



LEDGER MANIA INSTRUCTOR 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 Contents

The game contents are:

- One game board
- Six tokens
- One die
- Play money
- A complete set of journals and ledgers for one play

Note: subsequent plays will require the instructor to photocopy the necessary forms from the student packet or to download them from www.ledgermania.com.

Game Setup

Students are broken into teams of 1-3 players each. At least two teams are needed to play each board. Playing each board with four teams is ideal, although the game can be played with 2-5 teams around each board.

Teams should consist of at least one student. Playing the game with two or three students per team is ideal. If a class contains more than 12 students, multiple boards should be used to play multiple games simultaneously.

One student per board is chosen as the banker. The banker will give cash to each team of \$1,500 at the beginning of the game, consisting of:

1	X	\$500	bill
6	X	\$100	bills
4	X	\$50	bills
5	X	\$20	bills
7	X	\$10	bills
6	X	\$5	bills



The banker does not play the game, but receives cash from and pays cash to each team, depending upon which transaction is being recorded. The banker is also required to record each transaction and reconcile cash.

The instructor will inform the class which version is being played - the sole proprietorship or the corporate version of the game, and whether the company is a service firm or merchandising firm.

The instructor will provide each board's banker with a banker's journal, which is included in the instructor packet. The instructor will also provide each team with a full set of their own journals and ledgers including:

- The student instructions – form INX
- A beginning trial balance appropriate for the type of company (sole proprietorship or corporation) – form BTB1 or BTB 2
- A set of operating, investing and financing transactions for either a service firm or a merchandising firm – form TSF or TMF
- A blank General Journal – form GJ
- A blank General Ledger – forms GL1, GL2 and GL3
- A blank Trial Balance – form TB

For alternate journals and ledgers, see gameplay variations below.

Game Play

Each team will choose a token. Each team will roll the die once. The team that rolls the highest number goes first. In the case of a tie, the teams that tied will roll until the tie is broken. After the first team has moved, play passes to the team on the left.

Each team in turn will roll one die and move clockwise on the board to advance its 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, students 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. Students 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, and if using subsidiary ledgers for the merchandising version of the game



Ending the game/Winning

The instructor will inform the class of the length of the game. The instructor can set a time limit, such as 30 or 45 minutes, or a certain number of transactions, such as 10 or 15 transactions per team. No matter which option is selected, each team will move the same number of times.

The teams will need at least ten minutes after the game is ended to produce a trial balance and attempt to reconcile the cash on hand to the trial balance.

The first team to produce a balanced trial balance and to reconcile the physical cash on hand to the trial balance wins the game.

Gameplay Variations

For the service firm sole proprietorship version, the instructor will inform each team to enter transactions on the included worksheet instead of using the general journal, general ledger and trial balance. The first team to balance total assets = total liabilities + owners' equity and reconcile cash will win the game. Each team will need the beginning balances, the transaction list, and the blank worksheet to begin the game.

For variation #1 of the merchandising firm version, each team will use the accounts receivable and accounts payable subsidiary ledgers in addition to the general journal and the general ledger. Each team will need all of the paperwork described in the game setup section plus accounts payable and accounts receivable subsidiary ledgers. In addition to the requirements described above, each team is required to reconcile the subsidiary ledgers to the trial balance control account in order to win the game.

For variation #2 of the merchandising firm version, each team will record transactions using the forms described above plus all of the following special journals:

- Cash receipts journal
- Cash disbursements journal
- Sales journal
- Purchases journal

Each team will need a copy of each of the above journals, plus the accounts receivable and accounts payable subsidiary ledgers, along with all of the paperwork described in the game setup section.

ADDITIONAL INFORMATION FOR INSTRUCTORS

Solutions

Solutions for the general journal entries for the transactions for both a service firm and a merchandising firm are included. Because of the number of possible variations, a solution set for the general ledger, subsidiary ledgers and worksheets cannot be provided.

Additional Forms

The forms needed for subsequent play can be photocopied from one of the original student packets or downloaded at www.ledgermania.com.



Forms needed for game versions

There are 7 variations of the game that can be played:

- Service firm using the general journal and general ledger for a sole proprietorship or a corporation
- Service firm using worksheet for a sole proprietorship only
- Merchandising firm using the general journal and general ledger for a sole proprietorship or a corporation
- Merchandising firm using special journals for a sole proprietorship or a corporation

On the next page is a chart of which forms are needed with each version. The abbreviations used in the chart are noted on the top of the forms included in the student packet. The banker's journal is included in the instructor packet.

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The following forms are found in the student packet. The abbreviations used in the chart are noted on the top of the forms included in the student packet.

Version	Service firm Sole proprietorship or corporation	Service firm Sole proprietorship using worksheet	Merchandising firm Sole proprietorship or corporation	Merchandising firm using special journals Sole proprietorship or corporation
Forms Needed				
Student Instructions	INX	INX	INX	INX
Beginning Trial Balance	Sole proprietorship BTB1 or corporation BTB2	Sole proprietorship BTB1	Sole proprietorship BTB1 or corporation BTB2	Sole proprietorship BTB1 or corporation BTB2
Transaction List	TSF	TSF	TMF	TMF
General Journal	GJ	WS	GJ	GJ
General Ledger	GL1, GL2, GL3		GL1, GL2, GL3	GL1, GL2, GL3
Cash Receipts & Cash Payments Journals				CRJ & CPJ
Sales & Purchases Journals				SJ & PJ
A/R Subsidiary Ledger				A/R Sub
A/P Subsidiary Ledger				A/P Sub
Inventory Subsidiary Ledger				Inv Sub
Trial Balance	TB		TB	TB



Answers for transactions for a service firm			
	General Journal		
Transaction	Account	Debit	Credit
O-1	Supplies	215	
	Accounts Payable		215
O-2	Supplies	150	
	Cash		150
O-3	Cash	450	
	Sales		450
O-4	Salary Expense	200	
	Cash		200
O-5	Cash	300	
	Accounts Receivable		300
O-6	Accounts Receivable	330	
	Sales		330
O-7	Utilities Expense	310	
	Cash		310
O-8	Rent Expense	500	
	Cash		500
O-9	Supplies	165	
	Accounts Payable		165
O-10	Accounts Payable	150	
	Cash		150
O-11	Cash	200	
	Interest Income		200
O-12	Interest Expense	120	
	Cash		120



Answers for transactions for a service firm			
General Journal			
Transaction	Account	Debit	Credit
O-13	Utilities Expense	175	
	Accounts Payable		175
O-14	Accounts Receivable	400	
	Sales		400
O-15	Cash	250	
	Accounts Receivable		250
O-16	Accounts Payable	125	
	Cash		125
O-17	Supplies	90	
	Cash		90
O-18	Cash	250	
	Sales		250
O-19	Prepaid Insurance	400	
	Cash		400
O-20	Cash	500	
	Sales		500
O-21	Salary Expense	250	
	Cash		250
O-22	Supplies	130	
	Cash		130
O-23	Accounts Payable	75	
	Cash		75
O-24	Cash	200	
	Accounts Receivable		200



Answers for transactions for a merchandising firm			
General Journal			
Transaction	Account	Debit	Credit
O-1	Inventory	345	
	Accounts Payable - Richards		345
O-2	Supplies	400	
	Accounts Payable - Office Max		400
O-3	Cash	350	
	Sales		350
	Cost of Goods Sold	200	
	Inventory		200
O-4	Salary Expense	150	
	Cash		150
O-5	Cash	300	
	Accounts Receivable - McCartney		300
O-6	Accounts Receivable - Lennon	300	
	Sales		300
	Cost of Goods Sold	160	
	Inventory		160
O-7	Inventory	300	
	Cash		300
O-8	Supplies	100	
	Cash		100
O-9	Rent Expense	500	
	Cash		500
O-10	Accounts Payable - Office Max	125	
	Cash		125
O-11	Inventory	260	
	Accounts Payable - Watts		260
O-12	Interest Expense	60	
	Cash		60



Answers for transactions for a merchandising firm			
General Journal			
Transaction	Account	Debit	Credit
O-13	Cash	350	
	Accounts Receivable - Starr		350
O-14	Accounts Receivable	190	
	Sales		190
	Cost of Goods Sold	100	
	Inventory		100
O-15	Accounts Payable - Taylor	200	
	Cash		200
O-16	Cash	150	
	Accounts Receivable - Harrison		150
O-17	Supplies	225	
	Cash		225
O-18	Accounts Receivable - Harrison	320	
	Sales		320
	Cost of Goods Sold	160	
	Inventory		160
O-19	Inventory	135	
	Accounts Payable - Taylor		135
O-20	Utilities Expense	225	
	Cash		225
O-21	Cash	175	
	Accounts Receivable - McCartney		175
O-22	Bank Fees	25	
	Cash		25
O-23	Prepaid Insurance	400	
	Cash		400
O-24	Cash	200	
	Interest Income		200



Answers for Investing and financing transactions			
General Journal			
Transaction	Account	Debit	Credit
Investing Transactions			
I-1	Equipment	800	
	Notes Payable		800
I-2	Furniture and Fixtures	200	
	Cash		200
I-3	Cash	300	
	Equipment (net)		200
	Gain on Sale of Equipment		100
I-4	Marketable Securities	250	
	Cash		250
Financing Transactions for a Corporation			
F-1	Cash	600	
	Common Stock par \$1		200
	Additional Paid in Capital		400
F-2	Treasury Stock	125	
	Cash		125
F-3	Dividends (or Retained Earnings)	400	
	Cash		400
Financing Transactions for a Sole Proprietorship			
F-1	Cash	600	
	R. Stone, Capital		600
F-2	Cash	300	
	R. Stone, Capital		300
F-3	R. Stone, Drawing	200	
	Cash		200