

Accounting and Finance



In this unit you will discover ways to apply sound decision-making skills, discover stable saving and spending habits, and practice using bank accounts to manage your money.

You will be introduced to careers that are available in the Accounting and Finance Pathway.

Standard 4: Students will explore skills, knowledge and concepts related to College and Career Pathways in Business and Marketing

Objective 1: Explore the careers, education, and training related to accounting and finance, HR management, and hospitality and travel.

Indicators:

- Understand basic personal money management including sales tax and payroll deductions.
- Explore how financial choices impact outcomes.
- Explore related career Pathways

Career Connection Assignment

Accounting and Finance



Accounting and Finance jobs perform duties that deal with money within a company. Some duties may be preparing financial reports, managing money, providing financial advice, analyzing finances, etc... **Accounting and Finance** jobs are considered to be in high demand.

Match the following **Accounting and Finance** jobs below to what you think the job duties are.

- | | |
|--------------------------|--|
| ▪ Accountant | evaluates financial backgrounds to decide whether to give a loan. |
| ▪ Financial Manager | provides financial advice to people. |
| ▪ Loan Officer | analyzes the finances of a bank to make sure they follow the laws. |
| ▪ Tax Preparer | creates and checks financial information. |
| ▪ Financial Planner | manages investments for companies. |
| ▪ Securities Salesperson | prepares tax returns. |
| ▪ Financial Examiner | buys and sells financial services. |

Career Connection:

Accounting and Finance Careers to Explore

Accountant and Auditors: assemble, analyze, and check the accuracy of financial information.

Education: Have a bachelor's degree

Average Utah Wage: \$28.87 Hourly, \$60,050.00 Yearly

Bookkeeping and accounting clerks: manage the financial records of companies or clients.

Education: Train through formal training programs or on the job

Average Utah Wage: \$15.66 Hourly, \$32,570.00 Yearly

***Financial managers:** manage budgets and investments for companies.

Education: Have at least a bachelor's degree, plus work experience

Average Utah Wage: \$46.45 Hourly, \$96,610.00 Yearly

Loan officers: evaluate applicants' financial backgrounds. They decide whether applicants will receive loans.

Education: Most have a bachelor's degree

Average Utah Wage: \$26.35 Hourly, \$54,810.00 Yearly

Tax examiners: determine the amount of taxes owed by businesses and citizens.

Education: Have a bachelor's degree

Average Utah Wage: \$21.75 Hourly, \$45,250.00 Yearly

Tax preparers: interview clients, review tax records, and fill out tax returns.

Education: May need to be certified

Average Utah Wage: \$16.28 Hourly, \$33,860.00 Yearly

Financial Planners: -counselors provide financial advice to people.

Education: Have a bachelor's degree

Average Utah Wage: \$25.10 Hourly, \$52,210.00 Yearly

Securities salesperson: buy and sell securities or offer financial services

Education: Have a bachelor's degree

Average Utah Wage: \$26.59 Hourly, \$55,300.00 Yearly

Financial examiners: analyze the finances of banks and other financial organizations to make sure they comply with laws and regulations.

Education: Have a bachelor's degree

Average Utah Wage: \$32.12 Hourly, \$66,820.00 Yearly

Vocabulary:

Payroll

Income

Deductions

Sales Tax

Interest

Principal

Checks

Debit Card

Gross Pay

Net Pay

Budget

Investment

Alexander Who Used To Be Rich Last Sunday

by: Judith Viorst

Listen to the story and list each item and the amount that Alexander buys. Then determine whether the item was a good, service or other.

Item Description	Cost	Good	Service	Other
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
Total Spent:	\$			



Did Alexander spend his money wisely? Why or why not? _____

Explain your idea of wise spending: _____

Watch "Funny Money Man"
and determine Money
Makers & Money Losers



funny Money Man

Item	Money Maker	Money loser
<i>New Outfit</i>		
<i>Certificate of Deposit</i>		
<i>Investing in the Stock Market</i>		
<i>New Car</i>		
<i>Computer</i>		
<i>A Box Game</i>		
<i>Savings Account</i>		

Exploring Money Makers

Why Save? You are never too young to start saving for retirement. Don't put your financial future in someone else's hands. Learn to manage your own money. Understanding and handling your own personal finances will give you a strong foundation for your future, and will give you power in becoming a responsible adult.

During your reading of "Money Talks", you discovered the power of compound interest. By investing a little for a long time, you will end up with a lot. Today you will play with the Compound Interest Calculator, and discover the money you can make with different types of investing.

Directions: Go to the Compound Interest Calculator
(<http://www.econedlink.org/interactives/EconEdLink-interactive-tool-player.php?iid=2>)
and work through the following scenerios:



Key vocabulary:

Principal- The original amount
invested

Savings Accounts:

A savings account is held at a bank or other financial institution that provides principal security and a modest interest rate. Savings accounts are generally for money that you don't intend to use for daily expenses. With a savings account you can usually get to your money easily. Savings accounts are a secure way of investing money with no risk.

Scenerio 1: Change the monthly savings to \$150 per month and put your current age for the starting age. Savings account interest is usually low, so change the interest rate to 1%, then calculate.

How much money would you have by the time you retire at age 65? _____

Did you pay more principal or earn more interest? _____

Change the age to 35 with this same scenerio, how much money by age 65? _____





Certificate of Deposit:

A certificate of deposit is a promissory note issued by a bank (similar to a savings account). It is a time deposit that restricts a person from withdrawing their money for a certain period of time. Interest rate for this type of account is usually higher because your money has restrictions.

Scenerio 2: Change the monthly savings to \$150 per month and put your current age for the starting age. Certificate of Deposit accounts are usually higher than a savings because you have to leave your money there for a longer period of time, change the interest rate to 3%, then calculate.

How much money would you have by the time you retire at age 65? _____

Did you pay more principal or earn more interest? _____

Change the age to 35 with this same scenerio, how much money by age 65? _____



Stock Market:

Stocks are units of ownership in a company. When you buy stock, you become a shareholder, which means you now own a "part" of the company. If the company's profits go up, you "share" in those profits. If the company's profits fall, so does the price of your stock. Since this type of investment is risky, the interest rates are usually much higher than a safe investment.

Scenerio 3: Change the monthly savings to \$150 per month and put your current age for the starting age. Stocks usually pay a higher interest than a bank account because of the high risk, change the interest rate to 8%, then calculate.

How much money would you have by the time you retire at age 65? _____

Did you pay more principal or earn more interest? _____

Change the age to 35 with this same scenerio, how much money by age 65? _____

Review:

What factors are important to making a lot of money by the time your retire? _____

Do you believe investing is important? Why? _____

Explore your own scenario and explain your results: _____

Checking Account Basics

It won't be long, and you will be paying your own bills and managing your own money. There are different ways of handling your money: The envelope method, savings account, cashier checks, or checking account. Today we are going to learn how to manage a checking account.

Go through the “Managing Money with a Checking Account” PowerPoint to gain the information on filling out a check and register, then return back to this worksheet and complete the following:

1. You just purchased a pair of jeans for \$32.57 at Old Navy. Fill out the check below.
2. Record the above transaction in the register below and complete a running balance.
3. Deposit your paycheck for 775.80 in the register below and complete a running balance.


YOUR NAME
 123 YOUR STREET
 YOUR CITY STATE ZIP
 (123)456-7890

9-5678/1234

0301

Date _____

Pay to the
 Order of _____ \$

_____ Dollars  Contains Security
 Features. Details
 on Back.

YOUR FINANCIAL INSTITUTION
 ANYTOWN, USA

For _____

⑆ 1 2 3 4 5 6 7 8 0 ⑆ 0 3 0 1 1 2 3 ⑈ 4 5 6 ⑈ 7 ⑆

[illegible]

Managing Your Income and Bills with a Checking Account

Complete the following real life scenario story problems using checks and a register. Read the problems carefully, some will have multiple steps to figuring out an answer, while others just give you directions to write a check or make a deposit. You may want to use a calculator and scratch paper to complete this assignment.

1. You just opened a checking account and deposited \$2054.75 into your account. Make the necessary adjustments in your register.
2. You purchased a home for your family. It is necessary for you to make payments every month to pay for this home. Your mortgage payment is due for the month. Fill out check #1 for \$952.00 to Bank of America.
3. You have to pay for utility services to keep your home functioning. Monthly fees for water, sewer, and garbage pickup are due. Your city charges \$42.00 for water, \$20.00 for sewer, and \$8.50 for garbage pickup. Make out check #2 to your city, for the total of these monthly fees.
4. You purchased a used car so you would have transportation to and from work. It is necessary for you to make payments every month to pay for the loan of the car. Make check #3 to Bank of Utah for \$230.00.
5. It is the law for every driver to have car insurance. You need to pay for your monthly insurance coverage. Make out check #4 for \$98 to Allstate Insurance.
6. If you want to drive your car, you must put gas in it. You bought 15 gallons of gas to fill up the tank. Each gallon cost \$3.46. Write out check #5 to Chevron for the total bill.
7. Everyone must have a job to receive income to survive. You are a bookkeeper, and you make \$15.66 an hour. You worked 80 hours during the pay period. Anyone who makes an income is required to pay taxes; your deductions are 20% of your gross income. Make a deposit in your register for your net pay.
8. You need to pay for the phone service in your home. You made 156 minutes worth of long distance calls to keep in touch with family and friends, each of those minutes costs \$ 0.25. You also have a local service charge of \$28, and a \$5.00 charge for call waiting. Write out check #6 to AT&T for your monthly bill.

9. You and your spouse enjoyed an evening at Texas Roadhouse for dinner. You ordered the Sirloin Steak for \$18.95, and your spouse ordered the Road Kill for \$14.95. It is custom to leave a 20% tip at dinnertime to show how grateful you are for the service. Make check #7 out for the total of dinner and the tip.
10. Harmon's grocery store was having a case lot sale, so you decided to finish up your month supply of food. You spent \$315.35 for groceries and 6% for sales tax. Make out check #8 for the correct amount.
11. You have 2 children that are in daycare while you go to work. Daycare cost \$1.50 an hour per child. The children are in Little Tots Daycare 6 hours a day, 5 days a week. You need to pay for 4 weeks of service. Write check #9 for the correct amount.
12. It is your child's birthday, so you purchased a bike from Walmart. The bike cost \$79.95 and you also had to pay 6% tax. You are out of checks so you must swipe your debit card, which means the money still comes out of your account, so make the necessary deduction from your register.



Utah Student
123 Main St.
Anywhere UT 84000

001

Date: _____ 20____

Pay to the order of: _____ \$ _____

_____ Dollars

College & Career Awareness
Financial Institution
250 E 500 S
Salt Lake City UT 84114

Memo: _____

Utah Student
123 Main St.
Anywhere UT 84000

002

Date: _____ 20____

Pay to the order of: _____ \$ _____

_____ Dollars

College & Career Awareness
Financial Institution
250 E 500 S
Salt Lake City UT 84114

Memo: _____

Utah Student
123 Main St.
Anywhere UT 84000

003

Date: _____ 20____

Pay to the order of: _____ \$ _____

_____ Dollars

College & Career Awareness
Financial Institution
250 E 500 S
Salt Lake City UT 84114

Memo: _____

Utah Student
123 Main St.
Anywhere UT 84000

004

Date: _____ 20____

Pay to the order of: _____ \$ _____
_____ Dollars

College & Career Awareness
Financial Institution
250 E 500 S
Salt Lake City UT 84114

Memo: _____

Utah Student
123 Main St.
Anywhere UT 84000

005

Date: _____ 20____

Pay to the order of: _____ \$ _____
_____ Dollars

College & Career Awareness
Financial Institution
250 E 500 S
Salt Lake City UT 84114

Memo: _____

Utah Student
123 Main St.
Anywhere UT 84000

006

Date: _____ 20____

Pay to the order of: _____ \$ _____
_____ Dollars

College & Career Awareness
Financial Institution
250 E 500 S
Salt Lake City UT 84114

Memo: _____

Utah Student
123 Main St.
Anywhere UT 84000

007

Date: _____ 20____

Pay to the order of: _____ \$ _____

_____ Dollars

College & Career Awareness
Financial Institution
250 E 500 S
Salt Lake City UT 84114

Memo: _____

Utah Student
123 Main St.
Anywhere UT 84000

008

Date: _____ 20____

Pay to the order of: _____ \$ _____

_____ Dollars

College & Career Awareness
Financial Institution
250 E 500 S
Salt Lake City UT 84114

Memo: _____

Utah Student
123 Main St.
Anywhere UT 84000

009

Date: _____ 20____

Pay to the order of: _____ \$ _____

_____ Dollars

College & Career Awareness
Financial Institution
250 E 500 S
Salt Lake City UT 84114

Memo: _____

[illegible]

Balancing Your Checkbook

Each month the bank or credit union sends you a monthly record of your deposits, checks, and debit card transactions. This monthly record is called a bank statement. It is important to balance your checkbook at least once a month to make sure your figures match that of the bank, so you always know how much money is in your account. Today you will balance your checkbook using the statement and worksheet below.

Step 1: Check off every transaction in the register that is listed on the statement.

College & Career Awareness Financial Institution			
250 E 500 S Salt Lake City UT 84114			
Account # 123456789			
Balance: \$391.33			
Transaction History:			
Code:	Withdrawal/Debit	Deposit/Credit	Balance
Deposit		2054.75	2054.75
001	952.00		1102.75
002	70.50		1032.25
004	98.00		934.25
005	51.90		882.35
006	72.00		810.35
008	334.27		476.08
Debit Card	84.75		391.33
Ending Balance:			391.33

Step 2: Fill out the following steps to balance your checkbook:

A. Ending balance on statement	
B. List deposit in register that are not included on statement	
Subtotal: Add A and B	
C. List Outstanding Checks	
Ending Balance: Subtract C from Subtotal	

The ending balance should match your register balance.

Outstanding Checks	
Code:	Amount:
Total:	

Creating a Budget

After reading "Money Talks", hopefully you understood the importance of creating a budget. A budget helps you keep track of money you have coming in and money you have going out. Keeping a precise record of every purchase allows you to make smarter choices when spending. It also allows you to visualize what you have left to make room for investing.

Using a spreadsheet, follow the steps below carefully to create a budget with the bills you previously paid.

- In cell A1, type your name.
- In cell C4, type Monthly Budget. Format C4 to size 16, Bold, and change the font style.
- In cell A7, type Bills.
- In cell C7, type Amount.
- Hold the Control key down and select cells A7 and C7, format the cells to Bold, and size 12
- In cell A9, type the first bill you paid in your register. Example: Mortgage
- In cell C9, type the amount you paid in your register. Do not type the \$ symbol. Example: 952
- Continue with the list of bills and amounts, until you have listed all bills from the register. Make sure you do not put deposits into this list. When you are finished with this step you will fill cells to A18 and C18.
- Select cell A21, type Total.
- Select cells C9 to C21, then select Format as Currency (\$ icon)
- Select the function Sum (Σ icon). If you did this correctly your sum will total \$2,294.10.
- Select cells A9-A18, hold the Control key down and select C9-C18. Then in the Insert menu, select chart and choose a bar chart.
- Move and place the chart underneath the typed information.
- Select cell E7 and type Income.
- Select cell E8 and type Bills.
- Select cell E10 and type Available.
- Select cell F7 and select Format as Currency (\$ Icon), then type 3056.99 (this is the total income from your checkbook)
- Select F8 and press the = key, and then select cell C21, and press enter.
- Select cells F7-F10 and press the = key, then select F7, then press the subtract (-) key, then select F8 key and enter. If you did this correctly the answer will come out 762.89.
- Create another chart by selecting cells E8, E9, F8, and F9, Insert chart, and choose a pie chart. Place the chart underneath the typed information.