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| **Course:** | BF10: Principles of Business and Finance |
| **Objective:** | NC CTE 6.01: Acquire a foundational knowledge of accounting to understand its nature and scope. (FI:085, FI LAP 5) |

**Key Terms**

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| **Key Term** | **Definition** |
| **Accounting** | The process of keeping and interpreting financial records. (Career Opps in Finance, FI LAP 5, FI LAP 7, PD LAP 15, SM LAP 1) |
| **Accounting system** | The methods and procedures used in consistently handling the business's financial information. (FI LAP 5) |
| **Accrual accounting method** | A method of accounting that records transactions at the time they occur even if no money changes hands at the time (FI LAP 5, QS LAP 38) |
| **Cash accounting method** | An accounting method in which income and expenditures are recorded at the time the money changes hands. (FI LAP 5, QS LAP 38) |
| **Cost accounting** | Used to reduce and eliminate costs in a business. Cost accounting is used to determine a price for a product or service that will allow earnings of a reasonable profit. (FI LAP 5) |
| **Managerial accounting** | A type of accounting that involves preparing and reporting financial data to internal users, usually managers, who need financial information to control day-to-day operations and to make financial decisions and plans affecting the business (FI LAP 5) |

**Resources**

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| --- | --- | --- |
| **Explain the concept of accounting (FI:085, FI LAP 5) (CS)** | | |
|  | **Online/Software:** | Magos, A. (2012). *Ask Alice about cash vs. accrual method.* Retrieved June 11, 2012, from <http://csi.toolkit.tst.cch.com/advice/own1.asp>  NetMBA. (2002-2010). *The accounting process (The accounting cycle).* Retrieved June 11, 2012, from <http://www.netmba.com/accounting/fin/process/>  The Open Learn University. (2012). *Introduction to the context of accounting.* Retrieved June 11, 2012, from <http://openlearn.open.ac.uk/course/view.php?id=1589>  Russell, M. (2012). *The nature of accounting systems*. Retrieved June 11, 2012, from <http://ezinearticles.com/?The-Nature-Of-Accounting-Systems&id=378707>  Smith, S. (2012). *What is accounting?* Retrieved June 11, 2012, from <http://www.wisegeek.com/what-is-accounting.htm> |

**6.01 – Monopoly Game for Accounting**

**Curricular Connection**  
Students will use the “Monopoly” game board to record, journalize, and post “real-life business transactions. There will be a total of eight-ten students per game; each will have a partner. One student will “play” the game and the other will record the transaction in a journal. Each roll of the dice may or may not result in a transaction being recorded. This activity completes then entire accounting cycle of a business. Students will be utilizing math, English, and career skills.

**Industry**  
Students will be role-playing the position of an accountant. Their duties will be to establish a Chart of Accounts, prepare a financial statement (Balance Sheet), record daily transactions (purchase of a piece of property or paying a tax, etc), determine what expense to use in the journal entry, generate income, and limit or control liabilities. As students are playing Monopoly they will encounter transactions that occur in the daily operation of a business

**Objectives**  
Open new accounts in the general ledger  
Journalize transactions  
Post transactions  
Prove cash on a daily basis  
Prove the equality of debits and credits  
Prepare financial statements (Balance Sheet, Income Statement) and a worksheet  
Record and post-closing entries  
Prepare a post-closing trial balance

**Vocabulary**  
Before students can play Accounting Monopoly, they must be familiar with all the accounting terminology and the accounting cycle. Terminology such as debit, credit, chart of accounts, balance sheet, income statement, posting, closing entries, etc. are only some the terms that are required.

**Preparation**  
Once the paperwork is setup and students know what they have to do, it is quite easy to use this activity. Great way to end the week.

**Background Information**  
Basic accounting equation as well as the rules to play Monopoly.

**Reinforcing Activities**  
This is a reinforcing activity for recording the transactions from original source documents or from the text.

DEBIT

CREDIT

BALANCE

DEBI

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DESCRIPTION

E

DAT

POST.

REF.

ACCOUNT NO.

ACCOU

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**Name**

**Date**

**Class**

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**GENERAL JOURNAL**

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DEBI

CREDIT

DESCRIPTION

DATE

POST.

REF.

**Name**

**Date**

**Class**

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**Name Date Class**

Income Statement

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**Name Date**

Balance Sheet

Post-Closing Trial Balance

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ACCT

NO.

ACCOUNT NAME

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DEBIT

CREDIT

ADJUSTMENTS

DEBIT

CREDIT

TRIAL BALANCE

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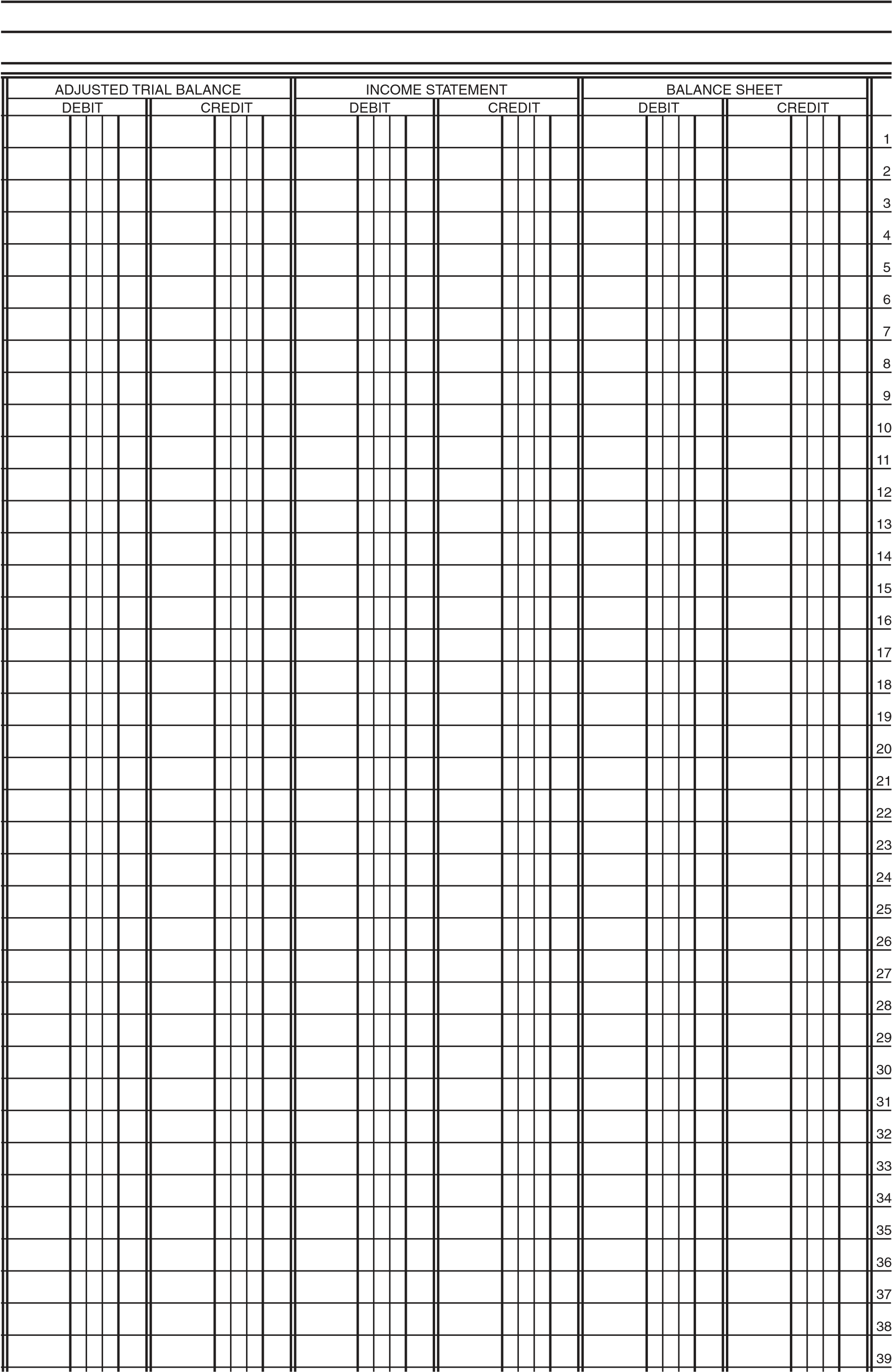
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