



## Accounting Basics 101 | Lesson Plan

How does accounting help individuals and businesses manage their finances effectively?

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Students will be introduced to the fundamental concepts of accounting, including single-entry and double-entry bookkeeping, to help them understand how financial transactions are recorded and managed effectively and gain insight into the importance of accurate financial tracking.

### Learning Objectives:

- Describe the basic principles of accounting.
- Differentiate between single-entry and double-entry bookkeeping.
- Identify key vocabulary terms related to accounting.

### Key Vocabulary:

- **Accounting:** The work of tracking financial transactions.
- **Single-Entry Bookkeeping:** Accounting method where one entry is made for each transaction.
- **Double-Entry Bookkeeping:** Accounting method where every transaction is recorded in at least two accounts as a debit or credit.
- **Income:** Money earned or received.
- **Expense:** Money spent or used.
- **Assets:** Things a business owns.
- **Liabilities:** Things a business owes.
- **Equity:** The value of assets minus liabilities, representing ownership interest.

**Educational Standards:** CCRA.R.7, CCRA.R.10, CCRA.W.2, CCRA.W.4, CCRA.W.7, CCRA.SL.1, CCRA.SL.2, CCRA.L.6

**Academic Subject Areas:** Financial Literacy, Finances, Life Skills

### What You'll Need

- Video: *Ca\$h Course: Accounting 101* (Watch [Here](#))
- Worksheet: *Ca\$h Course: Accounting 101* (Click [Here](#))
- Play money

### Lesson Plan (45 mins.)

Warm-Up: (10 mins.)

1. Start the lesson by telling students they will participate in a Money Management Challenge. Divide students into small groups. Distribute play money to each group. (Each group can have a varied amount or the same amount of money.)



Scan to watch episode:

2. Define the key vocabulary terms: *income* and *expenses*.
3. Explain that you will read off possible scenarios that students might encounter in their lives. Their task is to determine if the event is a form of *income* or an *expense*. After they have determined, pay the groups if it is a form of income and collect money from them if it is an expense. They will then calculate the total amount of money left at the warm-up's end. Possible scenarios include:
  - Getting \$20 for your birthday. (income)
  - Buying a new pair of pants for \$35. (expense)
  - Earning \$10 for mowing the lawn for a neighbor. (income)
  - Grabbing some treats at a coffee shop for you and a friend for \$15. (expense)
  - Paying \$12.00 for your little brother's new toy. (expense)
  - Buying your mom a card for Mother's Day for \$5. (expense)
4. Have students share how much money they ended up with. Ask students to reflect on their experiences. Did they find it easy or challenging to manage their money?
5. Introduce the concept of accounting as a systematic way to track income and expenses, similar to what they did in the challenge. Emphasize the importance of budgeting and financial planning in everyday life and in running a business.

Watch and Apply: (25 mins.)

1. Announce that the class will watch *Ca\$h Cour\$e: Accounting 101*.
2. Distribute the "Ca\$h Cour\$e: Accounting 101 Worksheet" for students to complete independently. Allow 10 minutes for this task.
3. Review the worksheet answers as a class, addressing areas where students need help or clarification. These can also be collected as a formative assessment.

Wrap-Up: (10 mins.)

1. Recap the lesson objectives. Have students discuss the advantages and disadvantages of single vs. double-entry bookkeeping.
2. Connect the lesson to students' lives by asking them to think about how they manage their own money and expenses.
3. Emphasize the importance of accurate accounting in personal finances and in running a business.

**Don't have time for the full lesson? Quick Activity (10-15 mins.)**

Distribute the worksheet and allow students to complete it while they follow along with the video. Or, have students watch the video at home and use the worksheet as a quick quiz the next day in class.