

Finance and Investment Career Cluster
Property and Financial Claims in the Accounting Equation
 Program Lesson Plan Grid

SECTION # 1
 Cluster Foundations

N = Not exposed to task, 1 = Exposed to the task, 2 = Accomplishes task with help, 3 = Accomplishes task to criteria, 4 = Exceeds criteria and/or able to teach task

I	ACADEMIC FOUNDATIONS
3	<i>Apply mathematics skills to enhance financial career opportunities.</i>
1.1	Employ numbers and operations to solve mathematical problems.
1.11	Recognize relationships among numbers.
1.12	Apply operations correctly.
1.13	Calculate computations successfully.
III	Problem Solving and Critical Thinking
1	<i>Apply problem solving and critical thinking skills to resolve a problem.</i>
1.1	Determine appropriate strategies to solve problems.
1.11	Identify the problem.
1.12	Determine possible solutions.
1.13	Involve appropriate people.
1.14	Review possible solutions.
1.15	Determine best solution.

LESSON TITLE: Property and Financial Claims as part of the Accounting Equation **LESSON NUMBER:** _____

MATH CONTENT STANDARDS:

ENGLISH LANGUAGE ARTS CONTENT STANDARDS:

SCIENCE CONTENT STANDARDS:

SOCIAL STUDIES CONTENT STANDARDS:

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**TECHNOLOGY
CONTENT
STANDARDS:**

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**CAREER OR
EMPLOYABILITY
SKILLS CONTENT
STANDARDS:**

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LESSON PLAN:

SUPPLIES/EQUIPMENT	RESOURCES
Accounting Text Accounting Working Papers	Teacher prepared examples.
1. INTRODUCE THE CTE LESSON	TEACHER NOTES/ANSWER KEYS
<i>What is property?</i> <i>What are examples of property you own?</i> <i>How do you determine the value of property?</i> <i>Have you ever borrowed money to buy something?</i> <i>Are there items you have purchased on which you still owe money?</i>	Use any article of value – i.e. furniture, car, classroom equipment etc. Use any real life examples from teacher’s experience. Have students share personal/family experiences.
2. ASSESS STUDENTS’ ACADEMIC AWARENESS AS IT RELATES TO THE LESSON	TEACHER NOTES/ANSWER KEYS

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<p><i>What is an equation? What is a formula?</i></p> <p><i>What is the difference between the value of the property and how much you owe on it?</i></p> <p><i>Given the statement: Property = Creditor's Financial Claim + Owner's Financial Claim</i> <i>Can you define what the variables mean?</i> <i>What is an asset?</i> <i>What is a liability?</i> <i>What is owner's equity?</i></p> <p style="text-align: center;"><i>Property = Creditor's Financial Claim + Owner's Financial Claim</i></p> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 20px;"> <div style="text-align: center;">↓</div> <div style="text-align: center;">↓</div> <div style="text-align: center;">↓</div> </div> <p style="text-align: center;">Assets = Liabilities + Owner's Equity</p>	<p>Equation = Statement of equality between two expressions Formula = A group of symbols that make a mathematical statement</p> <p>Owner's (your) equity</p> <p>Assets = Liabilities+ Owner's Equity</p> <p>Property (something of value) Creditor's Financial Claim (\$ owed) Owner's Financial Claim (owner's \$)</p>
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3. WORK THROUGH THE ACADEMIC EXAMPLE EMBEDDED IN THE LESSON	TEACHER NOTES/ANSWER KEYS												
<p><i>The Accounting Equation is: Assets = Liabilities + Capital</i></p> <p><i>Solve the equation for capital:</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 35%;"><i>1. The beginning equation:</i></td> <td><i>Assets = Liabilities + Capital</i></td> </tr> <tr> <td><i>2. Subtract liabilities from both sides:</i></td> <td><i>Assets - Liabilities = (Liabilities - Liabilities) + Capital</i></td> </tr> <tr> <td><i>3. Solution:</i></td> <td><i>Assets - Liabilities = Capital</i></td> </tr> </table> <p><i>Solve the equation for liabilities:</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 35%;"><i>1. The beginning equation:</i></td> <td><i>Assets = Liabilities + Capital</i></td> </tr> <tr> <td><i>2. Subtract liabilities from both sides:</i></td> <td><i>Assets - Capital = Liabilities + (- Capital + Capital)</i></td> </tr> <tr> <td><i>3. Solution:</i></td> <td><i>Assets - Capital = Liabilities</i></td> </tr> </table> <p><i>Let's apply this formula to a real problem:</i> <i>Let Assets=\$250 and Liabilities =\$185. Find Capital</i></p> <p style="margin-left: 40px;"><i>Let Assets=\$500 and Capital =\$295. Find Liabilities</i></p>	<i>1. The beginning equation:</i>	<i>Assets = Liabilities + Capital</i>	<i>2. Subtract liabilities from both sides:</i>	<i>Assets - Liabilities = (Liabilities - Liabilities) + Capital</i>	<i>3. Solution:</i>	<i>Assets - Liabilities = Capital</i>	<i>1. The beginning equation:</i>	<i>Assets = Liabilities + Capital</i>	<i>2. Subtract liabilities from both sides:</i>	<i>Assets - Capital = Liabilities + (- Capital + Capital)</i>	<i>3. Solution:</i>	<i>Assets - Capital = Liabilities</i>	<p>This is using the additive inverse math principle</p> <p>This is using the additive inverse math principle and the commutative principle</p> <p>\$250-\$185 = Capital \$65 = Capital</p> <p>\$500-\$295=Liabilities \$205=Liabilities</p>
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4. WORK THROUGH RELATED, CONTEXTUAL ACADEMIC EXAMPLES	TEACHER NOTES/ANSWER KEYS
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<u>Property</u>	=	<u>Creditors Financial Claim</u>	+	<u>Owners Financial Claim</u>	Work through various examples from text and teacher experience. Discussion could include issue of cost vs. value.
Truck					
\$10,000	=	\$7,000	+	\$3,000	
Computer					
\$2,795	=	\$1,275	+	\$1,520	
Assets	=	Liabilities	+	Owners Equity	
5. WORK THROUGH TRADITIONAL ACADEMIC EXAMPLES					TEACHER NOTES/ANSWER KEYS
\$450 = ℓ + \$230		\$1500 = \$475 + C		a = l + c	Equation with one variable Additive inverses, commutative principle Equations solved for 1 variable
450 - 230 = ℓ + 230 - 230		\$1500 - 475 = C + 475 - 475		a - l = c	
220 = ℓ		\$1025 = C		a - c = l	
6. STUDENTS DEMONSTRATE THEIR UNDERSTANDING					TEACHER NOTES/ANSWER KEYS
Students recognize property and financial claims in class discussion, by listing, and in working papers. Students complete working papers to balance the accounting equation by computing missing variable.					Assess individual working papers.
7. FORMAL ASSESSMENT					TEACHER NOTES/ANSWER KEYS
Chapter test with vocabulary terms, methods questions, and problems to complete and solve for one variable of the accounting equation.					
VOCABULARY					
Property – Anything of value that is owned or controlled Financial claims – Property rights measured in \$ amounts Creditor – Person or business that sells you property and allows you to pay for it at a later date Assets – Property or items of value owned by a business Equity – Financial claims to assets Owner's equity – Owner's claim to the assets of the company measured in \$'s Liabilities – Creditor's claim to the assets of the business measure in \$'s					

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