

(100) Fundamental Accounting

Description

Assessment of entry-level accounting principles. Members analyze, journalize, post transactions, and prepare financial reports/statements.

Eligibility

Limited to secondary division student members who have not completed their first year of accounting. Member may not enter Fundamental Accounting and Advanced Accounting in the same year. This event may *not* be repeated.

Member must supply

Sharpened No. 2 pencils, pens, ruler

Cordless calculator: Electronic devices will be monitored according to ACT standards. See [NLC Calculator Guidelines](#). Members 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Published and/or unpublished non-electronic written reference materials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 transactions affecting assets, liabilities, owner's equity, revenues, and expenses
- Analyze a chart of accounts using proper numerical sequencing
- Record transactions in general journals
- Describe forms used to open and use a checking account
- Reconcile a bank statement
- Journalize and post entries relating to bank service charges
- Open and replenish a petty cash fund and journalize transactions
- Analyze accruals and deferrals
- Prepare a trial balance
- Prepare and analyze financial statements and reports
- Update accounts through adjusting and closing entries
- Differentiate between forms of business ownership
- Differentiate between a service and a merchandising business
- Analyze transactions relating to the purchase and sale of merchandise
- Analyze uncollectible accounts
- Depreciate plant assets
- Record transactions in special journals
- Post from journals to general and subsidiary ledgers
- Prepare schedules for subsidiary ledgers
- Prepare a post-closing trial balance
- Find and correct errors
- Demonstrate periodic inventory and cost of goods sold calculations

Method of evaluation

Application and Objective Test - *Reference materials are allowed.*

Entries

Each state is allowed five (5) entries

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