

LEDGER MANIA ADJUSTMENTS VERSION

Ledger Mania is an interactive classroom activity used to demonstrate the adjustments phase of the accounting cycle. Students will land on squares representing adjusting transactions, use the information given on the unadjusted trial balance to journalize the adjusting entries, then post them to the T-accounts and produce an adjusted trial balance.

Game Objective:

Rollin Stone is a house painter and owns RS Painting Company. It is now December 31 and the previous adjusting entries were completed on November 30, so your job is to prepare adjusting entries for the month of December.

The first team to complete the following wins the game:

- Record the adjusting entries in the general journal
- Post the adjusting entries to the general ledger, and
- Prepare a balanced adjusted trial balance

Game Setup

Students are broken into teams of 1-3 players, with 2-5 teams assigned to each board. It is not necessary to hand out Ledger Mania cash for this version of the game as there are few transactions that involve cash, but if the instructor wishes cash can be handed out as follows

3 x \$500 bill, 6 x \$100 bills, 4 x \$50 bills, 5 x \$20 bills, 7 x \$10 bills, and 6 x \$5 bills

Each team will choose a token. The instructor will inform each team which forms from the student packet are necessary for the version of the game being played.

Game Play

For each board, the team with the highest roll of the die goes first. Play passes to the team on the left. Each team will then roll the die in order and advance their token to the appropriate square determined by the roll. Each square landed upon will be coded with either an O, I or F and a number. O is for Operating, I is for Investing, and F is for Financing. The combination of letter and number tells the team which transaction they need to record, using the included transaction sheet. For each square landed on, the rolling team will:

1. Record the letter and number of the transaction in the General Journal
2. Pay cash to the bank or receive cash from the bank, if the transaction calls for either a cash payment or cash receipt (if Ledger Mania cash is used)
3. Record the accounts and amounts to debit and credit in the General Journal
4. Post the transaction to the appropriate accounts in the General Ledger
5. **A team cannot land on the same transaction two times. If a team lands on a square that that team had previously landed on, the team gets an additional roll.**

Ending the Game

Each team will move the same number of times as directed by the instructor. After the last move has been made, the first team to produce a balanced adjusted trial balance wins the game. Your instructor may require additional forms or reconciliations for the version of the game being played.

Answer to Adjustments Transaction Set

O-1	Unearned Revenue – Gift Certificates	750	
	Painting Revenue		750
O-2	Accounts Receivable	800	
	Painting Revenue		800
O-3	Insurance Expense	500	
	Prepaid Insurance		500
	(\$6,000 / 12 months = \$500 per month)		
O-4	Utilities Expense	450	
	Utilities Payable		450
O-5	Supplies Expense	2,150	
	Supplies		2,150
	(\$2,700 Supplies from trial - \$550 Supplies remaining)		
O-6	Bank Service Charges	45	
	Cash		45
O-7	Unearned Revenue – Customer Deposits	300	
	Painting Revenue		300
O-8	Cash	250	
	Accounts Receivable	500	
	Painting Revenue		750
O-9	Prepaid Rent	2,000	
	Rent Expense – Office Space		2,000
	(\$48,000 / 24 months = \$2,000 per month)		
O-10	Telephone Expense	200	
	Telephone Bill Payable		200
O-11	Rent Expense – Equipment	600	
	Equipment Rental Payable		600
	(\$1,200 * ½)		
O-12	Income Tax Expense	3,200	
	Income Tax Payable		3,200
O-13	Unearned Revenue – Contracts	500	
	Painting Revenue		500
	(\$1,500 / 30 hours = \$50 per hour * 10 hours)		

O-14	Accounts Receivable	300	
	Late Fee Revenue		300
O-15	Depreciation Expense – Equipment	600	
	Accumulated Depreciation – Equipment		600
O-16	Interest Expense	87	
	Credit Cards Payable		87
O-17	Advertising Expense	2,000	
	Prepaid Advertising		2,000
	(\$4,000 / 2 months)		
O-18	Accounts Receivable	275	
	Cash		275
O-19	Cash	270	
	Painting Revenue		270
	(\$2,630 - \$2,360)		
O-20	Accounts Receivable	750	
	Painting Revenue		750
O-21	Depreciation Expense – Vehicle	300	
	Accumulated Depreciation – Vehicle		300
	(\$18,000 / 5 years = \$3,600 per year / 12 months = \$300 per month)		
O-22	Bad Debt Expense	150	
	Allowance for Uncollectible Accounts		150
	(\$10,000 * 0.015)		
O-23	Cleaning Expense	50	
	Prepaid Cleaning		50
	(\$200 / 4 cleanings)		
O-24	Salaries Expense	7,300	
	Salaries Payable		7,300

