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 current business trends.
▪ Conduct a risk assessment of an event.
▪ Prepare a chart of accounts.
▪ Distinguish among types of business transactions.
▪ Journalize business transactions.
EVENT SITUATION

You are to assume the role of a consultant who has been hired to analyze a client’s (judge’s) new venture into the sharing economy.

A client (judge) has been thinking of ways to make extra cash in this new sharing economy. The client (judge) owns a home and a swimming pool and has heard that people are renting out their pools to make extra money. The client (judge) realized that their pool is unused for most of the summer and would like to make it available for rental.

The client (judge) does not have a business background and would like your help getting started. The client (judge) has already listed the pool on a mobile app and rented out the pool for a party for 10 guests at $40 per guest. The client (judge) opened up a bank account for the business and put $500 of his/her own money in it. The client (judge) also bought pool supplies for the new business that included flotation devices and barbecue supplies costing $300.00.

You will meet the client (judge) to discuss the business, including how to record business transactions. You are to:
- Describe this current business trend including the risks associated with it.
- Prepare a brief chart of accounts for the business and classify the accounts.
- Prepare journal entries for the three transactions that have already occurred.

You will present the information to the client (judge) in a role-play to take place in your office. The client (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 client’s (judge’s) questions, the client (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 a client meeting with a consultant (participant). The consultant (participant) has been hired to analyze your new venture into the sharing economy.

You have been thinking of ways to make extra cash in this new sharing economy. You own a home and a swimming pool and have heard that people are renting out their pools to make extra money. You realized that your pool is unused for most of the summer and would like to make it available for rental.

You do not have a business background and would like the consultant’s (participant’s) help getting started. You have already listed the pool on a mobile app and rented out the pool for a party for 10 guests at $40 per guest. You opened up a bank account for the business and put $500 of your own money in it. You also bought pool supplies for the new business that included flotation devices and barbecue supplies costing $300.00.

The consultant (participant) will meet with you to discuss the business, including how to record business transactions. The consultant (participant) must:

- Describe this current business trend including the risks associated with it.
- Prepare a brief chart of accounts for the business and classify the accounts.
- Prepare journal entries for the three transactions that have already occurred.

The participant will present information to you in a role-play to take place in the participant’s 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 documents should I have the pool renters sign?
2. Do I need to contact my homeowners’ insurance agent about this new venture?

Once the consultant (participant) has presented information and has answered your questions, you will conclude the role-play by thanking the consultant (participant) for the work.
You are not to make any comments after the event is over except to thank the participant.

**SOLUTION**

- **Describe this current business trend including the risks associated with it.**
  This business trend includes the sharing of assets or services for a fee over the internet between private individuals. Examples include home sharing, car sharing, parking space sharing, dog boarding services, lending clubs, etc. There are many risks involved including:
  1. Cancellations
  2. Fees
  3. Damage to property
  4. Renter’s injury or death
  5. Insurance Denial
  6. Parking
  7. Neighbor complaints
  8. Excessive noise
  9. Homeowner association violations
  10. Illegal activities

- **Prepare a brief chart of accounts for the business.**

  Below is an example; solutions will vary.
  Cash (asset)
  Supplies (asset or expense)
  Accounts Payable (liability)
  Owner’s Capital (equity)
  Rent Income (revenue)
  Liability Insurance (expense)
  Cleaning (expense)
  App Fees (expense)
  Maintenance (expense)

- **Prepare journal entries for the three transactions.**

  1. Set up bank account
     - Debit Cash 500
     - Credit Owner’s Capital 500
  2. Record revenue
     - Debit Cash 400
     - Rent Income 400
  3. Record purchase of supplies
     - Debit Supplies 300
     - Credit Cash 300
**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.

<table>
<thead>
<tr>
<th>Level of Evaluation</th>
<th>Interpretation Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceeds Expectations</td>
<td>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.</td>
</tr>
<tr>
<td>Meets Expectations</td>
<td>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 70-89th percentile of business personnel performing this performance indicator.</td>
</tr>
<tr>
<td>Below Expectations</td>
<td>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 50-69th percentile of business personnel performing this performance indicator.</td>
</tr>
<tr>
<td>Little/No Value</td>
<td>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 0-49th percentile of business personnel performing this performance indicator.</td>
</tr>
</tbody>
</table>
ACCOUNTING APPLICATIONS SERIES
2022

JUDGE’S EVALUATION FORM
DISTRICT EVENT 1

INSTRUCTIONAL AREA:
Financial Analysis

<table>
<thead>
<tr>
<th>Did the participant:</th>
<th>Little/No Value</th>
<th>Below Expectations</th>
<th>Meets Expectations</th>
<th>Exceeds Expectations</th>
<th>Judged Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Describe current business trends?</td>
<td>0-1-2-3-4</td>
<td>5-6-7-8</td>
<td>9-10-11</td>
<td>12-13-14</td>
<td></td>
</tr>
<tr>
<td>2. Conduct a risk assessment of an event?</td>
<td>0-1-2-3-4</td>
<td>5-6-7-8</td>
<td>9-10-11</td>
<td>12-13-14</td>
<td></td>
</tr>
<tr>
<td>3. Prepare a chart of accounts?</td>
<td>0-1-2-3-4</td>
<td>5-6-7-8</td>
<td>9-10-11</td>
<td>12-13-14</td>
<td></td>
</tr>
<tr>
<td>4. Distinguish among types of business transactions?</td>
<td>0-1-2-3-4</td>
<td>5-6-7-8</td>
<td>9-10-11</td>
<td>12-13-14</td>
<td></td>
</tr>
<tr>
<td>5. Journalize business transactions?</td>
<td>0-1-2-3-4</td>
<td>5-6-7-8</td>
<td>9-10-11</td>
<td>12-13-14</td>
<td></td>
</tr>
<tr>
<td>6. Reason effectively and use systems thinking?</td>
<td>0-1</td>
<td>2-3</td>
<td>4</td>
<td>5-6</td>
<td></td>
</tr>
<tr>
<td>7. Make judgments and decisions, and solve problems?</td>
<td>0-1</td>
<td>2-3</td>
<td>4</td>
<td>5-6</td>
<td></td>
</tr>
<tr>
<td>8. Communicate clearly?</td>
<td>0-1</td>
<td>2-3</td>
<td>4</td>
<td>5-6</td>
<td></td>
</tr>
<tr>
<td>9. Show evidence of creativity?</td>
<td>0-1</td>
<td>2-3</td>
<td>4</td>
<td>5-6</td>
<td></td>
</tr>
<tr>
<td>10. Overall impression and responses to the judge’s questions</td>
<td>0-1</td>
<td>2-3</td>
<td>4</td>
<td>5-6</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL SCORE

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