

**CONTENTS: Introduction to Accounting
BAI3E**

Page No.

READING STRATEGIES

Reading Different Text Forms:

Following Instructions	2
Student Resource: Accounting Cycle Visual	4

Reacting to Reading

Drawing Conclusions	6
Student/Teacher Resource: <i>Transaction Analysis Guide Sheet by Examples</i>	8
Student Resource: <i>Transaction Analysis Guide Sheet</i>	9

WRITING STRATEGIES

Writing for a Purpose:

Writing an Information Report (The World of Accounting – Careers)	10
Student Resource: <i>Accounting and Related Careers Information Report Template</i>	12
Teacher Resource: <i>Accounting and Related Careers: Brief List</i>	13

ORAL COMMUNICATION

Small-group Work:

Team Games Tournament (Accounting Cycle Review – Service Business)	14
Teacher Resource: <i>Tournament Table Assignment and Role Cards</i>	16
Student Resource: <i>Tournament Score Sheet and Learning Team Tally Sheet</i>	17
Student/Teacher Resource: <i>Accounting Cycle Tournament Questions</i>	18
Student/Teacher Resource: <i>Accounting Cycle Tournament Answers</i>	19

Small-group Discussions:

Discussion Web (The Objectives of Accounting)	20
Student/Teacher Resource: <i>Problem Solving Model</i>	22
Student Resource: <i>Sample Ethical Cases</i>	23
Teacher Resource: <i>Ethical Cases: Points to Consider</i>	24

Reading Different Text Forms: Following Instructions

INTRODUCTION TO ACCOUNTING Grade 11

Toward the end of an introductory accounting course students may have the opportunity to complete the entire accounting cycle. A visual representation of the accounting cycle is always useful and can be applied in several parts of the course.

Purpose

- Students will read a visual representation of the accounting cycle and apply the steps while completing a cycle for a business.

Payoff

- Students organize their daily activities and produce better financial data.
- Students see the “bigger picture” involved in the accounting process.

Tips and Resources

- Use the visual of the accounting cycle in the student resource to explain the steps in the accounting cycle.
- Encourage students to repeat the steps without use of the visual resource.
- As you proceed through the course and as each step in the accounting cycle is introduced, continually review the steps in this visual so that students understand how each step fits into the entire cycle.
- Use the steps as a guide when setting deadlines for completion of tasks in an assignment on the entire accounting cycle.
- Accounting paper is freely available on the Internet for download.

Further Support

- Assignments on an entire accounting cycle are not difficult to obtain. Any grade 11 text should have at least one assignment on the cycle.
- The *Certified General Accountants* association provides the **Witness Fitness** modules free of charge to teachers in Ontario.



Reading Different Text Forms: Following Instructions

INTRODUCTION TO ACCOUNTING Grade 11

Notes

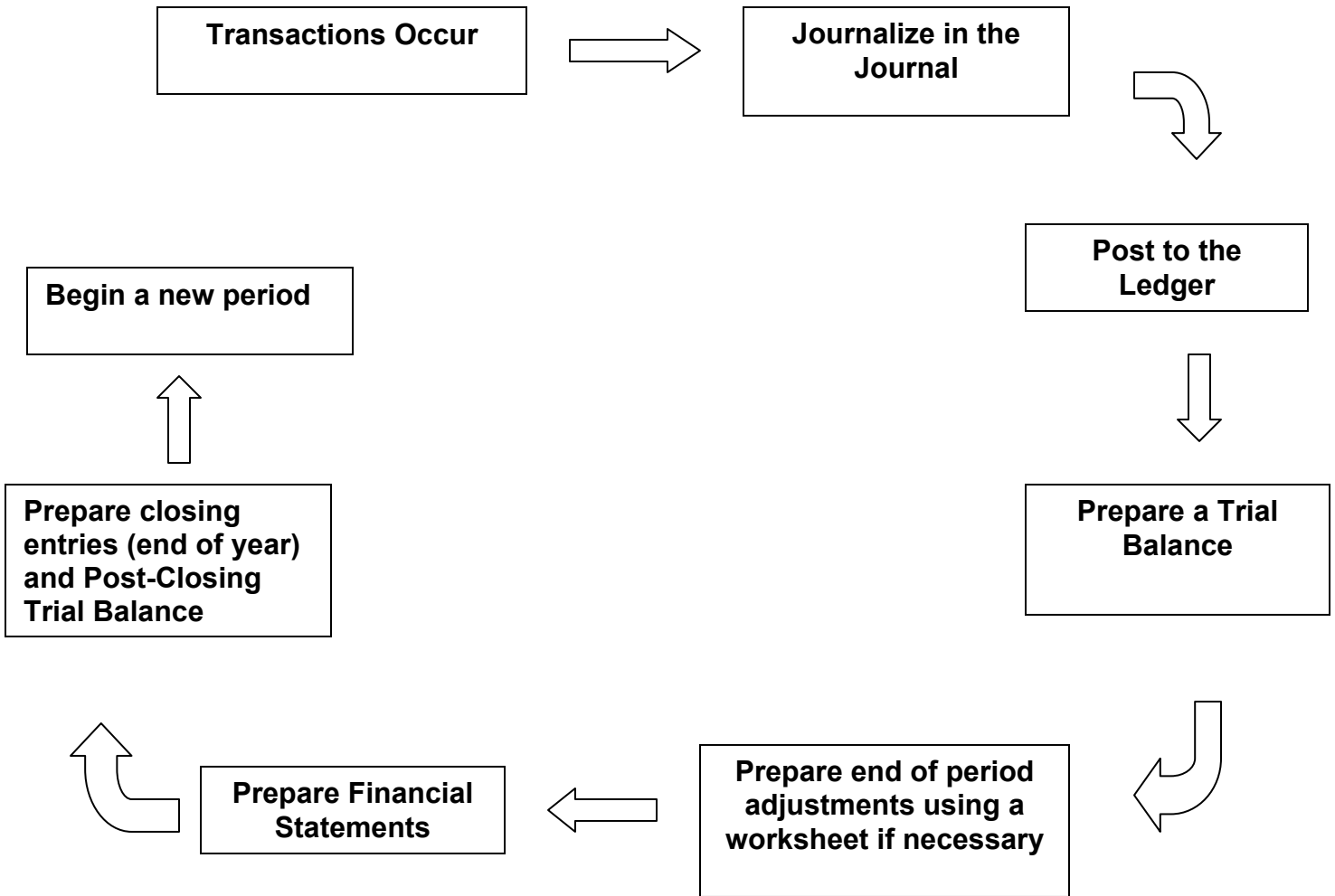
What teachers do	What students do
<p>Before</p> <ul style="list-style-type: none"> • Prepare a large visual display of the accounting cycle (similar to the resource provided). • Introduce the steps as a whole early in the course. • Emphasize that each step in the cycle is one part of the entire process known as accounting. • Find and distribute an assignment that encompasses the whole accounting cycle (often referred to as a practice set). 	<ul style="list-style-type: none"> • Use the steps in the accounting cycle to guide their application of accounting theory and practice.
<p>During</p> <ul style="list-style-type: none"> • Set deadlines using the steps in the accounting cycle. • Give students key figures to help them complete each step in the assignment. 	<ul style="list-style-type: none"> • Students complete each step of the accounting cycle. • As you progress through each step in the accounting cycle, all assignments must be completed and deadlines met.
<p>After</p> <ul style="list-style-type: none"> • Prepare an audit test to serve as evaluation of the completion of the accounting cycle assignment. • Prepare a merchandising assignment, if the first assignment dealt with a service company only. • Begin preparation for the computerized version of the cycle; ask students to relate the differences of the cycle in a manual versus computerized environment. 	<ul style="list-style-type: none"> • Complete an audit test following the completion of the accounting cycle assignment. • Complete the accounting cycle in a computerized environment and compare the steps to the manual system.



Reading Different Text Forms: *Following Instructions*

INTRODUCTION TO ACCOUNTING Grade 11

ACCOUNTING CYCLE





Reacting to Reading: Drawing Conclusions

Introduction to Accounting, Grade 11 (The Accounting Cycle)

Readers draw conclusions based on the ideas and information that they read from one or more sources. Providing a graphic organizer *before reading* helps students to organize their thinking *during reading* in order to analyze, make inferences and draw conclusions *after reading*.

Purpose

- Actively use prior knowledge and experiences when reading.
- Read sentences known as *transactions* and translate into *accounting journal entries*.

Payoff

- Use effective reading to develop accounting-related skills.
- Effectively deal with any more difficult concepts occurring after the learning of journalizing.

Tips and Resources

- *Drawing conclusions* involves gathering information and deciding what the information means. For example, a piece of information may generate the need for further action, (e.g., the owner of a business makes a sale, the student must **identify** and **describe** effects on the business. The student will **draw a conclusion** about the information (need to journalize the transaction); and then create the written journal entry.
- See Student-Teacher Resource, *TRANSACTION ANALYSIS GUIDE SHEET* by *EXAMPLES*. These examples will serve to demonstrate the reading and thinking process necessary to effectively journalize transactions, given the conclusion that is drawn by following a guide sheet.
- Also see Student Resource, *TRANSACTION ANALYSIS GUIDE SHEET* and give to students as a guide sheet or template.
- Several textbooks exist to facilitate the creation of the sentences, which form the basis of all transactions; teachers need not create their own.
- A good idea is to provide students with a list of typical accounts for a sample business, such as Cash, Accounts Receivable (e.g., debts owed to the business such as Supplies, Automobile); Accounts Payable (e.g., debts owed by the business to others such as Bank Loan, J. Klingon, Capital).
- Using a list of accounts will give student confidence to determine the “right” answer.
- It is imperative in all Introductory Accounting courses that students learn to read and translate the information given; if they do not process this part of the course effectively, it is very difficult to achieve success in the remainder of the course.

Further Support

- Encourage students to use their real-life experiences as models for transaction in drawing conclusions.
- Create a transaction checklist for students at the beginning and until they achieve a reasonable level of mastery.



Reacting to Reading: **Drawing Conclusions**

Introduction to Accounting, Grade 11 (The Accounting Cycle)

TRANSACTION ANALYSIS GUIDE SHEET by EXAMPLES

Briefly read each sentence below. Answer the following questions before attempting to create the journal entry :

1. Is it a transaction (i.e., has something of value been exchanged)? If yes, continue.
2. Which accounts are affected? At least two are necessary.
3. Decide whether the accounts affected are increasing or decreasing in value.
4. Write the journal entry: date first, account(s) debited at the margin and those credited are indented.
5. Does the value of the debits equal the value of the credits? They must!

Example 1:

“A tutor promised to tutor a student next week in return for \$20 per hour.”

Reading from the transaction analysis guide sheet above :

1. Is it a transaction? No, as nothing of value has been exchanged, just promises! No need to continue.

Example 2 :

“Joe starts a new business by making a \$1000 deposit in a business bank account.”

1. Is it a transaction? Yes, money has transferred from a personal to a business account.
2. Accounts affected? Cash and J. Klingon, Capital.
3. Cash, an asset, has increased in value. Capital, an owner’s equity account, has also increased in value.

4. July 1 Cash		1 000	
	J. Klingon, Capital		1 000
Joe opens a new business.			

5. Cash, an asset, receives a debit of \$1 000 while J. Klingon, Capital, an owner’s equity account, receives a credit of \$1 000. Therefore, the value of the debits equals the value of the credits.



Reacting to Reading: Drawing Conclusions

Introduction to Accounting, Grade 11 (The Accounting Cycle)

TRANSACTION ANALYSIS GUIDE SHEET

1. Is it a transaction (i.e., has something of value been exchanged)? If yes, continue.
2. Which accounts are affected? At least two are necessary.
3. Decide whether the accounts affected are increasing or decreasing in value.
4. Write the journal entry: date first, account(s) debited at the margin and those credited are indented.
5. Do the value of the debits equal the value of the credits? They must!

ASSETS	LIABILITIES
<ul style="list-style-type: none"> • Increase with a debit • Decrease with a credit • Examples: Cash Automobile Building 	<ul style="list-style-type: none"> • Increase with a credit • Decrease with a debit • Examples: Bank Loan, Mortgage
	OWNER'S EQUITY
	<ul style="list-style-type: none"> • Increase with a credit • Decrease with a debit • Example: J. Klingon, Capital



Writing for a Purpose: **Information Report**

INTRODUCTION TO ACCOUNTING Grade 11 (The World of Accounting – Careers)

Students will research and write an information report on careers in accounting and related fields. A template will be provided to act as a guide in the process.

Purpose

- Develop writing skills and learn about possible career options in accounting and related fields.

Payoff

- Students deliver an organized report.
- Students appreciate the many career opportunities relating to accounting.

Tips and Resources

- There are two important features of this assignment: to develop writing skills and to understand there are many careers in accounting beyond the three designations (CA, CGA, CMA).
- Visiting websites (e.g., workopolis.ca, monstor.ca, careercruising.ca) will provide a wealth of advertisements to help students.
- The three main accounting organizations (CA, CGA, CMA) also maintain websites to further career exploration.
- Students are encouraged to use the format on the template provided in the student resource but are also encouraged to gather information beyond that required by the template headings.

Further Support

- A presentation by a local job and career recruitment professional may help introduce the assignment.
- Students need to understand accounting skills are vital in any area they wish to pursue as a career.



Writing for a Purpose: Information Report

**INTRODUCTION TO ACCOUNTING Grade 11
(The World of Accounting – Careers)**

ACCOUNTING and RELATED CAREERS INFORMATION REPORT TEMPLATE

Introduction:

- Briefly identify and discuss the career option chosen.

Education/Skills Required:

- Key points should include type of education required (e.g., high school, college level accounting courses, etc.).
- How many years are required within a school environment?
- How many years of training with a company are required (if a designation is involved)?
- What skills are desirable (e.g., computer skills)

Tasks:

- What tasks and duties are typical of this career?

Salary/Wages:

- Show the range of salaries expected with this career.

Conclusion:

- What career options stem from this career choice (e.g., most treasurers begin as junior accountants)?
- Discuss the key points and whether this career option might appeal to you.

Note: use transition sentences when moving from one section to another.



Writing for a Purpose: Information Report

**INTRODUCTION TO ACCOUNTING Grade 11
(The World of Accounting – Careers)**

ACCOUNTING and RELATED CAREERS: BRIEF LIST

AUDITOR
ACCOUNTING MANAGER
ACCOUNTS RECEIVABLE CLERK/ANALYST
ACCOUNTS PAYABLE CLERK/ANALYST
BENEFITS ADMINISTRATOR
BOOKKEEPER
BUDGET ANALYST
CERTIFIED GENERAL ACCOUNTANT
CERTIFIED MANAGEMENT ACCOUNTANT
CHARTERED ACCOUNTANT
CHIEF FINANCIAL OFFICER
COST ANALYST
CONTROLLER
COLLECTIONS OFFICER
CREDIT OFFICER/ANALYST
FINANCIAL ANALYST
FORENSIC ACCOUNTANT
GENERAL ACCOUNTANT
INVENTORY ADMINISTRATOR
JUNIOR/INTERMEDIATE/SENIOR ACCOUNTANT
MUTUAL FUND ACCOUNTANT
PAYROLL CLERK/ADMINISTRATOR
PENSION ACCOUNTANT
PROJECT ACCOUNTANT/MANAGER
REGULATORY ACCOUNTANT
TAX ACCOUNTANT/ANALYST/MANAGER
TREASURER

Note: many accounting careers may have slightly different titles depending on the company (e.g., Credit or Collections Clerk, Chief Financial Officer or Vice President, Finance)

Small-Group Work: Teams – Games - Tournament

Business Studies Introduction to Accounting Grade 11 The Accounting Cycle (Introduction to the Accounting Cycle for a Service Business)

The Teams – Games – Tournament, TGT, strategy is held at the end of the unit learning, after the teacher has made class presentations and the students have time to practise the concepts taught. The games are composed of content-relevant questions designed to test the knowledge students gain from teacher lessons and team practice. The tournament is the structure in which the games take place. The tournament games are played at tables of three students and each table group represents a different learning team. Most games are simply numbered questions on a handout or number cards with the answers on the back. A student picks a number and attempts to answer the question corresponding to the number. After all students have completed the questions, each student returns to his or her learning team and each team member totals his or her individual tournament scores.

Purpose

- TGT is used as a check for student understanding of information previously taught or obtained.
- TGT motivates students to encourage and help each other master skills presented by the teacher.

Payoff

- The physical arrangement of students in small heterogeneous groups encourages students to help, share and support each other's learning in groups.
- TGT has individual accountability, each student is responsible for the success and collaboration of the learning team and for mastering the task.
- Students are taught, coached and monitored in the use of cooperative team skills that enhance group work.
- Structure is provided by a common goal and role assignments.
- Students reflect on how well they work as a team and what steps they can take to improve next time.

Tips and Resources

- Use TGT in all Business Studies subject areas for almost any topic or unit review.
- Take time to ensure that all students understand the stages of the process and what is expected.
- Teacher Resource: *Tournament Table Assignment* and *Role Cards*.
- Student Resource: *Tournament Score Sheet* and *Learning Team Tally Sheet*.
- Teacher/Student Resource: *Accounting Cycle Tournament Questions*.
- Teacher/Student Resource: *Accounting Cycle Tournament Answers*.

Beyond Monet, Barrie Bennett and Carol Rolheiser. Bookation Inc. Toronto, Ontario. ISBN 0-9695388-3-9 pp.178-187.

Further Support

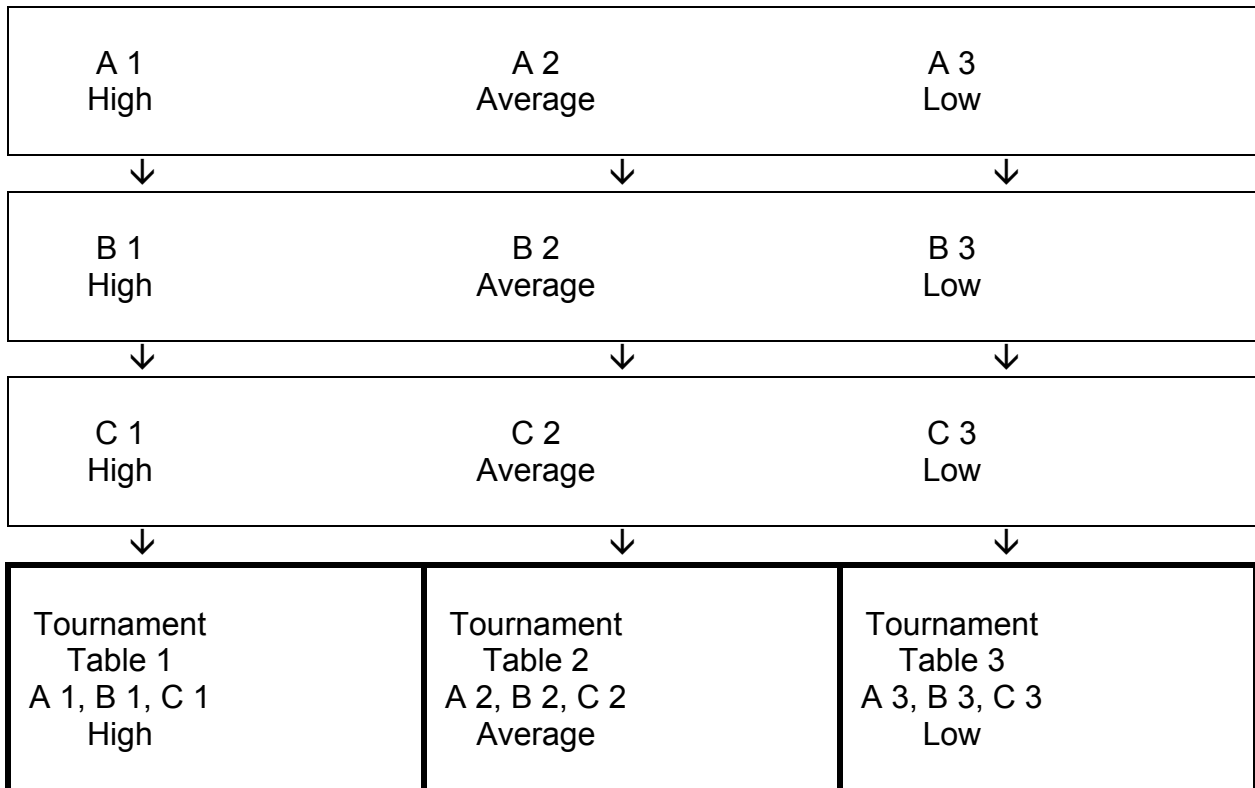
- **TGT Adaptation.** To accommodate different strengths use six students in the learning group instead of three. When the students go to the tournament they go in pairs. The pair draws the question number, discusses the question with each other, and then shares the answer.



Small-Group Work: Teams – Games - Tournament

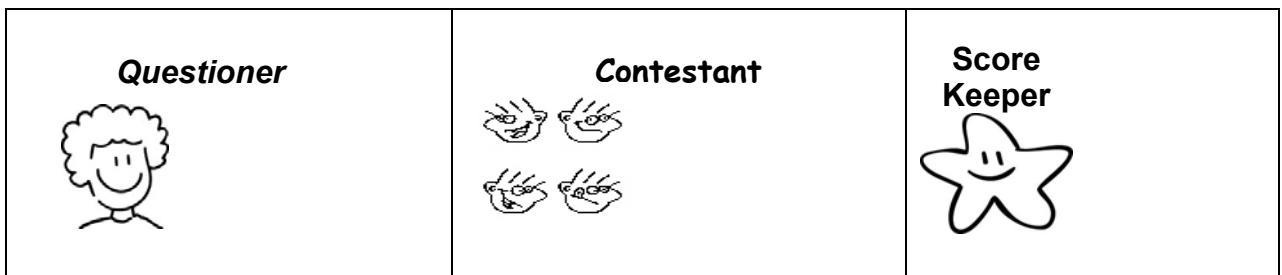
Business Studies
Introduction to Accounting Grade 11
The Accounting Cycle
(Introduction to the Accounting Cycle for a Service Business)

Tournament Table Assignment



Grouping students according to ability encourages active participation by all group members.

Role Cards





Student Resource

Small-Group Work: Teams – Games - Tournament

Business Studies
Introduction to Accounting Grade 11
The Accounting Cycle
(Introduction to the Accounting Cycle for a Service Business)

Tournament Score Sheet

Learning Team Name	Questions										Total
	<i>(number of boxes should equal the number of questions you want the students to answer)</i>										

Learning Team Tally Sheet

Contestant	Score	Total



Small-Group Work: Teams – Games - Tournament

Business Studies
Introduction to Accounting Grade 11
The Accounting Cycle
(Introduction to the Accounting Cycle for a Service Business)

Accounting Cycle Tournament Questions

1. Explain how to calculate a person's financial position.
2. Define asset.
3. Define liabilities.
4. Define owner's equity.
5. What is another term that means the same as equity?
6. Give two forms of the fundamental accounting equation.
7. What is a balance sheet?
8. On which side of the balance sheet are the assets listed?
9. On which side of the balance sheet are the liabilities listed?
10. How is new computer equipment, that is not fully paid for, listed on the balance sheet?
11. Explain the meaning of the words debit and credit.
12. What three pieces of information does an account contain?
13. What kind of account(s) has/have a debit balance?
14. What kind of account(s) has/have a credit balance?
15. Define the term revenue.
16. Define the term expenses.
17. Define the term drawings.
18. List the steps in the accounting cycle.

Small-Group Work: Teams – Games - Tournament

Business Studies
Introduction to Accounting Grade 11
The Accounting Cycle
(Introduction to the Accounting Cycle for a Service Business)

Accounting Cycle Tournament Answers

1. *How to calculate a person's financial position.* List and total all the things that you own that have a dollar value. List and total things you owe (your debts). Calculate the difference between all the things you own and all the things you owe.
2. *Define asset.* Assets are the resources owned by a business, person, or organization.
3. *Define liabilities.* Liabilities are claims against the assets by creditors. Liabilities are existing debts and obligations.
4. *Define owner's equity.* The ownership claim on total assets is known as owner's equity.
5. *What is another term that means the same as owner's equity?* Capital, Net Worth, just Equity
6. *Give two forms of the fundamental accounting equation.* $A-L=OE$, $A=L+OE$, $A-OE=L$
7. *What is a balance sheet?* The Balance Sheet is a formal financial statement showing the financial position of a person, business, or other organization on a specific date.
8. *On which side of the balance sheet are the assets listed?* The left or debit side.
9. *On which side of the balance sheet are the liabilities listed?* The right or credit side
10. *How is new computer equipment that is not fully paid for listed on the balance sheet?* The purchase value of the computer equipment will be listed under assets while the amount owing on the computer equipment will be listed under liabilities.
11. *Explain the meaning of the words debit and credit.* The debit amount is recorded on the left, the credit amount is recorded on the right; therefore, debit means left, credit means right.
12. *What three pieces of information does an account contain?* Name, date, balance.
13. *What kind of account(s) has/have a debit balance?* Assets, Drawings, Expenses.
14. *What kind of account(s) has/have a credit balance?* Liability, Capital, Revenue.
15. *Define the term revenue.* Revenue is the income earned from business activities.
16. *Define the term expenses.* Expenses are the cost of assets consumed or services used in the process of earning revenue.
17. *Define the term drawings.* An owner may withdraw cash (or other assets) for personal use. It is preferable to record this in a separate account called drawings so that the total withdrawals for the accounting period can be determined rather than recorded as a direct decrease to owner's equity.
18. List the steps in the accounting cycle. 1. Transactions occur; 2. Journalize in the Journal; 3. Post to the Ledger; 4. Prepare a Trial Balance; 5. Prepare end of period adjustments using a worksheet if necessary; 6. Prepare Financial Statements; 7. Prepare closing entries (end of year) and Post-closing Trial Balance.



Small-group Discussions: Discussion Web

INTRODUCTION TO ACCOUNTING Grade 11 (The Objectives of Accounting)

Students will discuss ethics as it applies to accounting and business. They will begin in small groups and build to a larger group. The discussion web will provide practice in speaking, reading, and writing.

Purpose

- Give students the opportunity to develop their ideas about ethics and share them with classmates in a situation that requires critical thinking.

Payoff

- Students are involved in discussion and critical thinking.
- Students take responsibility for developing and sharing their ideas.
- Students reflect on their own developing discussion skills.

Tips and Resources

- The discussion web strategy will focus on accounting-related ethical dilemmas.
- Several short cases will be presented with the opportunities for students to think about the issues involved and present their opinions and ideas.
- Discuss one case with the class and generate ideas and opinions to serve as an example for their subsequent discussions.
- Ask students to prepare a list of the key issues to be discussed and make decisions on paper and verbally.
- Use a problem-solving model to help the students frame their responses. Alternatively, place specific questions at the end of each case. The use of the model forces students to use organizational as well as thinking skills.

Further Support

- The subject of ethics has become more prevalent in society with scandals such as Bre-X, Enron and World.com, to mention a few.
- While there may not always be one *right* answer, encourage students to use some parameters such as accounting principles, legal ramifications, and personal experience to guide their responses.



Small-group Discussions: Discussion Web

**INTRODUCTION TO ACCOUNTING Grade 11
(The Objectives of Accounting)**

What teachers do	What students do
<p>Before</p> <ul style="list-style-type: none"> Find case studies to distribute to the class. While this was difficult in the past, the topic of ethics has made case studies much more obtainable. A simple search on the Internet will provide many short cases featuring ethical dilemmas. Use a problem-solving model which will help the students organize their thoughts (e.g., identify the issues/problems, possible solutions including pros and cons, final decision). Present the sample cases to the class. 	<ul style="list-style-type: none"> Listen to the sample cases, think about the dilemmas presented and offer viewpoints. Read the cases.
<p>During</p> <ul style="list-style-type: none"> Allow students to read the cases and write their responses using a problem-solving model. Put the students in pairs to compare viewpoints. Create larger but manageable groups to discuss all viewpoints. Call on a representative from each large group to share the group's conclusion with the class. 	<ul style="list-style-type: none"> Think about the dilemmas presented in the cases and complete the problem-solving model for each case. Share viewpoints with a partner, completing the problem-solving model by adding missed ideas on paper. Move on to the larger group and decide on a course of action to solve the dilemma. Present the large groups solutions to the class and reach a conclusion as a class on the dilemma.
<p>After</p> <ul style="list-style-type: none"> Leave one case study as an individual assignment and collect and evaluate using a problem-solving model. Discuss the key issues underlining all the cases and relate to the accounting profession. 	<ul style="list-style-type: none"> Write a formal response, using a problem-solving model, for one of the cases. Relate the solutions and issues to the accounting profession in general.

Notes



Small-group Discussions: Discussion Web

**INTRODUCTION TO ACCOUNTING Grade 11
(The Objectives of Accounting)**

PROBLEM SOLVING MODEL

1. IDENTIFY MAIN ISSUES AND PROBLEMS

- Focus on the key concern or dilemma
- Identify major people involved and their interest/role in the dilemma

2. SOLUTIONS

- State possible alternatives and the pros and cons for each

3. DECISION

- Select one solution and justify.

Small-group Discussions: Discussion Web

**INTRODUCTION TO ACCOUNTING Grade 11
(The Objectives of Accounting)**

SAMPLE ETHICAL CASE STUDIES

1. Jenny was recently hired as the office manager for a small shipping company. She was hoping the increased responsibility in her new position would offer more challenge than her old job, which was mostly clerical work. One of her duties was to manage the petty cash fund. According to the written company policy, she was to distribute funds for small expenditures below \$10 without a receipt and up to \$50 with a receipt. When the fund's \$250 was almost depleted, she would create a summary of the expenditures and forward it to the accountant, who would issue a cheque made out to "cash" for the balance. She would then cash the cheque and replace the funds, starting the process over again. In her first few weeks, most requests would be for reimbursement of expenditures such as stamps, staples, etc.. The shipping manager, Ron, took a slightly different approach. He approached Jenny and said he regularly purchased coffees for the drivers in the field and that he didn't keep receipts since they were bought through "the drive through." He continued to state that company executives knew and approved of this practice. He then asked for \$100, as that was his estimate for the coffees purchased for the last two weeks. Jenny was hesitant and told Ron "she would get back to him."
2. Ramish was the accountant in the office of a company selling lumber. The company's cost of goods sold (the actual cost of the lumber sold) was showing a rising trend. At the same time, sales were constant but not increasing and inventory was being regularly replenished. He checked the price the company was paying for the lumber and it was also steady. As well, he noticed activity in the lumberyard was brisk, perhaps more so than usual. As well, there was no significant increase on returns. The lumberyard manager, Josh, had been a personal friend for many years, yet Ramish was suspicious that something was not right.
3. Lynn was returning to work, in the head office of a clothing retail company, after completing a summer course on the use of computers in accounting. She had convinced her employer to purchase an expensive accounting software program because of the escalating number of transactions the company had witnessed. She would set up all the accounts and supervise the entire accounting process, something she had always done, but in a manual system. Lynn's accounting and computer ability enabled a smooth year-end process. She braced for her regular annual meeting to present the financial statements to her manager, Susan. In the meeting, Susan asked if it were simple to change policies with the click of a mouse, now that the company employed new software. Lynn responded affirmatively if the need should arise. Susan then suggested to Lynn to do the following to "make the books look better": record the cost of goods sold as the those purchased at the beginning of the year (lower cost), decrease the rate of depreciation on the company vehicles, and eliminate the recording of losses expected from non-paying customers. Lynn looked puzzled and stunned. When Lynn asked Susan to justify the changes, the manager responded, saying the owners were interested in selling the company and wanted the financial statements to reflect a "rosy" picture. Susan also suggested all the changes were within the standards associated with "generally accepted accounting principles."



Small-group Discussions: Discussion Web

INTRODUCTION TO ACCOUNTING Grade 11 (The Objectives of Accounting)

ETHICAL CASES: POINTS TO CONSIDER

Case 1

- Proper internal control has many features, including separation of duties, the use of receipts, pre-numbered cheques, etc.
- The company did have a policy, which is a positive.
- Company politics is not always visible in a written case study; this in fact may have been acceptable, though not optimal, daily practice.
- Jenny had several alternatives:
 - Ignore the request.
 - Go along with it.
 - Ask one of the executives, or at least her immediate supervisor.
 - Ask for receipts as per the policy for an amount greater than \$10.

Case 2

- Ramish may have stumbled upon a common business occurrence: unrecorded sales for cash.
- A higher cost of goods sold and lower than normal sales would result in a lower net income and lower taxes paid to the government.
- Ramish could:
 - Ignore the situation.
 - Ask Josh to explain the situation.
 - Alert upper level management of the dilemma.

Case 3

- Susan may be correct when she implies the changes are in accordance to Generally Accepted Accounting Principles (GAAPs); however, to change policies retroactively is not acceptable with regard to GAAPs.
- To deliberately mislead potential purchasers is also a legal issue.
- Lynn could:
 - Refuse to make the changes, knowing she may lose her job.
 - Make the changes and hope no one notices.
 - Make the changes and place accompanying notes to the financial statements with explanations.