

Accounting Monopoly

Accounting Monopoly is a game for the whole class that gives students a first hand knowledge of general accounting concepts by accurately maintaining commonly used accounting records. The object is for the student to be able to prove a profit or loss through student's records.

Corresponding Events

Accounting I, Accounting II

Objectives

- Prove cash
- Prove the equality of debits and credits
- Total and rule the journal
- Post general columns of the journal
- Post totals of special columns
- Prepare a worksheet
- Prepare an income statement
- Prepare a balance sheet
- Record closing entries
- Post closing entries
- Prepare a post-closing trial balance
- Foot the journal

Materials

- A Monopoly Game with enough pieces for all players. For a large class, teams no larger than 4 players per game board are suggested.
- One envelope for each student playing. Each player will store his/her money and Monopoly cards in this envelope and leave it in the room each day.
- One folder for each student playing. In this folder, each student will need scrap paper for jotting down transactions, journal pages, forms for proving cash, general ledger pages, income statement form, post closing trial balance form, and balance sheet forms. Additionally, students should keep their instructions and chart of accounts in the folder for easy retrieval. (Get these forms from the student's Accounting workbook; make enough copies for each student to have several)

Activity Time

Multiple class times as allowed

Concepts Taught

Preparing and maintaining accurate accounting records.

How to Play

1. On the first day of play, students will need to distribute cash and record this on their transaction sheet. Students must make one full spin around the board before they may purchase property. Any time money changes hand, students must record the transaction from both ends on their sheet. Run through the example transactions on the provided link below the first day to show students how to play.
2. Allow time each day at the beginning or end of class for students to make journal entries and prove cash. This should be done EVERY day.
3. If students are over or short on cash each day, they must record this in their transaction log. Information on how to use the account "Cash Short and Over" is included below.
4. Be sure to give students class time to journalize and post entries. This can be time consuming if they wait until the very end.

ACCOUNTING MONOPOLY

Chart of Accounts

Assets	Acct #	Revenue	Acct #
Cash	110	Rent Income	410
Property	120	Other Income	420
Houses	130	Expenses	
Hotels	140	Interest Expense	510
Monopoly Bank and Realty	210	Misc. Expense	520
_____, Capital	310	Rent Expense	530
Income Summary	540	Tax Expense	410
		Utility Expense	550
		Cash Short and Over	560

5. Open accounts in the general ledger for the accounts listed in the above chart of accounts.
6. Each group should appoint a banker.

7. The banker issues \$1500 in cash to each player. Each player should count his money to make sure he receives the correct amount.
8. Each player should then prepare a balance sheet (beginning). Students have only one asset (cash) and no liabilities, so their total capital is \$1500.
9. From the balance sheet record the opening entry in their journal.
10. Post the opening entry
11. Fill in their column headings on their journal. Suggested headings: Cash Debit, Cash Credit, Date, Account Title, Post Ref, General Debit, General Credit, Property Debit, Property Credit, Rent Expense, Rent Income, Other Income. All students in a group should have the same column headings (or the teacher may wish to give students journal pages with preprinted headings).
12. Students are now ready to start the game. Be sure to follow the rules of the game. Each group should set their own rules on building houses, selling property, etc. Each roll of the dice may result in either no journal entry, one player making an entry, or in two players making an entry. Be careful not to play too fast as there are usually business transactions to record after each throw of the dice.
13. SUGGESTION: When journalizing--If students are using two special columns, it may be wise to make a notation about the entry under the account title column. Example: When using Property Debit and Cash Credit--students may want to put the name of the property they purchased in the account title column. When they pay taxes, they may want to tell what kind of taxes you are paying, etc. Give details about any journal entry that they feel will benefit them later when preparing financial statements.
14. At the end of each day, cash is proved to see if the books coincide with the actual cash count. If it does not, make an entry in the journal through the cash short and over account.
15. Each student should record on a sheet where they were on the board at the end of the day, the number of houses or hotels owned on each piece of property, list of property owned, and a list of property that may be mortgaged. (Teachers may wish to create a form for this)
16. Place the papers used in your envelope and folder. Return the game pieces to the box.
17. The last day, students will close their books to see how well they have done (profit or loss). Students need to:
 - a. Foot the journal
 - b. Prove cash
 - c. Prove the equality of debits and credits
 - d. Total and rule the journal
 - e. Post general columns of the journal
 - f. Post totals of special columns
 - g. Prepare a worksheet
 - h. Prepare an income statement
 - i. Prepare a balance sheet
 - j. Record closing entries
 - k. Post closing entries
 - l. Prepare a post-closing trial balance

Options

Assessments

As the game progresses, walk around the room and check that the students are participating and correctly making journal entries. At the end of each day, check that cash is proved and the books coincide with the actual cash count.

Extensions

Helpful Files

This site contains a description of how to use the account cash short/over.

<http://www.geocities.com/CollegePark/Quad/5687/monoexso.html>

This site contains examples of accounting transactions to be explained on the first day of the game.

<http://www.geocities.com/CollegePark/Quad/5687/monoex.html>