

(100) Fundamental Accounting (S)

Description

Assessment of entry-level accounting principles utilizing manual procedures. Contestants analyze, journalize, post transactions and prepare financial reports/statements.

Eligibility

Limited to secondary student members enrolled in the first year of accounting or who have completed the first-year and are *not* enrolled in second-year accounting. Contestant may *not* enter Fundamental Accounting and Advanced Accounting in the same year. This event may *not* be repeated.

Contestant must supply

Sharpened No. 2 pencils, pens, ruler

Cordless calculator: Electronic devices will be monitored according to ACT standards. See [NLC Calculator Guidelines](#). Contestants who violate this rule will be *disqualified*.

Published and/or unpublished non-electronic written reference materials

No equipment, supplies, or materials other than those specified for an event will be allowed in the testing area. No previous Business Professionals of America tests and/or sample tests or facsimiles thereof (handwritten, photocopied, or keyed) may be taken into the testing area. Violation of this rule will result in disqualification.

Competencies

- Complete and explain the purpose of the various steps in the accounting cycle
- Demonstrate an understanding of the fundamental accounting equation
- Apply generally accepted accounting principles (GAAP) to determine the value of assets, liabilities, and owner's equity
- Define accounting terms and concepts, and explain the purpose of the accounting system
- Analyze and record transactions affecting assets, liabilities, equity, revenues, and expenses
- Prepare financial statements and reports
- Calculate and record end-of-period adjustments
- Update accounts through adjusting and closing entries
- Prepare corporate equity transactions
- Differentiate between forms of business ownership
- Differentiate between a service and a merchandising business
- Analyze transactions relating to perpetual and periodic inventories
- Calculate and determine inventory valuation
- Calculate depreciation using various methods

Method of evaluation

Application and Objective Test

Length of event

No more than ten (10) minutes orientation

No more than ninety (90) minutes testing time

No more than ten (10) minutes wrap-up

Entries

Each state is allowed five (5) entries