



## **(INX) LEDGER MANIA STUDENT INSTRUCTIONS**

Ledger Mania is an interactive classroom activity used to demonstrate the accounting cycle of a sole proprietorship or corporation. Students will physically record transactions, post them to the general ledger, pay or receive cash, and reconcile the cash on hand to the general ledger

### **Game Objective**

The first team to:

- Record all of the transactions in the general journal
- Post all of the transactions to the general ledger
- Produce a trial balance which balances total debits = total credits, and
- Reconcile the physical amount of cash on hand to the general ledger wins the game.

### **Game Setup**

Students are broken into teams of 1-3 players, with 2-5 teams assigned to each board. One student per board is chosen as the banker. At the beginning of the game the banker will give \$2,000 cash to each team consisting of:

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 either a service firm or a merchandising firm. 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
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  
**General Ledger accounts may be needed as a result of certain transactions which are not included on the beginning Trial Balance. Teams may need to add accounts to the correct category in the General Ledger as the result of such transactions**
5. Post the transaction to subsidiary ledgers, if necessary, for the merchandising version of the game

### **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 trial balance and to reconcile the physical cash on hand to the general ledger wins the game. Your instructor may require additional forms or reconciliations for the version of the game being played.



**(BTB) Beginning Trial Balance**

Farm Haven is a 501(c)3 corporation which provides shelter and care to abused and abandoned farm animals. In addition to animal care, their other major program is the annual hootenanny which is the major fundraiser for the year. Farm Haven’s trial balance as of the beginning of the year is presented below.

<b>Farm Haven</b>			
<b>Trial Balance January 1</b>			
<b>G/L Account Number</b>		<b>DR</b>	<b>CR</b>
1000	Cash	2,000	
1100	Marketable Securities	30,000	
1200	Donations Receivable	23,000	
1300	Supplies	8,500	
1600	Equipment	24,300	
1700	Buildings and Land	63,200	
1750	Accumulated Depreciation		13,700
2100	Accounts Payable		6,500
2700	Notes Payable		20,000
3000	Net Assets - Permanently Restricted		16,000
3100	Net Assets - Temporarily Restricted		34,000
3200	Net Assets - Unrestricted		60,800
	<b>Total Debits/Credits</b>	<b>151,000</b>	<b>151,000</b>



**Farm Haven Chart of Accounts**

1000	Cash	7100	Utilities Expense - Animal Care
1100	Marketable Securities	7200	Supplies Expense - Animal Care
1200	Donations Receivable	7300	Misc. Animal Care Expense
1250	Discount on Donations Receivable	7400	Rental Expense - Hootenanny
1300	Supplies	7500	Catering - Hootenanny
1500	Securities - Permanently Restricted	7600	Decorations - Hootenanny
1600	Equipment	7700	Misc. Hootenanny Expense
1700	Buildings & Land		
1750	Accumulated Depreciation		
2100	Accounts Payable		
2700	Notes Payable		
2800	Unearned Memberships		
3000	Net Assets - Permanently Restricted		
3100	Net Assets - Temporarily Restricted		
3200	Net Assets - Unrestricted		
4000	Membership Revenue		
4100	Donations - Unrestricted		
4200	Donations - Temporarily Restricted		
4300	Donations - Permanently Restricted		
4400	Donated Services		
4500	Hootenanny Ticket Sales		
6000	Salaries Expense - Fundraising		
6100	Rent Expense - Fundraising		
6200	Utilities Expense - Fundraising		
6300	Misc. Fundraising Expenses		
6350	Supplies Expense - Fundraising		
6400	Salaries Expense - Administrative		
6500	Rent Expense - Administrative		
6600	Utilities Expense - Administrative		
6700	Misc. Administrative Expenses		
6750	Supplies Expense - Administrative		
6800	Salaries Expense - Animal Care		
6900	Rent Expense - Animal Care		
7000	Medical Expenses - Animal Care		



**(TSF) Transactions for a nonprofit firm**

- O-1 Received cash unrestricted donations of \$250
- O-2 Sold 20 tickets to the annual hootenanny for \$100 cash each
- O-3 Purchased supplies on account \$350
- O-4 Paid salaries \$800 cash, broken down as \$150 for fundraising, \$250 for administrative, \$400 for animal care
- O-5 Received \$800 cash from donations receivable
- O-6 Paid rent \$1,000; allocated as 10% fundraising, 30% administrative, 60% animal care
- O-7 Spay and neuter expenses (animal care) paid in cash were \$400. This payment releases \$400 that was temporarily restricted for this purpose.
- O-8 Received unconditional promises of donations from a telethon, \$1,000. The amount uncollectible is estimated to be 5%.
- O-9 Rented a hall for the annual hootenanny, \$800 cash
- O-10 Paid \$500 cash on accounts payable
- O-11 Veterinarians donated services worth \$750 for animal care
- O-12 Used \$1,000 in supplies for animal care
- O-13 Sold annual memberships for \$800 cash. The membership period runs from July 1 to June 30 (half of the amount will be earned by year-end)
- O-14 Paid miscellaneous fundraising expenses \$100 cash
- O-15 Received a bill from the caterer for the annual hootenanny, \$1,200 to be paid in January of next year
- O-16 Paid \$125 cash on accounts payable
- O-17 Sold 15 tickets to the annual hootenanny for \$100 each cash
- O-18 Received a cash donation of \$1,000 to be used for a future addition to the animal care facilities. If the addition is not built in 2 years, the funds may be used for animal care and general expenses.
- O-19 Paid utilities, \$400 cash, allocated 10% fundraising, 20% administrative and 70% animal care
- O-20 Purchased decorations for the annual hootenanny, \$450 cash
- O-21 Volunteers donated 30 hours of unskilled labor for animal care. The estimated value of these services is \$10 per hour
- O-22 Office supplies used \$230, half for administrative purposes and half for fundraising
- O-23 Paid \$75 cash on accounts payable
- O-24 Received \$1,200 cash on account from donations receivable
  
- I-1 Purchased equipment for cash \$800
- I-2 Purchased land with a note from the bank \$5,000
- I-3 Sold land for cash \$500. The book value of the land was \$500
- I-4 Purchased equipment on account \$250
  
- F-1 Received a donation of \$5,000 fair value in investment securities, principal not to be expended, and income to be used for animal care
- F-2 Borrowed money from the bank on a note \$1,500 cash
- F-3 Made a \$500 principal payment on the bank note



### (GJ) General Journal

Transaction Letter/Number	Accounts to Debit and Credit	Post Ref	Debit	Credit



**(GL1)  
General Ledger  
Assets**

1000 Cash
2,000

1200 Marketable Securities
30,000

1200 Donations Receivable
23,000

1300 Supplies
8,500

1500 Securities – Permanently Restricted

1600 Equipment
24,300

1700 Buildings & Land
63,200

1750 Accumulated Depreciation
13,700

1250 Discount on Donations Receivable

**Liabilities**

2100 Accounts Payable
6,500

2700 Notes Pivable
20,000

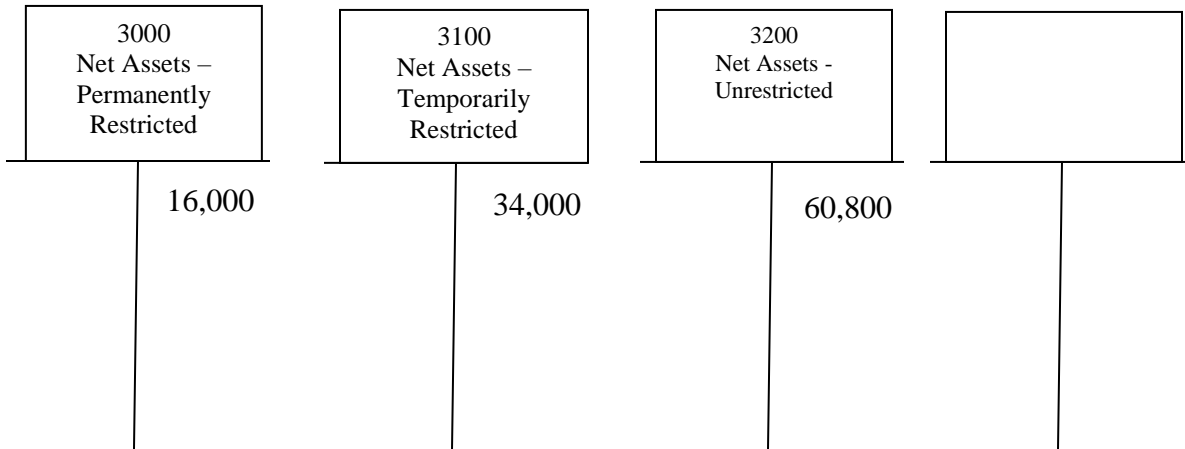
2800 Unearned Memberships



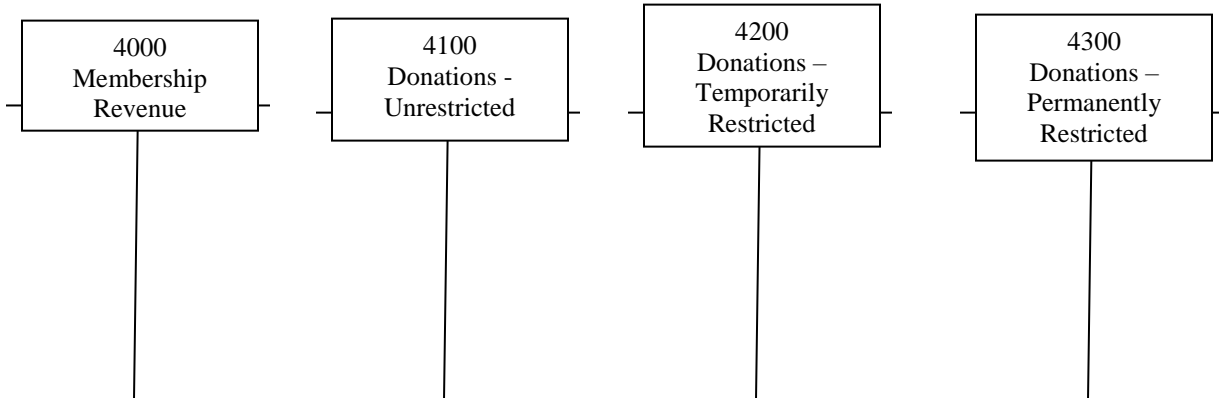


**(GL2) General Ledger page 2**

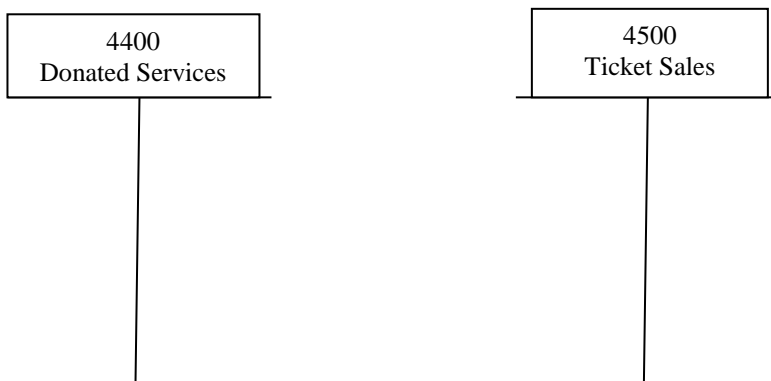
**Equity Accounts**



**Revenues and Donations**

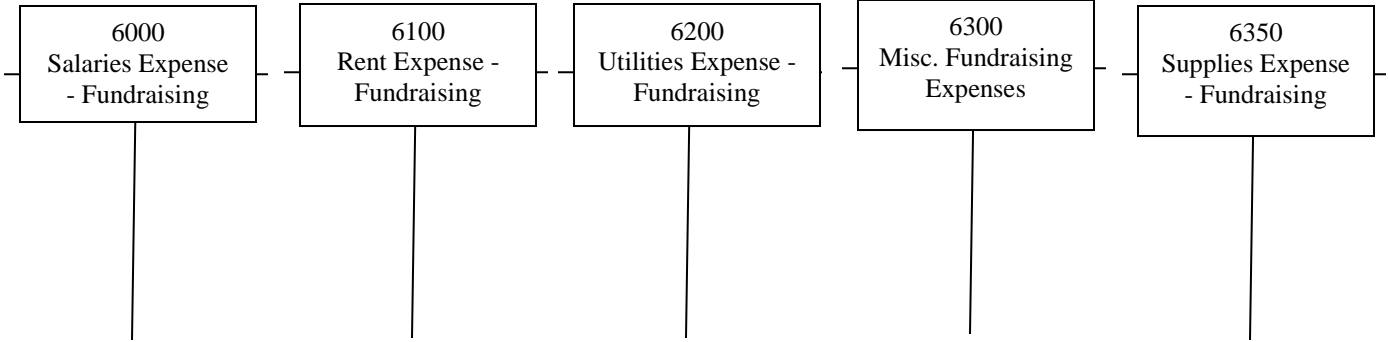


**Revenues – Hootenanny**

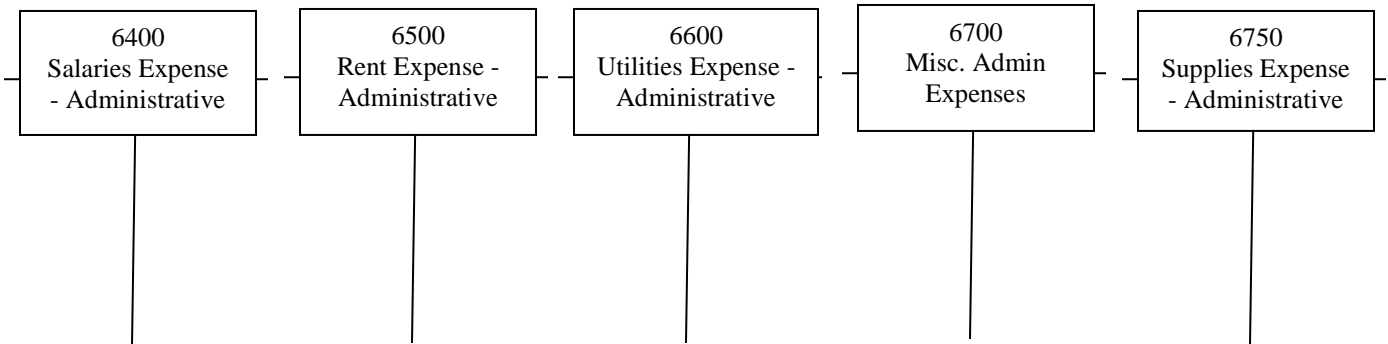




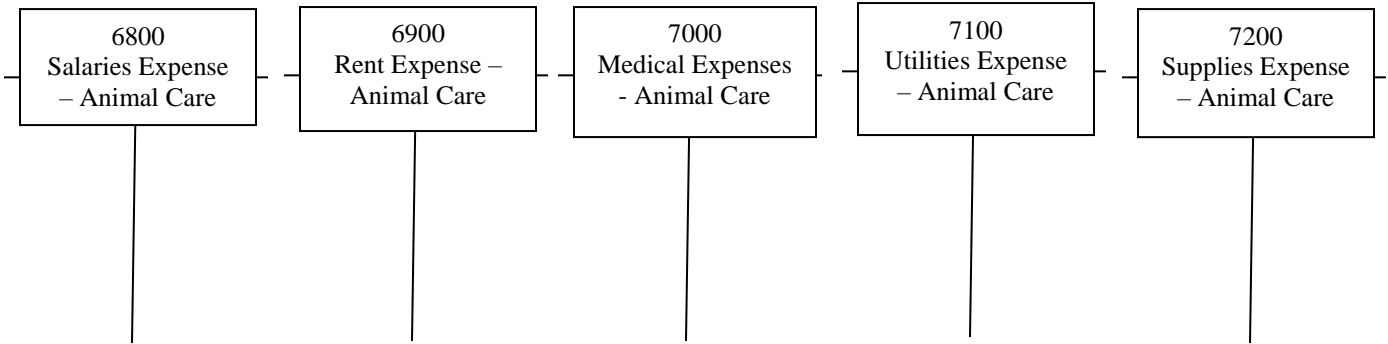
**Expenses - Fundraising**



**Expenses - Administrative**



**Expenses - Animal Care**



**Expenses - Hootenanny**

