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| **TEXAS CTE LESSON PLAN**  [www.txcte.org](http://www.txcte.org) | |
| **Lesson Identification and TEKS Addressed** | |
| **Career Cluster** | Finance |
| **Course Name** | Accounting I |
| **Lesson/Unit Title** | Capital Accounts and Dividend Distribution for a Corporation |
| **TEKS Student Expectations** | **130.187 (c) Knowledge and Skills**  (11) The student performs specialized accounting functions for a corporation and completes an accounting cycle.  (E) The student is expected to prepare financial statements for a corporation, including a balance sheet, an income statement, a statement of stockholders' equity, and a statement of changes in retained earnings |
| **Basic Direct Teach Lesson**  (Includes Special Education Modifications/Accommodations and  one English Language Proficiency Standards (ELPS) Strategy) | |
| **Instructional Objectives** | **Performance Objective:**  Upon completion of this lesson, the student will demonstrate skill using accounting procedures in end-of-fiscal period activities.  **Behavioral Objectives:**   * Analyze and journalize adjusting entries for a corporation. * Complete a Trial Balance for a corporation. * Prepare financial statements for a corporation. * Calculate net income or loss for a corporation. * Analyze and journalize closing entries for a corporation. * Analyze and journalize reversing entries for a corporation. |
| **Rationale** | When a corporation earns income, it has two choices as to what to do with it:  1) it can retain the earnings for future investment and/or expansion  2) it can distribute it as dividends to shareholders  The state in which the corporation is resident will dictate any restrictions that might apply to dividend distributions. This lesson will demonstrate how to use the appropriate accounting procedures for establishing capital accounts and dividend distribution for a corporation. |
| **Duration of Lesson** | Teacher’s Discretion |
| **Word Wall/Key Vocabulary**  *(ELPS c1a,c,f; c2b; c3a,b,d; c4c; c5b) PDAS II(5)* |  |
| **Materials/Specialized Equipment Needed** | **Materials, Equipment, and Resources:**   * Textbook * Accounting Software * Journal Input Forms * Spreadsheet Software |
| **Anticipatory Set**  (May include pre-assessment for prior knowledge) |  |
| **Direct Instruction \*** | Students learn to complete the end-of-the fiscal period work for a corporation. You demonstrate adjusting entries, preparing a Trial Balance, preparing financial statements, calculating net income or loss and amount of tax liability, journalizing closing entries and journalizing reversing entries.  **Activity 7.10.1 – Analyzing and Journalizing Adjusting Entries**  Purpose: Demonstrate skill in analyzing and journalizing adjusting entries for a fiscal period. (See Handout)  **Activity 7.10.2 – Prepare Financial Statements for a Corporation**  Purpose: Demonstrate skill in preparing financial statements for a corporation. (See Handout)  **Activity 7.10.3 – Closing Entries**  Purpose: Demonstrate skill in analyzing closing entries. (See Handout)  **Activity 7.10.4 – Analyzing and Journalizing Reversing Entries**  Purpose: Demonstrate skill in analyzing and journalizing reversing entries. (See Handout) |
| **Guided Practice \*** | * Observation * Demonstration * Verbal Drills |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** |  |
| **Lesson Closure** |  |
| **Summative/End of Lesson Assessment \*** | * Observation * Graded Assignments * Activity Rubrics 1-4 |
| **References/Resources/**  **Teacher Preparation** | Textbooks:  Guerrieri, Donald J., Haber, Hoyt, Turner. Glencoe Accounting Real- World Applications and Connections. Glencoe McGraw-Hill 2000. ISBN/ISSN 0-02-815004-X.  Ross, Kenton, Gilbertson, Lehman, and Hanson. Century 21 Accounting Multicolumn Journal Anniversary Edition, 1st Year Course. South- Western Educational and Professional Publishing, 2003.  ISBN/ISSN: 0-538-43524-0  Ross, Kenton, Gilbertson, Lehman, and Hanson. Century 21 General Journal Accounting Anniversary Edition, 7th Edition. South- Western Educational and Professional Publishing, 2003.  ISBN/ISSN: 0-538-43529-1.  Websites:  CCH Business Owner’s Toolkit. CCH Incorporated, 2009  <http://www.toolkit.cch.com/text/P06_1580.asp>. |
| **Additional Required Components** | |
| **English Language Proficiency Standards (ELPS) Strategies** |  |
| **College and Career Readiness Connection[[1]](#footnote-1)** |  |
| **Recommended Strategies** | |
| **Reading Strategies** |  |
| **Quotes** |  |
| **Multimedia/Visual Strategy**  **Presentation Slides + One Additional Technology Connection** |  |
| **Graphic Organizers/Handout** |  |
| **Writing Strategies**  **Journal Entries + 1 Additional Writing Strategy** |  |
| **Communication**  **90 Second Speech Topics** |  |
| **Other Essential Lesson Components** | |
| **Enrichment Activity**  (e.g., homework assignment) |  |
| **Family/Community Connection** |  |
| **CTSO connection(s)** | Business Professionals of America  Future Business Leaders of America |
| **Service Learning Projects** |  |
| **Lesson Notes** |  |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)