



FOR A Sole Proprietorship

The purpose of playing Monopoly is to provide a realistic business transactions for your newly formed real estate investment company. You are expected to record all transactions affecting your company; journalize transactions in the general journal, post to the ledger, and prepare a trial balance. After completing chapters 7 and 8 in the textbook you will complete the accounting cycle for your real estate company by construct financial statements and end of fiscal period work. Your real estate investment company is organized as a sole proprietorship and the name of the company must include your last name.

Part 1: To receive credit for Part 1 of this project, you will submit the following:

1. Chart of accounts
2. Monopoly worksheet with daily record of cash, properties, hotels & houses that you own.
3. General Journal—print more copies as needed from the Handouts page
4. General Ledger
5. Trial Balance

Part 2: To receive credit for Part 2 of this project, you must submit the items below. More detail about Part 2 of the project will be given after additional chapters in the textbook have been covered.

1. Income Statement
2. Statement of Owner's Equity
3. Balance Sheet
4. What is your current ratio? _____
5. What is your net income percentage? _____
6. Closing entries
7. Post closing trial balance

Winning the game. The company (person) with the best performance in the most categories is the **winner**. As a class, we will define the criteria for winning the game *before play begins*. (We will name and vote on at least two criteria, e.g., Highest Revenue, Highest profit, Highest Assets, Highest Net Worth, Best Current Ratio, Best Working Capital, etc.....).

Criteria To Determine The Class "Winner:

1.	Highest Net Worth
2.	Highest Profit
3.	Highest Revenue
4.	Highest Assets

Rules

You will play in groups of four (4) students. One student shall volunteer to be the Banker, in addition to playing the game along with the rest of the group. The Banker will handle all bank transactions, but will not record the

transactions of the bank. The banker is, however, responsible for recording his/her own individual transactions just like the other players.



While playing, use the General Journal to record your transactions. *Note: a transaction can result from your individual play or from the play of others that affect your company accounts.*

The \$1,500, which you receive at the beginning of the game, will be considered the original financing you invest in your real estate company and must be the first transaction recorded:

Debit Cash \$1,500 **Credit** Your Name, Capital \$1,500

The additional transactions recorded will depend upon your individual play as the game progresses.

During the game each day, you will:

- Record your every transaction in the general journal.
- Count and record your cash, properties, houses and hotels at the end of each day so you know what to start with the next day.
- Take a picture of your game board so that you know where to start the next day.

RULES: The game will be played with some slight modifications to the official game rules:

1. The players can immediately begin purchasing property on their first turn around the board.
2. Houses and hotels may be purchased when you own a single piece of property – you do not need to own all the properties in a series to purchase buildings. However, you must own three houses on any property before you can purchase a hotel.
3. Chance and Community Chest cards will not be used in the game; if you land on chance, free parking, community chest, nothing happens.
4. Doubles on the dice gives you an additional turn.
5. If you land in jail, try to roll doubles to get out of jail free on your next turn or pay \$50 to get out of jail. You cannot stay in jail.
6. If you are in jail, you still collect rent if someone lands on your property.
7. Paying to get out of jail is a miscellaneous expense
8. No one is allowed “out” of the game. If you lack cash - make use of accounts payable and accounts receivable. If you land on a property and do have not money to pay the rent, record an accounts payable and the land owner will record a receivable. You can also get a loan from the bank.
9. Each time you pass GO, the \$200 you collect will be income you earn along with your other sources of revenue; use the Go Revenue account
10. If you land on Water Works or Utilities they should be recorded as utility expense.
11. Record taxes as tax expense.
12. Paying rent on a railroad is transportation expense
13. Any other income you earn that is not rental income should go to miscellaneous income.
14. Any other expense not itemized above can be put to miscellaneous expense

☞ You will begin the game with the Chart of Accounts on the next page. However, you may find it necessary to revise/correct/update your companies chart of accounts as you play; you may need to add accounts you did not anticipate.

CHART OF ACCOUNTS

Account Type	Account Title	Debit	Credit
Asset	Cash		
Asset	Accounts Receivable		
Asset	Land		
Asset	Building		
Asset	Utility Plant (water or electric)		
Asset	Rolling Stock Railroads		
Liabilities	Accounts Payable		
	Loan Payable		
Equity	Your name, Capital		
Equity	Income Summary		
Revenue	Rent Revenue		
Revenue	“Go” Revenue		
Revenue	Miscellaneous Revenue		
Expense	Rent Expense		
Expense	Utility Expense		
Expense	Tax Expense		
Expense	Fines Expense		
Expense	Transportation Expense		
Expense	Miscellaneous Expense		

Cash count at the end Day 1 \$ _____

Properties Owned:

Houses: _____ Hotels _____

Cash count at the end Day 2 \$ _____

Properties Owned:

Houses: _____ Hotels _____

Cash count at the end Day 3 \$ _____

Properties Owned:

Houses: _____ Hotels _____

Cash count at the end Day 4 \$ _____**Properties Owned:****Houses:** _____ **Hotels** _____**Cash count at the end Day 5** \$ _____**Properties Owned:****Houses:** _____ **Hotels** _____

[illegible]

[illegible]

[illegible]