



**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.
- Prepare a trial balance.
- Explain the concept of accounting.
- Explain the nature of balance sheets.
- Describe the nature of income statements.

## EVENT SITUATION

You are to assume the role of a new accountant at SPRINGS COMMUNICATIONS, a mobile phone provider. The controller (judge) needs you to correct errors on the trial balance and explain the importance of accounting documents.

The controller (judge) has presented you with the following trial balance and needs you to correct errors:

Account	Debit	Credit
Cash	20,000	
Accounts Receivable	42,000	
Inventory	13,450	
Prepaid Insurance		9,000
Building	467,800	
Accumulated Depreciation	23,390	
Accounts Payable		11,670
Unearned Revenue	8,000	
Salaries Payable		2,890
Owners' Equity	5,015	
Sales Revenue		521,900
Rent Expense	5,000	
Salaries Expense	3,420	
Utilities Expense	500	
Depreciation Expense		11,695
<i>Total</i>		

In addition to correcting errors on the trial balance, the controller (judge) wants you to answer the following questions:

- Why is it necessary for the debits to equal the credits on the trial balance report?
- What types of reports are created from the trial balance?
- Why are income statements and balance sheets important?

You will present the information to the controller (judge) in a role-play to take place in the controller's (judge's) office. The controller (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 controller's (judge's) questions, the controller (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 controller at SPRINGS COMMUNICATIONS, a mobile phone provider. You need the new accountant (participant) to correct errors on the trial balance and explain the importance of accounting documents.

You have presented the new accountant (participant) with the following trial balance and need the new accountant (participant) to correct errors:

Account	Debit	Credit
Cash	20,000	
Accounts Receivable	42,000	
Inventory	13,450	
Prepaid Insurance		9,000
Building	467,800	
Accumulated Depreciation	23,390	
Accounts Payable		11,670
Unearned Revenue	8,000	
Salaries Payable		2,890
Owners' Equity	5,015	
Sales Revenue		521,900
Rent Expense	5,000	
Salaries Expense	3,420	
Utilities Expense	500	
Depreciation Expense		11,695
<i>Total</i>		

In addition to correcting errors on the trial balance, you want the new accountant (participant) to answer the following questions:

- Why is it necessary for the debits to equal the credits on the trial balance report?

- What types of reports are created from the trial balance?
- Why are income statements and balance sheets important?

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. What are some recommended internal controls that could be put in place to minimize errors on the trial balance?
2. Who would need access to this information?

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

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

## SOLUTION

1. The corrected trial balance is below:

Account	Debit	Credit
Cash	20,000	
Accounts Receivable	42,000	
Inventory	13,450	
Prepaid Insurance	9,000	
Building	467,800	
Accumulated Depreciation		23,390
Accounts Payable		11,670
Unearned Revenue		8,000
Salaries Payable		2,890
Owners' Equity		5,015
Sales Revenue		521,900
Rent Expense	5,000	
Salaries Expense	3,420	
Utilities Expense	500	
Depreciation Expense	11,695	
<b>Total</b>	<b>572,865</b>	<b>572,865</b>

The purpose of a trial balance is to ensure the debits and credits balance. If the trial balance is not equal, it is because there was an error in posting the journal entry to the ledger. An unbalanced trial balance is the result of using the wrong account, an amount was transposed, there was a math error, etc.

2. The data from the trial balance is used to create the income statement and balance sheet. Once the balance sheet is created, the statement of cash flows may be generated.
3. Importance of financial reports:
  - a. The income statement is used to assess the success of daily operations. The report includes the revenue generated from the sale of products or services. The report also

- includes the costs required for operating the business, such as rent, utilities, salaries, and depreciation. The income statement helps owners and/or managers determine if they can make a profit in the business.
- b. The balance sheet provides a snapshot of what the business owns and owes as well as its net worth. Assets are items such as cash, accounts receivable, machinery, and buildings, which are all items the business owns. Liabilities are items that a business owes, such as accounts payable, wages payable, and notes payable. Net worth in a business may be called owners capital or retained earnings, depending on the entity type. The balance sheet provides owners and managers with an indication of the company's ability to pay debt or generate revenue from its use of the company's assets.

## 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 ICDC PRELIMINARY 1

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.	Identify and correct accounting errors?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
2.	Prepare a trial balance?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
3.	Explain the concept of accounting?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
4.	Explain the nature of balance sheets?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
5.	Describe the nature of income statements?	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>						