



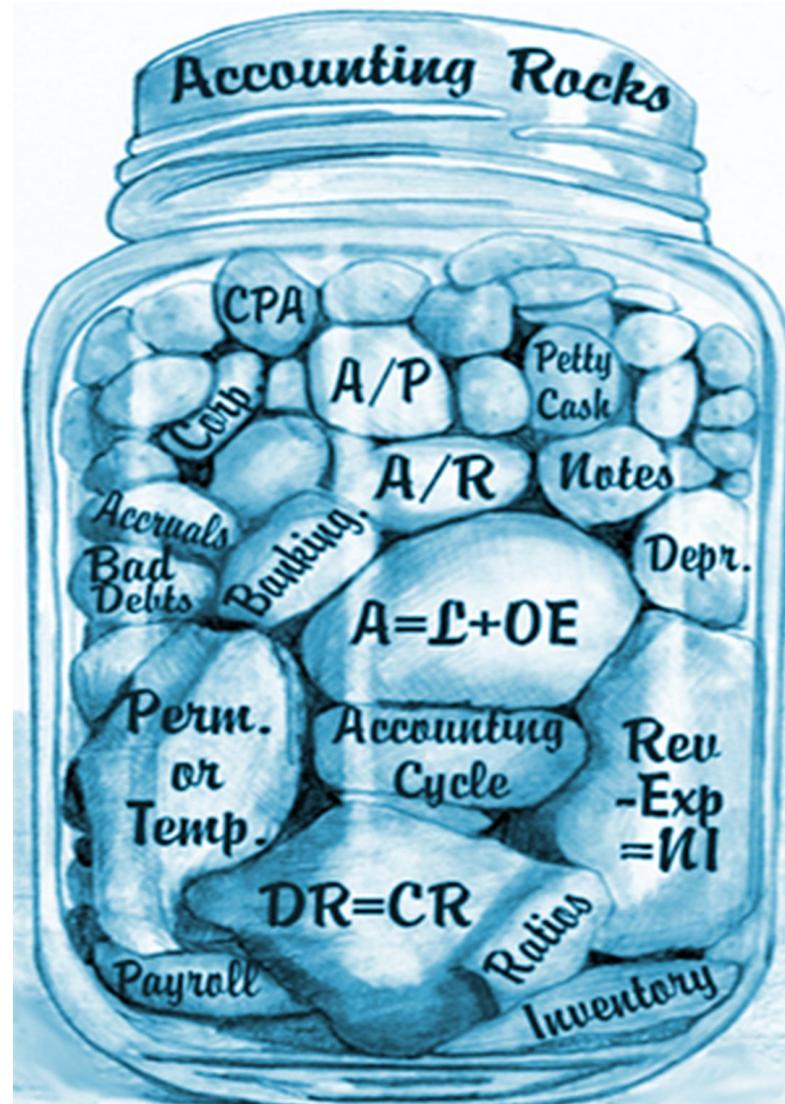
UIL Accounting 2024 Student Activity Conferences

Session 106

Accounting Rocks!

KAY WHITTON
STATE CONTEST DIRECTOR

Accounting Rocks: A coined term to represent UIL Accounting



The rocks in the jar image represent learning the main concepts of UIL accounting first, then adding other concepts, practicing each as you go to ensure complete learning.

Why call it Accounting Rocks?

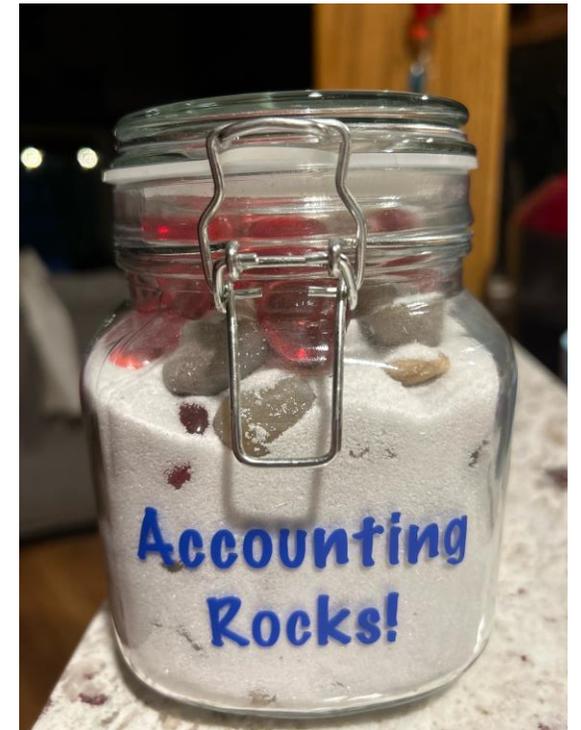
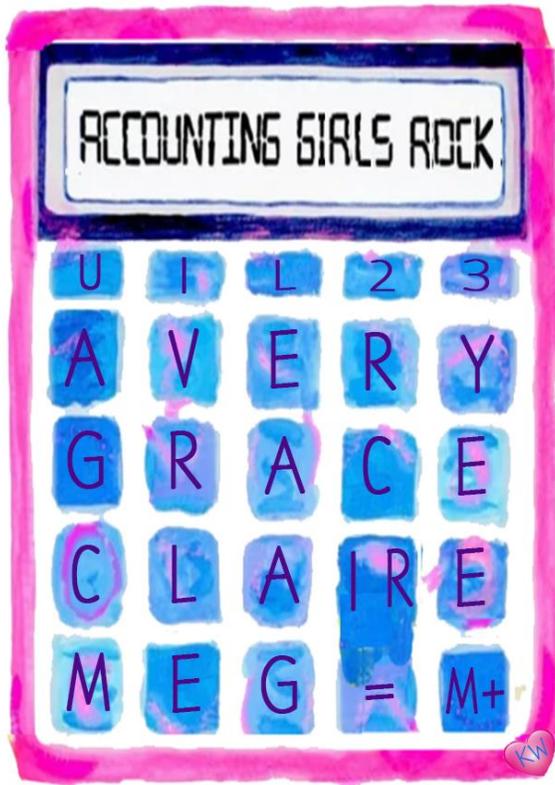
'Rocks' are solid concepts

**Named after the last
team I coached:
Accounting Girls Rock!**

This contest rocks!

Honestly, I just LOVE rocks!

This last team I coached proved that UIL Accounting can be learned independently, without a book!



Accountingrocks.net

Helpful links:

<https://www.uiltexas.org/academics/academic-contests/accounting>

<https://accountingrocks.net/>

https://www.uiltexas.org/files/academics/Accounting_Handbook_2024-25.pdf

<http://www.funderburkcpa.com/uil/exams>

<https://postings.speechwire.com/r-uil.php>

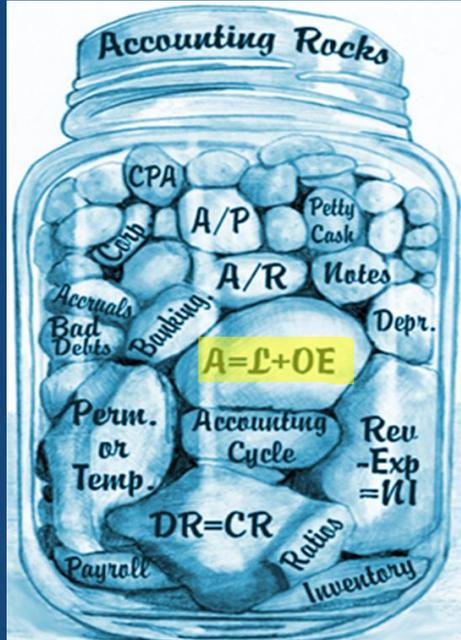
**UNIVERSITY INTERSCHOLASTIC LEAGUE
SCHEDULE OF CONCEPTS FOR THE ACCOUNTING CONTEST
(Revised for School Year 2017-18 and Thereafter)**

DISTRICT LEVEL

1. Basic accounting theory: classification of accounts, balance side, increase side, decrease side, accounting equation, effect of transactions
2. Journalize transactions--General Journal, compound entry
3. Posting
4. Trial Balance
5. Preparation of these financial statements:
 - a. Balance Sheet (report form and account form) (with or without equity detail)
 - b. Income Statement
 - c. Statement of Changes in Owner's Equity
6. Closing entries
7. Post-Closing Trial Balance
8. Accounting cycle for a service business and for a merchandising business (The order of cycle elements varies among texts. Testing the sequence of the section in conflict will be avoided.)
9. Cash control, banking terminology, entries, bank reconciliation, interest earned
10. Petty cash fund and entries
11. Change fund and entries
12. Terms of sale (trade and cash discounts)
13. Accounting for sales tax
14. Credit card sales, bankcards, debit card sales
15. Special Journals--how to journalize and how to post to General Ledger and Subsidiary Ledgers:
 - a. Purchases Journal
 - b. Sales Journal
 - c. Cash Receipts Journal
 - d. Cash Payments Journal
16. Contra Purchases accounts: Purchases Discounts and Purchases Returns & Allowances
17. Contra Sales accounts: Sales Discounts and Sales Returns & Allowances

18. Shipping Charges: FOB Destination and FOB Shipping Point
19. Transportation In
20. Net Purchases, Net Sales, Cost of Delivered Merchandise, Cost of Merchandise Available for Sale, Cost of Merchandise Sold, and Gross Profit on Sales
21. Accounts Receivable (controlling account and subsidiary ledger)
22. Accounts Payable (controlling account and subsidiary ledger)
23. Worksheet for service business and for merchandising business AND either with or without the Adjusted Trial Balance column
24. Adjusting entries and expired costs (includes the following but is not limited to):
 - a. Supplies
 - b. Insurance
 - c. Inventory (periodic method)
25. Vertical analysis; component percentages on Income Statement (net sales) or Balance Sheet (total assets)
26. Payroll Accounting, employee fringe benefits, retirement plans
27. Terminology and transactions for service and merchandising businesses
28. Sole proprietorship: characteristics, advantages, disadvantages, forming, dissolving, terminology, transactions, entries, taxation
29. Basics of business; ethics; accounting careers; accounting as the language of business
30. Federal taxation of individual income
31. Personal net worth; budgets for individuals
32. Cash basis of accounting; accrual basis of accounting (as it applies to district-level concepts)
33. Accounting Assumptions, Characteristics, Principles:
 - a. Accounting Period Cycle
 - b. Business Entity
 - c. Comparability
 - d. Conservatism
 - e. Consistent Reporting
 - f. Full (Adequate) Disclosure
 - g. Going Concern
 - h. Historical Cost
 - i. Matching Principle
 - j. Materiality
 - k. Objective Evidence
 - l. Realization of Revenue (Revenue Principle)
 - m. Relevance
 - n. Reliability
 - o. Unit of Measure

Accounting 'Rock':



Basic Accounting Equation
**Assets = Liabilities
+ Owner's Equity**

Basic Accounting Equation

(your first formula!)

Assets



Things that are owned by a business

=

Liabilities



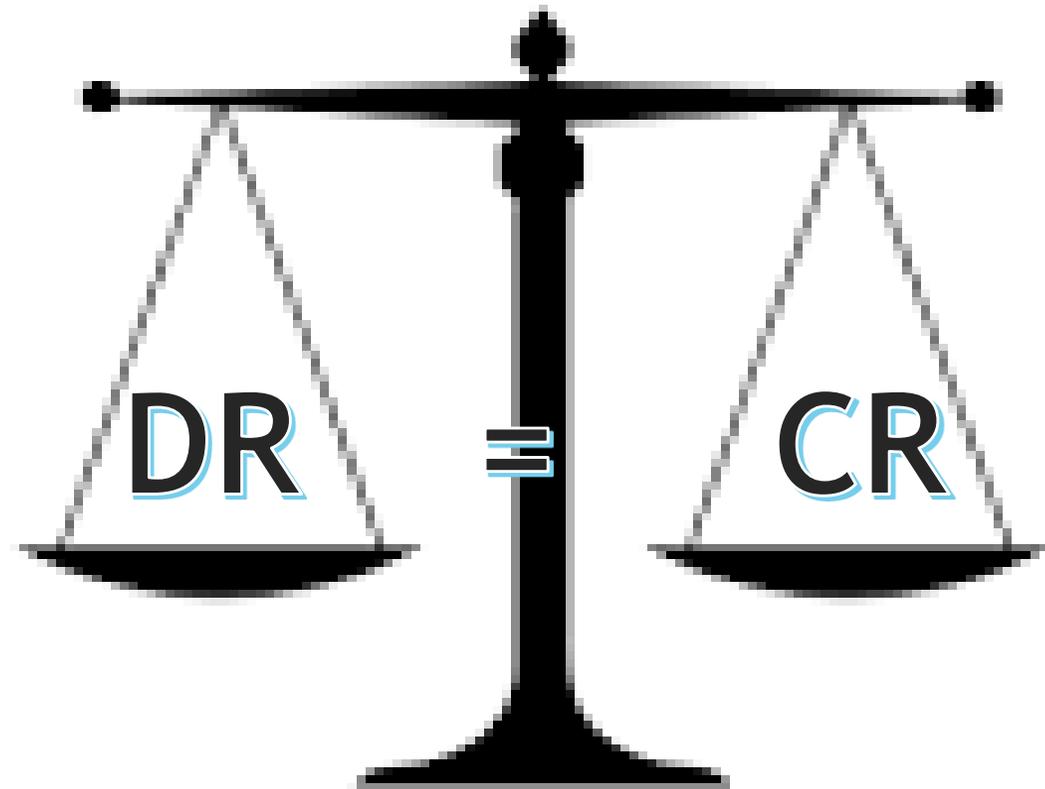
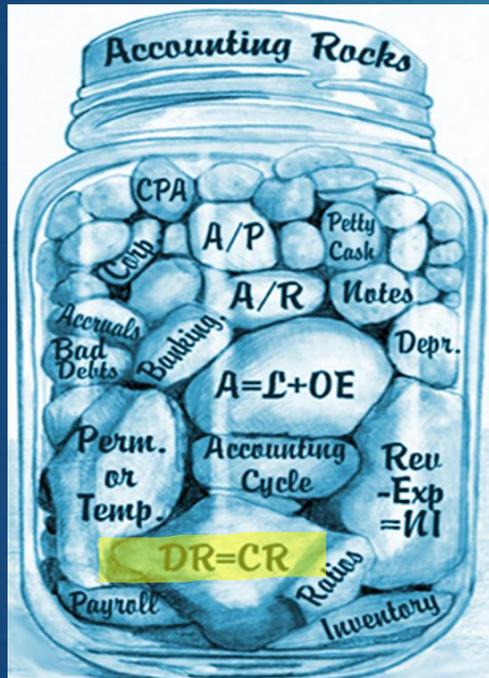
Amounts that
are OWED by
a business

+ Owner's Equity



The owner's value (equity) left over.

Accounting 'Rock':



Debits on the Left; Credits on the Right

Just like students are given
account numbers to keep track...

Assets	=	Liab. + Owner's Eq.
I certainly hope you're an ASSET , adding value to your school...	D	C
		Not a LIABILITY , where you are subtracting from the value (equity) of your school

T Accounts (or T-charts) help track account balances...

Assets	=	Liab. + Owner's Eq.
D		C
Assets are on the LEFT of the BAE, so assets have a DEBIT balance (DR)		Liab. & O/E are on the RIGHT side of the BAE, so they have a CREDIT balance (CR)

**Accounts that
record
transactions
that affect the
Basic
Accounting
Equation
are...**

ALOE accounts (KW)

Balance Sheet

Real

Permanent

**Their balances carry over
at the end of each year**

Sample accounts

Assets

= Liab. + Owner's Eq.

Assets are owned

Cash in Bank
Accts Receivable
Supplies, Eqp.,
Delivery Van
Building

Liabilities are owed

(payable) to
someone else
Accts Payable (A/P)
_____ Payable

O/E Account: Capital

4 Transactions Affect Capital

Capital - Owner's Equity

-

B+

Two **owner-related** transactions

Drawing – takes OUT

Investments - puts IN

Two **income-related** transactions

Expenses – OUTgo

Revenue – INcome

Of those 4 transactions,
three groups **(RED)** will have many
transactions during the year

Capital - Owner's Equity

(owner-related)	-	B+	(owner-related)
Drawing - hopes to take out lots of \$			Investments - hopes to puts in very few)
(income-related)			(income-related)
Expenses - many expenses to earn \$			Revenue - lots of income to record

And after just a few transactions,¹⁷
the capital account is crowded

Capital - OE	
—	B+
	25,000 I
D 500	1,000 I
E 300	400 R
E 450	800 R
E 750	

So we will give 3 groups their own identity during the year
(like kids going off to college)

Capital - Owner's Equity

Expenses – EOE Drawing – DOE

B+

-

Expenses & Drawing
will each have DR
balances since Debits
make capital go



B+

Investments will stay in Capital

Revenue – ROE

-

B+

Revenue will
have CR balance
since it makes
capital go



New acronyms to memorize!

D

Debits

E

Expenses

A

Assets

D

Drawing

C

Credits

O

Owner's Eq.

R

Revenue

L

Liabilities

Or a new way to learn DRs/CRs! (shared by a coach @ Tyler SAC)

Debits

=

Credits

D E A | L E R

Drawing
(Dividends)

Expenses

Assets

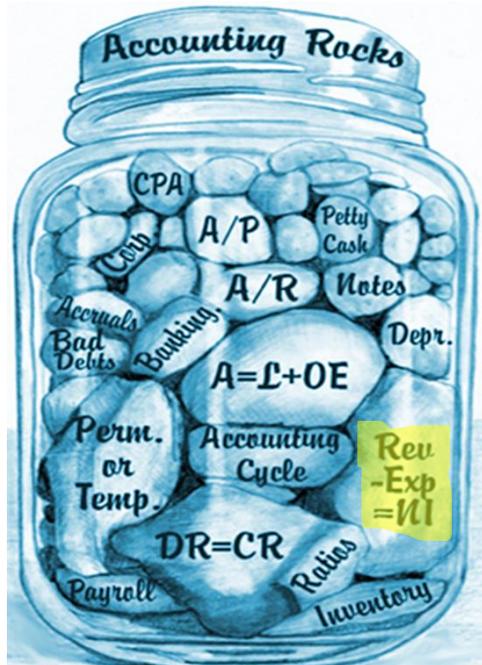
Liabilities

Equity

Revenue

Basic Income Equation

(REN: your second formula!)



$$\begin{aligned}
 & \text{Revenue} \quad (\text{earned by a biz- Capital}) \\
 - & \text{Expenses} \quad (\text{costs to earn the revenue}) \\
 = & \text{Net Income} \quad (\text{value added to O/E}) \\
 & \text{or Net Loss} \quad (\text{if expenses} > \text{revenue})
 \end{aligned}$$

These income-related transactions that affect the Owner's Equity Capital account

REN accounts (KW)

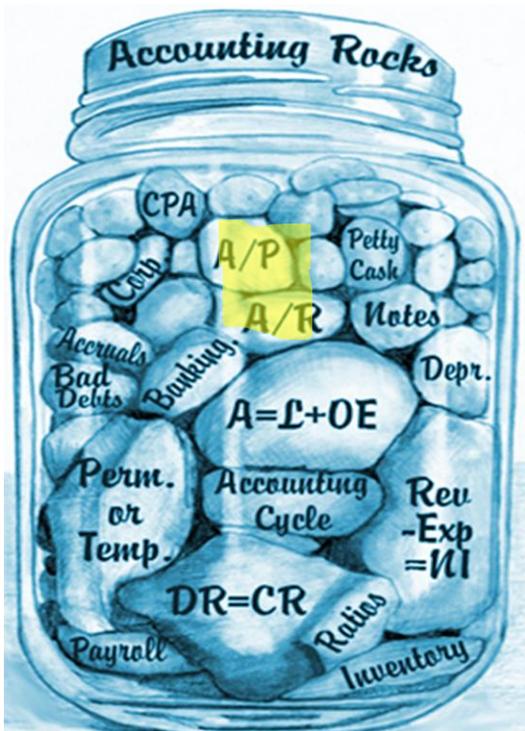
Income Statement

Nominal

Temporary

Their balances zero out at the end of each year

Buying and Selling on credit, think, BOAP (bow-app) or SOAR



When we **buy** (from vendors) on credit:
BOAP: Buy on Accounts Payable

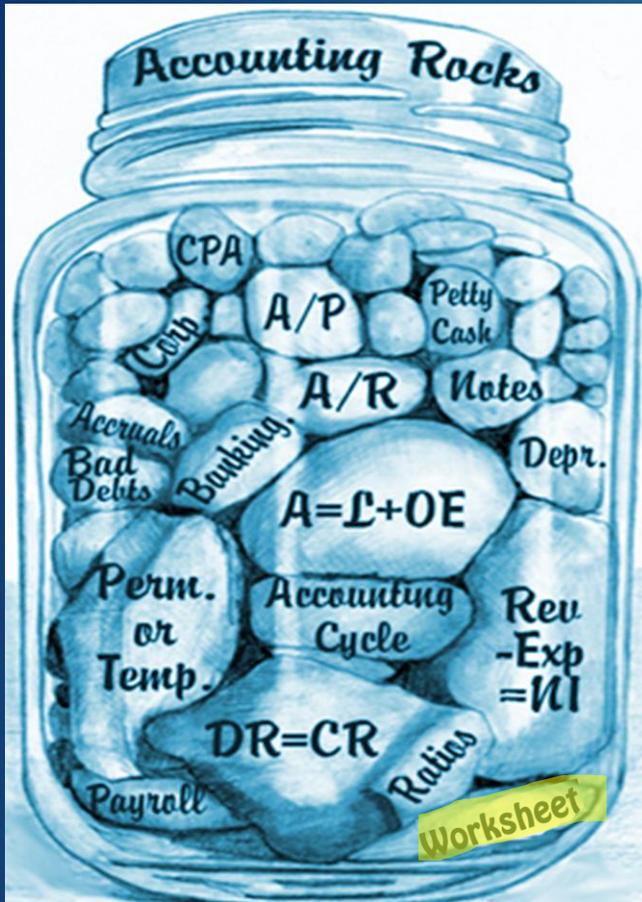
When we **sell** (to customers) on credit:
SOAR: Sell on Accounts Receivable

Trial Balance

Trial Balance

is a check to see if our DR balances = our CR balances

	DR	CR
Cash	2,755	A/P 1,100
A/R	0	Capital 4,800
Supplies	160	Fees Rev <u>400</u>
PPI	200	
Ofc.Furn.	75	
Comp.Eqp.	3,000	
Drawing	50	
Cell Exp	35	
Internet Exp	<u>25</u>	
Total DRs	6,300	Total CRs 6,300



Worksheet

Working paper

Adjustments to accounts

Correct errors

Calculate Net Income (IS cols)

Statement of Position (BS Cols)

Completing the Worksheet

List accounts & #s in TB

Make sure that DRs = CRs

Extend (transfer) to IS & BS

Calculate column totals

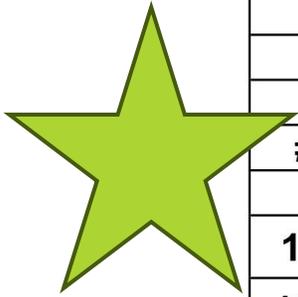
Calculate Net Income

Kellen Moore Web Design

Work Sheet

For Month Ended March 31, 20--

#	Account Title	Trial Balance		Adjustments		Income Stmt		Balance Sheet	
		Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
100	Cash in Bank	2755						2755	
105	Accounts Receivable	0						0	
110	Office/Comp. Supplies	160			40			120	
115	Prepaid Insurance	200			0			200	
120	Office Furniture	75						75	
125	Computer Equipment	3000						3000	
200	Accounts Payable		1100						1100
300	Kellan Moore, Capital		4800						4800
305	Kellan Moore, Drawing	50						50	
310	Income Summary	---	---			---	---		
400	Prof. Fees Revenue		400				400		
500	Cellphone Expense	35				35			
505	Internet Expense	25				25			
510	Insurance Expense	---		0		0			
525	Supplies Expense	---		40		40			
	Column Totals	6300	6300	40	40	100	400	6200	5900
	Net Income/Loss					300			300
	Balancing Totals					400	400	6200	6200



B



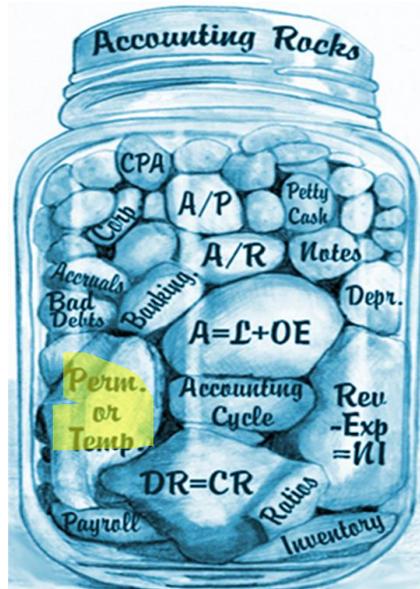
I

Balance Sheet

Report of Financial Position

Reports **Permanent** Accounts (ALOE)

Two primary financial Statements



Income Statement

Report of Income

Reports **Temporary** Accounts (RED-C)

CAPITAL FORMULA

(the college kids come Home to Capital)

300 K.M., Capital - OE

	—	B+	0	Beg. Cap
- DRAW	50		3,000	+ Inv.
			<u>1,800</u>	+ Inv.
			4,800 =	COW
- NL			300 +	NI
			<u>5050</u>	End. Cap.

Post-Closing Trial Balance

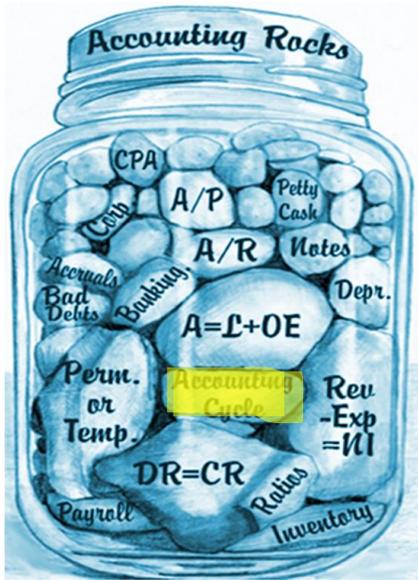
ensures that
 $DR = CR$

(Perm.
Account
balances
ONLY)

PCTB - Post Closing Trial Balance

30

	DR	CR	
Cash	2,755	A/P	1,100
A/R	0	Capital	<u>5,050</u>
Supplies	120		
PPI	200		
Ofc.Furn.	75		
Comp.Eqp.	<u>3,000</u>		
Total DRs	6,150	Total CRs	<u>6,150</u>



Accounting Cycle

C-A-R-P-T-W-F-A-C-T-R

31

Pronounce it **Carp**e**tW**Factor

C – Collect source documents

A – Analyze into DRs and CRs

R – Record in Journal

P – Post to General Ledger

T – Trial Balance

W – Worksheet

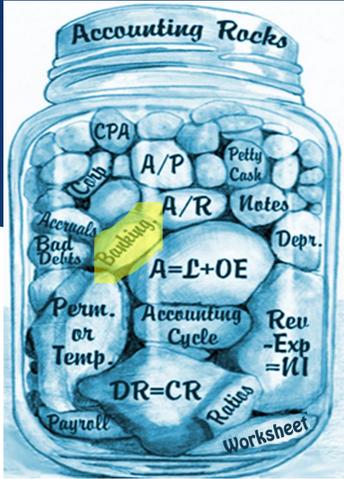
F – Financial Statements

A – Adjusting Entries

C – Closing Entries

T – Post-closing **T**rial Balance

R – Reversing entries (state)



BANK REC. FORMULA

Bank Reconciliation

BK Bal on Stmt
+ Dep in Transit

- O/S Checks

= Rec. Balance

CkBk Bal on Stubs
- Bank Chgs

+/- Check Adj.

= Rec. Bal.

CAPITAL FORMULA

Capital - OE

	-	B+		
			Beg. Capital	BCap
			+ Investments	+ <u>Inv</u>
			= Cap. On WS	= COW
			(COW)	+ NI
- Drawing			+ Net Income	- NL
- Net Loss			= End Capital	- <u>D</u>
				= <u><u>ECap</u></u>

SUPPLIES FORMULA

Supplies - A

	B+	—	
Beg. Supplies + Bought = Supp. On TB (SOT)			BSupp + <u>Bot</u> = SOT
= End Supplies		- Supplies Used (Supplies Exp.)	- Used = <u><u>ESupp</u></u>

INSURANCE FORMULA

Prepaid Insurance - A

		B+	—	
Beg. PPInsurance				B-PPI
+ Bought				<u>+ Bot</u>
= PPI On TB				= POT
(POT)				– Used
= End PPI				= <u>E-PPI</u>

Income Statement

Calculate COGS

Purchases
+ Transport. In
= Cost of Deliv. Goods
- Purch Discounts
- Purch Ret & Allow
= NET PURCHASES

+ Beg. Inventory
= Cost of Goods Avail.
- End. Inventory
= Cost of Goods Sold

Pur
+ TI
= CODG
- PD
- PRA
= NP

+ BI
= COGA
- EI
= COGS

Income Statement

Calculate NI

Sales
- Sales Discounts
- Sales Ret & Allow
= NET SALES

- Cost of Goods Sold
= Gross Profit
- Expenses
= Net Income

Sales
- SD
- SRA
= NS

- COGS
= GP
- Exp
= NI

THANK YOU FOR ATTENDING



HOUSTON EVAL

**We value your
feedback.**

Please complete
conference evaluation
after your last session.



LONE STAR COLLEGE - NORTH HARRIS, HOUSTON