

MICHIGAN TEST FOR TEACHER CERTIFICATION (MTTC)

TEST OBJECTIVES FIELD 033: ACCOUNTING

Subarea	Approximate Percentage of Questions on Test
Communication and Information Processing	16%
Personal Finance and Business Math	20%
Accounting Principles and Procedures	40%
Economics, Business Management, and Employment	24%

COMMUNICATION AND INFORMATION PROCESSING

Identify proper sentence structure, grammar, and usage.

Includes proper sentence structure, proper agreement (e.g., subject-verb, pronoun-antecedent, consistent tense), and proper word usage.

Identify proper capitalization, punctuation, and spelling.

Includes rules of capitalization, proper terminal and internal punctuation, and the spelling of words.

Analyze the composition of written and oral business communications.

Includes types and characteristics of business communications (e.g., memo, interview, business letter); and the analysis of unity, coherence, clarity, emphasis, and overall effectiveness of business communications.

Apply reading and research skills.

Includes skills related to following directions, interpreting written material, and using dictionaries, thesauruses, almanacs, encyclopedias, and business directories.

Identify types and characteristics of computer hardware.

Includes types and characteristics of computers, input devices, output devices, and storage media.

Identify computer software and its use in accounting.

Includes types of software commonly used in business, their features, and their applications to accounting.

Understand the fundamentals of computer system operation.

Includes terms related to computer system operation; procedures for maintaining security in a computer system; and procedures for operating a computer system.

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TEST OBJECTIVES
FIELD 033: ACCOUNTING

PERSONAL FINANCE AND BUSINESS MATH

Understand commercial bank services and negotiable instruments.

Includes services offered by commercial banks; types and characteristics of savings and checking accounts; reconciling checking accounts; and types and characteristics of negotiable instruments.

Understand personal investment options.

Includes terms related to investing; types and characteristics of investment options; and calculations related to investments.

Understand consumer credit and borrowing.

Includes terms related to credit and borrowing; types and characteristics of consumer credit options; and calculations related to credit and borrowing.

Understand insurance and insurance policies.

Includes terms related to insurance; types and characteristics of insurance policies; and factors involved in selecting insurance options.

Understand housing options and their characteristics.

Includes costs of various housing options; types and characteristics of financing options; and factors affecting decisions related to buying, selling, and financing.

Understand issues related to retirement and estate distribution.

Includes the need for retirement income and for estate planning; sources of retirement income; and factors involved in estate planning.

Apply knowledge of basic mathematical operations.

Includes calculations and word problems involving addition, multiplication, subtraction, and division.

Apply knowledge of fractions, decimals, and percentages.

Includes calculations and word problems involving fractions, decimals, and percentages.

TEST OBJECTIVES
FIELD 033: ACCOUNTING

ACCOUNTING PRINCIPLES AND PROCEDURES

Understand the accounting equation.

Includes the elements and correct form of the equation; and the relationship between accounting transactions and the equation.

Understand the accounting cycle.

Includes steps in the accounting cycle and their characteristics; and variations in the accounting cycle to accommodate business needs (e.g., cash basis system, accrual basis system, service business, merchandising business).

Understand source documents and journals.

Includes types and characteristics of source documents and journals; procedures for entering transactions in general, special, and combination journals; making corrections; proving and ruling journals; and making adjusting and closing entries.

Apply knowledge of ledgers and posting.

Includes the forms and characteristics of ledgers; procedures for posting to ledgers and for posting adjusting and closing entries.

Apply knowledge of post-closing trial balances.

Includes functions of a post-closing trial balance and procedures for preparing a post-closing trial balance.

Understand work sheet and trial balances.

Includes the forms, characteristics, and functions of work sheets; procedures for preparing a work sheet and trial balance; and procedures for finding and correcting errors.

Apply knowledge of financial statements.

Includes the forms, characteristics, and functions of balance sheets, income statements, schedules of cost of goods sold, and statements of owner's equity; and procedures for preparing these statements.

Understand filing systems.

Includes types of filing systems (e.g., tickler, alphabetic, subject); their characteristics and uses; and procedures for using them.

TEST OBJECTIVES
FIELD 033: ACCOUNTING

Understand accounts payable and accounts receivable systems.

Includes types and characteristics of files and documents related to accounts payable and accounts receivable systems; generating and interpreting an accounts receivable aging schedule; and generating and interpreting a schedule of accounts payable.

Analyze transactions involving uncollectible accounts and depreciation.

Includes terms related to uncollectible accounts and depreciation; estimating bad debts expense; journalizing and posting adjusting entries related to uncollectible accounts; and determining and recording depreciation expense adjustments.

Apply knowledge of payroll systems.

Includes types and characteristics of payroll records; calculation of earnings and deductions; and recording of payroll information and transactions.

Understand petty cash systems and cash voucher systems.

Includes purpose of a petty cash fund; procedures for establishing and replenishing a petty cash fund; procedures for processing transactions and summarizing a petty cash fund; and forms and procedures for operating a cash voucher system.

Understand procedures related to shipping, receiving, and mail processing.

Includes terms related to shipping, receiving, and mail processing; and available services and their characteristics.

Understand recordkeeping procedures related to office budgets, schedules, and supplies.

Includes procedures for developing and using office budgets and schedules; monitoring work flow; assigning priorities; and monitoring and assigning office supplies.

Analyze transactions involving merchandise accounts (e.g., sales, purchases, discounts).

Includes procedures for journalizing and posting transactions related to merchandise accounts; terms of sales (e.g., FOB; EOM; 2/10, n/30); and computing amount due on invoices.

Understand procedures for recording and controlling merchandise inventory.

Includes terms related to inventory systems; determining quantity and cost of inventory; and advantages and disadvantages of LIFO, FIFO, and weighted-average methods of inventory costing.

**TEST OBJECTIVES
FIELD 033: ACCOUNTING**

Analyze financial information.

Includes reasons for analyzing financial information; appropriate documents and analyses to use for a given purpose; comparative financial statements; and decision making based on financial information.

ECONOMICS, BUSINESS MANAGEMENT, AND EMPLOYMENT

Understand basic principles of economics.

Includes principles related to supply and demand; types and characteristics of market systems; phases and characteristics of the business cycle; and the roles of business, labor, and consumers in free enterprise.

Analyze the federal government's role in the U.S. economy.

Includes the effects of federal fiscal and monetary policy; the powers of the Federal Reserve System; types, characteristics, and effects of federal regulation of business; and effects of taxation on business and consumers.

Understand the principles of international economics and the role of the U.S. economy in the world economy.

Includes measures of national production and economic strength; the effects of trade restrictions, tariffs, and fluctuations in currency exchange rates on the U.S. economy; the role of other countries as trading partners and competitors of the United States; the principles of balance of trade; and comparative and absolute advantage in international economics.

Apply knowledge of consumer economics.

Includes the rights and responsibilities of consumers, laws, regulations, and public and private agencies that protect and serve consumers; factors affecting consumer prices; and strategies for making purchasing decisions.

Understand the use of planning procedures in making operational decisions.

Includes reasons and procedures for setting and revising company policies, short-term goals, and long-term goals.

Apply knowledge of quantity, quality, and cost controls.

Includes procedures for setting quantity, quality, and cost controls; and factors involved in setting quantity, quality, and cost controls.

TEST OBJECTIVES
FIELD 033: ACCOUNTING

Understand business structure and organization.

Includes types and characteristics of business ownership; and types and characteristics of business organizational structures.

Identify career opportunities in accounting.

Includes appropriate career choices based on personal values, skills, interests, objectives, education, and experience; and responsibilities associated with accounting careers.

Identify procedures and resources for preparing for careers in accounting.

Includes sources of information about careers in accounting; and procedures for obtaining the necessary requirements for a career.

Identify procedures and resources for seeking employment in accounting.

Includes sources of information concerning employment opportunities; and skills related to job applications, interviews, and résumés.

Apply skills for maintaining a career in accounting.

Includes proper behaviors and attitudes for the workplace; opportunities for continued training; and factors effecting advancement.