

# PLAR

## Prior Learning Assessment and Recognition (PLAR)

### PLAR Resource Guide for Adult Learning Centres

### Accounting Systems 40S

Version 1 July 2004



PLAR Skills  
Assessment  
Learning  
Knowledge  
recognition  
prior  
Change Skills  
Prior  
Change Learning  
Assessment  
Prior Learning  
knowledge  
Change  
skills recognition  
Knowledge  
prior  
Learning  
Assessment  
recognition  
Skills  
PLAR

#### For further information contact:

Adult Learning and Literacy  
310 - 800 Portage Avenue  
Winnipeg, Manitoba R3G 0N4  
Phone: (204) 945-8012 Fax (204) 948-1008  
[www.edu.gov.mb.ca/aet/all/index.html](http://www.edu.gov.mb.ca/aet/all/index.html)



## TABLE OF CONTENTS

---

Introduction .....	1
Accounting Systems Course 40S Learning Outcomes.....	2
Course Resources.....	12
Basic Accounting Skills Checklist .....	13
Basic Computerized Accounting Checklist .....	14
Basic Computer Skills Checklist.....	15
PLAR Challenge Process Assessment .....	16
Self-Assessment Checklist.....	17
PLAR Challenge Process.....	25
The Next Step .....	28



## INTRODUCTION

---

Accounting Systems 40S is an advanced-level course for students who want to continue to develop their knowledge of manual and computerized accounting systems.

Upon completion of the Accounting Systems 40S course, students will:

- Understand the nature of accounting and the accounting cycle
- Demonstrate accounting-related skills, including analysis and interpretation
- Use the processes of accounting for problem solving and decision making
- Demonstrate knowledge about the integration of accounting and technology
- Use technology to enhance accounting procedures
- Pursue interests that lead to an enriched lifestyle and life-long learning

If you have sufficient skills in these areas, you may be able to obtain full or partial credit for this course through Prior Learning Assessment and Recognition (PLAR).

The document contains the general course learning outcomes for Accounting Systems 40S, along with a self-assessment checklist of all of the specific learning outcomes covered in the course. After completing the checklist, you will be able to determine if you have enough prior learning to go through the PLAR process for this course.

The PLAR process for Accounting Systems 40S is outlined in this document. By completing the PLAR process in its entirety and achieving the minimum standard, you may receive credit for Accounting Systems 40S without taking the course.



## ACCOUNTING SYSTEMS 40S COURSE LEARNING OUTCOMES

---

After completing the course, students will be able to:

### **UNIT 1: Orientation**

#### **1. General Outcome: discuss the importance of interpersonal and management skills in the accounting field**

- 1.1. Recognize the importance of setting realistic goals
- 1.2. Outline the requirements for post-secondary accounting education
- 1.3. Compare the relationship between accounting and employment opportunities
- 1.4. Apply techniques of management, communication, and technical skills
- 1.5. Demonstrate the correct method of completing accounting assignments with a pen
- 1.6. Demonstrate the accepted method of correcting errors
- 1.7. Discuss the application of ethics in the workplace

#### **2. General Outcome: integrate technology into assignment preparation**

- 2.1. Explain the importance of integrating technology and communication
- 2.2. Prepare and present an oral presentation
- 2.3. Compose and write e-mail documents
- 2.4. Customize a template for assignments and case studies

#### **3. General Outcome: discuss the need for accounting systems and the accounting cycle**

- 3.1. Explain the need for accounting systems
- 3.2. Analyze and record transactions relating to the accounting cycle
- 3.3. Produce financial statements
- 3.4. Apply appropriate accounting principles and concepts
- 3.5. Compare and contrast a manual accounting cycle with a computerized accounting cycle
- 3.6. Explain the importance of accounting principles and concepts

#### **4. General Outcome: use technical skills to research and prepare reports**

- 4.1. Apply required research techniques
- 4.2. Prepare a report

### **UNIT 2: Introduction to Adjusting Entries**

#### **5. General Outcome: analyze and record adjusting entries**

- 5.1. Explain the need for adjusting entries
- 5.2. Define prepaid expenses
- 5.3. Distinguish between accumulated amortization and amortization expense
- 5.4. Differentiate between straight-line and declining balance methods of calculating amortization
- 5.5. Analyze and record amortization in the adjustment columns of a worksheet
- 5.6. Complete the adjusted trial balance section of a worksheet
- 5.7. Extend, total and rule a worksheet
- 5.8. Interpret the impact of adjusting entries on net income or net loss
- 5.9. Journalize and post adjusting entries
- 5.10. Apply appropriate accounting principles and concepts
- 5.11. Insert formulas into a worksheet template
- 5.12. Analyze and record adjusting entries on a worksheet template
- 5.13. Prepare financial statements after adjustments
- 5.14. Complete an accounting cycle using accounting software
- 5.15. Compose and send an e-mail attaching a report file

### **UNIT 3: Merchandise Purchases and Sales**

#### **6. General Outcome: recognize terminology related to purchasing merchandise**

- 6.1. Compare and contrast service business, merchandising business and manufacturing business
- 6.2. Distinguish between purchase requisition and purchase order
- 6.3. Analyze a purchase invoice
- 6.4. Differentiate between FOB destination and FOB shipping point
- 6.5. Explain the implication of GST, duties and exchange rates on purchase transactions
- 6.6. Apply appropriate accounting principles and concepts

#### **7. General Outcome: demonstrate the accounting required for purchase transactions**

- 7.1. Explain the need for the purchases account
- 7.2. Explain the purpose of the GST recoverable account
- 7.3. Explain the need for the freight-in account
- 7.4. Discuss the need for the subsidiary ledger system



## ACCOUNTING SYSTEMS 40S COURSE LEARNING OUTCOMES

---

- 7.5. Define accounts payable control account
- 7.6. Open the general ledger and accounts payable subsidiary ledger
- 7.7. Analyze and record a purchase invoice in a multicolumn journal and post directly to the subsidiary ledger
- 7.8. Compare and contrast purchase returns and purchase allowances for credit purchases
- 7.9. Analyze and record a credit memo for a credit purchase
- 7.10. Prove and rule a multicolumn journal
- 7.11. Post the multicolumn journal totals to the general ledger
- 7.12. Prepare a schedule of accounts payable
- 7.13. Apply the appropriate accounting principles

### **8. General Outcome: recognize the terminology related to selling merchandise**

- 8.1. Analyze a sales invoice
- 8.2. Differentiate between freight-in and delivery expense
- 8.3. Explain the implication of GST and PST on sales transactions
- 8.4. Apply appropriate accounting principles and concepts

### **9. General Outcome: demonstrate the accounting required for sales transactions**

- 9.1. Explain the need for the sales account
- 9.2. Recognize the need for the delivery expense account
- 9.3. Distinguish between GST payable and PST payable accounts
- 9.4. Define accounts receivable control account
- 9.5. Open the general ledger and the accounts receivable subsidiary ledger
- 9.6. Analyze and record a sales invoice in the multicolumn journal and post the transaction directly to the subsidiary ledger
- 9.7. Compare and contrast sales returns and sales allowances for credit sales
- 9.8. Analyze and record a debit memo for a credit sale
- 9.9. Prove and rule a multicolumn journal
- 9.10. Post the multicolumn journal totals to the general ledger
- 9.11. Prepare a schedule of accounts receivable
- 9.12. Research and compose a letter accepting or rejecting credit
- 9.13. Analyze and solve case studies

### **UNIT 4: Merchandise Payments and Receipts**

#### **10. General Outcome: demonstrate accounting required for cash payments transactions**

- 10.1. Differentiate between cash and credit purchases
- 10.2. Compare and contrast purchase returns and purchase allowances for cash purchases
- 10.3. Analyze and record a credit memorandum for a cash purchase
- 10.4. Explain the process of paying for credit purchases
- 10.5. Explain the implication of discounts on credit purchase transactions
- 10.6. Calculate the discount and the net amount of a credit purchase
- 10.7. Explain the need for the purchases discount account
- 10.8. Define requisition for payment
- 10.9. Analyze and record the payment of a purchase invoice in the multicolumn journal and post the transaction directly to the subsidiary ledger
- 10.10. Prove and rule the multicolumn journal
- 10.11. Post the multicolumn journal totals to the general ledger
- 10.12. Prepare a schedule of accounts payable
- 10.13. Apply appropriate accounting principles and concepts

#### **11. General outcome: demonstrate accounting required for cash receipts transactions**

- 11.1. Differentiate between cash and credit sales
- 11.2. Compare and contrast sales returns and sales allowances for cash sale
- 11.3. Explain the need for the sales discount account
- 11.4. Analyze and record a debit memorandum for a cash sale
- 11.5. Recognize the implication of discounts on credit sales transactions
- 11.6. Analyze and record a cash receipt slip in a multicolumn journal and post directly to the subsidiary ledger
- 11.7. Prove and rule the multicolumn journal
- 11.8. Post multicolumn journal totals to the general ledger
- 11.9. Prepare a schedule of accounts receivable
- 11.10. Apply appropriate accounting principles and concepts
- 11.11. Complete a computerized special journals project electronically and manually
- 11.12. Display customer statements and GST and PST reports
- 11.13. Send an email memo

### **UNIT 5: Merchandise Inventory**

#### **12. General outcome: recognize the need for different merchandise inventory systems and the effects of inventory on the financial statements**

- 12.1. Define merchandise inventory
- 12.2. Distinguish between perpetual and periodic inventory systems
- 12.3. Analyze and compare journal entries for perpetual and periodic inventory systems
- 12.4. Discuss the implications and benefits of a computerized inventory system
- 12.5. Recognize the impact of inventory control on the value of the merchandise inventory
- 12.6. Compare and contrast merchandise inventory account and inventory shortage account
- 12.7. Prepare a Schedule of Cost of Goods Sold
- 12.8. Prepare a partial income statement reflecting gross profit
- 12.9. Prepare a partial balance sheet reflecting current assets
- 12.10. Analyze and record the closing entries for a merchandising business
- 12.11. Apply appropriate accounting principles and concepts

#### **13. General outcomes: complete a computerized merchandise business project and computerized interim statements and reports**

- 13.1. Save beginning interim financial statements to a word processing file
- 13.2. Complete a merchandising business project
- 13.3. Save ending interim financial statements to a word processing file
- 13.4. Save GST and PST Payable reports to a word processing file
- 13.5. Save a customer statement to a word processing file
- 13.6. Save an age analysis report to a word processing file
- 13.7. Prepare a research report

### **UNIT 6: Computerized Accounting Data**

#### **14. General Outcome: create, record and customize computerized accounting records**

- 14.1. Create, save and print a chart of accounts
- 14.2. Record opening balances and prepare general ledger to receive transactions
- 14.3. Make a backup copy
- 14.4. Create and customize inventory and job costing modules
- 14.5. Create and customize vendor, customer and payroll information





## ACCOUNTING SYSTEMS 40S COURSE LEARNING OUTCOMES

---

- 14.6. Prepare inventory, accounts payable, accounts receivable and payroll ledgers to receive transactions
- 14.7. Make archival and working copies
- 14.8. Display graphs and reports
- 14.9. Perform month-end procedures
- 14.10. Perform year-end procedures

### **15. General Outcome: maintain computerized accounting records**

- 15.1. Use starter files to set up a chart of accounts
- 15.2. Enter general ledger history from latest balance sheet
- 15.3. Create a budget
- 15.4. Set up bank reconciliation
- 15.5. Add new employees to payroll module
- 15.6. Insert inventory items and project records
- 15.7. Record discounts, credit notes and prepayments
- 15.8. Record purchase orders
- 15.9. Enter inventory and non-inventory purchases
- 15.10. Remit payroll deductions and GST to the Receiver General
- 15.11. Record inventory adjustments and transfers
- 15.12. Reconcile a bank statement
- 15.13. Record adjusting entries
- 15.14. Display graphs and reports

### **16. General Outcome: set up and process computerized accounting records for an accounting period**

- 16.1. Set up a chart of accounts
- 16.2. Enter opening balance and prepare general ledger to receive transactions
- 16.3. Analyze and record transactions on data entry sheets
- 16.4. Journalize and post transactions from data entry sheets
- 16.5. Generate trial balance and financial statements
- 16.6. Display graphs and reports
- 16.7. Performs month-end procedures
- 16.8. Analyze and record adjusting entries on data entry sheets
- 16.9. Journalize and post adjusting entries from data entry sheets
- 16.10. Make backup copy

### **UNIT 7: Special Transactions**

#### **17. General Outcomes: explain the impact of electronic commerce, and analyze and record electronic banking transactions**

- 17.1. Explain the concept of internet banking
- 17.2. Differentiate between bank credit cards and nonbank credit cards
- 17.3. Calculate credit card discount expense
- 17.4. Explain credit card drafts
- 17.5. Distinguish between debit cards and smart cards
- 17.6. Calculate debit card discount expense
- 17.7. Analyze and record daily bank credit card drafts, card discount expense, PST and GST in a multicolumn journal
- 17.8. Analyze and record nonbank credit card drafts, card discount expense, PST and GST in a multicolumn journal
- 17.9. Analyze and record in a multicolumn journal returns and allowances for credit card sales
- 17.10. Analyze and record debit card transactions, including GST and PST in a multicolumn journal
- 17.11. Analyze and record returns and allowances for debit card transactions, including GST and PST in a multicolumn journal
- 17.12. Analyze and record smart card transactions, including GST and PST in a multicolumn journal

#### **18. General outcome: analyze and record the government remittances of the GST and the PST**

- 18.1. Define input tax credit
- 18.2. Differentiate between GST recoverable/refundable and GST payable accounts
- 18.3. Analyze and record in a multicolumn journal the remittance of the GST to the federal government
- 18.4. Explain the sales tax commission account
- 18.5. Analyze and record in a multicolumn journal, the remittance of the PST (including sales tax commission) to the provincial government

#### **19. General Outcome: use technology to prepare reports**

- 19.1. Prepare a research report
- 19.2. Compose and send an e-mail document attaching a GST and PST report

### **UNIT 8: Completing the Accounting Cycle**

#### **20. General outcome: examine, analyze, calculate and record bad debts**

- 20.1. Examine and analyze uncollectible accounts receivable
- 20.2. Calculate and record the uncollectible amount using the direct-write off method
- 20.3. Explain the need for an allowance for doubtful/bad debts account
- 20.4. Differentiate between the bad debts expense account and the allowance for doubtful/bad debts account
- 20.5. Distinguish between the balance sheet and income statement methods of estimating bad debts
- 20.6. Estimate the bad debts expense using the balance sheet method
- 20.7. Analyze and record the bad debts expense using the balance sheet method
- 20.8. Estimate the bad debts expense using the income statement method
- 20.9. Analyze and record the bad debts expense using the income statement method
- 20.10. Interpret the balance of the allowance for doubtful/bad debts account
- 20.11. Analyze and record the entry for writing off an uncollectible account
- 20.12. Analyze and record the entry for recovering a bad debt
- 20.13. Apply appropriate accounting principles and concepts

#### **21. General Outcome: calculate, analyze, and record entries for accrued expenses and revenues**

- 21.1. Distinguish between accrued expenses and accrued revenue
- 21.2. Calculate the accrued expenses
- 21.3. Analyze and record the entries for accrued expenses
- 21.4. Calculate the accrued revenue
- 21.5. Analyze and record the entries for accrued revenues
- 21.6. Apply the appropriate accounting principle

#### **22. General outcome: calculate, analyze, and record unearned revenue entries**

- 22.1. Distinguish between accrued and unearned revenues
- 22.2. Calculate the unearned revenue
- 22.3. Analyze and record unearned revenue entries
- 22.4. Apply the appropriate accounting principle

### **23. General outcome: use technology to prepare reports and analyze and solve case studies**

- 23.1. Analyze and interpret an age analysis report
- 23.2. Compose and send an e-mail document attaching an age analysis report
- 23.3. Compare and contrast the profit change in interim financial statements
- 23.4. Compose and send an e-mail document attaching interim statements

### **UNIT 9: Analyzing and Interpreting Corporate Financial Statements**

### **24. General outcome: analyze and interpret income statements**

- 24.1. Differentiate between condensed and comparative income statements
- 24.2. Analyze and interpret comparative income statements
- 24.3. Analyze and interpret condensed income statements
- 24.4. Interpret financial data using trend analysis
- 24.5. Apply the appropriate accounting principle

### **25. General outcomes: identify the elements used in various ratios, and calculate and analyze balance sheet ratios**

- 25.1. Identify the equity section of a corporate balance sheet
- 25.2. Differentiate between owner's equity and shareholders' equity
- 25.3. Distinguish between common and preferred shares
- 25.4. Define retained earnings
- 25.5. Compare and contrast equity per share, market value per share and price-earnings ratio
- 25.6. Interpret the shareholder's equity section of a balance sheet
- 25.7. Compare and contrast liquidity, borrowing capacity and profitability ratios
- 25.8. Calculate and interpret the working capital ratio
- 25.9. Calculate the quick ratio
- 25.10. Calculate the equity and debt ratio
- 25.11. Calculate the rate of return on a share
- 25.12. Analyze the effect of balance sheet ratios

**26. General outcome: analyze and prepare a computerized report comparing corporate financial statements**

- 26.1. Analyze corporate financial statements using comparative case studies
- 26.2. Prepare a written analysis report
- 26.3. Compose and send an e-mail memorandum with an attached analysis report

**UNIT 10: Computerized Business Applications**

**27. General outcomes: analyze and record transactions for one month and perform month-end procedures and adjustments using a computerized system**

- 27.1. Create a chart of accounts
- 27.2. Set up general ledger, vendor information, customer information and payroll information
- 27.3. Record opening balances on a data entry sheet
- 27.4. Generate the trial balance and interim financial statements
- 27.5. Prepare ledgers to receive transactions
- 27.6. Analyze and record transactions for one month on data entry sheets
- 27.7. Journalize and post entries from data entry sheet transactions for first and second months
- 27.8. Perform month-end procedures, including adjustments
- 27.9. Perform year-end procedures
- 27.10. Prepare a project evaluation report
- 27.11. Compose and send an email memorandum with an attached report



## COURSE RESOURCES

---

The following is a list of resources used in this course.

**AccPac International.** *Simply Accounting for Windows (version 7 and up)*. Vancouver, BC: AccPacInternational, 200

**MasterTrak,** *Simply Accounting for Windows, Level I*. Maple Ridge, BC: Computer Courseware International Learning Solutions Inc. ISBN:

**MasterTrak,** *Simply Accounting for Windows, Level II*. Maple Ridge, BC: Computer Courseware International Learning Solutions Inc. ISBN:

**Microsoft Windows,** *Word and Excel (97 and newer)*, access to the internet and email

**D'amico, Vic, et al.** *Principles of Accounting* Second edition. Toronto: Addison-Wesley Longman, 1994. ISBN: 0-7730-5264-X

*Student Guide and Working Papers for Principles of Accounting, Second Edition* (for the above text).

### References:

Kaluza, Henry J., Murray B. Howard, Janet L. Kennedy Ambacher and Darryl Slywchuk. *Accounting: A Systems Approach*. Third Edition. Toronto: McGraw-Hill Ryerson, 1991. ISBN: 0-07-549679-8

Syme, G.E., and T.W. Ireland. *Accounting 1*. Fifth Edition. Scarborough, ON: Prentice-Hall, 1993 ISBN: 0-13-333825-8

## BASIC ACCOUNTING SKILLS CHECKLIST

The following list summarizes basic accounting fundamentals you should know before beginning this PLAR assessment.

	Function	Yes ✓	No ✓	Comments
1	Assets, liabilities and equity			
2	Debits and credits			
3	Balance sheet			
4	Trial balance			
5	Income statement			
6	Ledger accounts			
7	Entering journal transactions			
8	Posting transactions			
9	Entering payables and receivables transactions			
10	Process payroll transactions			
11	Bank accounting			
12	Bank reconciliation			
13	Accounting cycle (source documents, journalize, post, trial balance, income statement, balance sheet, adjusting entries, worksheet, closing entries, post closing trial balance)			

## BASIC COMPUTERIZED ACCOUNTING CHECKLIST

The computerized unit of Accounting 40S is designed for students who can complete a computerized accounting cycle. It is not an introductory course for those who have little or no experience with accounting software. Review the following checklist and ensure that you are familiar with these skills.

	Function	Yes ✓	No ✓	Comments
1	Main components of the Simply Accounting screen and the program's terminology			
2	Simply Accounting help system			
3	Change company information			
4	Create, modify and remove general ledger accounts			
5	View and print the Chart of Accounts			
6	Enter and adjust General Journal entries			
7	Use and change the Session date			
8	Check the integrity of a data file			
9	Back up and restore a data file			
10	Display and print reports for the general ledger			
11	Display and print reports of the financial statements			
12	Perform month-end and year-end activities			





## BASIC COMPUTER SKILLS CHECKLIST

---

In addition to computerized accounting, students use a computer to perform basic tasks. Review the following list and make sure you can do the following.

	Function	Yes ✓	No ✓	Comments
1	Start and exit Windows			
2	Manage a program screen (minimize, maximize, restore, move, size)			
3	Use a word processor to create and edit basic business documents			
4	Use a spreadsheet to create and edit simple workbooks, including formulas and functions			
5	Apply basic formatting features			
6	Change page layout for word processing and spread sheet documents			
7	Create email messages			
8	Attach a file to an email			
9	Copy files onto a disk			



## PLAR CHALLENGE PROCESS ASSESSMENT

---

**Course:** Senior 4 Accounting Systems  
**Course Number:** 40S

### Self-Assessment Checklist

The checklist indicates all of the learning outcomes covered in the Accounting Systems 40S course. Use it to measure your abilities in the different areas and uncover weak areas. If you have at least 69 Yes check marks, you are in a good position to be successful in the PLAR Challenge Process. If you have anywhere from 56 to 68 Yes checkmarks, you can proceed with the PLAR Challenge Process if you feel that you can prepare yourself to perform the balance of the learning outcomes. Fewer than 56 checkmarks means that you would likely not be successful in the challenge PLAR Challenge Process and you should take the Accounting Systems 40S course.

### PLAR Challenge Assessment Process

Once you have completed the self-assessment and decide that you are ready to challenge Accounting Systems 40S course or individual units, go on to the Assessment section. The Assessment section outlines different assessment procedures that you might go through in order to receive recognition for this course (or a unit) through the PLAR process.

**NOTE:** Individual adult learning centers may have other requirements. Speak to the PLAR advisor for more information.



## SELF-ASSESSMENT CHECKLIST

---

Check the box to show whether you can perform the function.

### UNIT 1: Orientation

	Function	Yes ✓	No ✓	Comments
1	Identify and research the programs for post-secondary accounting education using the Internet and other sources			
2	Identify employment opportunities that require an accounting background			
3	Prepare a proper business letter, business memorandum, and E-mail using a word processor			
4	Prepare an outline and a report using a word processor			
5	Use the accepted method of correcting errors on paper			
6	Discuss the application of ethics in the workplace			
7	Explain the importance of integrating technology and communication			
8	Define common accounting terminology			
9	Record and post transactions for an accounting period			
10	Prepare a trial balance			
11	Prepare an income statement and classified balance sheet			



## SELF-ASSESSMENT CHECKLIST

---

### UNIT 2: Introduction to Adjusting Entries

	Function	Yes ✓	No ✓	Comments
1	Analyze and record prepaid expenses			
2	Calculate and record amortization using the straight-line and declining balance methods			
3	Journalize and post the adjusting entries			
4	Record adjustments on a computerized worksheet			
5	Create financial statements after adjustments			
6	Complete a computerized accounting cycle project			
7	Print reports			
8	Save data file			
9	Back up data using a different file name			

## SELF-ASSESSMENT CHECKLIST

### UNITS 3 & 4: Merchandising

	Function	Yes ✓	No ✓	Comments
1	Compare and contrast service business, merchandising business and manufacturing business			
2	Record transactions involving purchases, GST Recoverable, freight-in, purchases returns and allowances, purchases discounts, and credit memos			
3	Prepare schedules			
4	Record and post transactions involving sales, GST Payable, PST Payable, delivery expense, sales returns and allowances, sales discounts, and debit memos			
5	Prepare, total, rule, prove and post multicolumn journal			
6	Prepare financial statements related to purchases and sales			
7	Create journal entries to record the payment of GST and PST			
8	Differentiate between cash and credit purchases			
9	Journalize the payment of a purchase invoice and post to the subsidiary ledger			
10	Record cash receipt slip and post directly to the subsidiary ledger			
11	Print a chart of accounts			
12	Journalize and post source documents to special journals			
13	Print the special journals and subsidiary ledgers			
14	Print customer statements and GST and PST reports			



## SELF-ASSESSMENT CHECKLIST

---

### UNIT 5: Merchandise Inventory

	Function	Yes ✓	No ✓	Comments
1	Define merchandise inventory			
2	Prepare journal entries for perpetual and periodic inventory systems			
3	Explain the need for a physical inventory count			
4	Explain the purpose of the inventory shortage account			
5	Calculate inventory using the FIFO and average cost methods			
6	Update the merchandise inventory account at period end			
7	Prepare a Schedule of Cost of Goods Sold			
8	Prepare closing entries for a merchandising business			
9	Complete a computerized merchandise business project			
10	Print interim statements and reports: GST and PST Payable, customer statement, and an age analysis			
11	Save interim financial statements and reports to a word processing file			



## SELF-ASSESSMENT CHECKLIST

---

### UNIT 6: Computerized Accounting Data

	Function	Yes ✓	No ✓	Comments
1	Convert a manual merchandising business file to a computerized file			
2	Create and customize inventory and job costing modules			
3	Prepare inventory ledger to receive transactions			
4	Create and customize vendor, customer and payroll information			
5	Prepare accounts payable, accounts receivable and payroll ledgers to receive transactions			
6	Display graphs and reports			
7	Perform month-end and year-end procedures			
8	Create a budget			
9	Set up and reconcile a bank reconciliation			
10	Reconcile a bank statement			
11	Record purchase orders and purchase invoices			
12	Record inventory adjustments and transfers			
13	Enter non-inventory purchases			
14	Remit payroll deductions and GST to Receiver General			

## SELF-ASSESSMENT CHECKLIST

### UNIT 7: Special Transactions

	Function	Yes ✓	No ✓	Comments
1	Explain the concept of Internet banking			
2	Calculate debit card and credit card discount expenses			
3	Record bank credit card drafts, nonbank credit card drafts, card discount expense, PST and GST			
4	Record returns and allowances for credit card, debit card and smart card sales			
5	Record the remittance of the GST to the federal government			
6	Analyze and record the remittance of the PST (including sales tax commission) to the provincial government			

### UNIT 8: Completing the Accounting Cycle

	Function	Yes ✓	No ✓	Comments
1	Analyze and record uncollectible amounts using the direct-write off method			
2	Explain the difference between Bad Debts Expense and the Allowance for Doubtful/Bad Debts			
3	Calculate and record bad debts using the balance sheet and income statement methods			
4	Record the entry for writing off and recovering an uncollectible account			
5	Calculate and record journal entries for accrued expenses and revenues			
6	Calculate and record unearned revenue entries			
7	Analyze an age analysis report			
8	Compare and contrast the profit change in interim financial statements			





## SELF-ASSESSMENT CHECKLIST

---

### UNIT 9: Analyzing and Interpreting Corporate Financial Statements

	Function	Yes ✓	No ✓	Comments
1	Analyze and interpret condensed and comparative income statements			
2	Analyze and interpret financial data using trend analysis			
3	Explain the equity section of a corporate balance sheet			
4	Differentiate between owner's equity and shareholder's equity			
5	Distinguish between common and preferred stocks			
6	Calculate and interpret equity per share, market value per share and price earnings ratio			
7	Compare and contrast liquidity, borrowing capacity and profitability ratios			
8	Calculate and interpret the working capital ratio			
9	Calculate and interpret the quick ratio			
10	Calculate and interpret the equity and debt ratio			
11	Calculate the rate of return on a share			
12	Analyze the effect of balance sheet ratios			

## SELF-ASSESSMENT CHECKLIST

### SCORING

Total number of **yes** checkmarks from your self-assessment.

✓ = \_\_\_\_\_

Total possible number of checkmarks is **85**.

**Discuss your results with an Adult Learning Centre PLAR Advisor.**

### SUGGESTED COURSE OF ACTION

<b>69 - 85</b> ✓	<b>56 - 68</b> ✓	<b>Less than 56</b> ✓
You have a good chance of succeeding in the PLAR process	You could proceed with the challenge process after self study to improve in weak areas	Take the Accounting 40S course. It is unlikely that you would be successful in the PLAR process.

## PLAR CHALLENGE PROCESS

---

If you feel that your current skills and knowledge match or exceed what is being taught in the Senior 4 Accounting Systems course, you can move ahead with the PLAR process. The PLAR process can consist of any of the following methods of evaluating your knowledge of all or specific units of the course. These are examples of some of the assessment tools that can be used by PLAR assessors; individual learning centers may use other evaluation methods.

### **Case Studies:**

**Sample 1:** For each of the following errors, indicate:

- what effect the error would have on the balance sheet
- what effect the error would have on the income statement
- when the error might be found
- the journal entry required to correct the error
  - i. A \$4,500.00 debit was made to Purchases instead of to Office Equipment
  - ii. A \$200.00 debit was made to Office Supplies, instead of to Sales Returns and Allowances
  - iii. A \$700.00 debit was made to Merchandise Inventory instead of to Purchases
  - iv. A \$500.00 credit was made to Sales Returns and Allowances, instead of to Purchases Returns and Allowances
  - v. A \$980.00 debit was made to Office Expense, instead of to Purchases
  - vi. A \$2,400.00 adjustment for bad debts was omitted

**Sample 2** – Carolina Arentewich considers investing in some corporate stock. She has studied numerous corporations and has narrowed her investment choice to two companies. The following is a summary of information about the two corporations stocks. Which corporation's stock do you suggest Carolina buy? Explain your answer.

	<b>Corp. A</b>	<b>Corp. B</b>
Market price per share	\$100.00	\$ 50.00
Equity per share	60.00	140.00
Earnings per share	25.40	23.00
Price-earnings ratio	3.94 times	2.17 times

### **Task Specific Assignments**

- Record transactions in a general or multicolumn journal
- Complete a set of books for an accounting cycle
- Modify existing computer files to record transactions
- Create a new company using computer software and record transactions

### **Interview/Demonstration**

- Bring samples of your work and discuss accounting procedures, computer file setup, etc.  
Documentation can include:
  - vii. financial statements
  - viii. files on disk/CD
  - ix. spreadsheet template
  - x. business letters
  - xi. invoices/purchase orders
  - xii. technical report and outline
  - xiii. letter of validation (from employer or previous school)

### **Reflections on Samples**

- Reflections include thoughts and feelings about your accounting skills and accomplishments.
- Sample reflection questions can include:
  - What have you produced?
  - What accounting principles did you apply in producing your work?
  - What new knowledge have you gained?
  - What was the most difficult part of completing the work?
  - Why do you think it was difficult or easy for you?
  - What was the most satisfying thing that happened?

**Tests - Sample Questions**

Short Answer (answer is bolded)

1. To record a cash refund to a customer for goods returned, debit **Sales Returns and Allowances** and credit **Cash**.
2. A group of accounts of one type is a **subsidiary ledger**.
3. The two methods used to estimate the amount of bad debts are **the income statement method and the balance sheet method**.
4. The relationship between current assets and current liabilities is called **current ratio**.
5. A worksheet has a debit total of \$120,000.00 in the income statement section, and a debit total of \$85,000.00. Is there a net income or net loss, and how much? **Net loss of \$5 000.00**.
6. Prepare the adjusting entries for the month of May.
  - Supplies, May 1, \$1 200.00. Balance of supplies on May 31, \$300.00
  - On May 1, \$8,000.00 was paid for rent for the period of May 1 to August 31.
  - Balance in the Automobile account, \$36 000.00. Accumulated Depreciation account, May 1, \$12 000.00. Depreciation rate is 30 per cent per year.

200-	Explanation	Debit	Credit
May 31	Supplies Expense	900	
	Supplies		900
May 31	Rent Expense	2 000	
	Prepaid Rent		2 000
May 31	Depreciation Exp./Automobile	600	
	Accum. Dep./Automobile		600

7. Prepare a Schedule of Cost of Goods Sold: May 1 Inventory, \$30,000.00; Purchases, \$20,000.00; Purchases Returns and Allowances, \$1,000.00; Transportation on Purchases, \$2,000.00; May 31 Inventory, \$33,000.00.  
 Cost of Goods Sold = **\$18,000.00**



## THE NEXT STEP

---

Now that you are confident in proceeding with the challenge process for Accounting Systems 40S, it is time to apply for and complete the challenge assessment.

- 1** Complete an application at your adult learning center.
- 2** After your application has been processed, you will be contacted with the date and time available for you to complete your PLAR assessment.
- 3** Once you have committed to that date, you are responsible for completing your evaluation/testing.
- 4** You will receive written notification of your PLAR results.