

Accounting Cycle & Transaction Analysis - Summative Assessment: Outline & Rubric

Summative Assessment Outline: Accounting Cycle & Transaction Analysis

Competency Name: Accounting Cycle & Transaction Analysis

Competency Statement: Demonstrate an understanding of the accounting cycle and the analysis of accounting transactions.

Summative Assessment Submission Title: Preparing an Adjusted Trial Balance

Competency Objectives:

1. Demonstrate an understanding of the accounting process and accrual concept.
2. Demonstrate an understanding of double entry accounting.
3. Demonstrate knowledge of generally accepted accounting principles and practices (GAAP).
4. Demonstrate an understanding of the accounting cycle.
5. Prepare an adjusted trial balance.

Program Learning Outcome(s): NA

Institutional Learning Outcome(s): NA

Purpose of the Assessment

The Accounting Cycle & Transaction Analysis final assessment involves analyzing and recording business transactions via journal entries, posting these journal entries to T-accounts, preparing a trial balance, journalizing and posting adjusting entries, and preparing an adjusted trial balance. In completing these tasks, you will demonstrate an understanding of the accounting cycle, accounting process and accrual concept, double-entry accounting, and the importance of GAAP.

Items Required for Submission

The item required for submission is a portfolio (titled: Preparing an Adjusted Trial Balance) of accounting cycle steps detailed in the following steps.

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Step ONE: Analyze and Record Business Transactions

Use the information provided in Appendix A (Trial Balance for Purity Inc. and the list of the transactions that occurred during the month of June) to complete the following steps. The diagrams here are for illustration purposes only; use the Excel template to actually record the entries.

- 1) Journalize the transactions that occurred in June. Do not include explanations.

<i>Journal</i>					
DATE		ACCOUNTS	POST. REF.	Dr.	Cr.
Jun	1				

- 2) Open the ledger accounts listed in the trial balance together with their beginning balances at May 31. Use the four-column account format as illustrated below. Enter "Bal" for the May 31 balance in the Item column. Post the journal entries to the ledger, create new ledger accounts as necessary, and omit posting references. Calculate the new account balances at June 30, 2014.

Cash						
DATE		ITEM	POST. REF.	DEBIT	CREDIT	BALANCE
						DEBIT CREDIT

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3) Prepare the trial balance for Purity Water, Inc., at June 30, 2014.

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Trial Balance			
June 30, 2014			
	ACCOUNT	DEBIT	CREDIT

Step TWO: Prepare the Adjusted Trial Balance

Use the templates in the Excel document to prepare the unadjusted trial balance for Purity Water, Inc., at June 30.

- Journalize and post the adjusting entries for June based on the following adjustment information.
 - Supplies on hand, \$200.
 - Depreciation, \$100 equipment, \$75 furniture, \$330 vehicles.
 - Services performed but unbilled, \$1,900.
 - Accrued salaries, \$550.

DATE		ACCOUNTS	POST. REF.	Dr.	Cr.
June	30				

- Prepare an adjusted trial balance for Purity Water, Inc., at the end of June.

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Adjusted Trial Balance						
June 30, 2014						
ACCOUNT	Unadjusted		Adjustments		Trial Balance	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT

Step THREE: Understanding GAAP

Answer the following questions using two real company examples. Record your responses in the same Excel document you used for Steps ONE and TWO.

- Why is U.S. GAAP so important to the capital market system in the United States? Use two real company examples in your answer.
- Why is there a push to accept International Financial Reporting Standards (IFRS) as the universal standards for financial accounting? Use a U.S. company and a non-U.S. company as examples in your answer and describe how they would feel about this move.

Step FOUR: Complete Checklist for Submission

Before you submit, check to see if you believe you have met the criteria noted below.

Did you....

- ✓ Clearly and accurately analyze accounting transactions with balanced journal entries?


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- ✓ Clearly and accurately analyze T-accounts?
- ✓ Create an accurate and appropriately organized trial balance?
- ✓ Clearly and accurately analyze the transaction for the appropriate adjusting entry?
- ✓ Create an accurate and appropriately organized adjusted trial balance?
- ✓ Clearly and concisely analyze GAAP and tie your explanations to two real world companies?
- ✓ Ensure that each component of your portfolio is clearly constructed, well organized and presented, and facilitates viewer understanding?
- ✓ Do all of your entries contain the correct account titles, amounts, and appropriate debits and credits?

Step FIVE: Submit Your Work

- Your completed final assessment documents should be submitted through the Final Assessment page of your competency.
- Please note, for files smaller than 10MB (i.e., most Word documents), use the corresponding “+UPLOAD STUDENT FILE” button to upload your final assessment assignments. For larger files of any type (i.e., voice-over PowerPoint files, videos, or image-heavy documents), please use the optional TEXT EDITOR to provide a URL where your grader can download your file.

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Competencies

Learning Journal

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







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 Upload additional files to this assignment. This is optional

Assignment 5
5. A 10- to 15-slide PowerPoint presentation with supporting voice-over

Use File Uploader

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Download URL for Assignment 5: <https://fwk.box.com/s/2nwjgkwooz6pa7wm8uzojjwerzb7sl2>

Comments (Optional)

- How you create a download URL is up to you, but various free online providers, including Google Drive, Box.com, or Dropbox, offer this service. Please make sure that the URL you provide can be accessed by anyone with the link. For further instructions on how to create public links for uploaded files, consult the support pages for your chosen provider.

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Summative Assessment Rubric: Accounting Cycle & Transaction Analysis

Scoring Rubric for Summative Assessment

Criterion	EMERGING (1)	DEVELOPING (2)	PROFICIENT (3)	EXEMPLARY (4)
Analyzing and recording business transactions via journal entries	Poorly analyzes accounting transactions with balanced journal entries. Most entries use the incorrect account titles, amounts, debits, and credits.	Partially analyzes the accounting transactions with balanced journal entries. Some entries use the correct amount titles, amounts, debits, and credits.	Accurately analyzes accounting transactions with balanced journal entries. Most entries use the correct account titles, amounts, and appropriate debits and credits.	Clearly and accurately analyzes accounting transactions with balanced journal entries. All entries use the correct account titles, amounts, and appropriate debits and credits.
Posting journal entries to T-accounts	Poorly analyzes T-accounts. Most entries use the incorrect account titles, amounts, and debits and credits.	Partially analyzes T-accounts. Some entries use the correct account titles, amounts, and appropriate debits and credits.	Accurately analyzes T-accounts. Most entries use the correct account titles, amounts, and appropriate debits and credits.	Clearly and accurately analyzes T-accounts. All entries use the correct account titles, amounts, and appropriate debits and credits.
Preparing a trial balance	Creates an inaccurate and disorganized trial balance. Most entries use incorrect account titles, amounts, and debits and credits.	Creates an appropriately organized trial balance. Some entries use the correct account titles, amounts, and appropriate debits and credits.	Creates an accurate and appropriately organized trial balance. Most entries use the correct account titles, amounts, and appropriate debits and credits.	Creates an accurate and appropriately organized trial balance. All entries use the correct account titles, amounts, and appropriate debits and credits.

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Journalizing and posting adjusting entries	Does not appropriately analyze the transaction for the appropriate adjusting entry. Most entries use incorrect account titles, amounts, and debits and credits.	Partially analyzes the transaction for the appropriate adjusting entry. Some entries use the correct account titles, amounts, and appropriate debits and credits.	Somewhat analyzes the transaction for the appropriate adjusting entry. Most entries use the correct account titles, amounts, and appropriate debits and credits.	Clearly and accurately analyzes the transaction for the appropriate adjusting entry. All entries use the correct account titles, amounts, and appropriate debits and credits.
Preparing an adjusted trial balance	Does not create an accurate and appropriately organized adjusted trial balance. Most entries use incorrect account titles, amounts, and debits and credits.	Creates an appropriately organized adjusted trial balance. Some entries use the correct account titles, amounts, and appropriate debits and credits.	Creates an accurate and appropriately organized adjusted trial balance. Most entries use the correct account titles, amounts, and appropriate debits and credits.	Creates an accurate and appropriately organized adjusted trial balance. All entries use the correct account titles, amounts, and appropriate debits and credits.
Understanding GAAP	Poorly analyzes GAAP and does not tie explanations to two real-world companies.	Partially analyzes GAAP and ties explanations to two real-world companies.	Adequately analyzes GAAP and ties explanations to two real-world companies.	Clearly and concisely analyzes GAAP and ties explanations to two real-world companies.
Presentation	Each component of the portfolio is not clearly constructed, organized, and/or presented.	Each component of the portfolio is partially constructed and organized and presented well.	Each component of the portfolio is mostly clearly constructed, organized, and presented.	Each component of the portfolio is clearly constructed, well organized, and presented.

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Appendix A

Purity Water, Inc. Trial Balance May 31, 2014				
		Account	Debit	Credit
		Cash	\$40,050	
		Accounts Receivable	1,100	
		Supplies	770	
		Equipment	2,400	
		Vehicles	35,800	
		Accounts Payable		\$ 980
		Notes Payable		35,800
		Common Stock		42,500
		Dividends	2,200	
		Service Revenue		4,200
		Salaries Expense	550	
		Utilities Expense	610	
		Total	\$83,480	\$83,480

During June the following transactions occurred:

- Jun 1 Paid receptionist's salary, \$550.
- 2 Paid cash to acquire land for a future office site, \$17,000.
- 3 Moved into a new location for the business and paid the first month's rent, \$1,800.
- 4 Performed service for a customer and received cash, \$1,900.
- 5 Received \$400 on account.
- 8 Purchased \$600 of supplies on account.
- 11 Billed customers for services performed, \$2,800.
- 13 Sold an additional \$10,000 of common stock to Mel Hollingsworth.
- 16 Paid receptionist's salary, \$550.
- 17 Received \$1,400 cash for services performed.
- 18 Received \$900 from customers on account.
- 19 Paid \$325 to be listed in the Yellow Pages telephone directory.

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- 21 Paid \$800 on account.
- 22 Purchased office furniture on account, \$3,600.
- 24 Paid miscellaneous expenses, \$250.
- 26 Billed customers for services provided, \$1,300.
- 28 Received \$1,600 from customers on account.
- 30 Paid utility bill, \$690.
- 30 Paid receptionist's salary, \$550.
- 30 Paid \$3,100 of dividends.