



Republic of the Philippines
 Department of Education
 Region IV (A) – CALABARZON
City Schools Division Office of Antipolo
 District I – A



ANTIPOLO CITY SENIOR HIGH SCHOOL
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**STUDENT'S ACTIVITY SHEET FOR
FUNDAMENTALS OF ACCOUNTANCY, BUSINESS AND MANAGEMENT 2 (FABM2)**

STUDENT'S ACTIVITY SHEET FOR MELC 1(MODULAR MODALITY)

TITLE/LESSON: STATEMENT OF FINANCIAL POSITION

I. OBJECTIVES: At the end of the lesson, you are expected to:

- a. identify the elements of SFP and describe each;
- b. classify the accounts under each element; and
- c. recognize the importance of classifying accounts of each element in preparing SFP.

A. Content Standard:

The learners demonstrate an understanding of account titles under the assets, liabilities, and capital accounts of the Statement of Financial Position, namely, cash, receivables, inventories, prepaid expenses, property, plant and equipment, payables, accrued expenses, unearned income, long-term liabilities and capital that will equip him/her in the preparation of the SFP using the report form and account form

B. Performance Standard:

The learners are able to solve exercises and problems that require preparation of an SFP for a single proprietorship with proper classification of accounts as current and noncurrent using the report form and the account form

C. Most Essential Learning Competency:

identify the elements of the SFP and describe each of them

II: LEARNING RESOURCES

A. Materials/IMs Needed:

B. References:

- a. TG for SHS
- b. Fundamentals of Accountancy, Business, and Management2
 By Solita A. Frias
- c. Fundamentals of Accountancy, Business, and Management 2
 By Dani Rose Salazar

C. Additional Materials and Learning Resources:

- a. https://drive.google.com/file/d/1E5wzi3vQqYMNolvFphZQuZ_1A2gvFG8w/view?usp=sharing
- b. <https://www.coursehero.com/file/p5of3a4i/Identify-the-elements-of-the-SFP-and-describe-each-of-these-items-for-a/>

III: TIME FRAME: 1 hour or 60 minutes

IV: INTRODUCTION/RATIONALE

Welcome to the world of ABM!

We begin our study of financial statements with the Statement of Financial Position. It was once called a Balance Sheet because the sum of the assets should be “balanced” to the sum of liabilities and equity.

This lesson will support you in appreciation and critical study of SFP. This tool, student activity sheets or SAS was designed to provide you with fun and meaningful opportunities for guided and independent learning at your own pace and time. You will be enabled to process the contents of the learning resource while being an active learner.

Furthermore, this also aims to help you acquire the needed 21st century skills while taking into consideration you need and circumstances.

This activity sheet is divided into several parts:

1. The first part of this activity sheet will give you an idea of the knowledge, skills, and attitude that are expected from you to learn. (What I need to know?)
2. The second part is an activity wherein your prior knowledge will be tested. (What is/are new?)
3. The third part includes an activity that aims to check what you already know about the lesson to take. (What I Know?)
4. The fourth part is a brief drill or review to help you link the current lesson with the previous one. (What's in?)
5. The fifth- part provides you with a discussion of the lesson. This aims to help you discover and understand new concepts and skills. (What it is?)
6. The sixth-part consisted of activities for independent practice to solidify your understanding and skills of the topic. (What's more?)
7. The seventh-part of this section provides an activity that will help you transfer your new knowledge or skill into real-life situations or concerns. (What I can do?).
8. The eight-part is another activity will be given to you to enrich your knowledge or skill of the lesson learned. This also tends the retentions of learned concepts. (What other enrichment activities can I engage in?)
9. The ninth-part includes questions or blank sentence/paragraph to be filled in to process what you learned from the lesson.(What I have learned)
10. The tenth-part is the task to evaluate your level of mastery in achieving the learning competency. (What I can do?)
11. For the last part, you will write your significant learning in the form of reflection on what you gained from the lesson. (Reflection)

NOTE: ALL PRE NUMBERED ACTIVITIES AND QUESTIONS SHOULD BE WRITTEN CHRONOLOGICALLY IN A SEPARATE SHEET OF PAPER (INTERMEDIATE PAD)

What I Need to Know

After going through this activity, you are expected to:

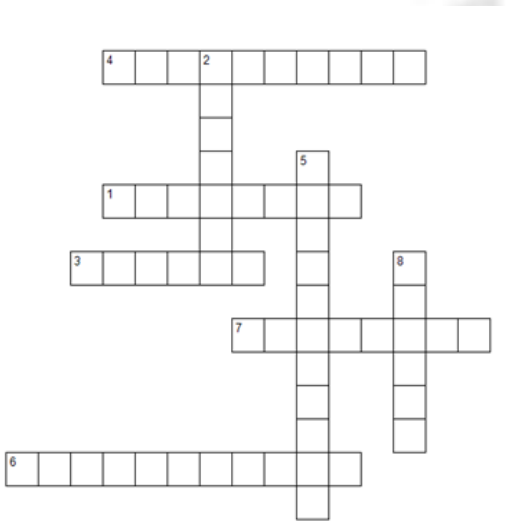
- a. identify the elements of SFP and describe each
- b. classify the accounts under each element

c. recognize the importance of classifying accounts of each element in preparing SFP

What is/are new?

Activity 1.1 Do you know this?

Directions: Copy the puzzle below and fill out the numbered box with the word that corresponds to the descriptions provided.



Across:

- 1. related to the primary operations of the business
- 3. what the business owns
- 4. long term
- 6. what the business owes
- 7. income generated from the primary operations

Down:

- 2. short term
- 5. collectibles
- 8. what the business is worth

Questions: Are those words familiar to you? What can you say about the words? Describe each.

What I know?

Activity 1.2 "MY PRIOR KNOWLEDGE"

Classify the following accounts as to ASSETS, LIABILITIES, and EQUITY.

Copy the table and write your answer on it.

- | | |
|-----------------------|--------------------------------|
| Accounts payable | Owner's Capital |
| Accounts receivable | Property, Plant, and Equipment |
| Merchandise Inventory | Cash and cash equivalents |
| Unearned Income | Mortgage Payable |
| Accrued Income | Intangible assets |

ASSETS	LIABILITIES	EQUITY

Questions:

- 1. Can you describe the account under each element?
- 2. How are assets and liabilities classified?

What's in?

Activity 1.3 "AM I BELONG?"

Which account does not belong to the group? Write your answer on your paper.

1. Accounts receivable, loans payable, copyright
2. Accrued expense, unearned income, accrued income
3. Capital, withdrawal, cash
4. Cash, equipment, merchandise inventory.
5. Accounts payable, loans payable, mortgage payable

Question: How did you choose the account that does not belong to the group?

What is it?

Lesson 1 Statement of Financial Position

The Statement of Financial Position is also known as the Balance Sheet. This statement includes the amounts of the company's total assets, liabilities, and owner's equity which in totality provides the condition of the company on a specific date. (Haddock, Price, & Farina, 2012).

The accounts in the Statement of Financial Position (SFP) are called **Permanent or Real accounts**. These accounts are permanent because their balances remain intact and forwarded to the next accounting period as the beginning balance. Some examples of permanent or real accounts include Cash, Accounts Receivable, Accounts Payable, Loans Payable, and Capital among others.

Elements of Statement of Financial Position

1. **ASSETS** are the resources owned by the business. These are classified into two, the current assets and the noncurrent assets.

Current Assets are assets that are expected to be converted to cash within a year.

Noncurrent Assets are long term assets which the full value will not be realized within the accounting year.

CURRENT ASSETS	NONCURRENT ASSETS
Assets	Notes Receivables (2 years)
Accounts Receivables	Property, Plant, and Equipment
Prepaid Expenses	Intangible Assets
Merchandise Inventory	

From the basic accounting equation assets is obtained using the formula:

$$\text{ASSETS} = \text{LIABILITIES} + \text{OWNER'S EQUITY}$$

2. **LIABILITIES** are the debts or obligations to pay by the business. These are what the business owes from the outside party. It is obtained by subtracting the owner's equity from the assets.

Liabilities are classified as current liabilities and non-current liabilities.

Current Liabilities are short term liabilities that are expected to pay within a year.

Noncurrent liabilities are long term liabilities that are expected to pay beyond a year.

CURRENT LIABILITIES	NONCURRENT LIABILITIES
Accounts Payable	Notes Payable (2years)
Accrued Expenses	Loans Payable (5 years)
Unearned Income	Mortgage Payable 10 years)

From the basic accounting equation, liabilities are the difference between the assets and owner's equity as presented in the equation below:

$$\text{LIABILITIES} = \text{ASSETS} - \text{OWNER'S EQUITY}$$

3. OWNER'S EQUITY is the worth of the business. It is the difference between the assets and liabilities.

$$\text{OWNER'S EQUITY} = \text{ASSETS} - \text{LIABILITIES}$$

What's more?

Activity 1. 4“ I KNOW THIS”

Directions: Read each item carefully and write the letter of choice on your answer sheet.

- What accounts are permanent for their balances remain intact and forwarded to the next accounting period?
 - expenses
 - income
 - nominal
 - real
- What accounts are presented as the assets on the portion of the Statement of Financial Position or SFP but are reductions to the company's assets?
 - allowance
 - contra assets
 - discounts
 - returns
- What kind of account is accrued income?
 - assets
 - capital
 - expense
 - liabilities
- Which of the following is a current asset?
 - accrued expense
 - accrued income
 - unearned income
 - copyright
- What kind of account is accrued salaries expense?
 - current liability
 - current asset
 - noncurrent liability
 - noncurrent asset
- Which of the following accounts is a **NONCURRENT** asset?
 - plant and equipment
 - inventories
 - short-term investment
 - prepaid expense
- Which of the following is an example of a contra asset account?
 - allowance for bad debts
 - accrued expense
 - interest receivables
 - unearned income
- Which of the following statements is **TRUE**?
 - Current assets are assets that are expected to be converted to cash within a year.
 - The elements in the Statement of Financial Position are temporary accounts.
 - Current Liabilities are short term liabilities that are expected to pay beyond a year.
 - Liabilities are the receivables of the business.

9. Cash is an example of what account?
- | | |
|------------------------|---------------------------|
| A. Current assets | C. Noncurrent assets |
| B. Current liabilities | D. Noncurrent liabilities |
10. Which of the following is a noncurrent asset??
- Plant, Property and Equipment
 - Merchandise Inventory
 - prepaid expenses
 - cash

What I can do?

Activity 1.5 "I CAN DO THIS"

- List down all things that you own like savings, clothes, bag, etc. and the name of the person you are indebted (may pagkakautang)
- Identify them whether they are current assets, non-current assets, current liabilities, and non-current liabilities.
- Write a short explanation why you consider them as current and non-current.

Questions: (10 minutes)

- What kinds of accounts were listed?
- Were you able to identify the items as current and noncurrent?
- What difficulty did you encounter in identifying the accounts?

What other Enrichment activities can I engage in? (Additional Activities)

Activity 1.6 "MY ELEMENTS"

Ask your parents about the assets, liabilities of your family. List down all the accounts and classify them as current and non current items.

Questions: What difficulty/ies did you encounter in this activity? How did you overcome it?

What have I learned? (Application)

Activity 1.7 THIS IS WHAT I LEARNED

Answer the questions:

1. Why is it important to identify our assets, liabilities and equity?
2. How will you relate our lesson in your daily life?

What I can do? (Assessment)

Activity 1.8 QUIZ

Write down at least 10 of the SFP elements and describe each in your own words.

V. REFLECTION: (5 minutes)

What significant learnings did you gain from the lesson? Write your insights by completing the phrases below:

I understand that _____

I realize that _____

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