DECA

ACCOUNTING APPLICATIONS SERIES EVENT

CAREER CLUSTER
Finance

CAREER PATHWAY
Accounting

INSTRUCTIONAL AREA
Financial Analysis

PARTICIPANT INSTRUCTIONS

This event is presented to you through your review of the Career Competencies, Performance Indicators and Event Situation.

You have up to 10 minutes to review this information and prepare your presentation. Using the materials provided, you may make notes to use during your presentation.

You will have up to 10 minutes to present to the judge(s).

You will be evaluated on your solution to the event situation, how you incorporate the performance indicators of this event and how you demonstrate the career competencies.

Turn in all your notes and event materials when you have completed the event.

SOLUTION

- Accurate – Demonstrate appropriate finance acumen.
- Practical – Develop an actionable/viable solution in a real-world context.
- Effective – Develop a solution that achieves relevant outcomes.

CAREER COMPETENCIES

- Critical Thinking – Think critically to understand and solve problems.
- Communication – Communicate clearly, effectively and with reason.
- Decision Making – Consider the impacts of decisions.

PERFORMANCE INDICATORS

- Record inventory transactions.
- Process inventory adjustments.
- Determine cost/value of inventory.
- Organize information.
- Employ communication styles appropriate to target audience.

EVENT SITUATION

You are to assume the role of the staff accountant for SPRING GREENS, a local market. The owner (judge) wants you to prepare the journal entries for the inventory related transactions from this month.

The following is a list of inventory related transactions this month:

- Purchased 10,000 apples on account for 20¢ each.
- Purchased 6,700 bags of potato chips for $1.35 each.
- Returned 100 bags of potato chips that were damaged in shipment.
- During a periodic inventory count, it was determined 300 apples were spoiled.
- At the end of the month, 2,300 bags of potato chips are on hand, but the count was 2,350 in the perpetual inventory system.
- At the end of the month, the cost of potato chips was selling in the market for $1.40 per bag.

You must prepare the following for a meeting with the owner (judge):

- Present the proper journal entries for the inventory transactions.
- Explain the reason for the inventory adjustment for the apples.
- Determine the lower of cost or market (LCM) for the potato chips and discuss the value they should be recorded at on the balance sheet.

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

JUDGE INSTRUCTIONS

JUDGE CHARACTERIZATION

You are to assume the role of the owner of SPRING GREENS, a local market. You want the staff accountant (participant) to prepare the journal entries for the inventory related transactions from this month.

The following is a list of inventory related transactions this month:

- Purchased 10,000 apples on account for 20¢ each.
- Purchased 6,700 bags of potato chips for $1.35 each.
- Returned 100 bags of potato chips that were damaged in shipment.
- During a periodic inventory count, it was determined 300 apples were spoiled.
- At the end of the month, 2,300 bags of potato chips are on hand, but the count was 2,350 in the perpetual inventory system.
- At the end of the month, the cost of potato chips was selling in the market for $1.40 per bag.

The staff accountant (participant) must prepare the following for a meeting with you:

- Present the proper journal entries for the inventory transactions.
- Explain the reason for the inventory adjustment for the apples.
- Determine the lower of cost or market (LCM) for the potato chips and discuss the value they should be recorded at on the balance sheet.

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. Why do businesses perform periodic inventory counts?
2. Besides product damage, what are other causes of inventory shrinkage?

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

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

SOLUTIONS

Journal entries solution:

Debit Inventory – apples	$2,000	
Credit Accounts payable		$2,000
Debit Inventory – chips	$9,045	
Credit Accounts payable		$9,045
Debit Accounts payable	$135	
Credit Inventory – chips		$135
Debit Cost of goods sold (spoilage)	$60	
Credit Inventory - apples		$60
Debit Cost of goods sold – shrinkage	$67.50	
Credit Inventory – chips		$67.50

Spoilage – generally cost of goods sold is debited for items such as spoilage, shrinkage, or obsolesce and the unsellable items are removed from inventory, accordingly.

LCM – At $1.40 per bag, the potato chips are selling for more than the cost that SPRING GREENS paid ($1.35) so the value recorded on the financial statements should be the lower of the cost (at 1.35) instead of the market (1.40). The total value of the potato chip inventory on the balance sheet is $3,105 (2,300 bags x 1.35 each) after the adjustment for shrinkage.

EVALUATION INSTRUCTIONS

- The participants are to be evaluated on their solution and ability to apply the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although the participants may demonstrate other performance indicators, those listed in the Performance Indicators section are the selected ones you are evaluating for this particular event.
- Maintain a consistent expectation when evaluating each participant.
- The maximum score for the evaluation is 100 points. This presentation will be valued at one-third of the total score.

Levels of Evaluation

FOCUS AREA	NOVICE	DEVELOPING	PROFICIENT	EXEMPLARY
Content Understanding	Demonstrates a limited or inaccurate understanding of key concepts.	Demonstrates a basic understanding of key concepts.	Demonstrates a solid understanding of key concepts and clearly explains and supports ideas using appropriate evidence.	Demonstrates comprehensive understanding of concepts and applies them effectively to solve the scenario, including in more complex or extended contexts.
Application of Performance Indicators and Career Competencies	Lists the performance indicators and career competencies, but understanding is incomplete or inaccurate.	Defines the performance indicators and career competencies, but does not connect them to solve the objective of the case study scenario.	Explains the performance indicators and career competencies and connects them to solve the objective of the case study scenario.	Strategically applies the performance indicators and career competencies and connects them to comprehensively solve the objective of the case study scenario.
Reasoning	Ideas are unclear, inaccurate, or lack logical support. There is no application of the ideas and concept.	Ideas are present and somewhat logical but contain gaps in reasoning, development, or supporting evidence.	Ideas are logical, well-developed, and supported with appropriate evidence, with only minor gaps.	Ideas are logical, well-supported using appropriate business concept and theories and demonstrates reasoning with clear practicality and real-world relevance.
Workplace Readiness	Participants represent an employee who requires significant guidance and support to complete tasks.	Participants represent an employee who demonstrates basic skills and can complete routine tasks with some guidance.	Participants represent an employee with solid skills and who works independently to complete tasks effectively.	Participants represent an employee with advanced skills, works independently, and adapts effectively to new or unpredictable challenges.

ACCOUNTING APPLICATIONS SERIES – 2026

JUDGE'S EVALUATION FORM
ASSOCIATION EVENT 1

INSTRUCTIONAL AREA:
Financial Analysis

Participant: ___________________________

ID Number: ___________________________

Rate the participant's ability to:		Novice	Developing	Proficient	Exemplary	Judged Score
PERFORMANCE INDICATORS						
1.	Record inventory transactions.	0-1-2-3	4-5-6	7-8-9	10	
2.	Process inventory adjustments.	0-1-2-3	4-5-6	7-8-9	10	
3.	Determine cost/value of inventory.	0-1-2-3	4-5-6	7-8-9	10	
4.	Organize information.	0-1-2-3	4-5-6	7-8-9	10	
5.	Employ communication styles appropriate to target audience.	0-1-2-3	4-5-6	7-8-9	10	
SOLUTION						
6.	**Accurate** Demonstrate appropriate finance acumen.	0-1-2	3-4-5	6-7	8	
7.	**Practical** Develop an actionable/viable solution in a real-world context.	0-1-2	3-4-5	6-7	8	
8.	**Effective** Develop a solution that achieves relevant outcomes.	0-1-2	3-4-5	6-7	8	
CAREER COMPETENCIES						
9.	**Critical Thinking** Think critically to understand and solve problems.	0-1	2-3	4-5	6	
10.	**Communication** Communicate clearly, effectively and with reason.	0-1	2-3	4-5	6	
11.	**Decision Making** Consider the impacts of decisions.	0-1	2-3	4-5	6	
OVERALL IMPRESSION						
12.	Demonstrate overall career readiness through professionalism, poise and confidence.	0-1-2	3-4-5	6-7	8	
					TOTAL SCORE	