



## **CAREER CLUSTER**

Finance

## **CAREER PATHWAY**

Accounting

## **INSTRUCTIONAL AREA**

Financial Analysis

# **ACCOUNTING APPLICATIONS SERIES EVENT**

## **PARTICIPANT INSTRUCTIONS**

- The event will be presented to you through your reading of the 21<sup>st</sup> Century Skills, Performance Indicators and Event Situation. You will have up to 10 minutes to review this information and prepare your presentation. You may make notes to use during your presentation.
- You will have up to 10 minutes to make your presentation to the judge (you may have more than one judge).
- You will be evaluated on how well you demonstrate the 21<sup>st</sup> Century Skills and meet the performance indicators of this event.
- Turn in all of your notes and event materials when you have completed the event.

## **21<sup>st</sup> CENTURY SKILLS**

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- Critical Thinking – Reason effectively and use systems thinking.
- Problem Solving – Make judgments and decisions and solve problems.
- Communication – Communicate clearly.
- Creativity and Innovation – Show evidence of creativity.

## **PERFORMANCE INDICATORS**

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- Identify and correct accounting errors.
- Journalize business transactions.
- Account for long-term assets.
- Demonstrate the effects of transactions on the accounting equation.
- Provide legitimate responses to inquiries.

## EVENT SITUATION

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You are to assume the role of the senior accountant at MONACO COMPANY. The manager of the company (participant) wants you to correct journal entries and errors made in your absence.

For the past few weeks, a temporary employee has been filling in as bookkeeper. When you returned from time off, you discovered the following errors were made in the journals. All incorrect entries were posted.

1. A payment on account of \$830 to a creditor was debited to Accounts Payable \$380 and credited to Cash \$380.
2. The purchase of supplies on account for \$500 was debited to Equipment \$50 and credited to Accounts Payable \$50.
3. A \$400 withdrawal of cash by the manager for personal use was debited to Salaries Expense \$400 and credited to Cash \$400.
4. The purchase of \$1,200 of office equipment on account, with a three-year useful life and no residual value, was debited to Office Supplies and credited to Accounts Payable.

You have a meeting with the manager (judge) to discuss the preliminary accounting numbers and the errors that need to be fixed. You will prepare the correct journal entries and fix the errors and explain them to the manager (judge). You will also prepare any adjusting entries necessary for the office equipment.

You will present the information to the manager (judge) in a role-play to take place in the manager's (judge's) office. The manager (judge) will begin the role-play by greeting you and asking to hear your ideas. After you have presented the information and have answered the manager's (judge's) questions, the manager (judge) will conclude the role-play by thanking you for your work.

## JUDGE INSTRUCTIONS

### DIRECTIONS, PROCEDURES AND JUDGE ROLE

In preparation for this event, you should review the following information with your event manager and other judges:

1. Participant Instructions, 21<sup>st</sup> Century Skills and Performance Indicators
2. Event Situation
3. Judge Role-Play Characterization  
Allow the participants to present their ideas without interruption, unless you are asked to respond. Participants may conduct a slightly different type of meeting and/or discussion with you each time; however, it is important that the information you provide and the questions you ask be uniform for every participant.
4. Judge Evaluation Instructions and Judge Evaluation Form  
Please use a critical and consistent eye in rating each participant.

### JUDGE ROLE-PLAY CHARACTERIZATION

You are to assume the role of the manager at MONACO COMPANY. You want the senior accountant (participant) to correct journal entries and errors made in their absence.

For the past few weeks, a temporary employee has been filling in as bookkeeper. When the senior accountant (participant) returned from time off, they discovered the following errors were made in the journals. All incorrect entries were posted.

1. A payment on account of \$830 to a creditor was debited to Accounts Payable \$380 and credited to Cash \$380.
2. The purchase of supplies on account for \$500 was debited to Equipment \$50 and credited to Accounts Payable \$50.
3. A \$400 withdrawal of cash by the manager for personal use was debited to Salaries Expense \$400 and credited to Cash \$400.
4. The purchase of \$1,200 of office equipment on account, with a three-year useful life and no residual value, was debited to Office Supplies and credited to Accounts Payable.

The senior accountant (participant) will meet with you to discuss the preliminary accounting numbers and the errors that need to be fixed. The senior accountant (participant) will prepare the correct journal entries and fix the errors and explain them. The senior accountant (participant) will also prepare any adjusting entries necessary for the office equipment.

The participant will present information to you in a role-play to take place in your office. You will begin the role-play by greeting the participant and asking to hear about his/her ideas.

During the course of the role-play, you are to ask the following questions of each participant:

1. How do correcting entries differ from adjusting entries?
2. Of the errors that were identified in the case, which ones would have affected the accounting equation with regards to income if they went undetected?

Once the senior accountant (participant) has presented information and has answered your questions, you will conclude the role-play by thanking the senior accountant (participant) for the work.

You are not to make any comments after the event is over except to thank the participant.

## SOLUTION

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Accounts Payable (\$830 - \$380)	450	
Cash		450
Supplies	500	
Equipment		50
Accounts Payable		450
Drawings	400	
Salaries Expense		400
Office Equipment	1,200	
Office Supplies		1,200

### Adjusting Entry:

Depreciation Expense – Equipment	400	
Accumulated Depreciation – Equipment		400

## Answers to Judges Questions

1. Correcting entries differ from adjusting entries because they (1) are not a required part of the accounting cycle, (2) may be made at any time, and (3) may affect any combination of accounts. Adjusting entries affect both an income statement account and a balance sheet account.
2. Transaction 3 would have affected Net Income as \$400 would have been deducted thus lowering the net income amount. One could also argue that Transaction 4 could have

affected Net Income, although if the debit was to an Asset account (Supplies instead of Equipment), it is doubtful Depreciation would have been calculated thus overstating Net Income.

## EVALUATION INSTRUCTIONS

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The participants are to be evaluated on their ability to perform the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although you may see other performance indicators demonstrated by the participants, those listed in the Performance Indicators section are the critical ones you are measuring for this particular event.

### Evaluation Form Interpretation

The evaluation levels listed below and the evaluation rating procedures should be discussed thoroughly with your event director and the other judges to ensure complete and common understanding for judging consistency.

Level of Evaluation	Interpretation Level
Exceeds Expectations	Participant demonstrated the performance indicator in an extremely professional manner; greatly exceeds business standards; would rank in the top 10% of business personnel performing this performance indicator.
Meets Expectations	Participant demonstrated the performance indicator in an acceptable and effective manner; meets at least minimal business standards; there would be no need for additional formalized training at this time; would rank in the 70-89 <sup>th</sup> percentile of business personnel performing this performance indicator.
Below Expectations	Participant demonstrated the performance indicator with limited effectiveness; performance generally fell below minimal business standards; additional training would be required to improve knowledge, attitude and/or skills; would rank in the 50-69 <sup>th</sup> percentile of business personnel performing this performance indicator.
Little/No Value	Participant demonstrated the performance indicator with little or no effectiveness; a great deal of formal training would be needed immediately; perhaps this person should seek other employment; would rank in the 0-49 <sup>th</sup> percentile of business personnel performing this performance indicator.



## ACCOUNTING APPLICATIONS SERIES 2023

### JUDGE'S EVALUATION FORM DISTRICT EVENT 2

Participant: \_\_\_\_\_

### INSTRUCTIONAL AREA: Financial Analysis

ID Number: \_\_\_\_\_

Did the participant:		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
<b>PERFORMANCE INDICATORS</b>						
1.	Identify and correct accounting errors?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
2.	Journalize business transactions	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
3.	Account for long-term assets?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
4.	Demonstrate the effects of transactions on the accounting equation?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
5.	Provide legitimate responses to inquiries?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
<b>21<sup>st</sup> CENTURY SKILLS</b>						
6.	Reason effectively and use systems thinking?	0-1	2-3	4	5-6	
7.	Make judgments and decisions, and solve problems?	0-1	2-3	4	5-6	
8.	Communicate clearly?	0-1	2-3	4	5-6	
9.	Show evidence of creativity?	0-1	2-3	4	5-6	
10.	Overall impression and responses to the judge's questions	0-1	2-3	4	5-6	
<b>TOTAL SCORE</b>						