1. Screen grab appropriate image from this document.
2. Crop it.
3. Make white edge outside text box transparent using this tool:  
   <https://onlinepngtools.com/create-transparent-png>

Room 3 – Account Equation – accountEqn.js

One panel from each other room to show color/style

Room 0 – TAG\_Intro – tagIntro.js

**Welcome to AppTAG**

**Appstate’s The Accounting Game**

Move around using: a,w,s,d keys.

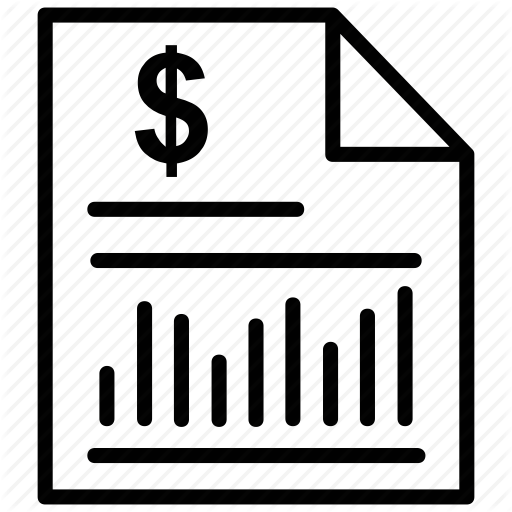
Interact with objects like wall panels using: e key.

Your goal is to guide our intrepid learner, Accacio (ah-kah’-shee-o), through the rooms, learning some Accounting principles and solving some problems along the way.   
**Have Fun!**

Room 1 – Course\_ Intro – courseIntro.js

This course is designed to help you learn the basics of bookkeeping and accounting. It is geared towards the typical college student and uses realistic examples to illustrate business concepts.

We are going to learn how to financial statements that  
to go from a stack of source are summarized for users to  
documents (invoices, receipts, understand and make good  
checks, etc.) like this: business decisions.

**Pg +**

Room 2 – Building\_Blocks – buildingBlocks.js

Main room with panels leads to activity “dungeon” that has 3 activities in it.

1. Sorting activity (fin statements into boxes)

2. puzzle activity (building blocks in puzzle)

3. parents activity

Activity Landing: BuildBlock\_Act1 (buildBlockAct1.js)

“in room” puzzle activity

BuildBlock\_Act2 (buildBlockAct2.js) is parent activity

**How will we answer your parents’ questions??**

By using the information in the various financial statements! Earlier, you learned that the annual report consists of an Income Statement, a Statement of Retained Earnings, a Balance Sheet, and a Statement of Cash Flows.

Explore the room to find this knowledge, and unlock a secret chamber that turns the knowledge into skills.

Room2Act0 (box sorting)

**Oh No!**

Accacio has been turned into a financial statement?!

Use the R key to see parts of the document, then

sort it into the correct box.

Q1 What did you spend your money on last month? Ans=IncStm

**Income Statement is CORRECT!**

**The income statement is used to assess a company’s (or individual’s) financial performance over a specific period of time. It reports where a company earns income, where it spends money, and whether it turns a profit.**

**Balance Sheet is NOT correct!**

**Good guess, but this just shows a snapshot of a company’s financial position at a moment in time. A different statement is better for seeing where money was actually spent over a time period.**

|  |  |
| --- | --- |
|  | **Congratulations!**  **You’ve unlocked a tunnel out of the Building Block room! Use the exit door to work your back there.** |

**Balance Sheet**

**Assets**

**---------- $ --------**

**Liabilities**

**---------- $ --------**

**---------- $ --------**

**Equity**

**---------- $ --------**

**Income Statement**

**Revenue**

**---------- $ --------**

**---------- $ --------**

**Expenses**

**---------- $ --------**

**---------- $ --------**

**Net Income $ --------**

Room 3 – Account\_Eqn – accountEqn.js

Panel activity: AccountEqn\_Act (accountEqnAct.js)

Panel #1:

**Superb!**

**You’ve learned enough Accounting to get through that Q/A session with the parents!**

You know the basic financial statements and their building blocks. Now we begin to learn the process that Accounting uses to manage financial transactions and generate the financial statements.

This process is called The Accounting Cycle.

And the 1st step is “Analyze.”

Panel 2a:

assets/Room3/paperStack\_t.png

|  |  |
| --- | --- |
|  | Financial statements are based on economic events. A source document is evidence that a business transaction event took place. Some examples include a sales slip, a check, or a bill.  The first step is to “analyze” each such document to determine which building block (account) it effects. |

**Pg +**

Panel 2b

Here is a pile of receipts and transactions. Let’s begin analyzing!

Received $300 allowance from family

Receipt for $100 spent at restaurant

Financed a used car for $5000

Received $300 bi-monthly paycheck

Spent $20 at coffeeshop near campus

Received $200 cash from grandparents for birthday

Student loan for $8000 (payable after graduation)

Paid $5000 tuition bill

Sold old bicycle for $200

Lent friend $50 to be paid back next month

Paid $500 monthly rent

Paid $70 for utility bills

Withdrew $50 from ATM for entertainment

Paid $1400 for semester meal plan

**Pg +**

**Pg -**

Panel 2c:

Here is a pile of receipts and transactions. Let’s begin analyzing!

Received $300 allowance from family

Financed a used car for $5000

Spent $20 at coffeeshop near campus

Paid $500 monthly rent

Receipt for $100 spent at restaurant

Our first “receipt” is the $300 allowance check.

Think back to the financial statements and building blocks.

It could go as **“cash assets”** on balance sheet.

And also as

**“allowance revenue”** on the income statement?

Student loan for $8000 (payable after graduation)

Withdrew $50 from ATM for entertainment

Received $300 bi-monthly paycheck

Received $200 cash from grandparents for birthday

Paid $70 for utility bills

Paid $1400 for semester meal plan

Sold old bicycle for $200

**Pg -**

Paid $5000 tuition bill

Lent friend $50 to be paid back next month

**Pg +**

Panel 2d:

|  |  |  |  |
| --- | --- | --- | --- |
| **Accacio Accountant Balance Sheet Month Ending January 31, 2020** | | | |
| **Assets** | |  |  |
|  | Current Assets |  |  |
|  | Cash -Checking | $ 2,360 |  |
|  | Cash – Savings | 1,250 |  |
|  | Accounts Receivable – Joey | 50 |  |
|  | Prepaid Meal Card | 1,050 |  |
|  | Total Current Assets | $ 4,710 |  |
|  | Long-term Assets |  |  |
|  | Vehicle | 5,000 |  |
|  | Depreciation | (83) |  |
|  | Total Long-term Assets | 4,917 |  |
|  |  |  | $ (6,774) |

|  |  |  |
| --- | --- | --- |
| **Accacio Accountant Income Statement Month Ending January 31, 2020** | | |
| **Revenue** | | |
|  | Service Revenue | $ 600 |
|  | Sales Revenue | 200 |
|  | Allowance Revenue | 300 |
|  | Total Revenues | $ 1,100 |
| **Expenses** | | |
|  | Food Expense | $ 100 |
|  | Coffee Expense | 20 |

Room N – winners\_room – winners\_room.js

**Pg -**

**Pg +**

Panel 2e:

**What the Heck?**

How can one event document (the $300 allowance check) fit into TWO different categories??

Welcome to the genius of

**“double entry”**

Bookkeeping!!

**Pg -**

Panel 3a:

True to its name, **double entry bookkeeping** consists of recording transactions in two places that balance each other out. The mechanism for achieving this balance is called the ***accounting equation***.

The accounting equation, also known as the *balance sheet equation*, is the essential mathematical equation that holds all the financial statements together! The accounting equation will become your BFF because it is the way to ensure that your calculations are right.

All of accounting is based on this simple algebraic equation:

**Assets = Liabilities + Stockholder’s Equity**

**Pg +**

Panel 3b:

The accounting equation can be expanded to provide further understanding of its components (our building blocks!)

**Assets = Liabilities + Stockholder’s Equity**

**Common Stock + Retained Earnings**

**Revenue – Expenses – Dividends**

So, the entire equation can be summarized as:

Assets = Liabilities + Common Stock + Revenue – Expenses – Dividends

**Pg -**

Panel 4a:

After every economic event (i.e., for each document to analyze),   
this equation must stay in balance.

Let’s see how it works with the allowance example.

Assets = Liabilities + Common Stock + Revenue – Expenses – Dividends

Received $300 allowance from family

**Pg +**

Panel 4b:

Entry #1: Money we receive   
is revenue.

Assets = Liabilities + Common Stock + Revenue – Expenses – Dividends

**+300**

|  |  |  |
| --- | --- | --- |
| **Accacio Accountant Income Statement Month Ending January 31, 2020** | | |
| **Revenue** | | |
|  | Service Revenue | $ 600 |
|  | Sales Revenue | 200 |
|  | Allowance Revenue | 300 |
|  | Total Revenues | $ 1,100 |
| **Expenses** | | |
|  | Food Expense | $ 100 |
|  | Coffee Expense | 20 |

Received $300 allowance from family

**Pg +**

**Pg -**

Panel 4c:

Entry #2: ??? Where should the second entry of   
our “double entry” system go?

Could it go in Expenses (to subtract from the   
revenue and keep the balance)?

Could it go in Assets (increasing both sides by the   
same amount thus keeping the balance)?

Assets = Liabilities + Common Stock + Revenue – Expenses – Dividends

**+300**

**Pg +**

**Pg -**

Received $300 allowance from family

Panel 4d

|  |  |
| --- | --- |
| Entry #2: We put that money we received into our checking account. So it’s now an asset too! |  |

Assets = Liabilities + Common Stock + Revenue – Expenses – Dividends

**+300** **+300**

**Pg +**

**Pg -**

Received $300 allowance from family

|  |  |  |  |
| --- | --- | --- | --- |
| **Accacio Accountant Balance Sheet Month Ending January 31, 2020** | | | |
| **Assets** | |  |  |
|  | Current Assets |  |  |
|  | Cash -Checking | $ 2,360 |  |
|  | Cash – Savings | 1,250 |  |
|  | Accounts Receivable – Joey | 50 |  |
|  | Prepaid Meal Card | 1,050 |  |
|  | Total Current Assets | $ 4,710 |  |
|  | Long-term Assets |  |  |
|  | Vehicle | 5,000 |  |
|  | Depreciation | (83) |  |
|  | Total Long-term Assets | 4,917 |  |
|  |  |  | $ (6,774) |

Received $300 allowance from family

Receiving this allowance money, like all of our financial   
transactions, must be “analyzed” for how it (a) fits into   
our financial statement building blocks, and (b) fits in a

way to keep the accounting equation balanced.

Assets = Liabilities + Common Stock + Revenue – Expenses – Dividends

**+300** **+300**

**Pg -**

Panel 5a

Let’s do another one!

**Pg +**

Received $300 allowance from family

Financed a used car for $5000

Spent $20 at coffeeshop near campus

Paid $500 monthly rent

This “receipt” documents our spending $100 on food.

What financial statement building blocks are impacted by this transaction?

What about the accounting equation?

Receipt for $100 spent at restaurant

Student loan for $8000 (payable after graduation)

Withdrew $50 from ATM for entertainment

Received $300 bi-monthly paycheck

Received $200 cash from grandparents for birthday

Paid $70 for utility bills

Paid $1400 for semester meal plan

Paid $5000 tuition bill

Sold old bicycle for $200

Lent friend $50 to be paid back next month

Panel 5b:

Entry #1: Well you have less money in your bank  
account now!

Assets = Liabilities + Common Stock + Revenue – Expenses – Dividends

**-100**

Receipt for $100 spent at restaurant

**Pg +**

**Pg -**

Panel 5c:

Entry #2: And your food expenses increased!

Assets = Liabilities + Common Stock + Revenue – Expenses – Dividends

**-100** **+100**

Receipt for $100 spent at restaurant

**Pg +**

**Pg -**

Panel 5d:

Whoa!! Is it balanced with those 2 entries??

Looks like decreasing the left side and increasing the  
right side. And this would doubly unbalance the   
equation, right?

Assets = Liabilities + Common Stock + Revenue – Expenses – Dividends

**-100** **+100**

Receipt for $100 spent at restaurant

**Pg +**

**Pg -**

Panel 5e:

Let’s pretend some numbers for the equation components.   
**Before:** assets were 500, liabilities were 250, stock was 100,  
 revenue was 300, expenses were 150, dividends were 0.  
 500 = 250 + 100 + 300 – 150 – 0

**After** analyzing this receipt for $100 spent on food:  
 **400** = 250 + 100 + 300 – **250** – 0 **🡨 NOTICE THIS IS BALANCED!!**

Because expenses subtracts from the right side, increasing expenses will decrease the right side overall.

Assets = Liabilities + Common Stock + Revenue **–** Expenses – Dividends

**-100** **+100**

Receipt for $100 spent at restaurant

**Pg -**

Panel 6a:

In this example, you can see that the two entries   
can be on the same side!

As long as they cancel each other out to keep the

equation balanced!

$200 less in your bank account, but you now own this $200 piece of equipment!

Assets = Liabilities + Common Stock + Revenue – Expenses – Dividends

**-200**

**+200**

Paid $200 cash for a 120GB SD card to back up your laptop

R3P6actDoc1: R3P6actDoc2:

Receipt for $100 spent at restaurant

Received $300 allowance from family