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| **TEXAS CTE LESSON PLAN**  [www.txcte.org](http://www.txcte.org) | |
| **Lesson Identification and TEKS Addressed** | |
| **Career Cluster** | Finance |
| **Course Name** | Accounting I |
| **Lesson/Unit Title** | Why Incorporate? |
| **TEKS Student Expectations** | **130.187 (c) Knowledge and Skills**  (1) The student demonstrates professional standards/employability skills as required by business and industry.  (A) The student is expected to demonstrate effective oral and written communication skills |
| **Basic Direct Teach Lesson**  (Includes Special Education Modifications/Accommodations and  one English Language Proficiency Standards (ELPS) Strategy) | |
| **Instructional Objectives** | **Performance Objective:**  Upon completion of this lesson, the student will research information on corporations to determine reasons to incorporate as well as differences between merchandising and manufacturing businesses.  **Behavioral Objectives:**   * Discuss the advantages of setting a business up as a corporation. * Discuss the differences between a merchandising and manufacturing business. |
| **Rationale** | Choosing how a business is organized may be one of the most important decisions a business makes. When a business decides to become a corporation, one of the major advantages is it protects entrepreneurs’ personal assets in case debts or legal judgments are claimed against the business. This lesson will demonstrate how to research information on corporations to determine the reasons to incorporate, as well as differences between merchandising and manufacturing businesses. |
| **Duration of Lesson** |  |
| **Word Wall/Key Vocabulary** |  |
| **Materials/Specialized Equipment Needed** | **Materials, Equipment, and Resources:**   * Textbook * Internet * Butcher Paper or Flip Tablet Paper * Markers * Guest Speaker * Finance - Why Incorporate Rubric |
| **Anticipatory Set**  (May include pre-assessment for prior knowledge) |  |
| **Direct Instruction \*** | Research and discuss characteristics, advantages, and disadvantages of a corporation. Introduce the differences between a merchandising and manufacturing business and their effects on accounting procedures.  **Activity 7.1.1 – Characteristics of a Corporation**  Purpose: Research and discuss characteristics of a corporation as compared to a sole proprietorship and partnership.  Have your students divide into teams. Using their textbook and the Internet, ask them to find as many characteristics as they can for a sole proprietorship, partnership, and a corporation. Ask them to write their list on a large sheet of flip tablet or butcher paper. Have each team tape their list to the walls to compare with others. Lead a discussion with each team on what characteristics they missed, if any.  **Activity 7.1.2 – Guest Speaker – To Incorporate or Not?**  Purpose: Gather input to include in research from an expert on incorporating a business.  Invite a guest speaker to give students further insight into the advantages of incorporating. Ask students to prepare by writing down three questions they can ask based on their research. |
| **Guided Practice \*** | * Observation * Graded Assignments |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | **Activity 7.1.2 – Guest Speaker – To Incorporate or Not?**  Have students write a one to two-page paper on Advantages and Disadvantages of Incorporating as a final product on their study of characteristics of corporations. Other possible activities to gather more information prior to writing the paper are:   * Job Shadowing for a day in the accounting or financial department in an incorporated business. * Interviewing business owners who began their businesses as sole proprietorships or partnerships and later incorporated.   **Activity 7.1.3 – Types of Activities for Various Types of Businesses**  Purpose: Research the different types of activities for various types of businesses like service, merchandising, and manufacturing.  Have your students research the different types of activities for service, merchandising and manufacturing businesses. Ask them to compare the activities. Emphasize that each type of business can be organized differently. For instance, a service business can be a sole proprietorship, a partnership, or a corporation.  Divide your students into teams. Ask each team to name a model in their community for each type of business:   * Service * Merchandising * Manufacturing * Not-for-Profit   Have your students locate a contact person for each of their businesses. Interview the contact person either in person, phone, or e-mail. Ask your students to work as a team to determine the interview questions; approve their questions before the interviews.  Have them keep their interview notes in a word-processed document. Create a poster for each of their businesses explaining the types of activities in which business is involved and how they relate to the accounting procedures they use.  Display the posters outside the classroom in the hallway. |
| **Lesson Closure** |  |
| **Summative/End of Lesson Assessment \*** | * Observation * Graded Assignments |
| **References/Resources/**  **Teacher Preparation** | Textbooks:  Guerrieri, Donald J., Haber, Hoyt, Turner. Glencoe Accounting Real- World Applications and Connections. Glencoe McGraw-Hill 2000. ISBN/ISSN 0-02-815004-X.  Ross, Kenton, Gilbertson, Lehman, and Hanson. Century 21 Accounting Multicolumn Journal Anniversary Edition, 1st Year Course. South- Western Educational and Professional Publishing, 2003.  ISBN/ISSN: 0-538-43524-0  Ross, Kenton, Gilbertson, Lehman, and Hanson. Century 21 General Journal Accounting Anniversary Edition, 7th Edition. South- Western Educational and Professional Publishing, 2003.  ISBN/ISSN: 0-538-43529-1. |
| **Additional Required Components** | |
| **English Language Proficiency Standards (ELPS) Strategies** |  |
| **College and Career Readiness Connection[[1]](#footnote-1)** |  |
| **Recommended Strategies** | |
| **Reading Strategies** |  |
| **Quotes** |  |
| **Multimedia/Visual Strategy**  **Presentation Slides + One Additional Technology Connection** |  |
| **Graphic Organizers/Handout** | Finance - Why Incorporate Rubric (Formatted and Attached)  Finance – Why Incorporate Quiz |
| **Writing Strategies**  **Journal Entries + 1 Additional Writing Strategy** |  |
| **Communication**  **90 Second Speech Topics** |  |
| **Other Essential Lesson Components** | |
| **Enrichment Activity**  (e.g., homework assignment) |  |
| **Family/Community Connection** |  |
| **CTSO connection(s)** | Business Professionals of America  Future Business Leaders of America |
| **Service Learning Projects** |  |
| **Lesson Notes** |  |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)