



What's in the Books?

EPISODE #507

ACTIVITIES & LESSONS

LESSON LEVEL

Grades 9-12

KEY TOPICS

- Bookkeeping and accounting
- Income and expenses
- Profit and loss

LEARNING OBJECTIVES

1. Learn why and how a business needs to keep track of income and expenses.
2. Learn the difference between bookkeeping and accounting.
3. Learn financial terms.

EPISODE SYNOPSIS

Poor recordkeeping adds up to lost money. This episode examines bookkeeping and accounting, income and expenses, and profit and loss. It gives tips on how to get over math anxiety. It's all in the books!

NATIONAL STANDARDS CORRELATIONS

Aligned to *National Financial Literacy Standards* from the **JumpStart Coalition for Personal Financial Literacy**.

Financial Responsibility and Decision Making

Standard 1: Take responsibility for personal financial decisions.

Standard 6: Control personal information.

Planning and Money Management

Standard 2: Develop a system for keeping and using financial records.

Aligned to *Voluntary National Content Standards in Economics* from the **Council for Economic Education**.

Standard 2: Decision Making

Standard 14: Entrepreneurship

Aligned to **Common Core State Standards Initiative's** standards for *Literacy in History/Social Studies, Science and Technical Subjects*.

Standard 1: Read closely to determine what the text says explicitly and to make logical inferences from it; cite specific textual evidence when writing or speaking to support conclusions drawn from the text.

Standard 4: Interpret words and phrases as they are used in a text, including determining technical, connotative, and figurative meanings, and analyze how specific word choices shape meaning or tone.

Standard 7: Integrate and evaluate content presented in diverse formats and media, including visually and quantitatively, as well as in words.

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LESSON PREP & SCREENING

Getting Started

Familiarize yourself with the episode ahead of time. It will serve as a springboard for student learning, discussions, vocabulary exploration, and hands-on activities. Determine what equipment is required to show the episode in your classroom and request it if needed. Choose an activity (each one takes between 45-60 minutes), and gather supplies. Students will need a pen or pencil and copies of the activity worksheets. Have fun!

Screening

Introduce the series and the episode. Explain that Biz Kid\$ is a public television series that teaches kids about money and business. Mention that the bizkids.com website has lots of video clips, games, a blog, and other resources to help kids start businesses and learn about money. Prior to playing the episode, lead your students in a discussion with the preview questions on this page.

About the Episode

Poor recordkeeping adds up to lost money. This episode examines bookkeeping and accounting, income and expenses, and profit and loss. It gives tips on how to get over math anxiety. It's all in the books!

Episode Preview Questions

Before you show this Biz Kid\$ episode, lead your students in a brief discussion of the following questions:

- How does a business owner know if their business is making a profit?
- What methods do you use to keep track of your income and expenses?
- Why would the profitability of a company matter?

Next Steps

Show this episode. After the episode, read the Summary and Conclusion to the class.

Summary and Conclusion

As a business owner, you need to recognize the importance of a good recordkeeping system. Setting up your system for recordkeeping should be one of your first priorities. You will be able to run your business more effectively, know where your money is going, and be prepared for tax time. Bookkeeping software is available to help you organize your financial data. It's "all in the books!"

Family Connection

Distribute a copy of the Family Activity Sheet to each student to share what they've learned with their families.



FAMILY ACTIVITY SHEET

Episode Synopsis

Poor recordkeeping adds up to lost money. This episode examines bookkeeping and accounting, income and expenses, and profit and loss. It gives tips on how to get over math anxiety. It's all in the books!

Activity Suggestions

Keeping track of money that comes in and money that is spent is an important skill for your student to develop. Have a discussion with your family about what systems and methods you use to keep track of your money. The following questions might facilitate this discussion:

- Discuss as a family the methods you have used to keep track of family income and expenses for budget and tax purposes. Do you use software to help keep track of financial records?
- With your student, design a simple spreadsheet to use for financial recordkeeping, or set up a notebook for the same purpose. Review progress weekly.
- If you own a business, share which professionals you depend on to keep accurate records and prepare financial reports.
- Investigate careers in bookkeeping and accounting with your student if they are interested in those choices. What specific higher education or training is required? Are there companies that will provide on-the-job training or that will help pay for your education?



Activity #1:

BIZ TERM\$

WORKSHEET FOR STUDENTS

Biz Term\$

- Accounting
- Bookkeeping
- CPA
- Math anxiety
- Net income
- Overdraw
- Profit-loss statements
- Recordkeeping
- Revenue
- Spreadsheet

Directions

With students, read aloud the Biz Term\$ and each question. Call on volunteers for answers, and have them explain why they chose the term they believe to be correct.

Biz Term\$ Episode Review

1. An item that can be subtracted from the total amount in taxes due to the government is a _____.
2. You _____ if you spend more than you have in an account.
3. Keeping records of all business data a business generates is _____.
4. If you get nervous, start sweating, or feel ill when confronted with a math task you might have _____.
5. A tool used to track income and expenses is a _____.
6. The amount of money left after your business has paid for all of its expenses is the _____.
7. A _____ might help you prepare reports about your business or personal income and expenses.



CURRICULUM CONNECTIONS

Language Arts

- Have students construct sentences, write a paragraph, or create a story, skit, or dialog using Biz Term\$.
- Have students create a class Dictionary of Financial Terms using Biz Term\$.
- Have students start their own Journal of Personal Financial Education and continue to add to it.

History/Social Studies

- Interview an accountant or bookkeeper and ask about the skills they use in performing their jobs, and how they got started.

Mathematics

- Have students use a spreadsheet to track their expenses for one week. Were they surprised by the results? Did they write down expenses each day, and did they find it difficult or easy to keep track of everything?

Economics

- Have students read the instructions and complete a 1040 Schedule C (Profit and Loss) form from the IRS website (<http://www.irs.gov>). Why is it important for the U.S. government to keep track of the profit of businesses? What does the government do to help businesses that have a loss?

Optional Vocabulary Extensions

Make Art!

Ask students to create personal illustrated glossaries using sketches or cartoons to visually represent the meaning of each Biz Term.

Make It Personal!

Provide students with dictionaries and ask students to re-write formal definitions for each Biz Term in their own words to demonstrate comprehension.



Activity #2:

INCOME AND EXPENSES

WORKSHEET FOR STUDENTS

Lesson Level:

Grades 9-12

Learning Objective:

Learn why and how a business needs to keep track of income and expenses.

Directions

Bookkeepers, also called recordkeepers, are responsible for tracking income and expenses for a business.

1. From watching the episode, what are some good reasons for keeping track of income and expenses? Can you think of some additional reasons that may not have been mentioned in the episode?

2. What do you think might happen to your business if the recordkeeping is not done accurately?

3. Describe what you do to keep track of your own income and expenses. Do you use a software program, a check register, or some other system? Why does that system appeal to you? If not, why not? And if not, what system do you think you might use if you had to track this data? Why does that system appeal to you?

4. Have you ever made a mistake when tracking your own financial information? What happened as a result of that error? If you have never made a mistake, what do you do to help keep your data accurate?

Have students discuss these ideas and share their answers with the class.



Activity #3:

ACCOUNTING

WORKSHEET FOR STUDENTS

Lesson Level:

Grades 9-12

Learning Objective:

Learn the difference between bookkeeping and accounting.

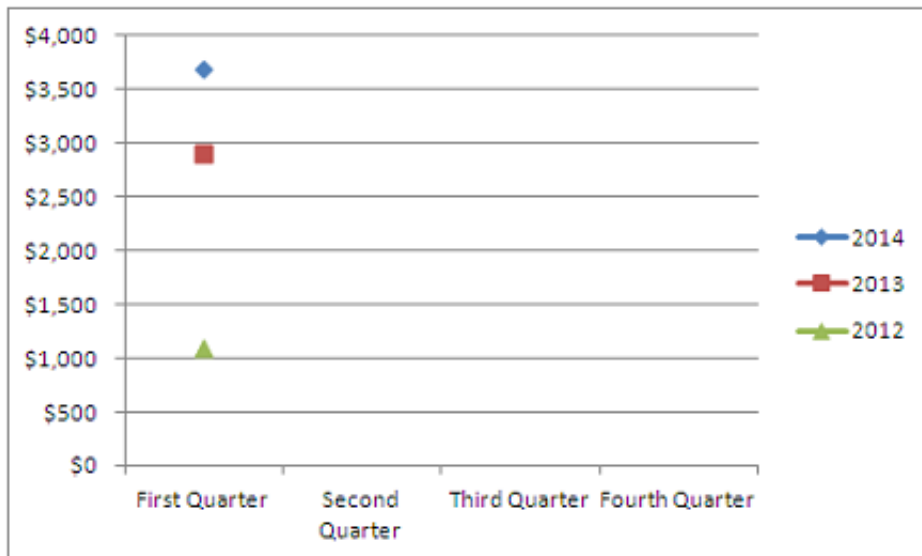
Directions

Bookkeeping is just the beginning in the field of accounting. Explore some of the tasks an accountant does below.

1. Accountants analyze financial data for trends. Look at the income table below. What trends can you identify?

Income	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2014	\$3,700	\$2,100	\$4,300	\$5,200
2013	\$2,900	\$1,700	\$3,600	\$4,800
2012	\$1,100	\$500	\$2,300	\$3,400

2. Accountants prepare reports based upon financial data. Chart the numbers above onto the graph below. Charts and graphs make it easier for non-accountants to understand financial data, and are often used in reports.



Have students discuss these ideas and share their answers with the class.



BIZ TERMS DEFINITIONS

- *Accounting*: The phase of recordkeeping where the bookkeeping data is analyzed to determine how the business is doing and if it is making a profit.
- *Bookkeeping*: Keeping records of all your business transactions, both income and expenses.
- *CPA*: Certified Public Accountant, a person who must pass a test in order to be licensed as an accounting professional.
- *Math anxiety*: Fear or phobia when dealing with math issues.
- *Net income*: The amount of income left after the expenses have been paid, such as taxes.
- *Overdraw*: To spend more money than you have available to spend.
- *Profit-loss statements*: A document that shows income and expenses for a specific time period to show if the business is making money or losing money.
- *Recordkeeping*: Systematic procedure for creating, capturing, maintaining, and disposing of the records for an organization.
- *Revenue*: Money that comes into the business.
- *Spreadsheet*: A paper form or a software program that uses rows and columns to display data. Computer spreadsheets can do math for you.



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