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| BUS 4113 – Financial Accounting 1**Peachtree Project**PROJECT INFORMATION**Peachtree Project -- Individual****Project Summary**Objective:This project is designed to introduce students to the Inventory module of the Peachtree software and to reinforce the application of the Accounts receivable and Accounts payable modules of the Peachtree accounting software as well as practice general journal entries and adjusting entries for a merchandising business.Process:Working individually, you will choose a type of merchandising business and give it a name. You will then determine the types of assets, liabilities, revenues and expenses that are used in that business. You will then create reasonable transactions for two months for that business. Your transactions must include at least:* Initial investment in the business (at least 1)
* Purchase of long term assets for cash (at least 2)
* Purchase of long term assets on credit (at least 2)
* Sales made for cash or credit (at least 6)
* Sales returns & Purchase Returns (at least 1 each)
* Purchases of inventory on Cash or on credit (at least 6)
* Expenses paid by cash or on credit (at least 2 each)
* Cash paid to creditors for amounts owing to them (at least 2)
* Cash received from customers for amounts owing from them (at least 2)
* Different adjusting entries (at least 2 depreciation entries and any other adjusting entries that are required for your company)

**Company policies:**Your company should be organized as a corporation using the accrual basis, real time journalizing, a perpetual FIFO inventory system and preferaly make a **profit**over the 2 months. You will need to set up at least 4 inventory items, 3 customers and 3 vendors and use them in the transactions above.You can set up your own terms and conditions for Credit Sales and Credit purchases.**Procedure:**1. Develop a set of business transactions and compile it in a word document based on the specifications given above.
2. Develop a chart of accounts for the company. (be sure to use the right account categories especially for A/R and A/P)

2. Set up the company in Peachtree using the general ledger, inventory, accounts payable and accounts receivable sections. Print out the chart of accounts.3. Record the transactions for two months.4. Print out the required reports.**Report:**Each student will submit a report that contains the following documents:* A brief description of the nature of your business.
* A list of written transactions with dates typed in Word or Excel
* Printout of the Chart of Accounts
* General ledger
* General ledger Trial Balance
* Income statement
* Balance sheet
* Inventory valuation report

And answers to the following questions:* 1. How is the accounting different for a merchandising company compared to a service company?
	2. Give at least 3 benefits to using a computerized accounting package with an inventory module to account for a merchandising company.
	3. What is the difference between “remit to” and “ship to”?
	4. Which inventory methods can you choose in Peachtree?
	5. What decisions can managers make based on the information on the inventory valuation report?

**Word Limit/Page Limit:**Not Applicable**Submission Mode:** Hard Copy**Percentage of Total Marks: 30%****Project Due Date:** LEARNING OBJECTIVES:**Summary of Learning Outcomes -On completion of this project, student/s should know:****1. to prepare journal entries and adjusting entries for a merchandising business****2. to use and become familiar with a computerized accounting package**1. **appreciate and use independent modules such as A/R; A/P and Inventory within**

**an integrated accounting software package.** |

## BUS 4113 – Financial Accounting I

**Peachtree Project – Marking scheme**

## Task Assessment: (individual)

#### Content

1. List of transactions

|  |  |
| --- | --- |
| List of transactions is incomplete or incorrect | Transactions are correct and complete |
| Transactions are not appropriate for the type of business | Transactions are suitable for the business selected |
| Numbers are not reasonable for the business | Numbers are reasonable for the type and size of the business |
| The company has made a loss | The company made a profit |
| **0** | **6** | **12** | **18** | **24** | **30** |

1. Company set up

|  |  |
| --- | --- |
| Chart of accounts is incomplete or incorrectly prepared | Chart of accounts is correctly prepared |
| Customers and vendors are incomplete or incorrectly set up. | Customers, vendors, and inventory are correctly set up. |
| **0** | **2** | **4** | **6** | **8** | **10** |

1. Journal entries / Special journals

|  |  |
| --- | --- |
| Journal entries are incomplete or incorrectly prepared | Journal entries are complete and correct |
| Entries are not recorded in the correct modules | Entries are recorded in the correct modules |
| References are missing or incorrect | References are complete and correct. |
| **0** | **6** | **12** | **18** | **24** | **30** |

1. General Ledger and financial statements

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| --- | --- |
| General ledger, Balance sheet, Income statement, Aged Accounts receivable listing, Accounts payable listing, and the inventory valuation report are incomplete, incorrect or incorrectly formatted. | General ledger, Balance sheet, Income statement, Aged Accounts receivable listing, Accounts payable listing, and the inventory valuation report are complete and correct. |
| **0** | **4** | **8** | **12** | **16** | **20** |

1. Questions

|  |  |
| --- | --- |
| Questions are answered incorrectly or incompletely. | Questions are answered completely and correctly. |
| **0** | **2** | **4** | **6** | **8** | **10** |

Total grade (out of 100) \_\_\_\_\_\_\_\_\_\_

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| **Comments:** |