**North East School Division**

**Unpacking Outcomes Module 17: Sales and Purchases Accounts (Core)**

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| **Unpacking the Outcome** | | |
| Assess --> sales  Assess --> purchase accounts | | |
| **Outcome**(circle the verb and underline the qualifiers) | | |
| Assess sales and purchase accounts for a merchandising business. | | |
| **KNOW** | **UNDERSTAND** | **BE ABLE TO DO** |
| Vocabulary:  Contra Account  Subsidiary Ledger  Control Account  Special Journals  Sales taxes  source documents  Invoice  returns and allowances    Discounts  Invoice and transportation costs (e.g., freight-in, free on board destination).  Terms of Sale | That  Transactions involving purchases and sales of merchandise for cash and on account are analyzed and journalized.  Contra accounts are connected to both Sales and purchases and affect the journal entries and the statements  There are various journals that can be used to record transactions (other than general journal) both manually and electronically  Terms of sale affects the discounts allowed and overall price of the item and deadline for discounts earned and discounts allowed.  A sales invoice and all source documents need to contain all relevant information. (review from Acc 10)  Subsidiary ledgers are used to provide both detailed records and a method of double checking the accuracy of your posting | 1. Distinguish between cash and on account transactions. 2. Analyze sales tax as a liability in a business and how it is calculated on sales transactions.(Could be review of grade 10) 3. Assess discounts and how they apply to purchases (e.g., 2/10 n/30 – 2% off if paid within 10 days or net 30) in a merchandising business. 4. Analyze the effect that sales returns and discounts have on original sales transactions. 5. Implement contra accounts to record returns and allowances transactions. 6. Analyze a sales invoice to see if all relevant components including seller, buyer, date, quantity, date, amount, item, tax, terms and total are noted. 7. Implement the use of special journals (e.g., purchases, cash payments, sales, cash receipts, departmental journals). 8. Organize transactions into the appropriate sales or purchase journals. 9. Distinguish between the general ledger and the subsidiary ledgers. 10. Discuss how the controlling accounts receivable and the controlling accounts payable account summarize all accounts from the subsidiary ledgers. 11. Produce a schedule of accounts payable and accounts receivable ensuring the total matches the appropriate controlling account. 12. Post sales on account transactions, totals, merchandise purchases, cash receipts and cash payments to the appropriate ledger or column. 13. Critique how cash on delivery (COD), on account, charge, discounts and returns all impact the sales revenue of a merchandising business. 14. Explain how sales and related accounts are the main source of revenue in a merchandising business. 15. Classify purchases and related accounts (e.g., source documents, invoice, returns and allowances, discounts) as well as invoice and transportation costs (e.g., freight-in, free on board destination). 16. Explain purchases and its related accounts as being the main record of costs of the merchandise for resale in a periodic inventory system. 17. Apply generally accepted accounting principles (GAAP) to sales and purchases. |
| **ESSENTIAL QUESTIONS** | | |
| How do you analyze and journalize transactions that are specific to a merchandising business?  What do you do if your journal doesn’t balance?  How do you check the accuracy of your work? | | |