

## ACC 201 Final Project Part I Guidelines and Rubric

### Overview

One of the measures of success in any business is profitability. Managers and business owners must be able to assess the profitability of a company using information about its financial transactions. This is done through the use of accounting.

By working through the accounting cycle, you will understand how money flows through a company. This information can help you determine whether or not an organization can afford to stay open while employing current practices and what types of changes might be needed to allow the organization to become profitable if it is currently struggling financially. This process also helps you understand the level of attention to detail that is required in a successful business venture.

The assessment for this course consists of two major parts: an accounting workbook with supporting accounting cycle report and a memo that uses financial statements to assess whether a business is going in the right direction. In the accounting workbook, you will use course-provided information to record journal entries that document financial transactions in a business. To do this, you will follow the business transactions for a three-month period, starting from step one of the accounting cycle through the reporting process. These transactions will include the initial setup of the business, sales, and purchases, making payments to vendors, paying store employees, and managing debt. You will then create a brief report explaining the steps of the accounting cycle and the significance of those steps and the financial statements that come out of them for the business.

The accounting workbook and accounting cycle report will prepare you for the second part of final project, which consists of a memo to request funding for potential expansion. The memo will overview the company's accounting system, discuss what the financial statement suggests about the company's strengths and weaknesses, and present opportunities for future growth.

This first part of the final project addresses the following course outcomes:

- Apply the accounting cycle to business transactions for communicating financial data
- Analyze the steps of the accounting cycle for their impact on the success of a business

## Prompt

Your dog, Peyton, has severe allergies and cannot have the usual store-bought dog treats. You have been making homemade treats for him that are all-natural and hypoallergenic. Over the past year, you have been making and selling these treats out of your home and have been quite successful. You now have an opportunity to open your own dog treat bakery. You have decided on a corporate form of business and have named your company “Peyton Approved.”

There are **two components** to this part of the final project: an **accounting cycle workbook** (submitted in Module Six) and an **accounting cycle report** (submitted in Module Seven).

To complete the first component, use accepted accounting principles to follow and record your business transactions for a three-month period from step one of the accounting cycle through the reporting process. Enter your transactions in the workbook provided. Your completed workbook will consist of journal entries for each transaction and postings of transactions to account ledgers. You will develop a trial balance from ledger balances and adjust revenue and expense accounts as necessary to ensure that revenues and expenses are reported in the appropriate period under the accrual accounting method. The adjusted trial balance will be used in preparation of the income statement, statement of owner’s equity, balance sheet, and statement of cash flows. After preparation of financial statements, closing entries will be entered to transfer earnings to equity and prepare temporary accounts for the new accounting period.

Then, prepare a brief report that lays out the steps of the accounting cycle, explaining what each step does, why it is important to the success of a business, and what financial information is produced at the end of the cycle.

Specifically, the following **critical elements** must be addressed:

### Accounting Cycle Workbook

- a) Record all **journal entries**. Be sure that all information is recorded accurately.
- b) Post entries to appropriate **ledger accounts**. Ensure all information is posted accurately.
- c) Prepare **unadjusted trial balance**. Ensure unadjusted trial balance is prepared accurately.
- d) Interpret **trial balance** and make appropriate end of period adjustments.
- e) Post **adjusted entries** and prepare the adjusted trial balance.
- f) Apply **adjusted trial balance** and prepare financial statements.
- g) Close all **temporary income statement accounts** and create closing entries.
- h) Prepare the **post-closing trial balance** for the next accounting period.
- i) Cancel any applicable **temporary adjusting entries** and prepare reversing entries.

### Accounting Cycle Report

- a) Identify the **steps** of the accounting cycle and provide a description of each step.
- b) What **role** does each step play in the success of a business?
- c) How could the **omission** of a step impact the success of a business? What strategies could be used to avoid this?
- d) What are the major **financial statements** that come out of the accounting cycle? Why are they important?

## Final Project Part I Rubrics

**Instructor Feedback:** Both of these submissions use integrated rubrics in Blackboard. Students can view instructor feedback in the Grade Center. For more information, review [these instructions](#).

### Final Project Part I: Accounting Cycle Workbook Rubric

**Guidelines for Submission:** Complete the Peyton Approved Student Workbook, available in the Assignment Guidelines and Rubrics folder. Be sure to fill out the Excel workbook in its entirety (12 sheets).

Critical Elements	Exemplary	Proficient	Needs Improvement	Not Evident	Value
Accounting Cycle Workbook: Journal Entries		Records all journal entries accurately (100%)	Records all journal entries, but there are some inaccuracies (55%)	Does not record all journal entries (0%)	10
Accounting Cycle Workbook: Ledger Accounts		Accurately posts entries to appropriate ledger accounts (100%)	Posts entries, but not all entries are posted accurately or to the appropriate ledger accounts (55%)	Does not post entries to ledger accounts (0%)	10
Accounting Cycle Workbook: Unadjusted Trial Balance		Accurately prepares unadjusted trial balance (100%)	Prepares unadjusted trial balance, but contains some issues regarding accuracy (55%)	Does not prepare unadjusted trial balance (0%)	10
Accounting Cycle Workbook: Trial Balance		Interprets trial balance, making appropriate end of period adjustments (100%)	Interprets trial balance, making end of period adjustments, but adjustments contain inaccuracies or are not appropriate (55%)	Does not interpret trial balance, making end of period adjustments (0%)	10
Accounting Cycle Workbook: Adjusted Entries		Posts adjusted entries, preparing the adjusted trial balance (100%)	Posts adjusted entries, but does not prepare the adjusted trial balance (55%)	Does not post adjusted entries (0%)	10
Accounting Cycle Workbook: Adjusted Trial Balance		Applies adjusted trial balance and prepares financial statements (100%)	Applies adjusted trial balance but does not prepare financial statements (55%)	Does not apply adjusted trial balance (0%)	10

<b>Accounting Cycle Workbook: Temporary Income Statement Accounts</b>		Closes all temporary income statement accounts, creating closing entries (100%)	Closes all temporary income statement accounts, but does not create closing entries (55%)	Does not close temporary income statement accounts (0%)	10
<b>Accounting Cycle Workbook: Post-Closing Trial Balance</b>		Prepares the post-closing trial balance for the next accounting period (100%)	Prepares the post-closing trial balance, but it is not aligned with the next accounting period (55%)	Does not prepare the post-closing trial balance (0%)	10
<b>Accounting Cycle Workbook: Temporary Adjusting Entries</b>		Cancels all applicable temporary adjusting entries, preparing reversing entries (100%)	Cancels all applicable temporary adjusting entries, but does not prepare reversing entries (55%)	Does not cancel all applicable temporary adjusting entries (0%)	10
<b>Articulation of Response</b>	Submission is free of errors related to citations, grammar, spelling, syntax, and organization and is presented in a professional and easy-to-read format (100%)	Submission has no major errors related to citations, grammar, spelling, syntax, or organization (85%)	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas (55%)	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas (0%)	10
<b>Earned Total</b>					<b>100%</b>

### Final Project Part I: Accounting Cycle Report Rubric

**Guidelines for Submission:** The accounting cycle report should be 1–3 pages in length and should use double spacing, one-inch margins, and 12-point Times New Roman font. Sources should be cited according to APA style.

Critical Elements	Exemplary (100%)	Proficient (85%)	Needs Improvement (55%)	Not Evident (0%)	Value
<b>Accounting Cycle Report: Steps</b>	Meets “Proficient” criteria, and description is exceptionally clear and contextualized	Identifies steps of the accounting cycle and describes each step	Identifies steps of the accounting cycle, but does not describe each step	Does not identify steps of the accounting cycle	20
<b>Accounting Cycle Report: Role</b>	Meets “Proficient” criteria and uses industry-specific language to establish expertise	Analyzes the role each accounting cycle step plays in the success of a business	Analyzes the role each accounting cycle step plays in the success of a business, but analysis does not cover the complete cycle or contains inaccuracies	Does not analyze the role each accounting cycle step plays in the success of a business	20
<b>Accounting Cycle Report: Omission</b>	Meets “Proficient” criteria and demonstrates a nuanced understanding of the relationship between omitting steps of the accounting cycle and the success of a business	Analyzes the impact of an omission, identifying strategies to avoid them	Analyzes the impact of an omission, but does not identify strategies to avoid them	Does not analyze the impact of an omission	20
<b>Accounting Cycle Report: Financial Statements</b>	Meets “Proficient” criteria, and explanation demonstrates keen insight into the importance of different types of financial statements	Discusses major financial statements that come out of the accounting cycle, explaining why they are important	Discusses major financial statements that come out of the accounting cycle, explaining why they are important, but with gaps in detail or accuracy	Does not discuss major financial statements that come out of the accounting cycle or explain why they are important	20
<b>Articulation of Response</b>	Submission is free of errors related to citations, grammar, spelling, syntax, and organization and is presented in a professional and easy-to-read format	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	20
<b>Earned Total</b>					<b>100%</b>