



**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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- Describe the need for financial information.
- Discuss the nature of the accounting cycle.
- Demonstrate the effects of transactions on the accounting equation.
- Identify and correct accounting errors.
- Account for purchases (e.g., purchase requisitions, purchase orders, invoices, vouchers, etc.).

## EVENT SITUATION

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You are to assume the role of the accounting manager at HILLTOP CAFÉ, a local coffee shop. The chief financial officer (judge) wants you to prepare records for an upcoming financial review.

HILLTOP CAFÉ is experiencing rapid growth and is currently reviewing its accounting records from the last month. The chief financial officer (judge) wants you to prepare the records for the upcoming financial review using the following key transactions:

- Purchases:
  - The café ordered coffee supplies worth \$1,500 via a purchase order. The invoice received was for \$1,600, reflecting an increase in shipping costs.
- Accounts Payable:
  - The café has an outstanding balance of \$2,000 owed to a supplier from previous purchases.
- Corrections:
  - An error was discovered in last month's accounts payable where a \$300 payment was recorded twice.
- Requisition:
  - A requisition was submitted for new equipment costing \$800, which has yet to be ordered.

The presentation to the chief financial officer (judge) must address the following:

- Effects on the accounting equation – Show how each transaction affects the accounting equation ( $\text{Assets} = \text{Liabilities} + \text{Equity}$ )
- Identify and correct errors – Correct the error in accounts payable and explain the impact of the correction on the financial statements
- Provide a brief overview of accounts payable and its importance to operations
- Account for purchases – Document the purchase requisition process, including how the invoice affects accounts payable

You will present the information to the chief financial officer (judge) in a role-play to take place in the chief financial officer's (judge's) office. The chief financial officer (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 chief financial officer's (judge's) questions, the chief financial officer (judge) will conclude the role-play by thanking you for your work.

## JUDGE INSTRUCTIONS

### **DIRECTIONS, PROCEDURES AND JUDGE ROLE**

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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**

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You are to assume the role of the chief financial officer at HILLTOP CAFÉ, a local coffee shop. You want the accounting manager (participant) to prepare records for an upcoming financial review.

HILLTOP CAFÉ is experiencing rapid growth and is currently reviewing its accounting records from the last month. You want the accounting manager (participant) to prepare the records for the upcoming financial review using the following key transactions:

- Purchases:
  - The café ordered coffee supplies worth \$1,500 via a purchase order. The invoice received was for \$1,600, reflecting an increase in shipping costs.
- Accounts Payable:
  - The café has an outstanding balance of \$2,000 owed to a supplier from previous purchases.
- Corrections:
  - An error was discovered in last month's accounts payable where a \$300 payment was recorded twice.
- Requisition:
  - A requisition was submitted for new equipment costing \$800, which has yet to be ordered.

The presentation must address the following:

- Effects on the accounting equation – Show how each transaction affects the accounting equation (Assets = Liabilities + Equity)
- Identify and correct errors – Correct the error in accounts payable and explain the impact of the correction on the financial statements
- Provide a brief overview of accounts payable and its importance to operations
- Account for purchases – Document the purchase requisition process, including how the invoice affects accounts payable

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 can we better avoid errors?
2. How often should we review financial information?

Once the accounting manager (participant) has presented information and has answered your questions, you will conclude the role-play by thanking the accounting manager (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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### 1. Effects on the Accounting Equation:

Transaction Description	Assets	Liabilities	Equity
Coffee supplies purchase	+\$1,600	+\$1,600	No Change
Previous accounts payable balance	No Change	+\$2,000	No Change
Correction of payment error	No Change	-\$300	No Change
New equipment requisition (not ordered)	No Change	No Change	No Change

### 2. Identify and Correct Errors:

- The double recording of the \$300 payment in accounts payable should be corrected by adjusting the accounts payable balance downwards by \$300.
- New Accounts Payable Balance: \$2,000 (previous balance) - \$300 (error correction) = \$1,700.

### 3. Nature of Accounts Payable:

Accounts payable represents the café's obligations to pay suppliers for goods and services received. It is crucial for managing cash flow, maintaining supplier relationships, and ensuring that expenses are accurately reflected in financial statements.

### 4. Documenting Purchases:

- Purchase Requisition: Document submitted for approval of new equipment costing \$800.
- Invoice Impact: The invoice for \$1,600 (due to increased shipping costs) increases accounts payable by that amount, reflecting the café's obligation to pay suppliers.

## 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 2025

### JUDGE'S EVALUATION FORM ASSOCIATION EVENT 2

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

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

### INSTRUCTIONAL AREA: Financial Analysis

Did the participant:		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
<b>PERFORMANCE INDICATORS</b>						
1.	Describe the need for financial information?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
2.	Discuss the nature of the accounting cycle?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
3.	Demonstrate the effects of transactions on the accounting equation?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
4.	Identify and correct accounting errors?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
5.	Account for purchases?	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>						