audited, can the readers of the statement trust the auditor’s work? To avoid the questions that arise from such a situation, ethics rules for auditors forbid them from investing in the company they are auditing. By establishing these guidelines, the Institute of Chartered Accountants prevents conflicts of interests.

Businesses, like individuals, must also follow ethical standards. Persons in positions of trust (e.g. doctors, lawyers, teachers, and accountants) have unique ethical responsibilities:

- honesty when providing advice
- integrity when charging for services
- confidentiality when disclosing information to outside sources

Donald G. Wray, FCA writes:

*The accounting profession has earned high regard because of its ethical standards. Our standards require ethical behaviour in our relationships with our clients and our employers. They also require ethical behaviour in our dealings with the public and its interests. And our standards require us to render high-quality professional services. By adhering to the concepts of objectivity, integrity and independence, and by continued striving for quality, the profession has won a respected place in the entire business community and among other professions.*

Now that you have read about ethics in this lesson, research the Internet or local newspapers for a current case or situation involving ethics in business. Discuss your view with your learning partner or other students. In your research, look for cases of ethics on both sides of the coin—i.e., the business side and the consumer side. Is the customer always honest? Be sure to talk with people you know who are in business. They will have many examples to share with you!



### Accepted Method of Correcting Errors

Manual accounting entries should be completed with a pen. Correction fluid or tape is unacceptable in accounting records. Correction fluid, tape, or erasures in permanent records raise questions about whether important financial information has been altered.

The accepted method of correcting errors is to rule out the mistake and rewrite the correction. Some companies require all corrections to be initialed.

*Examples of how to correct errors manually:*

<del>270</del>	297	
<del>443</del>	134	<b>A.B.</b>

## Post-Secondary Accounting Education

When you complete Accounting Systems 40S, you may decide to make accounting your occupation. The professional designations of

- Chartered Accountant (CA)
- Certified Management Accountant (CMA)
- Certified General Accountant (CGA)

can be obtained by enrolling at a university. It is possible to obtain a CMA of Manitoba designation by enrolling in a virtual university.



Brochures and registration information can be obtained via the Internet at the following addresses:

- <[www.cma-canada.org](http://www.cma-canada.org)>
- <[www.cga-online.org/mb](http://www.cga-online.org/mb)>
- <[www.cica.ca](http://www.cica.ca)>

Accounting education is also offered at universities, colleges, and private vocational colleges.

Professional accountants are employed in three main fields: private, public and government, and non-profit organizations. Specialized areas within these fields include cost, management, financial, tax, and audit accounting.

At this time, you should have a good understanding of goal setting and planning, communication, technical and management skills, employability skills profile, ethics in the accounting profession, accepted method of correcting errors, and post-secondary accounting education.

**Learning Activity 1.1**

**P**lease **note** that learning activities are **not** handed in for assessment. However, you need to complete all the questions to give you the needed practice to become competent and confident in gaining employable skills. Examination questions are based on learning activity questions and procedures, so be sure to complete each question carefully. This will help you to retain the information.



Now that you have read the lesson notes and have learned about the accounting profession, you will have the opportunity to explore further the accounting profession. In this learning activity you will set goals and target dates and do Internet research on post-secondary accounting education.

Create a Word file for this assignment. Save the file as **Mod1Les1Questions.doc**.

**I**t is a good idea to organize your files by creating an assignment folder and naming each file as indicated, in a systematic format. You may wish to create a folder for each module within the assignment folder.

1. Define stepping stones and milestones in relation to short-term and long-term goals. Compare stepping stones and milestones to life—what is daily or weekly as compared to monthly, six months, or yearly?
2. Prepare a wish list for yourself—include ten items. Write down as many things as you can think of that you would like to have and that you would like to do. Do not worry if your wishes are not realistic. Rank the wishes in order of priority. Set a target date for the achievement of each. Now go through the list and cross out the ones that you think are impossible to achieve.

You may wish to add a third column entitled “Date Achieved”.

Wish List	Target Date
e.g., Travel across Canada by automobile	July 2008



3. Prepare a table to complete the target date for the Accounting Systems 40S Long-Term Goals. You can take the information from the table that you filled in at the end of the course introduction. Remember to be realistic when setting target dates. Don't forget that you should write your final examination by May 25 in order to be able to graduate in June.

Accounting Systems 40S Long-Term Goals			
	Hours	Target Date	Actual Completion Date
Module 1	18		
Module 2	12		
Module 3	25		
Module 4	25		
Module 5	11		
Module 6	13		
Mid-term Exam	3		
Final Exam	3		

4. Search the Internet for program information on post-secondary accounting education and entrance requirements pertaining to
- Chartered Accountant (CA) <[www.cica.ca](http://www.cica.ca)>
  - Certified Management Accountant (CMA) <[www.cma-canada.org](http://www.cma-canada.org)>
  - Certified General Accountant (CGA) <[www.cga-online.org/mb](http://www.cga-online.org/mb)>
  - Universities
  - Colleges

You may use your favourite search engine, (e.g., Google, Yahoo, AltaVista) to find information for universities and colleges.



The following Internet sites provide information about High School Graduation Requirements in Manitoba and a table of courses for Technology Education.

- <[www.edu.gov.mb.ca/k12/policy/grad\\_require.html](http://www.edu.gov.mb.ca/k12/policy/grad_require.html)>
- <[www.edu.gov.mb.ca/k12/docs/policy/sthte/](http://www.edu.gov.mb.ca/k12/docs/policy/sthte/)>

- Now that you have completed the questions in this lesson, use the **Module 1, Learning Activity 1.1 Answer Key** at the end of this module to ensure that your answers are correct.
- Return to the **Module and Lesson Goal Chart** and fill in the actual date of completion.
- Did you meet your goal for completion of Lesson 1?
- Send an email to your tutor/marker.
- Introduce yourself and outline your goal schedule.

