

Accounting Mini-Simulation

Pamela's Pies – Parts 1 and 2

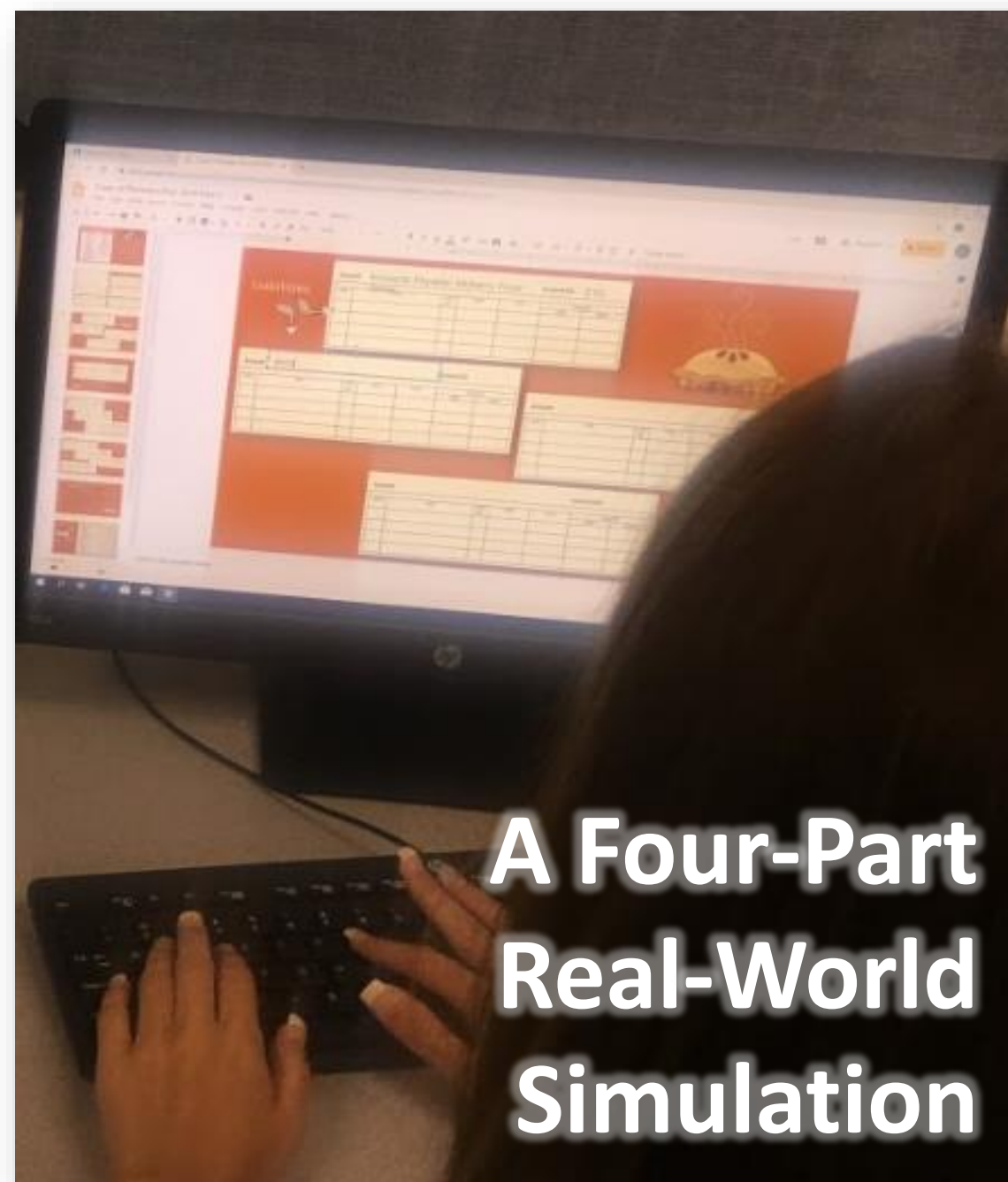
Journalizing & Posting

**Part 1 - Recording
Journal Entries**

Part 2 – Posting

**A Great Review
for
Extra Practice!**

No Prep!



**A Four-Part
Real-World
Simulation**

Pamela's Pie Shop

This simulation is a practice of the following Accounting concepts...

Part 1

- Understanding and Identifying Entrepreneurial Traits
- Setting up a Business Structure
- Create a Chart of Accounts
- Analyze Transactions
- Create Transactions from Source Documents
- Assess GAAP Concepts



Part 2

- Open General Ledger Pages from a Chart of Accounts
- Post from a Multi-Column Journal to a General Ledger
- Prove Cash

This can also be modified for a manual simulation for a paper and pencil method by simply printing.

Pamela Smith has an entrepreneurial spirit like her brother, Lamar. Pamela is inspired by her brother and admires his initiative to pursue his dream as he recently started his own seasonal business. She wants to follow in her brother's footsteps and start her own seasonal business of baking pies for the holiday season! She feels that November is the perfect time to start! She doesn't have the accounting and bookkeeping skills that her brother has, but Lamar pledges to help her along the way. She and Lamar have been baking with their grandmother their whole lives. Pamela has taken her grandmother's recipe and created an even better pie! With hard work and many failed attempts, she also created the BEST apple pies too (after adding a secret ingredient!) She has worked hours coming up with 4 other fabulous pie recipes! She feels that after she comes up with a business plan, she will invest the \$5,000 that her grandmother left her, after her passing, to make this dream happen.

Click on **Seasonal businesses are a great way to see if you have what it takes to be an entrepreneur and run your own business.** to explore some characteristics of an entrepreneur

After reading about Pamela, what are some entrepreneurial qualities that you feel describe her?

WOW! What a great opening day! Pamela **SOLD OUT** of pies! I guess the many signs posted all over town helped! Now she is baking more for tomorrow! She has to get all of the pies for Creek's Cafe.

11-10-19
Total Cash Sales: \$878.00

Pamela's Pies
3222 Apple Drive
Virginia, VA 23126

Logan's Printing Company
Sally-Two and
DEVOTONE FEDERAL BANK
FOR Signet for advertising
092005325 70569263662 103

-Sales Invoice-
Pamela's Pies
Address: 3222 Apple Drive, Virginia, VA 23126
11-12-19
Total: \$250.00

11-12-19
Total Cash Sales: \$720.00

General Journal

Date	Account Title	Doc No.	Post. Ref.	Debit	Credit

Now that Pamela is set-up with a chart of accounts, she needs to record the transactions made so far.

Pamela's Pies
3222 Apple Drive
Virginia, VA 23126

Michael Davis
One Thousand and No/100
DEVOTONE FEDERAL BANK
FOR November Cash
092005325 70569263662 101

General Journal

Date	Account Title	Doc No.	Post. Ref.	Debit	Credit

Pamela's Pies
3222 Apple Drive
Virginia, VA 23126

Interstate Insurance Company
Eight Thousand and No/100
DEVOTONE FEDERAL BANK
FOR Pamela's Pies
092005325 70569263662 102

General Journal

Date	Account Title	Doc No.	Post. Ref.	Debit	Credit

Pamela's Pies
3222 Apple Drive
Virginia, VA 23126

Telecommunications Company
One Thousand and No/100
DEVOTONE FEDERAL BANK
FOR Business Plan
092005325 70569263662 103

General Journal

Date	Account Title	Doc No.	Post. Ref.	Debit	Credit

Pamela's Pies
Chart of Accounts

Balance Sheet Accounts	Income Statement Accounts
(200) ASSETS	(400) REVENUE
110 Cash	410 Sales
120 Petty Cash	(500) EXPENSES
130 Accounts Receivable, Creek's Cafe	510 Advertising Expense
140 Equipment	520 Communication Expense
150 Supplies	530 Insurance Expense
160 Prepaid Insurance	540 Miscellaneous Expense
(200) LIABILITIES	550 Rent Expense
210 Accounts Payable, Mulberry Food Group	560 Supplies Expense
220 Accounts Payable, Interstate Company	570 Utilities Expense
(300) OWNER'S EQUITY	

Lamar explained to Pamela how important it is to keep a ledger for each of the accounts on her Chart of Accounts. He explained that by posting transactions daily, to the general ledger, she can keep an eye on the balances for each individual account. Help Pamela with her accounting. Open an account for each of the accounts on her Chart of Accounts to the left. Be sure to list the account

ASSETS

Account	Account No.	Debit	Credit	Balance

Expenses Page 2

Account	Account No.	Debit	Credit	Balance

This is as real world as it gets

Paying creditors on time is unbelievably important to good business practices. Pamela is sure to pay her two accounts payable in a timely manner to assure ethical business practices and to establish a good business relationship with them. Paying them in a timely manner will allow them to continue to value her business and deliver her supplies in a timely manner so that pie production is not interrupted.

Pamela's Pies
3222 Apple Drive
Virginia, VA 23126

Sydney Food Supply
Two Thousand Eighty and No/100
DEVOTONE FEDERAL BANK
FOR Advertising FBI
092005325 70569263662 105

General Journal

Date	Account Title	Doc No.	Post. Ref.	Debit	Credit

Pamela's Pie Shop

This simulation is a practice of the following accounting concepts...

Part 1

- Understanding and identifying entrepreneurial traits
- Setting up a business structure
- Create a Chart of Accounts
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Part 2

- Open general journal pages from a chart of accounts
- Post from a general journal to a general ledger
- Prove Cash

NO PREP

Now that Pamela's Pies has a ledger page open for all of the accounts on the chart of accounts, each account is ready to be posted. It's important to have one ledger page set up with every account on Pamela's business booming!

Post the transactions on the next page to the ledger accounts that you opened.

Liabilities

Account	Account No.	Debit	Credit	Balance

Owner's Equity

Account	Account No.	Debit	Credit	Balance

Expenses Page 1

Account	Account No.	Debit	Credit	Balance

NO PREP

Accounting Tip: When posting these transactions to the general ledger pages, be sure to remember to Post Reference on the General Journal page! This is the only way to keep track of a glance, as to what accounts have been posted.

Pamela Smith, Capital		5,000.00		5,000.00
1 Rent Expense	C101	1,000.00		1,000.00
2 Cash			2,800.00	2,800.00
3 Equipment	C102	2,800.00		2,800.00
4 Cash			2,800.00	2,800.00
5 Supplies	P301	280.00		280.00
Accounts Payable, Sycon Co.			280.00	280.00
6 Prepaid Insurance	C103	800.00		800.00
Cash			800.00	800.00
7 Communications Expense	C104	110.00		110.00
Cash			110.00	110.00
8 Supplies	P107	250.00		250.00
Accounts Payable, Mulberry Food Group			250.00	250.00
9 Cash	T10	828.00		828.00
Sales			828.00	828.00
10 Advertising Expense	C105	62.00		62.00
Cash			62.00	62.00
11 Accounts Receivable, Creek's Cafe	S201	250.00		250.00
Sales			250.00	250.00
12 Cash	T11	720.00		720.00
Sales			720.00	720.00
13 Accounts Payable, Sycon Co.	C10	280.00		280.00
Cash			280.00	280.00

Prove Cash!

Since Pamela is keeping a running balance in her cash ledger AND she is allocating every sales deposit and withdrawal in her business checkbook, her cash amount in her checkbook should be the same as the balance for her cash ledger. Her cash amount in her checkbook is **\$2,496.00**. Check your ledger balance for cash and see if that number matches Pamela's checking account balance.

For pies to be delivered daily to Creek's Cafe, she doesn't want to spend the money on a delivery van just yet as she only has one place in which to deliver. She decides to use a local delivery service to deliver that daily order. Since this is a recurring expense, she is adding it to her Chart of Accounts.

Open an account on the ledger below for this new expense. Refer to the Pamela's Pies Chart of Accounts to assign a number.

Account	Account No.	Debit	Credit	Balance

**BOTH
GENERAL JOURNAL &
MULTI-COLUMN VERSIONS
ARE INCLUDED**

Teacher Instructions & Grading Rubric included.

**PARTS 1 and 2 OF THE
PAMELA'S PIES SERIES**





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**Check out
the Pamela's Pies BUNDLE
My 4-PART
Accounting Simulation!**

**Accounting Mini-Simulation
Pamela's Pies – BUNDLE
ALL FOUR PARTS**

**A Year Long Digital
Mini-Simulation**

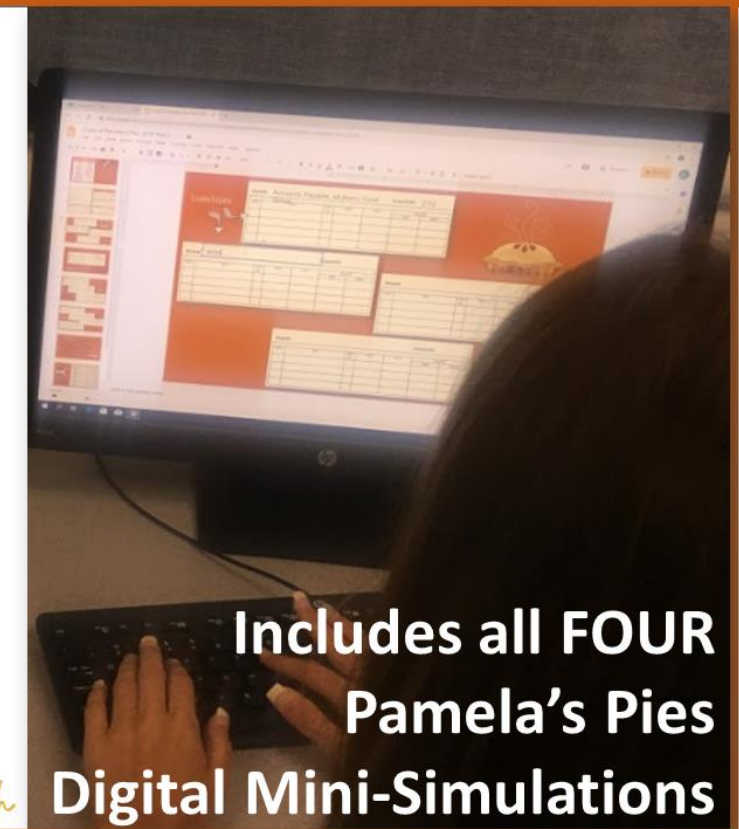
**A FUN break from the
textbook**

**A GREAT review for
Extra Practice**

**Can be used as a
Summative
Assessment**

NO PREP!

BUSINESS EDUCATION WITH Denise Leigh



**Includes all FOUR
Pamela's Pies**

Digital Mini-Simulations

**Engaging! Fun!
Different!
Allow students
to explore
BEYOND THE TEXTBOOK!**

Hi! My name is Denise Leigh. I have been teaching Business Education for over 25 years! I love collaborating with business educators all over the world. I am a 2022 Pennsylvania Teacher of the Year Finalist and relentless lifetime learner and lover of everything education. Engaging students and connecting them to their world is my jam! Thank you for exploring my resources and sharing my passion for BUSINESS EDUCATION!

Denise Leigh is an expert on student-led instruction. She was featured on CBS Pittsburgh for her City Collaborative™ Project-Based Business Education (PBL) Classroom.

