

## **Financial Accounting Principles, Grade 12, University/College Preparation (BAT4M)**

### A. Accounting Principles and Practices

1. Apply Generally Accepted Accounting Principles (GAAP) (e.g., matching principle, conservatism principle, and realization principle) in the accounting cycle;
2. Demonstrate the relationship between GAAP and accounting practices (e.g., matching principle and adjusting entries, cost principle and asset valuation).

### B. Accounting Practices for Short-term Assets

1. Record transactions related to accounts receivable, including doubtful accounts, write-offs, and recoveries.

### C. Inventory Procedures

1. Compare the characteristics of the periodic and perpetual inventory systems;
2. Describe and apply different methods of inventory valuation, including average cost; first-in, first-out; last-in, first-out; and specific identification;
3. Explain the effects of each method of inventory valuation on financial statements;
4. Explain the effects of an error in valuing inventory on financial statements.

### D. Capital Assets

1. Distinguish between capital expenditures and revenue expenditures;
2. Identify the elements used in determining the cost of plant and equipment, natural resources, and intangibles;
3. Record transactions related to amortization and depletion of tangible assets (e.g., straight-line, declining balance, units of output, revisions, disposals);
4. Record transactions related to intangible assets (e.g., goodwill, patents, trademarks, copyright);
5. Analyse methods of amortization (e.g., straight-line, declining balance, units of output) and their effects on financial statements.

### E. Corporations

1. Describe types of corporations (e.g., public, private, not-for-profit) and classes of shares (e.g., common, preferred, voting);
2. Record transactions related to common and preferred stocks (e.g., issue, buy back, subscriptions);
3. Record transactions related to the declaration and distribution of dividends;
4. Compare the impact of various forms of dividend distribution (e.g., cash dividends, stock dividends, stock splits) on shareholders' equity;
5. Prepare the financial statements for a corporation, including an income statement, a statement of retained earnings, and the shareholders' equity section of the balance sheet.

### F. Financial Analysis for Decision Making

1. Evaluate the role and impact of accounting information in decision-making;
2. Analyse the financial status of a company (e.g., liquidity, solvency, profitability) by using horizontal and vertical analysis;
3. Analyse the financial status of a company, using financial ratios (e.g., turnover ratios, book value, earnings per share, times interest earned, return on assets).