

## ACCT 102 GROUP PROJECT INSTRUCTIONS

In the business world you will be required to communicate and coordinate projects and results with co-workers and supervisors, therefore, it is up to the group to decide who will be responsible for what parts of the project. The work can be divided in whatever way your group decides, however, it is not acceptable for one person to do all of the work. If there is a group member that does not participate or does not do an equivalent share of the work that should be indicated on the group header sheet.

The forms and files needed to complete the project are posted on my website. Save the Excel file to your computer or USB. You may wish to print the Instructions/Transaction file as it will be easier to access and reference if printed. You should also print the Job Cost Sheets and 4 copies of a journal form. The journal entries and Job Cost Sheets must be hand written. All additional information will be input to and saved directly into the Excel file. Use formulas and cell references whenever possible. You will complete the project using the Excel file so you will need to save your data to your USB. You will be submitting the required forms and print outs for grading. It is recommended that you save your Excel file to more than one USB.

The financial forms you need have been set up in Excel and are labeled along the bottom left of the screen in the sheet tabs. You will need to customize your worksheet by giving your group a unique name and entering the group name in the cell immediately to the right of the cell that says 'Name' in each sheet. Follow the directions carefully to complete the project.

### **Step 1 - Journalize the transactions & Update Job Cost Sheets**

Record the transactions for Wonderama Playgrounds, Inc. in the general journal. You must use a journal form to record the transactions and your journal entries must be hand written. Update the Job Cost Sheets as necessary as you prepare the journal entries. The balances that are already in the Job Cost Sheets are the costs that have already been accumulated for that job (beginning work in process) and should be added to the costs you incur for January for the total cost of the job.

Use only the accounts provided. Please refer to the chart of accounts in the Excel file provided for a list of accounts. Round all amounts to the nearest penny.

### **Step 2 - Post the transactions to the T-accounts**

Post your journal entries to the T-Accounts in the Excel worksheet. The amounts already in the T-Accounts are the beginning balances and should be included in your balances. You do not need to use a posting reference. Do not add any new accounts, all the accounts you need have already been set up. The account balance will update with each posting.

When posting the transactions to the T-accounts, start in the top cell of each T-account for both debits and credits and do not skip any lines.

### **Step 3 - Prepare a Trial Balance**

Click on the Trial Balance tab and prepare the Trial Balance for January 31, 2020. You should use cell references and formulas whenever possible as that considerably decreases the chance of a data entry error. The total of the Trial Balance should be \$1,106,387.21. If your balance does not agree, make any necessary corrections before you proceed.

#### **Step 4 - Prepare the Income Statement**

Click on the Income Statement tab in the Excel file to prepare the Income Statement using the amounts from the January 31, 2020, Trial Balance. You should use cell references and formulas whenever possible as that considerably decreases the chance of a data entry error. Entries should only be made in the outlined cells. The Income Statement has been formatted using the outlined cells. The exact number of rows needed are outlined so you should not add any rows or columns to the Income Statement. The Net Income should be \$75,921.06.

#### **Step 5 – Prepare a Retained Earnings Statement and Balance Sheet**

Prepare the Retained Earnings Statement and the Balance Sheet the same way you did the Income Statement using the amounts from the January 31, 2020, Trial Balance. You should use cell references and formulas whenever possible as that considerably decreases the chance of a data entry error. Both statements have been formatted with the exact number of rows needed. Entries should only be made in the outlined cells; do not add any rows or columns. The Total Assets should be \$754,389.90.

When printing your reports, please format each sheet to print on **one** page. Each of the following reports (except the Journal and Job Cost Sheets) should each be only ONE page.

Turn in the following items (*stapled in the order listed below*):

- Cover Sheet (include the Group Name and each group member's name)
- Journal Entries
- Job Cost Sheets
- T-Accounts
- Trial Balance
- Income Statement
- Retained Earnings Statement
- Balance Sheet

The project is due during class on Monday, March 4, and will not be accepted late or via email.

## ACCT 102

### Group Project Transactions & Instructions

Wonderama Playgrounds, Inc. manufactures playground equipment for parks and schools. Their business year is the calendar year and they use a job-order cost system for inventory and sales.

Wonderama Playgrounds, Inc. manufactures all products in a single production department. An individual job-order cost sheet is maintained for each job. The job-order cost sheet contains accumulated costs for each job, including actual direct materials, actual direct labor, and applied factory overhead.

Factory overhead is applied to each job based on 125% of direct labor costs for that job.

Wonderama Playgrounds, Inc. marks up all work by 40% of the job cost (sales price = total cost of job x 140%). Since Wonderama Playgrounds, Inc. sells to builders, contractors, school districts and schools, all sales are exempt from state sales tax. All sales are on account and are subject to terms of 2/10, net30 days, FOB Shipping Point.

Accounts Payable is used solely for the purchase of direct materials, indirect materials, and factory supplies. All vendors expect full payment within 30 days. Operating expenses, with the exception of any accrued salaries, property taxes, and income taxes, are paid when incurred; all employees are paid at the end of the month. All cash is deposited in the bank when received and all payments are made by check.

Following are the transactions for Wonderama Playgrounds, Inc. for January 2020:

- Jan. 2      Paid Larchmont Advertising Agency \$1,363 for designing advertisements to appear in local newspapers in January.
- Jan. 2      Paid Princely Properties \$4,250 for the January rent. Of this amount, 30% is for the office facilities and 70% is for the factory facilities.
- Jan. 4      Received \$30,200.00 on account from customers (no discount allowed).
- Jan. 5      Sold Job #349, which was finished in December 2019 at a total cost of \$39,800, to Happy Jacks Preschool.
- Jan. 7      Received a check from Lawson Corporation for the amount due. Payment was received within the discount period. (Balance due: \$9,420.00)
- Jan. 9      Paid Nogood Wood Products \$8,562.40 in payment of their January 1 balance.
- Jan. 12     Collected the amount due from Happy Jacks Preschool for the sale on Jan. 5.
- Jan. 13     Paid Sorenson Plastics Company \$12,925.00 in payment on account.
- Jan. 15     Applied \$3,860.00 of direct materials to Job #351
- Jan. 15     Applied \$10,380.00 of direct labor to Job #351
- Jan. 15     Applied factory overhead to Job #351.
- Jan. 15     Transferred the completed job to Finished Goods.
- Jan. 16     Received \$35,250.00 on account from customers (no discount allowed).

- Jan. 17 Sold and shipped Job #351 to the Smart Contractors. Wonderama Playgrounds, Inc. uses a perpetual inventory system.
- Jan. 18 Purchased \$6,329.00 of indirect materials and factory supplies to be used in the manufacture of all jobs currently in process, terms Net 30 days.  
(Hint: charge directly to Factory Overhead)
- Jan. 20 Accepted a job for the manufacture of a playground unit for Breakwater Unified School District. February 14 is the promised completion date. Began the job today by applying \$5,986.00 of direct materials to Job #354.
- Jan. 20 Purchased from Casper Corporation \$3,658.72 of indirect factory supplies, credit terms, net 15 days. (Hint: charge directly to Factory Overhead)
- Jan. 21 Received a check for \$9,890.00 from Sundial Corporation for the amount due, no discount allowed.
- Jan. 23 Applied \$4,765.00 of direct materials to Job #350.
- Jan. 23 Received a check for \$9,046.00 from Everest Company for the amount due after the discount period has expired.
- Jan. 26 Applied \$2,359.72 of direct materials to job #352.
- Jan. 26 Applied \$1,586.00 of Direct Labor to Job #352.
- Jan. 26 Applied factory overhead to Job #352.
- Jan. 26 Transferred the completed job #352 to the Finished Goods account.
- Jan. 27 Applied \$4,683.87 of direct materials to job #353.
- Jan. 27 Applied \$3,168.00 of Direct Labor to Job #353.
- Jan. 27 Applied factory overhead to Job #353.
- Jan. 27 Transferred the completed job #353 to the Finished Goods account.
- Jan. 27 Received the amount due from Smart Contractors from the sale on Jan. 17.
- Jan. 29 Sold and shipped Job #353 to the Grace Angelina Company.
- Jan. 30 Paid Casper Corporation the amount due from the January 20 purchase.
- Jan. 30 Applied \$5,980.00 of Direct Materials to job #350.
- Jan. 30 Applied \$11,242.00 of Direct Labor to Job #350.
- Jan. 30 Applied factory overhead to Job #350.

- Jan. 30 Transferred the completed job #350 to the Finished Goods account
- Jan. 31 Sold and shipped Job #350 to Lawson Corporation.
- Jan. 31 Paid All Power and Light Company \$3,160.00 for heat, power, and light. Allocate 25% for the office facilities and 75% for the factory facilities.
- Jan. 31 Applied \$5,540.00 of Direct Materials to job #354
- Jan. 31 Applied \$12,257.00 of direct labor to Job #354.
- Jan. 31 Applied factory overhead to Job #354.
- Jan. 31 Record the insurance expense for January. The prepaid insurance is for 10 months:
- |         |     |
|---------|-----|
| Factory | 75% |
| General | 25% |
- Jan. 31 The inventory of office supplies shows that \$1,670.00 of supplies were on hand.
- Jan. 31 Depreciation for the month is \$1,120.00 for the Factory Equipment and \$380.00 for the Office Equipment.
- Jan. 31 Amortization of the patents for the month is \$390.00. (Debit Factory Overhead)
- Jan. 31 Close the overapplied or underapplied factory overhead to Cost of Goods Sold.