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| **Course:** | BF10: Principles of Business and Finance |
| **Objective:** | NC CTE 6.01: Acquire a foundational knowledge of accounting to understand its nature and scope. (FI:085, FI LAP 5) |

**Key Terms**

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| **Key Term** | **Definition** |
| **Accounting** | The process of keeping and interpreting financial records. (Career Opps in Finance, FI LAP 5, FI LAP 7, PD LAP 15, SM LAP 1) |
| **Accounting system** | The methods and procedures used in consistently handling the business's financial information. (FI LAP 5) |
| **Accrual accounting method** | A method of accounting that records transactions at the time they occur even if no money changes hands at the time (FI LAP 5, QS LAP 38) |
| **Cash accounting method** | An accounting method in which income and expenditures are recorded at the time the money changes hands. (FI LAP 5, QS LAP 38) |
| **Cost accounting** | Used to reduce and eliminate costs in a business. Cost accounting is used to determine a price for a product or service that will allow earnings of a reasonable profit. (FI LAP 5) |
| **Managerial accounting** | A type of accounting that involves preparing and reporting financial data to internal users, usually managers, who need financial information to control day-to-day operations and to make financial decisions and plans affecting the business (FI LAP 5) |

**Resources**

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| **Explain the concept of accounting (FI:085, FI LAP 5) (CS)**  |
|  | **Online/Software:** | Magos, A. (2012). *Ask Alice about cash vs. accrual method.* Retrieved June 11, 2012, from <http://csi.toolkit.tst.cch.com/advice/own1.asp>NetMBA. (2002-2010). *The accounting process (The accounting cycle).* Retrieved June 11, 2012, from <http://www.netmba.com/accounting/fin/process/>The Open Learn University. (2012). *Introduction to the context of accounting.* Retrieved June 11, 2012, from <http://openlearn.open.ac.uk/course/view.php?id=1589>Russell, M. (2012). *The nature of accounting systems*. Retrieved June 11, 2012, from <http://ezinearticles.com/?The-Nature-Of-Accounting-Systems&id=378707>Smith, S. (2012). *What is accounting?* Retrieved June 11, 2012, from <http://www.wisegeek.com/what-is-accounting.htm> |

**6.01 – Accounting Process Worksheet**

The Accounting Process (The Accounting Cycle) - <http://www.netmba.com/accounting/fin/process/>

Use the above link to complete the following.

**Steps performed throughout the accounting period.**

**The Accounting Process**

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**Steps performed at the end of the accounting period.**

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