



Job Ready Assessment Blueprint

Financial and Managerial Accounting (Written Only)



Test Code: 2120 / Version: 01

General Assessment Information

Blueprint Contents

General Assessment Information	Sample Written Items
Written Assessment Information	Performance Assessment Information
Specific Competencies Covered in the Test	Sample Performance Job

Test Type: The Financial and Managerial Accounting industry-based credential is included in NOCTI's Job Ready assessment battery. Job Ready assessments measure technical skills at the occupational level and include items which gauge factual and theoretical knowledge. Job Ready assessments typically offer both a written and performance component and can be used at the secondary and post-secondary levels. Job Ready 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 state of Minnesota.



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!



NATIONAL COLLEGE CREDIT RECOMMENDATION SERVICE
University of the State of New York - Regents Research Fund

In the lower division
baccalaureate/associate degree
category, 3 semester hours in
Financial and Managerial
Accounting

Written Assessment

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

Administration Time: 3 hours

Number of Questions: 128

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

Areas Covered



Specific Standards and Competencies Included in this Assessment

Journalizing

- Understand the theory of double entry accounting
- Journalize accounting transactions
- Journalize adjusting entries
- Journalize closing entries

Cash and Banking Procedures

- Reconcile a bank statement
- Reconcile and replenish petty cash funds

Merchandise Inventory

- Demonstrate knowledge of merchandise inventory systems
- Prepare and analyze transactions using the perpetual method
- Prepare cost of goods sold and income statement for a merchandising company
- Prepare adjusting entries based on physical inventory
- Demonstrate knowledge of LIFO, FIFO, and weighted average methods

Financial Statements

- Identify the components of the four basic financial statements from an adjusted trial balance
- Prepare and analyze an income statement
- Prepare and analyze a balance sheet
- Prepare and analyze a cash flow statement
- Prepare and analyze a statement of equity
- Calculate and analyze financial ratios



(Continued on the following page)

Specific Standards and Competencies (continued)

Competence in Technology

- Generate and interpret spreadsheets, charts, and graphs
- Demonstrate knowledge of accounting software

Internal Control

- Demonstrate knowledge of internal control measures for the protection of company assets and financial records
- Understand the importance of business ethics

Basic Accounting Knowledge

- Exhibit understanding of terminology related to accounting
- Exhibit understanding of careers in accounting
- Exhibit understanding of cash and accrual accounting
- Exhibit understanding of regulatory bodies, such as the SEC, IRS, FASB, and IASB



(Continued on the following page)

Specific Standards and Competencies (continued)

Advanced Accounting Practices

- Differentiate between methods of business formation, such as sole proprietorship, partnership, and corporation
- Calculate the amount of uncollectable accounts through aging of accounts receivable
- Exhibit understanding of stock transaction, such as issuance, treasury stock, and various forms of dividends
- Calculate and record depreciation using straight line and accelerated methods
- Exhibit understanding of bond transactions, such as issuance, interest payments, amortization of premium or discount (using effective interest method) and redemption entries
- Understand the time value of money and application of those principles
- Prepare budget reports to make business decisions
- Determine relevant cost and revenue data for decision-making purposes
- Demonstrate knowledge of cost volume profit analysis
- Demonstrate knowledge of cost accounting systems, such as job order costing, activity based costing, and variable costing
- Demonstrate knowledge of standard costs and calculate variances
- Calculate predetermined overhead rates and over/under applied overhead
- Demonstrate knowledge of capital budgeting methods such as NPV, IRR, and payback
- Demonstrate knowledge of basic cost concepts, such as fixed, variable, and mixed costs



Sample Questions

When money is received on account from a customer, the appropriate entry increases

- A. revenue
- B. sales
- C. accounts payable
- D. cash

A deposit in transit on a bank statement is

- A. added to the checkbook balance
- B. added to the bank balance
- C. subtracted from the bank balance
- D. subtracted from the cash account

A purchase of merchandise on account

- A. decreases an asset
- B. decreases a liability
- C. increases a liability
- D. increases an expense

In a multi-step income statement, interest expense would be included in

- A. revenue
- B. cost of goods sold
- C. selling and administrative expense
- D. other income and expense

Double ruling below a total indicates the

- A. subtotal
- B. net income
- C. net loss
- D. final total

(Continued on the following page)

Sample Questions (continued)

An actual count of merchandise is called a _____ inventory.

- A. physical
- B. perpetual
- C. merchandise control
- D. supply

A cash discount entry is based on

- A. invoice terms
- B. vendor relationships
- C. purchase volume
- D. a trade reduction

A corporation pays _____ to its stockholders.

- A. earnings
- B. dividends
- C. contributed capital
- D. paid-in capital

The interest on \$200 at 6 percent for 60 days would be

- A. \$1.20
- B. \$2.00
- C. \$12.00
- D. \$120.00

The debt to equity ratio compares the

- A. amount of liabilities to stockholders' equity
- B. amount of assets to liabilities
- C. residual value of the assets to the equity
- D. equity to the assets

Notes