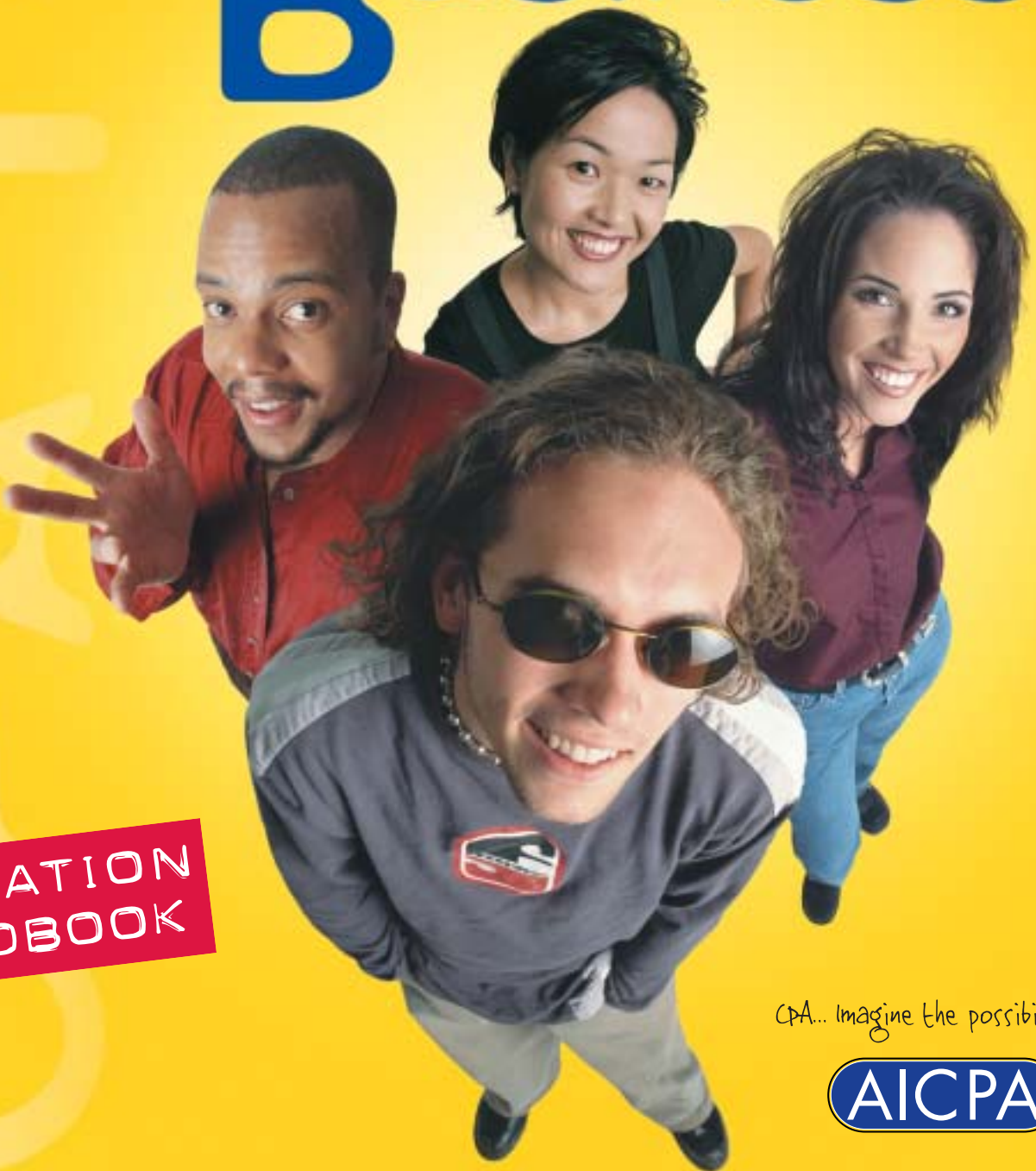


# Takin' Care of Business



EDUCATION  
HANDBOOK

CPA... Imagine the possibilities!





As America's leading professional CPA organization, with more than 340,000 members in business, industry, government, public practice, and education, the **American Institute of Certified Public Accountants (AICPA)** is committed to providing you with information and material that alerts students to career opportunities in accounting and as a CPA.

The lesson plans in this Education Handbook are intended to show students that accounting goes beyond "debits and credits" and that CPAs are engaged in all aspects of business, not just auditing and taxation.

#### ***Standards & Skills Based Lesson Plans & Activities***

*The Takin' Care of Business* Education Handbook contains 15 lesson plans, complete with lesson objectives and instruction procedures, topic overviews, student learning activities and answers.

Each lesson plan is based on education learning standards set forth by the **National Business Education Association (NBEA)** and the **National Council of Teachers of Mathematics (NCTM)**. Each lesson plan also has skill-based components called Performance Measures and Standards—the skills that students should develop prior to graduating high school. A skills-based curriculum, in addition to a knowledge-based curriculum, is advocated because markets, professions and organizations change rapidly. Although knowledge requirements will change with time, the core set of competencies, or skills, needed to succeed in business will have long-term value and will support a variety of career opportunities, especially a career in accounting and as a CPA.

The AICPA, as part of its education program, has developed **Performance Measures and Standards** to address the competencies—skill sets—that students, who will ultimately enter the professional workforce, should attain and develop. The Performance Measures and Standards in the Education Handbook are based on the **AICPA's Core Competency Framework**, the central source of guidance on the competencies all college students should be expected to have upon entry into the professional workforce, and as such serves as the source of the Performance Measures and Standards for high school students. For more information about the AICPA's Core Competency Framework and guidance related to assessing student performance, please visit the **Educational Competency Assessment (ECA) web site at [www.aicpa-eca.org](http://www.aicpa-eca.org)**.



# Performance Measures and Standards

## Strategic & Critical Thinking

Strategic and critical thinking encompasses the ability to link data, information, and knowledge with the “big picture” perspective in order to make intelligent decisions.

The elements of Strategic & Critical Thinking include:

- *Identifying strengths, weaknesses, opportunities, and threats associated with a specific scenario, case, or activity*
- *Identifying and gathering data from a wide variety of sources to provide insightful information for decision-making*
- *Linking information and knowledge for decision-making purposes*

## Problem Solving and Decision-Making

Problem solving and decision-making require analyzing the nature of a situation and then determining the principles and techniques needed to solve a problem or make a judgement. Effective problem solving and decision-making requires good insight and judgement, as well as innovative and creative thinking.

The elements of Problem Solving and Decision-Making include:

- *Making valid and reliable evaluations of information*
- *Thinking effectively in abstract terms or generalizations*
- *Analyzing the impact of potential actions*
- *Considering alternative approaches and solutions to problems*

## Decision-Modeling

An approach to better decision-making that is frequently used in business is modeling. Decision-making using modeling requires the identification of problems, or issues, and potential solutions. In addition, decision-modeling requires that potential solutions be quantified. By using decision-modeling, data can be organized and analyzed, and potential solutions objectively evaluated.

The elements of Decision-Modeling include:

- *Identifying problems and potential solution approaches*
- *Using models to quantify problems or test solutions*
- *Using quantitative techniques to evaluate alternative solutions*





## Research & Reporting

Effective research provides access to relevant data or information for a specific purpose or project. Effective reporting requires the ability to communicate clearly and objectively the work, findings, and recommendations from research.

The elements of Research & Reporting include:

- *Using relevant research skills and identifying relevant information*
- *Evaluating different sources of information and reconciling conflicting or ambiguous data*
- *Preparing reports with objectivity, conciseness and clarity*
- *Using appropriate and effective media and technology in report preparation and presentation*

## Technology

Being technologically savvy entails being able to use technology effectively and efficiently, and being able to determine how new technologies can be used.

The elements of Technology include:

- *Accessing electronic databases to obtain information*
- *Building decision-making models using electronic spreadsheets and other software*
- *Exchanging information using technologies such as e-mail, voice-mail and video-conferencing*
- *Acquiring new skills through technology-based learning modules*

## Team Building

Team building results in individuals working together to accomplish common goals. Team building requires the ability to work productively with individuals of diverse backgrounds in a variety of roles.

The elements of Team Building include:

- *Recognizing the value of working with others in teams*
- *Committing to the achievement of common goals*
- *Coaching or mentoring in appropriate circumstances*
- *Abiding by team rules and guidelines*

## Communication

Communication is the transfer of information that results in the message being understood by individuals with diverse capabilities and interests. Communication entails the ability to listen, speak and write effectively, as well as the ability to recognize and understand conceptual or theoretical issues.

The elements of Communication include:

- *Organizing and displaying information so that it is meaningful to the receiving party*
- *Presenting information and concepts with conciseness and clarity when writing and speaking*
- *Using interpersonal skills to facilitate effective interaction*
- *Selecting the appropriate media for disseminating information*

# Using the Takin' Care of Business Education Handbook

The Education Handbook is unlike a textbook in that the lesson plans may be used in any order at any time during the year. They can be used as a stand alone or complimentary lesson and activity, or they may be used in their entirety as a structure for a business course.

■ **Stand alone lesson & activity:**

For example, Lesson #3, Break-even Analysis: *Proving the Price is Right*, which is based on algebraic equations and demonstrates its use in business, is ideal for algebra teachers to present when students ask: “When will I ever use this?!”. Lesson #3 can also be used in accounting courses to demonstrate when and how cost of goods sold, gross profit and net income or loss are calculated in preparing a multi-step income statement. And of course, it is also relevant for general business courses to discuss financial planning aspects of owning or operating a business and can therefore be used in conjunction with Lesson #2, Budgeting & Forecasting, *Forecasting Your Future*. Throughout the activity, students will learn and appreciate the value of a knowledge of accounting.

■ **Structure for a business course (See Table of Contents):**

The lesson plans may be used to form a business course and are sequenced with that alternative as a possibility. For instance, the Education Handbook can be viewed as two sections: Lesson plans 1–8 and Lesson plans 9–15.

Although the lessons have some overlap in topics, Lessons 1–8 are primarily topics or issues related to business and companies, while Lessons 9–15 are topics specific to individuals and students.

For example, Lessons 1–7 address areas relevant to businesses — financial analysis, budgeting, profitability, cost analysis, productivity, market analysis, e-commerce — that can be used in sequence as learning points to writing a business plan, which is addressed in Lesson 8 and therefore acts as a “capstone” activity.

Lessons 9–15 are topics relevant to people, as opposed to businesses. However, like Lessons 1–8, Lessons 9–15 may be used interchangeably. For example, Lesson #9, Financial Planning: *Tax Laws Can make You Rich*, introduces tax-deferred savings plans which feature two main topics: taxes and the time value of money (compound interest). Lesson #10, Time Value of Money: *Timing is Everything*, and Lesson #11, The Purpose of Taxation: *Tax and the Facts*, however feature the two topics in Lesson #9 — taxes and the time value of money — separately and therefore offer the possibility of using each prior to Lesson #9.

Lessons 12–14 introduce students to the services and issues (ethics) that are part of the CPA profession, while Lesson #15, The Language of Business, *Certified for Success*, provides students an outline for researching colleges and universities of their choice.

# Table of Contents



## Lesson/Student Learning Activity

	Teaching Opportunities						Performance Measures & Standards							
	Accounting	Business	Computers (Office Applications)	Economics	Marketing	Mathematics	Social Studies	Communication	Decision-Modeling	Problem Solving & Decision-Making	Research & Reporting	Strategic & Critical Thinking	Team Building	Technology
<b>1</b>	<b>Financial Statement Analysis</b> "Reading Between the Bottom Lines"	■	■	■	■	■		■	■	■	■			■
<b>2</b>	<b>Budgeting &amp; Forecasting</b> "Forecasting Your Future"	■	■	■	■	■			■			■		■
<b>3</b>	<b>Break-Even Analysis</b> "Proving the Price is Right"	■	■	■	■	■			■	■		■	■	■
<b>4</b>	<b>Measuring Productivity</b> "From Air to Market"	■	■		■	■			■	■		■		
<b>5</b>	<b>Cost-Benefit Analysis</b> "Calculated Choices"	■	■		■	■	■			■		■		
<b>6</b>	<b>Market Analysis</b> "What's New?"	■	■		■	■		■			■	■		
<b>7</b>	<b>Electronic Commerce</b> "A Matter of Trust"	■	■	■	■	■	■				■			■
<b>8</b>	<b>Writing a Business Plan</b> "Entrepreneurial Starts Here"		■		■	■		■			■	■	■	■
<b>9</b>	<b>Financial Planning</b> "Tax Laws Can Make You Rich"	■	■	■	■	■	■		■			■		■
<b>10</b>	<b>Time Value of Money</b> "Timing is Everything"	■	■	■	■	■	■		■	■		■		■
<b>11</b>	<b>The Purpose of Taxation</b> "Tax and the Facts"	■	■		■		■	■			■	■	■	
<b>12</b>	<b>CPA Professional Services</b> "A Day in the Life"	■	■			■		■		■			■	
<b>13</b>	<b>Forensic Accounting</b> "Sam Shade, FBI & CPA"	■	■	■		■		■	■		■	■		■
<b>14</b>	<b>Ethics</b> "Do the Right Thing"	■	■		■		■	■	■	■			■	
<b>15</b>	<b>The Language of Business</b> "Certified for Success"	■	■	■	■			■			■			■

# The Takin' Care of Business Education Handbook

*The Takin' Care of Business Education Handbook is one of the best practical applications of accounting principles I have ever had available. The lesson plans are realistic, with practical "hands-on" activities that fit easily into my curriculum. I use the activities in all of my business classes to show students the true picture of accounting and the work that CPAs do.*

*I especially like the teaching strategies. By incorporating both math standards and business standards into the lessons, when students ask, "When will I ever use this?", the activities provide examples that students relate to, and like!*

*Kim Kromberg  
Omaha Northwest High School  
National Academy Foundation, Academy of Finance Teacher & Coordinator  
2003 Warren Buffett Outstanding Teacher Recipient*

*The Takin' Care of Business Education Handbook is recommended by our colleagues in education.*



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