



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 21st 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 21st 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.

21st CENTURY SKILLS

- 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

- Explain the role of finance in business.
- Journalize business transactions.
- Prepare a chart of accounts.
- Extract relevant information from written materials.
- Make oral presentations.

EVENT SITUATION

You are to assume the role of an accounting consultant meeting with a client (judge). You have been hired to analyze the client's (judge's) new venture into the gaming industry and provide instruction on recording business transactions.

The client (judge) has developed an innovative mobile game called *EcoQuest* that promotes environmental awareness and sustainability practices. The game allows players to build and manage their own virtual eco-friendly cities, complete with renewable energy sources, recycling programs, and wildlife conservation projects. It operates on a freemium model, where the basic game is free to play, but players can purchase in-game items and upgrades using real money.

The client (judge) has no formal business or accounting background and needs your help getting started. The client (judge) has already launched the game, which has gained significant attention with 1,000 downloads in the first week and \$2,000 in in-app purchases. The client (judge) invested \$5,000 of their own money to develop and market the game and spent an additional \$1,000 on server hosting and maintenance.

Your task is to meet with the client (judge) to discuss the business, including how to best record business transactions. You must:

- Explain the role of finance and accounting in business.
- Prepare a brief chart of accounts for the business and classify the accounts.
- Prepare journal entries for the three transactions that have already occurred.

You will present the information to the client (judge) in a role-play to take place in the client's (judge's) office. The client (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 client's (judge's) questions, the client (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, 21st 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 a client working with an accounting consultant (participant). You have a new venture into the gaming industry with a focus on sustainability and hired the accounting consultant (participant) to explain how to best record business transactions.

You developed an innovative mobile game called *EcoQuest* that promotes environmental awareness and sustainability practices. The game allows players to build and manage their own virtual eco-friendly cities, complete with renewable energy sources, recycling programs, and wildlife conservation projects. It operates on a freemium model, where the basic game is free to play, but players can purchase in-game items and upgrades using real money.

You have no formal business or accounting background and need the accounting consultant's (participant's) help getting started. You have already launched the game, which has gained significant attention with 1,000 downloads in the first week and \$2,000 in in-app purchases. You invested \$5,000 of your own money to develop and market the game and spent an additional \$1,000 on server hosting and maintenance.

The accounting consultant (participant) will meet with you to discuss the business, including how to best record business transactions. The accountant consultant (participant) must:

- Explain the role of finance and accounting in business.
- Prepare a brief chart of accounts for the business and classify the accounts.
- Prepare journal entries for the three transactions that have already occurred.

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 should I track and report the in-app purchase revenue?
2. What measures can I take to ensure my business remains financial sustainable?

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

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

SOLUTIONS

Prepare a brief chart of accounts for the business and classify the accounts:

- **Assets:**
 - Cash
 - Accounts Receivable
 - Prepaid Expenses
 - Server Equipment
- **Liabilities:**
 - Accounts Payable
 - Unearned Revenue (for in-app purchases not yet delivered)
- **Equity:**
 - Owner's Capital
- **Revenue:**
 - In-App Purchase Revenue
- **Expenses:**
 - Development Costs
 - Marketing Expenses
 - Server Hosting and Maintenance
 - General and Administrative Expenses

Prepare journal entries for the three transactions that have already occurred:

- **Investment by Owner:**
Date: [Transaction Date]
Debit: Cash \$5,000
Credit: Owner's Capital \$5,000
- **Revenue from In-App Purchases:**
Date: [Transaction Date]
Debit: Cash \$2,000
Credit: In-App Purchase Revenue \$2,000
- **Server Hosting and Maintenance Expenses:**
Date: [Transaction Date]
Debit: Server Hosting and Maintenance \$1,000
Credit: Cash \$1,000

Answers to Judge Questions:

1. **How should I track and report the in-app purchase revenue?**

- **Tracking:** Implement an accounting system that records each in-app purchase transaction. Use sub-accounts to categorize different types of in-app purchases if needed.
- **Reporting:** Recognize revenue when the in-app purchase is completed and the player has received the in-game item or benefit. Ensure proper documentation for each transaction to comply with revenue recognition standards.
- **Compliance:** Regularly review in-app purchase transactions to ensure they comply with relevant regulations and guidelines.

2. **What measures can I take to ensure my business remains financially sustainable?**

- **Financial Sustainability:**
 - **Budgeting:** Create a detailed budget that includes all expected revenue and expenses. Monitor actual performance against the budget.
 - **Cash Flow Management:** Maintain a positive cash flow by balancing income and expenses. Set aside funds for unexpected costs.
 - **Diversification:** Explore additional revenue streams, such as partnerships, advertising, or subscription models.

EVALUATION INSTRUCTIONS

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 th 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 th 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 th percentile of business personnel performing this performance indicator.



ACCOUNTING APPLICATIONS SERIES 2025

JUDGE'S EVALUATION FORM DISTRICT EVENT 1

Participant: _____

ID Number: _____

INSTRUCTIONAL AREA: Financial Analysis

Did the participant:		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
PERFORMANCE INDICATORS						
1.	Explain the role of finance in business?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
2.	Journalize business transactions?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
3.	Prepare a chart of accounts?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
4.	Extract relevant information from written materials?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
5.	Make oral presentations?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
21st 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						