



**CAREER CLUSTER**

Finance

**CAREER PATHWAY**

Accounting

**INSTRUCTIONAL AREA**

Financial Analysis

## **ACCOUNTING APPLICATIONS SERIES EVENT**

### **PARTICIPANT INSTRUCTIONS**

#### **PROCEDURES**

- 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 role-play your situation with a judge (you may have more than one judge).
- You will be evaluated on how well you meet the performance indicators of this event.
- Turn in all your notes and event materials when you have completed the role-play.

#### **21<sup>st</sup> CENTURY SKILLS**

- Critical Thinking – Reason effective 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**

1. Record inventory transactions.
2. Process inventory adjustments (e.g., shrinkage, obsolescence, returns, etc.).
3. Explain methods used to value inventory (e.g., FIFO, LIFO, average cost, etc.).
4. Determine the cost/value of inventory.
5. Identify factors affecting a business's profit.

## EVENT SITUATION

You are to assume the role of new accounting clerk at EVENTS COSTUMES, a niche costume and Halloween store. The EVENTS COSTUMES director of purchasing (judge) wants to be assured that your department is properly recording all inventory transactions due to the seasonal and trend nature of the business.

You will begin this role-play by completing the recording the following transactions in the general journal.

- Purchased \$11,589 in inventory from COSTUME DISTRIBUTORS on July 12; 2/10, n45 Invoice 3658
- Returned \$889 in inventory to COSTUME DISTRIBUTORS on July 27 that was damages CM 102
- Received memo 3 from the store manager on August 11 that \$457 in make-up inventory had to be discarded because it had expired
- Received memo 4 from the manager on August 15 that \$357 in costume inventory was determined no longer sellable and obsolete

The beginning inventory for the store was \$21,533. Calculate the current cost/value of the current inventory based on the previous transactions.

You will present to the director of purchasing (judge) in a role-play to take place in the director of purchasing's (judge's) office. The director of purchasing (judge) will begin the role-play by greeting you and asking to hear see how you would record the transactions and what feedback you would have to avoid inventory losses in the future. After you have presented and have answered the director of purchasing's (judge's) questions the director of purchasing (judge) will conclude the role-play by thanking your for your work.

## JUDGE'S INSTRUCTIONS

### DIRECTIONS, PROCEDURES AND JUDGE'S ROLE

In preparation for this event, you should review the following information with your event manager and other judges:

1. Procedures
2. Performance Indicators
3. Event Situation
4. Judge Role-play Characterization

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.

5. Judge's Evaluation Instructions
6. Judge's Evaluation Form

Please use a critical and consistent eye in rating each participant.

### JUDGE ROLE-PLAY CHARACTERIZATION

You are to assume the role of director of purchasing at EVENTS COSTUMES, a niche costume and Halloween store. You want to be assured that the new accounting clerk (participant) understands proper recording of transactions related to inventory. You have asked the accounting clerk (participant) to record the following transactions.

- Purchased \$11,589 in inventory from COSTUME DISTRIBUTORS on July 12; 2/10, n45 Invoice 3658
- Returned \$889 in inventory to COSTUME DISTRIBUTORS on July 27 that was damaged CM 102
- Received memo 3 from the store manager on August 11 that \$457 in make-up inventory had to be discarded because it had expired
- Received memo 4 from the manager on August 15 that \$357 in costume inventory was determined no longer sellable and obsolete

The beginning inventory for the store was \$21,533. You have asked the accounting clerk to calculate the current cost/value of the current inventory based on the previous transactions.

You should review the transactions to make sure that are accurate and determine if the accounting clerk (participant) understands the transactions.

The accounting clerk (participant) will present to you in a role-play to take place in your office. You will begin the role-play by greeting the accounting clerk (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 is it important to record inventory transactions and returns in a timely manner?
2. What is the impact on the company when inventory has to be discarded because of obsolescence?
3. What inventory method should be used when dealing with items that can expire?
4. What is the impact of unsellable inventory on the books to owners or shareholders?

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

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Transactions and Correct Outcomes:

General Journal

Pg. 1

Date	Description	Doc Num	Post Ref	Debit	Credit
7/12	Inventory	I3658		11,589.00	
	A/P Costume Distributors				11,589.00
7/27	A/P Costume Distributors	CM102		889.00	
	Inventory Returns and Allowance				889.00
8/11	Obsolete/ Unsellable Inventory Expense	M3		457.00	
	Inventory				457.00
8/15	Obsolete/ Unsellable Inventory Expense	M4		357.00	
	Inventory				357.00

Current Value of Inventory: \$31,419

## JUDGE'S EVALUATION INSTRUCTIONS

### Evaluation Form Information

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 being 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 chairperson 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, 2016**

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

**JUDGE'S EVALUATION FORM**

SAMPLE SCENARIO 2016

**INSTRUCTIONAL AREA**

Financial Analysis

Did the participant:

	Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
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**PERFORMANCE INDICATORS**

1.	Record inventory transactions?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
2.	Process inventory adjustments (e.g., shrinkage, obsolescence, returns, etc.)?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
3.	Explain methods used to value inventory (e.g., FIFO, LIFO, average cost, etc.)?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
4.	Determine the cost/value of inventory?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
5.	Identify factors affecting a business's profit?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	

**21<sup>st</sup> CENTURY SKILLS**

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	

**TOTAL SCORE**