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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** | Plant Assets and Depreciation |
| **TEKS Student Expectations** | **130.187 (c) Knowledge and Skills**(1) The student demonstrates professional standards/employability skills as required by business and industry. The student is expected to:(A) demonstrate effective oral and written communication skills(B) perform numerical and arithmetic applications(9) The student investigates merchandise inventory to determine the impact on a company's financial position. The student is expected to:(C) calculate the cost of inventory, including the First In, First Out (FIFO) method, Last In, First Out (LIFO) method, weighted average method, and the Gross Profit method of estimating inventory |
| **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, students will demonstrate skill in calculating inventory using different methods.**Behavioral Objectives**:* Define accounting terms related to inventory.
* Calculate the cost of inventory using First In/First Out, Last In/Last Out, and Weighted-Average costing methods.
* Estimate cost of merchandise inventory.
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| **Rationale** | As a business retailer or wholesaler, inventory is one of your biggest and most important assets. If you know exactly how much money is going into maintaining this important asset, it can help you determine how much profit this inventory can bring you, along with how much of your businesses’ capital will be tied up in the inventory and for how long. This lesson will demonstrate how to calculate the cost of inventory using different accounting methods. |
| **Duration of Lesson** | Teacher’s Discretion |
| **Word Wall/Key Vocabulary***(ELPS c1a, c, f; c2b; c3a, b, d; c4c; c5b) PDAS II (5)* | Have students define these terms:* Periodic inventory
* Perpetual inventory
* Inventory record
* Stock record
* Stock ledger
* First-in, first-out inventory costing method
* Last-in, last-out inventory costing method
* Weighted-average inventory costing method
* Gross profit method of estimating inventory
* Consistent principle
* Conservatism principle
* Market value
 |
| **Materials/Specialized Equipment Needed** | **Materials, Equipment, and Resources:*** Textbook
* Accounting Software
* Journal Input Forms
* Spreadsheet Software
* Index cards
* Internet
 |
| **Anticipatory Set**(May include pre-assessment for prior knowledge) |  |
| **Direct Instruction \*** | See Activities on Handouts* Activity 7.6.1 – Calculating Depreciation Using Declining-Balance Method
* Activity 7.6.2 – Calculating Inventory Cost Using FIFO
* Activity 7.6.3 – Calculating Cost of Inventory Using LILO Method
* Activity 7.6.4 – Calculating Inventory Cost Using Weighted-Average Method
* Activity 7.6.5 – Calculating Inventory Cost Using the Gross Profit Method
 |
| **Guided Practice \*** | * Observation
* Verbal Drills
* Demonstration

*Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*NONE |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** |  |
| **Lesson Closure** |  |
| **Summative / End of Lesson Assessment \***  |  |
| **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:FIFO/LIFO. Internal Revenue Service, 2009.Business Partners:* Loan officers from a bank
* Collection Agency officer
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| **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 AmericaFuture 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)