



LEDGER MANIA HOSPITALITY VERSION

Ledger Mania is an interactive classroom activity used to demonstrate the accounting cycle of a hospitality company. 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 \$1,500 cash to each team consisting of:

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

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 luncheonette. 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

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.



Beginning Trial Balance for RS Luncheonette

RS Luncheonette			
Trial Balance as of December 1			
G/L Account Number		DR	CR
1100	Cash	1,500	
1200	Marketable Securities	87,500	
1300	Food Inventory	10,000	
1400	Beverage Inventory	9,500	
1500	Supplies	10,000	
1600	Prepaid Insurance	3,000	
1800	Equipment (net)	43,500	
1850	China and Flatware	30,000	
1900	Furniture and Fixtures	28,000	
2100	Accounts Payable		7,000
2200	Sales Tax Payable		5,000
2500	Unearned Revenue		25,000
2800	Notes Payable		25,000
3100	R. Stone, Capital		120,000
3600	R. Stone, Drawing	25,000	
4000	Food Sales		104,000
4100	Beverage Sales		45,000
5100	Cost of Food Sales	22,000	
5200	Cost of Beverage Sales	8,500	
5300	Employee Meals - Food	2,000	
5400	Employee Meals - Beverages	800	
6000	Advertising Expense	3,000	
6100	Insurance Expense	2,000	
6200	Rent Expense	10,000	
6300	Repairs and Maintenance	5,000	
6400	Salary Expense	25,700	
6500	Utilities Expense	4,000	
	Total Debits/Credits	331,000	331,000



Transactions for RS Luncheonette, a breakfast and lunch restaurant

- O-1 Cash receipts for the day total \$315 (food sales \$200, beverage sales \$100, sales tax \$15).
- O-2 Paid salaries \$250.
- O-3 Requisitioned food of \$100 and beverages of \$50. Of the food requisitioned, employee meals were food \$10 and beverages \$5.
- O-4 Sold gift certificates for \$100 cash.
- O-5 Cash receipts for the day total \$210 (food sales \$150, beverage sales \$50, sales tax \$10).
- O-6 Purchased food of \$125 and beverages of \$50 for the storeroom, all on account.
- O-7 Requisitioned food of \$150 and beverages of \$70. Of the food requisitioned, employee meals were food \$25 and beverages \$15.
- O-8 Cash receipts for the day total \$370 (food sales \$250, beverage sales \$100, sales tax \$20).
- O-9 Purchased food of \$75 and beverages of \$25 for the storeroom with cash.
- O-10 Paid cash for an ad run in the local newspaper last week \$150.
- O-11 Gift certificates redeemed \$50 for food and \$25 for beverages.
- O-12 Paid \$100 on account for food and beverage purchases.
- O-13 Requisitioned food of \$125 and beverages of \$35. Of the food requisitioned, employee meals were food \$20 and beverages \$5.
- O-14 Purchased food of \$50 and beverages of \$25 with cash for direct purchase. All of the food and beverages were used during the service.
- O-15 Cash receipts for the day total \$275 (food sales \$170, beverage sales \$90, sales tax \$15).
- O-16 Paid rent on leased equipment \$250.
- O-17 Received utility bill to be paid next month \$150.
- O-18 Cash receipts for the day total \$335 (food \$250 sales, beverage sales \$70, sales tax \$15).
- O-19 Paid insurance for the coming year \$400.
- O-20 Cash receipts for the day total \$290 (food sales \$175, beverage sales \$100, sales tax \$15).
- O-21 Requisitioned food of \$90 and beverages of \$60. Of the food requisitioned, employee meals were food \$15 and beverages \$5.
- O-22 Purchased food of \$100 and beverages of \$40 for the storeroom with cash.
- O-23 Paid sales tax to the state taxing authority \$80.
- O-24 Paid cash for repairs to the ovens \$75.

- I-1 Purchased new burners (equipment) on account for \$450.
- I-2 Purchased new china for cash \$175.
- I-3 Purchased a new cappuccino machine (equipment) for \$290 cash.
- I-4 Sold a fully depreciated range for \$50 cash.

- F-1 Owner donated \$5,000 in equipment.
- F-2 Owner withdrew \$500 cash for personal use.
- F-3 Borrowed \$1,000 from the bank on a note.



General Ledger for RS Luncheonette

Assets			
1100 Cash 1,500	1200 Marketable Securities 87,500	1300 Food Inventory 10,000	1400 Beverage Inventory 9,500
1500 Supplies 10,000	1600 Prepaid Insurance 3,000	1800 Equipment 43,500	
	1850 China and Flatware 30,000	1900 Furniture and Fixtures 28,000	

Liabilities			
2100 Accounts Payable 7,000	2200 Sales Tax Payable 5,000	2500 Unearned Revenue 25,000	2800 Notes Payable 25,000



Equity		Revenues	
<u>3000 R. Stone, Capital</u>	<u>3600 R. Stone, Drawing</u>	<u>4000 Food Sales</u>	<u>4100 Beverage Sales</u>
120,000	25,000	104,000	45,000

Expenses			
<u>5100 Cost of Food Sales</u>	<u>5200 Cost of Beverage Sales</u>	<u>5300 Employee Meals - Food</u>	<u>5400 Employee Meals - Beverages</u>
22,000	8,500	2,000	800
<u>6000 Advertising Expense</u>	<u>6100 Insurance Expense</u>	<u>6200 Rent Expense</u>	<u>6300 Repairs and Maintenance</u>
3,000	2,000	10,000	5,000
<u>6400 Salary Expense</u>	<u>6500 Utilities Expense</u>		
25,700	4,000		

