



# Accounting Monopoly

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Overview & Rules of Play

# Income Statement

- REVENUES
  - Merchandise
  - Services
- EXPENSES
  - Cost of goods sold
  - Wages
  - Rent
  - Interest
  - Taxes
- NET INCOME

# Balance Sheet

## ASSETS

Cash \$10,000

Buildings \$90,000

Land \$50,000

Equipment \$30,000

**ASSETS** \$180,000

## LIABILITIES

Notes Payable \$40,000

## OWNERS EQUITY

Owner's Investments \$60,000

Retained Earnings \$80,000

**LIABILITIES  
+ OWNERS  
EQUITY** \$180,000

# Balance Sheet

$$A = L + OE + (R - E)$$

Assets = Liabilities + Owners Equity + (Revenue - Expenses)

# Rules of Play

- You will be grouped in teams.
- Each team will start with \$5,000
- The balance sheet at the beginning of the game will be:
  - Cash: \$5,000
  - Notes Payable: \$2,000
  - Owner's Investment: \$3,000
- When property is purchased, the amount paid is allocated to the land account.
- When houses are purchased, the amount paid is allocated to the building account.

# Rules of Play

- Houses may be placed on individual properties. You do NOT have to own all properties in a set to buy a house.
- As many houses or hotels may be purchased at the time the property is purchased. Players must purchase additional houses only on the move when they pass GO.
- All taxes and fees required to be paid by players receiving community chest or chance cards will be deposited in free parking.
  - The person to land on free parking receives the money.

# Rules of Play

- You may borrow additional funds from the bank by signing a note payable. Your credit limit at the bank is \$10,000. You may pay off your note payable to the bank at any time during the game.
- Payments for interest expense will be announced by the instructor periodically throughout the game. You will pay 10% interest on any outstanding balance. If you cannot pay the interest, you are BANKRUPT (and cannot continue to play)
- Assume all earnings are retained in the business. Thus,  $A = L + OE + (R - E)$

# Requirements

- Choose a name for your team.
- Record a narrative for each of your moves during the game (see example).
- Prepare an income statement and balance sheet for your company.







