

Who Needs Accounting?



This lesson is designed to provide career information to students on the importance of understanding basic accounting principles. In addition, it will introduce the importance of CPA professionals in helping both individuals and businesses succeed financially.

Topics:

- ❖ What is accounting?
- ❖ Why do I need a CPA?
- ❖ Why do I need financial knowledge?

What is Accounting?

Accounting, quite simply put, is the LANGUAGE OF BUSINESS. Accounting is the way that people and businesses keep track and make sense of financial information.

Accounting is a method used to understand information about business performance. The information gathered in accounting has many uses for people and companies. Accounting information can be used by a company to help plan and control operations; or by an individual when trying to decide what is the best way to use and invest his or her money.

Every individual should have a basic understanding of business and how accounting “works.”

Through accounting, people have unlimited career opportunities and will always be sought after by individuals and companies.

Why do I need a CPA?

Let’s face it, we all want to be financially secure, and CPAs are who people are looking for to help reach their financial goals. CPAs do a lot more than crunch numbers. CPAs offer a variety of different services including financial planning, management consulting, advisory services, auditing, tax and much more. CPAs are dedicated to their clients. CPAs can help your investment portfolio grow and guide you down a path of financial security. There is *always* a need for a good CPA.



Why do I need Financial Knowledge?

Financial knowledge ties it all together. By having an understanding of business and how it works, you can become financially secure and independent. By having financial knowledge, you are not “helpless” or at the mercy of your environment. CPA advisors can help guide you down the path of business and personal growth; however, it is important to know what your CPA is talking about with regard to financial matters. Otherwise, you may lose the money you worked so hard to earn.

Think how much better off professional athletes, individual business owners, and company employees are when they have been given strong advice from a CPA professional and they actually understand how to put this advice to good use.

Here’s a short vocabulary list that may assist students’ understanding:

Gross pay is the amount of money your employer pays you for working **before** taxes are taken out.

Net pay is the amount of money you get for working **after** taxes are taken out.

Taxes are the money taken out of your gross pay by the government to fund government programs.

Tax rate is the percentage of your income that the government takes from your gross pay.

Here is an example for the students.

