



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

- Describe the nature of income statements.
- Explain the nature of balance sheets.
- Prepare a chart of accounts.
- Explain the nature of accounts receivable.
- Analyze transactions and accounts.

EVENT SITUATION

You are to assume the role of an accountant hired by a new gym in town to set up the books in a computerized accounting system. The owner of the business (judge) wants you to explain the classification of accounts and the purpose of financial statements.

The gym has a weight room with dumbbells, mirrors, treadmills, ellipticals, and other machinery. There are exercise rooms for the yoga, zumba and other cardio classes. The gym has personal trainers that offer customized workouts for members.

You inform the owner (judge) that one of the first tasks of setting up the new system is to identify all the accounts that will be used, classify the accounts (assets, liabilities, equity, revenue, expense) and determine which financial statement the account belongs. The owner (judge) provides you a list of the accounts.

You must classify the accounts and choose whether the account will be found on the income statement, statement of owner's equity or the balance sheet. You will then meet with the owner (judge) to go over the accounts. The owner (judge) also wants to understand the purpose of the three financial statements.

Below is the list of accounts:

- Dumbbells and Treadmills
- Personal trainers' salaries
- Cash in the gym's bank account
- Bills that the gym must pay
- Invoices that current members owe the gym
- Owner's capital

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

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 the owner of a new gym. You have hired an accountant (participant) to set up the books in a computerized accounting system. You want the accountant (participant) to explain the classification of accounts and the purpose of financial statements.

The gym has a weight room with dumbbells, mirrors, treadmills, ellipticals, and other machinery. There are exercise rooms for the yoga, zumba and other cardio classes. The gym has personal trainers that offer customized workouts for members.

The accountant (participant) informs you that one of the first tasks of setting up the new system is to identify all the accounts that will be used, classify the accounts (assets, liabilities, equity, revenue, expense) and determine which financial statement the account belongs. You provide the accountant (participant) a list of the accounts.

The accountant (participant) must classify the accounts and choose whether the account will be found on the income statement, statement of owner's equity or the balance sheet. The accountant (participant) will then meet with you to go over the accounts. You also want to understand the purpose of the three financial statements.

Below is the list of accounts:

- Dumbbells and Treadmills
- Personal trainers' salaries
- Cash in the gym's bank account
- Bills that the gym must pay
- Invoices that current members owe the gym
- Owner's capital

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 types of insurance do we need?
2. Where does insurance fit into the accounts?

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

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

SOLUTION

1. Dumbbells/Treadmills: asset, balance sheet
2. Personal trainers' salaries: expense, income statement
3. Cash in the gym's bank account: asset, balance sheet
4. Bills that the gym must pay: liability, balance sheet
5. Invoices that current members owe the gym: asset, balance sheet
6. Owner's capital: equity, balance sheet

The owner (judge) also wants to understand the purpose of the three financial statements.

Income Statement: the income statement shows revenue, expense and profit over a period of time. The bottom number is net income or net loss which is revenue less expenses.

Statement of Owner's Equity: Changes in the owner's financial interest in the company over a period of time. It is calculated as beginning capital, plus net income, less withdraws equals ending capital.

Balance Sheet: The balances of Assets, liabilities and equity at a point in time. The balance sheet represents the fundamental accounting equation.

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
2023**

**JUDGE'S EVALUATION FORM
DISTRICT EVENT 2**

Participant: _____

**INSTRUCTIONAL AREA:
Financial Analysis**

ID Number: _____

Did the participant:		Little/No Value	Below Expectations	Meets Expectations	Exceeds Expectations	Judged Score
PERFORMANCE INDICATORS						
1.	Describe the nature of income statements?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
2.	Explain the nature of balance sheets?	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.	Explain the nature of accounts receivable?	0-1-2-3-4	5-6-7-8	9-10-11	12-13-14	
5.	Analyze transactions and accounts?	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						