



Accounting Foundations

General Assessment Information

Blueprint Contents

General Assessment Information
Written Assessment Information

Specific Competencies Covered in the Test
Sample Written Items

Test Type: The Accounting Foundations industry-based credential is included in NOCTI's Foundational assessment battery. Foundational assessments measure technical skills at the occupational level and include items which gauge factual and theoretical knowledge. Foundational assessments typically offer both a written and performance component and can be used at the secondary and post-secondary levels. Foundational assessments can be delivered in an online or paper/pencil format.

Revision Team: The assessment content is based on input from secondary, post-secondary, and business/industry representatives from the states of Missouri, New York, and Pennsylvania.



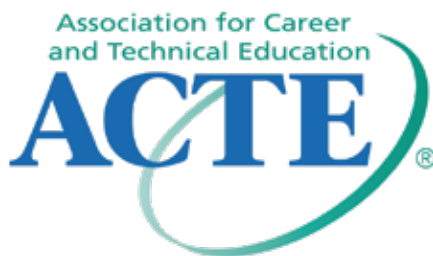
52.0302- Accounting Technology/
Technician and Bookkeeping



Career Cluster 4-
Business Management
and Administration



43-3031.00- Bookkeeping,
Accounting, and Auditing Clerks



The Association for Career and Technical Education (ACTE), the leading professional organization for career and technical educators, commends all students who participate in career and technical education programs and choose to validate their educational attainment through rigorous technical assessments. In taking this assessment you demonstrate to your school, your parents and guardians, your future employers and yourself that you understand the concepts and knowledge needed to succeed in the workplace. Good Luck!

Written Assessment

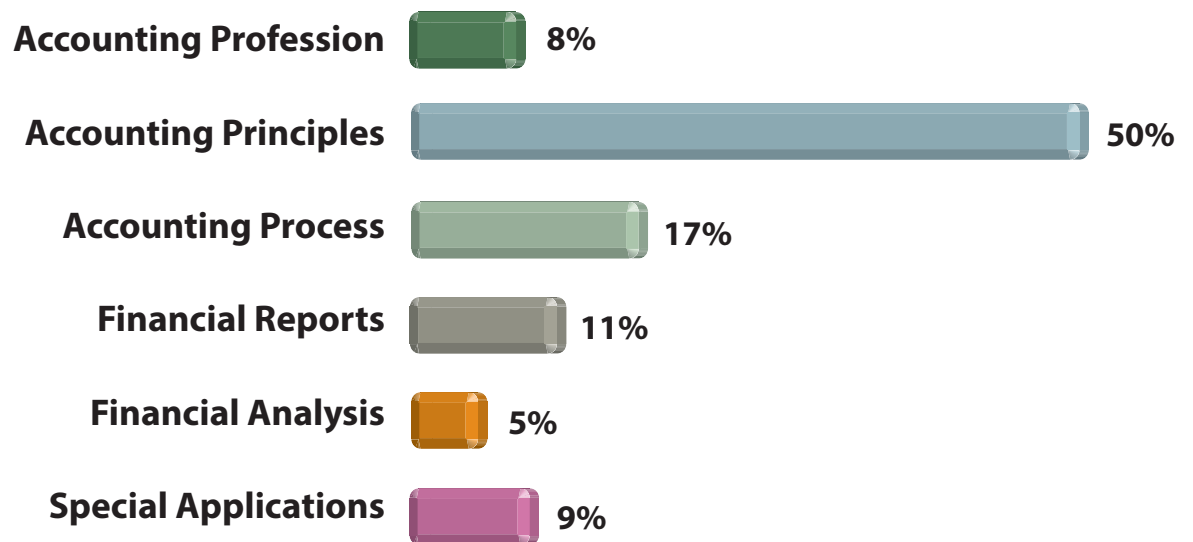
NOCTI written assessments consist of questions to measure an individual's factual theoretical knowledge.

Administration Time: 2 hours

Number of Questions: 90

Number of Sessions: This assessment may be administered in one, two, or three sessions.

Areas Covered



Specific Standards and Competencies Included in this Assessment

Accounting Profession

- Describe career opportunities in the accounting profession
- Explain the need for a code of ethics in accounting and ethical responsibilities required of accountants

Accounting Principles

- Define assets, liabilities, equity, revenue, expenses, gains, and losses
- Describe methods for controlling and safeguarding cash
- Record transactions affecting accounts receivable, including uncollectible accounts, write-offs, and recoveries
- Identify inventory methods
- Determine the cost of inventory for businesses and apply appropriate valuation methods
- Identify, calculate, and record depreciation and depletion and explain the impact on the financial statements
- Apply transactions for accounts payable and other short-term debt
- Record transactions for long-term debt instruments
- Describe and record equity-related transactions
- Describe and record revenue-related transactions
- Analyze transactions involving accruals
- Describe and record expense-related transactions

(Continued on the following page)

Specific Standards and Competencies (continued)

Accounting Process

- Analyze and describe how basic business transactions impact the accounting equation
- Explain the need for adjusting entries and record basic adjusting entries
- Complete the closing process

Financial Reports

- Describe the users and uses of financial information
- Describe the information provided in each financial statement and how the statements relate

Financial Analysis

- Calculate component percentages
- Discuss the information that can be obtained from analyzing financial statements

Special Applications

- Prepare and calculate payroll withholdings
- Prepare and calculate gross pay
- Prepare and calculate net pay



Sample Questions

Many people with an accounting degree go on to become the company's

- A. secretary
- B. attorney
- C. buyer
- D. comptroller

The cash receipts journal is used for

- A. only cash received on account
- B. all cash received
- C. only cash sales
- D. all credits to cash

The worksheet is completed by recording adjusting entries and extending them along with the information from the

- A. trial balance
- B. cash receipts journal
- C. balance sheet
- D. income statement

The primary internal use of financial statements is to

- A. assist users in making good business decisions
- B. entice investors to invest
- C. impress bankers
- D. meet government regulations

Calculate the income in dollars if Carl's Cycle Shop has a total of \$5,000 in sales and a gross profit margin of 65 percent.

- A. \$1,500
- B. \$1,750
- C. \$3,250
- D. \$4,692