2013 COMPUTERIZED ACCOUNTING (03)

## Pre-Conference Company Set-Up

**NOTE: You are responsible for all software version conversions BEFORE the contest begins, if you need to convert your file this will be counted as test time.**

Once you have created your company, it will be used on the Regional, State, and National level (same basic information, different December transactions) so please save it for future contest use. You will need to bring this created company on a USB drive for each level so be sure to save this created company somewhere other than the flash drive.

Jim Lohman, the owner of Lohman’s Network Solutions, a sole proprietorship, asked you to computerize his business records. Mr. Lohman uses a periodic inventory system for his merchandising and service business. His primary sales are from the sale of computers, computer hardware and software. He also has service income from consulting and troubleshooting computer and network systems. The state he is located in has No Sales Tax. He has provided you with this additional information:

Address: 315 Duck Boulevard

Town: Boston, MA 99009

Phone: 999-342-5555

EIN#: 29-9908766

The company chooses to use accrual basis of accounting, real-time posting, and a twelve month accounting period that uses a calendar year with inventory valued at cost.

You will set-up the business and input the December 1, 2012 balances from the General Ledger accounts provided on the following pages. Customer and vendor information is also listed on the following pages. Set them up with these EXACT names, numbering them for new account insertion would be suggested if your software allows this, be sure to classify them correctly. You will begin entering business transactions December 1, 2012.

Insert your Contestant ID and Competition Level in the company title. **EXAMPLE: Lohman’s Network Solutions XX-XXXX-XXXX Regional.**  In addition, please identify the Software used at the top of the first page of the test. Also, you can rename the Retained Earnings account (if automatically generated by your software, QuickBooks for example) to Jim Lohman, Capital.

**Instructions**

Begin a new business using your accounting software. Save your work as needed to your “clean” flash drive. “Clean” means one without other information on it. You will need to build the Chart of Accounts and enter account balances, customer and vendor accounts with account balances and IDs (if allowable by your software). Customer and vendor information such as address, contact, phone, etc. are included, but will not be a part of this test that will be graded.

**Beginning source document numbers:**

Because of software differences, use whatever numbering system you choose or your software chooses for you. The source document numbers will not be a part of this test that will be graded, nor will you get any additional points for using an elaborate system.

**Cash Payments**

You may handle cash payments in the method you choose. If you choose to use the check writing method to make cash payments and your software requires a vendor to be created before a check can be written, no points will be awarded or deducted for these additional vendors.

**\*YOU MAY ABBREVIATE ACCOUNT NAMES IF YOUR SOFTWARE WILL NOT ALLOW ENOUGH CHARACTERS FOR THE ACCOUNT DECRIPTION**

Lohman’s Network Solutions

**Account Balances** December 1, 2012

Cash $29,036

Petty Cash Fund 100

Accounts Receivable 1,225

Inventory 7,862

Prepaid Insurance 500

Building 105,000

Accumulated Depreciation – Building 3,814

Equipment 30,500

Accumulated Depreciation – Equipment 2,975

Land 21,000

Accounts Payable 1,653

Mortgage Payable 104,395

J. Lohman, Capital 42,765

J. Lohman, Withdrawals 37,500

Consulting Income 41,850

Troubleshooting Income 6,500

Computer Equipment Sales 174,500

Sales Discounts 500

Purchases 122,150

Cash Short & Over 10

Depreciation Expense – Building 2,468

Depreciation Expense – Equipment 1,925

Insurance Expense 613

Interest Expense 7,340

Miscellaneous Expense 282

Supplies Expense 1,656

Utilities Expense 3,960

Vehicle Lease Expense 1,950

Vehicle Maintenance Expense 2,875

Lohman’s Network Solutions

**Schedule of Accounts Receivable**

November 30, 2012

|  |  |  |
| --- | --- | --- |
| LS | Logan School District | 1,005 |
| HC | Haynes CompanyTotal |  220$1,225 |

Logan School District

Contact Name: Tatum Maxwell

Balance $1,005, Invoice # S100, dated 11/13/12, terms n/30

11 West Road

Boston, MA 99006 Phone: 999-358-9995

Haynes Company

Contact Name: Colten Baker

Balance $220, Invoice # S155, dated 11/19/12, terms 2/10, n/30

4455 County Road

Boston, MA 99007 Phone: 999-341-0009

Lohman’s Network Solutions

**Schedule of Accounts Payable**

November 30, 2012

|  |  |  |
| --- | --- | --- |
| AB | ABC Communications | 900 |
| RC | Red’s Computer Supplies | 600 |
| HS | Hall’s Supply Company |  153 |
|  | Total | $1,653 |

Vendors:

ABC Communications

Balance: $900, Purchase Order #P123, dated 11/25/12, Invoice # 8621, Terms 2/10, n/30

329 West Main

Boston, MA 99005

Contact: Jason Burris Phone: 999-355-7766

Red’s Computer Supplies

Balance $600, Purchase Order #P124, dated 11/26/12, Invoice # 575, Terms 2/10, n/30

1781 Logan Road

Boston, MA 90005

Contact: Ashley Smith Phone: 999-355-4335

Hall’s Supply Company

Balance $153, Purchase Order #P142, dated 11/29/12, Invoice # 5628, Terms n/30

8925 Boulevard

Boston, MA 99008

Contact: Shawn Hall Phone: 999-354-7878

IMPORTANT REMINDERS

1. Assume all sales in A/R for your set-up are for merchandise.
2. Lohman’s Network Solutions is on a periodic inventory system.
3. Put the type of software you are using on the cover page of your test.