



# STUDENT COMPANION & HELPFUL HINTS



MANUAL ACCOUNTING  
PRACTICE SET

# VirtualTutor

US GAAP EDITION 3

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Manual Accounting Practice Set  
VirtualTutor, US GAAP Edition 3

This student companion to the VirtualTutor accounting practice set provides you with information about how the VirtualTutor practice set works and what you will experience when you complete your practice set and provides some helpful hints to get you through. This companion is based on the experiences of, and feedback from, the thousands of students who have completed our accounting practice sets before you.

Taking the time to read and understand the information provided here will enhance your overall experience and help you avoid the common mistakes that students make when completing the practice set.

This **STUDENTCOMPANION & HELPFULHINTS** contains the following sections:

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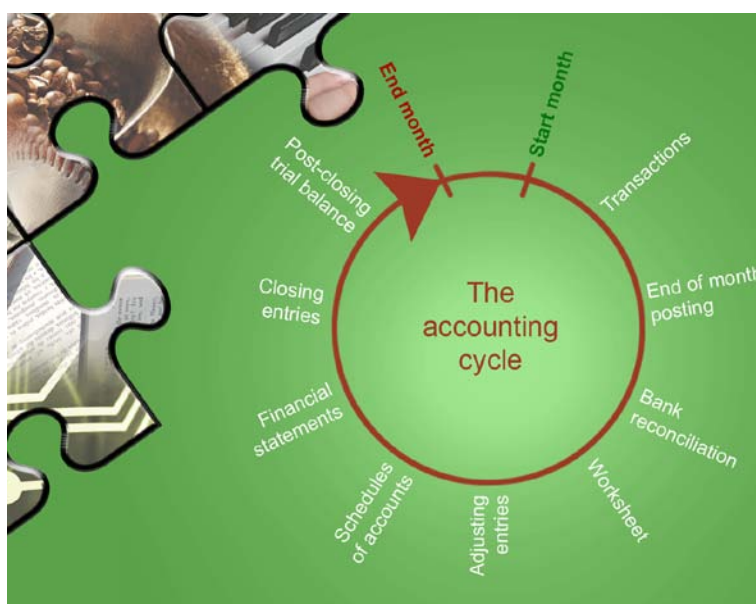
This student companion is not a detailed set of instructions for how to undertake the practice set. It is just a simple overview of what you will experience. The detailed instructions you need are provided online on every page of the practice set and you should read and follow those instructions carefully.

## How the VirtualTutor practice set works

### This is a manual practice set

The VirtualTutor practice set requires you to complete a one month accounting cycle for one business from a range of fictional retail businesses that supply various types of goods. The practice set is designed to be a similar experience to completing paper-based practice set books except that this practice set is delivered online using a web browser (without any software to install). In this context, the word "practice" does not mean "a casual attempt" but rather an opportunity for you to demonstrate your accounting skills in your own simulated "accounting practice".

The accounting cycle implemented in your practice set is shown below. This practice set adopts a **manual** approach. This means it requires you to complete the accounting cycle of your allotted company, entirely by hand, albeit using the Perdisco website instead of paper.



During the accounting cycle, you will manually record transactions into the general journal and special journals of your company and then manually post those transactions into its general ledger and subsidiary ledgers. At the end of the month, you will construct a trial balance, record adjusting entries, manually prepare the financial statements, and journalize closing entries.

None of the above steps are automated. For example, journal entries are not automatically posted to accounts, running balances in the accounts are not automatically maintained, and totals are not automatically calculated. This is by design. Our website is not an accounting software package and is not meant to perform any accounting software functions. Instead, our website is used as a teaching tool designed to give you direct experience in all elements of a manual accounting cycle – it does not hide any of those elements behind automated computing processes, no matter how mundane they may seem.

Please remember that the manual nature of this practice set is a matter of deliberate design – we did not accidentally forget to let your computer add up totals! In fact, while doing all tasks by hand will take you additional time, its point is to allow you to really understand what computers do in the background when the accounting cycle is implemented in a software system. This is the activity that your instructor has chosen for you to complete.

The practice set helps you using its VirtualTutor Technology



So, why is the practice set online? Delivering this manual practice set online allows:

- our **VirtualTutor** functionality to provide you with real-time feedback
- our **AutoGrade** functionality to score your attempts automatically
- our **Back-On-Track** functionality to prevent you from carrying forward mistakes, and
- our **AntiCheat** functionality to deliver a different version to every student in your course.

Your VirtualTutor practice set is divided into 14 sections that are submitted to our website as separate units of work. Every section includes multiple journals, ledgers, trial balances, and/or financial statements that will often require more than 50 responses from you to complete.

As you submit each section, Perdisco’s AutoGrade functionality corrects that section and our VirtualTutor technology provides you with feedback on your attempt. At the start of each new section, you are brought back-on-track in a way that ensures you do not carry an error throughout your entire practice set.

An important implication is that you cannot print your entire practice set, complete it offline as a single unit of work, and then enter all your answers in one session. Instead, the practice set is designed so that you can not move to the next section until you have submitted the current section. That said, any individual section can be printed and worked on offline – you do not have to stay online all the time.

This structure has been set up to help you. After each step, you receive feedback so you can avoid making the same mistake twice! Further, at the start of each new section, you will be brought back-on-track by resetting all of your journals, ledgers and account balances to their correct values in a way that ensures you cannot be penalized for follow on errors (unlike what could happen if you submitted the entire practice set at one time).

Sample exercises

We have designed two sample exercises to help you familiarize yourself with the functionality of this practice set. These exercises are provided for demonstration purposes only and your responses will not count towards your overall score for the practice set:

Sample exercise (1 of 2) - Windows Internet Explorer

http://www.perdisco.com

Manual Accounting Practice Set  
Specialty Sports Store, US GAAP Edition 3

Home Previous pages Being completed by: Julyana

### Sample exercise (1 of 2)

In this practice set, you will be asked to record transactions for Renegade Sports into a set of journals on this practice set website. Once your answers are submitted, you will receive feedback on your attempt.

For this sample exercise, we have provided a journal entry dated April 1, 2010 that you are now asked to enter into the general journal:

Sample journal entry:				
Apr	1	Interest Expense		690
		Interest Payable		690

**Instructions:** Record the above journal entry into the general journal provided below. This is a very simple sample exercise. You are just being asked to copy a given journal entry into the general journal.

**Note**

- First, enter the date of the journal entry into the Date column.
- Then, select accounts by clicking on [select] in the Account and Explanation column. A popup window will appear where you select the appropriate account that is to be debited or credited.
- The Post Ref. column is not completed in this example but will need to be completed in the practice set itself.
- Next, enter the appropriate dollar amount into the Debit or Credit column. When entering dollar amounts, use a comma as a thousands separator.

### Tracking progress

This practice set is a large activity that is expected to take between 12 to 20 study hours to complete over many days or weeks. Don't leave it to the last minute! Do not expect to complete the practice set the night before it is due – you will just not have enough time to finish it.

To help you understand where you are up to in the practice set, you are provided with a 'progress map'. The map, shown on the right at a very early stage of the practice set, is in the format of a puzzle that you complete piece by piece until you reach the end of your practice set.

This progress map provides a visual image showing you what you have done (the faded completed pieces), where you are right now (the highlighted active piece), and what still remains to be completed (the grey puzzle background with its directional arrow).

Below the progress map, you are shown the percentage of the practice set you have already completed (based on the estimated study hours for each section). You are also told how many study hours the current section might take, and how many study hours are likely to remain before the practice set is fully completed.

You also receive information on your progressive score so that you know the points available on each page of the practice set and so you are aware of how well you have performed and so you can realize the opportunity that remains to improve you final score.

Note that you can only move in a forward direction. Once a page is submitted, it is not possible to return to that page (or to change the answers submitted on that page). It is, however, possible to bookmark your current page (prior to submitting it) and to return to that page at a later date. This allows you to complete your practice set over multiple settings.

**Your progress**

✓ **Completed:** 1% (approximately)  
 📄 **This page will take:** up to 1.5 hours  
 📄 **Remaining pages will take:** up to 17.25 hours

The time frames we provide are a guide only. It may take you more or less time to complete each page.

**Your grading**

**Your grading outcome (still in progress)**

	Awarded	Total
Points (prior to this page)	0	0
Points (on this page)	12	156
Points (after this page)	-	933
<b>Total</b>	<b>12</b>	<b>1,089</b>

### Information from previous pages

In addition to the progress map, every page of the practice set provides links to all of the information required to complete the current page as well as the information from all previous pages. This includes the background information on the company and its accounting policies, transactions to be recorded, and so on.

While you cannot literally go backwards to previous pages, all of the information on those pages is always available.

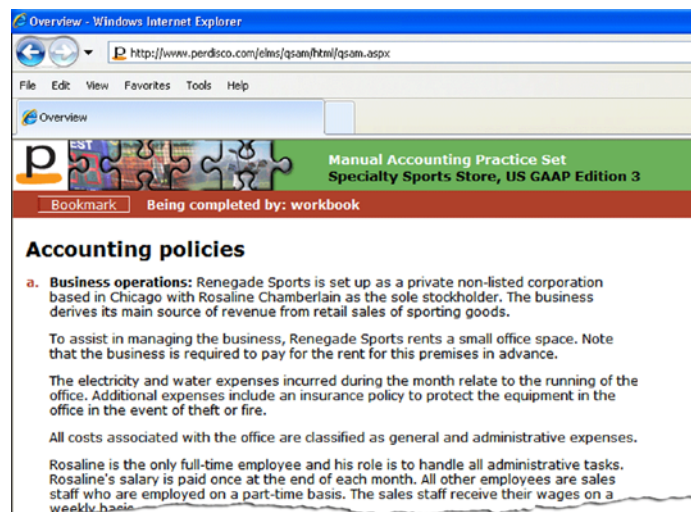
**Information from previous pages**

- [General instructions](#)
- [Policies and procedures](#)
- [All transactions](#)
- [Adjusting entries information](#)
- [Trial balance](#) - May
- [Schedules of accounts](#) - May
- [Inventory cards](#) - May
- [Bank reconciliation](#) - May
- [Bank statement](#) - June

## What you will experience

### Introduction to the company and its accounting policies

You will commence your practice set with some initial exercises that are not scored but that introduce you to how the practice set works. The company that has been assigned to you is then introduced (the company in the following illustration is 'Renegade Sports'), along with its owner, its industry, and its accounting policies and procedures. Here is an example of the accounting policies and procedures that you are asked to read and implement during your recording of transactions:



### Recording transactions

You are provided with a transaction list, broken into weeks, and asked to record those transactions into the manual accounting system being used by your company. Here is a sample transaction list (your actual transactions, the items involved, the dates, suppliers, customers and amounts will all be different to the sample below):

Transactions for June	
Week 1	
Date	Description
1	Issued Check No. 580 for \$9,500 to pay Realty Bites for two months' worth of rent in advance.
1	Obtained a loan of \$59,000 from ZNZ Bank at a simple interest rate of 6% per year. The first interest payment is due at the end of August 2014 and the principal of the loan is to be repaid on June 1, 2014.
3	Made payment of \$791 to State Power for 3 months of electricity up to and including May 31, Check No. 581.
4	Paid the full amount owing to Sport Bikes, Check No. 582.
4	Paid sales staff wages of \$4,536 for the week up to and including yesterday, Check No. 583. Note that \$1,415 of this payment relates to the wages expense incurred during the last week of May.
5	Issued Check No. 584 to Office Supplies Warehouse for the purchase of \$360 worth of office supplies.
6	Mick's Sporting Goods paid the full amount owing on their account.

**The general journal and special journals**

You will record transactions into journals on screen that appear just like manual journals on paper. You will use this general journal:

**GENERAL JOURNAL**

Date	Account and Explanation	Post Ref.	Debit	Credit
Jun	<input type="text" value="(select)"/>			
	<input type="text" value="(select)"/>			
Jun	<input type="text" value="(select)"/>			
	<input type="text" value="(select)"/>			
Jun	<input type="text" value="(select)"/>			
	<input type="text" value="(select)"/>			

And also complete the following special journals for sales, purchases, cash receipts and cash payments:

**SALES JOURNAL**

Date	Account	Invoice No.	Post Ref.	Accounts Receivable	Cost of Goods Sold
Jun	<input type="text" value="(select)"/>				
Jun	<input type="text" value="(select)"/>				
Jun	<input type="text" value="(select)"/>				
Jun	<input type="text" value="(select)"/>				

**PURCHASES JOURNAL**

Date	Account	Terms	Post Ref.	Accounts Payable
Jun	<input type="text" value="(select)"/>			
Jun	<input type="text" value="(select)"/>			
Jun	<input type="text" value="(select)"/>			
Jun	<input type="text" value="(select)"/>			

**CASH RECEIPTS JOURNAL**

Date	Account	Post Ref.	Debit		Credit			Cost of Goods Sold
			Cash	Sales Discounts	Sales Revenue	Accounts Receivable	Other Accounts	
Jun	<input type="text" value="(select)"/>							
Jun	<input type="text" value="(select)"/>							
Jun	<input type="text" value="(select)"/>							

**CASH PAYMENTS JOURNAL**

Date	Account	Check No.	Post Ref.	Debit				Credit
				Accounts Payable	Merchandise Inventory	Wages Expense	Other Accounts	Cash
Jun	<input type="text" value="(select)"/>							
Jun	<input type="text" value="(select)"/>							
Jun	<input type="text" value="(select)"/>							

The general ledger, subsidiary ledgers and inventory cards

At the appropriate stages in the accounting cycle, you will manually post journal entries into ledgers and inventory cards on screen that appear just like manual accounting records on paper. You will use this general ledger:

Show All   Special Journals   General Journal   Subsidiary Ledgers   <b>General Ledger</b>						
Account: Cash Account No. 100						
Date	Description	Ref.	Debit	Credit	Balance	
May 30	Balance				26,081 DR	
Jun						
Jun						
Jun						
Account: ARC - Accounts Receivable Control Account No. 110						
Date	Description	Ref.	Debit	Credit	Balance	
May 30	Balance				8,025 DR	
Jun						
Jun						

These subsidiary ledgers:

Show All   Special Journals   General Journal   <b>Subsidiary Ledgers</b>   General Ledger   Inventory						
Account: ARC - Balls 'n All Account No. 110-1						
Date	Description	Ref.	Debit	Credit	Balance	
May 30	Balance				4,594 DR	
Jun						
Jun						
Jun						
Account: ARC - Mick's Sporting Goods Account No. 110-3						
Date	Description	Ref.	Debit	Credit	Balance	
May 30	Balance				14,468 DR	
Jun						
Jun						
Jun						

And these inventory cards:

Show All   Special Journals   General Journal   Subsidiary Ledgers   General Ledger   <b>Inventory</b>									
<b>Parachutes</b>									
Date	Purchases			Cost of Goods Sold			Balance		
	Units	Unit Cost (\$)	Total Cost (\$)	Units	Unit Cost (\$)	Total Cost (\$)	Units	Unit Cost (\$)	Total Cost (\$)
May 30							24	250	6000
							59	270	15930
Jun									
Jun									





## Hints to ensure your success

### Your really only need one hint ...

Almost all concerns and misunderstandings would never arise if all students applied one piece of advice: **“Please read and follow all instructions provided!”** Almost without fail, every student query that reaches our support team is because that student has not read the instructions we provided to them.


The practice set has been carefully designed so that all the information you require is on the page that you need it. If you read and follow all of our instructions you will significantly increase your chance of performing well.

We have thousands of students across the US, Australia, New Zealand, and Asia regularly completing the various practice set titles in our catalog. Our design approach coupled with ongoing feedback from so many students, means we can assure you that all of the information and instructions that you need really do already exist. If you do not understand an instruction or if you find the information provided to be ambiguous, our experience shows us that it is likely your own academic preparation is incomplete and you should review the your course, textbook and any other study materials before proceeding.

We try to help you to help yourself by asking you to read some simple instructions, all of which are designed to help you succeed – we even ask you to agree that you have read them:



### General instructions



**WAIT! Please read this:**

This practice set forms part of your course assessment. Any mistakes that you make may impact your grades.

Please carefully read the instructions below to ensure you completely understand the practice set's functionality.

### Agreement

I have read and understood all of the instructions on this page. If I do not understand any of these instructions I should speak to my instructor or email support@perdisco.com

I am also aware that every other web page of this practice set will also contain additional instructions and I understand it is essential that I read and follow those instructions carefully before I answer and submit each page.

I understand that my agreement to this question is being saved with the results of my practice set.

I understand and agree.

A copy of this web page will be available to you to access at any time on every subsequent page of this practice set.

Despite this, many students choose not to read the instructions and then submit their agreement without truly spending the time necessary to help them maximize their chance of success. Please do not let this be you! As a result, **the biggest hint to ensure your success is:**



*“Please take the time to read all of the instructions, seek to understand each one and then apply it when completing your practice set.”*

### Read and apply the exact policies and procedures provided

While some aspects of accounting are governed by principles and standards, there remain many different ways of undertaking the day-to-day accounting activities that comprise the accounting cycle. This includes different policies for recognizing revenues and expenses, entering special journals, recording ledger entries, classifying accounts into reporting categories and so on.



In the practice set, you are the accountant for a specific company and **you are required to apply the policies and procedures that you have been given for that particular company**. It is likely you will refer to your textbook or to your prior experience to guide you as to how to enter information in the practice set. When you do this, note that the accounting policies and procedures for the company you are allocated are likely to differ from those in your textbook and from those of other companies you may have worked in. Be careful that any examples you review, or memories that you call on, are appropriate for the practice set.

If you apply an accounting policy that is different from the one you were instructed to use (even if your approach is reasonable or valid in some other context), you will be graded as incorrect.

### Review accounting cycle concepts

The VirtualTutor practice set is designed for introductory and intermediate accounting courses and you are expected to have studied the accounting cycle. Before starting your VirtualTutor practice set, it will help if you have reviewed your work on the accounting cycle and are familiar with each of its stages.

In particular, we recommend that you pay special attention to reviewing the **perpetual inventory system**. In the VirtualTutor practice set, the special journals, subsidiary ledgers and worksheet are all presented and prepared using the perpetual inventory system. Please ensure that you reference examples and knowledge that you know are using the **perpetual** inventory system.

### You can only move forward

You can only move in a forward direction through the practice set. Once a page is submitted, it is not possible to return to that page (or to change the answers submitted on that page). It is, however, possible to print a page, bookmark it, work on the printed information offline, and then return to the practice set website to submit your bookmarked page some days later.



Some students forget to print their feedback and others forget to print the introduction page showing the policies and procedures of the company and the transactions to record. If you also forget to print these items, there is no need to worry. While you cannot go backwards to see those pages again, all of the information you need to complete any future page of the practice set is provided on that future page – including the policies and procedures and your transaction list.

**Remember to identify missing line items**

When the VirtualTutor provides you with feedback, you will see a green check mark if your recording is correct and a red cross if it is incorrect. If you forget to enter a line item altogether, there can be no such visual display. This is where the model solution is particularly useful!

The cross in the example on the right clearly shows that the Interest Payable posting is incorrect (the wrong amount). The second error is that the associated posting to the Interest Expense account has been omitted but this is only obvious once the model solution is reviewed. To avoid making the same mistake twice, you should be on the lookout for such items when reviewing your feedback.

**General Journal**

Date	Account and Explanation	Post Ref.	Debit	Credit
Jun 1	Interest Payable (select)	225	315	0 X
Jun 1	(select)			

**Feedback**

GENERAL JOURNAL

Date	Explanation	Post Ref.	Debit	Credit
Jun 1	Interest Payable	225	228	
Jun 1	Interest Expense	571		228

**Use a supported browser**

The practice set may be completed on a Windows or Macintosh computer but you should only use one of the web browsers that the practice set supports (Internet Explorer 6+, Firefox 1+, Chrome 10+, Safari 3+ and Opera 11+). Your practice set has not been tested with other browsers or with versions of the above browsers earlier than those stated. Further, your practice set is designed only to be used on a full desktop or laptop computer and may not be compatible with browsers within most phones, tablets and other portable devices.



The practice set can be accessed from any internet connected computer at any time of day and you do not need to be online for the entire duration of the practice set. You can print pages and work offline.

Here is some guidance on using your browser to submit the practice set:

- **Take care to press the submit button only when you are actually ready to submit your answers.** To prevent mistakes, you are asked to confirm your submission. Despite this, students commonly report they accidentally submitted a page. Please read all messages to ensure that this does not happen to you.
- **Do not use either your browser's stop or refresh buttons.** Pressing the 'stop' button of your browser will not stop the submission of a page but could result in you not receiving all of your feedback. A similar situation can happen if you press the 'refresh' button of your browser.

**Ensure you allow yourself enough time**



Last but not least is one of the most common hints for any and all of your study activities at university, college and school. Don't leave it to the last minute!

**The practice set is a large activity that is expected to take between 12 to 20 study hours to complete over multiple days or weeks.** Pace yourself. Do not expect to complete the practice set the night before it is due – you will just not have enough time to finish it. Note that the early pages require you to enter many transactions so you should allocate enough time to complete them accurately. Each section of the practice set suggests how many study hours may be needed to complete that section but, subject to any due date set by your instructor, you should proceed through the practice set at your own pace.

## How the VirtualTutor practice set is graded

You will be graded out of more than one thousand points!

The practice set **assigns more than one thousand (1,000+) points in its grading scheme** and achieves very fine grained control over grading outcomes. As a result, there is no need to become concerned about a minor mistake you may make such as a wrong total because the depth of our AutoGrade algorithms ensure that your final grade will be a genuine indication of the **overall trend** of your performance in the practice set as a whole. It is unlikely that your score will be materially impacted by just a single mistake. To provide guidance, the break down of scores for your VirtualTutor practice set is:

Section and page names		Approximate study time	Maximum points	Approximate Percentage
1	Welcome to your accounting practice set Statement of Academic Honesty General instructions Sample exercise (1 of 2) Sample exercise (2 of 2) Navigating your accounting practice set Overview Further information	Up to 0.5 hrs	-	-
2	Transactions - week 1	Up to 1.5 hrs	156	14%
3	Transactions - week 2	Up to 2.0 hrs	116	11%
4	Transactions - week 3	Up to 1.5 hrs	136	12%
5	Transactions - week 4	Up to 1.5 hrs	88	8%
6	Transactions - week 5	Up to 1.0 hrs	45	4%
7	End of month posting	Up to 1.5 hrs	131	12%
8	Bank reconciliation	Up to 2.0 hrs	172	16%
9	Worksheet	Up to 1.5 hrs	74	7%
10	Adjusting entries	Up to 1.5 hrs	40	4%
11	Schedules of accounts	Up to 0.2 hrs	9	1%
12	Financial statements	Up to 2.0 hrs	57	5%
13	Closing entries	Up to 2.0 hrs	44	4%
14	Post-closing trial balance	Up to 0.3 hrs	21	2%
<b>TOTAL</b>		<b>Up to 19.0 hrs</b>	<b>1,089</b>	<b>100%</b>

The study times above are estimates of the maximum time likely to be required. They not time limits and stronger students will complete the practice set in less time. The times are provided to help you manage your study by indicating the relative size (in terms of study hours) of each section. The only time limit is the submission deadline set by your instructor and displayed on your home page. Subject to the deadline set by your instructor, please take as much or as little time as you need.

### Points are not deducted for incorrect answers

If your response is incorrect, our AutoGrade algorithms will award no points for such a response. Incorrect answers never result in points being deducted from your aggregate score.

**Implication:** A red cross shown against a response (such as that in the schedule of accounts receivable on the right) indicates that the response is not correct and that no points have been awarded for that response. However, no points have been deducted.

Account No.	Name	Balance
110-1	ARC - Mick's Sporting Goods	
110-2	ARC - The Locker Room	3990 DR ✓
110-3	ARC - Jump Around	
110-4	ARC - Croquet and Cricket	
110-5	ARC - Great Sports	17750 DR ✓
110-6	ARC - Balls 'n All	15000 DR ✗
<b>Total</b>		36740 DR ✗

**Not every check mark or cross is equal**

Not every check mark or cross is of an equal value. Instead, points are weighted to reflect:

- the academic difficulty of the concept (or transaction) being tested
- the relative difficulty (or importance) of the concept compared to other concepts and transactions
- whether this is the first or a subsequent instance of this particular concept or transaction
- the amount of study time and effort required to perform any calculations or consequential totals, and
- the dependence of that response on any prior responses (to reduce the impact of follow-on errors).

The penalty associated with follow on errors is mostly eliminated by our back-on-track functionality that ensures you cannot carry your errors forward between pages. However, it is still possible for follow on errors to exist inside a page because of the calculation of totals. In recognition of this, such balances are assigned relatively fewer points and are often graded collectively. It is therefore possible that your feedback may include many red crosses if your totals are not correct, but the impact of those errors on your final grade is likely to be minor.

**Transaction descriptions are not graded**

Where transaction descriptions are entered, they are not scored. You will **never** miss out on being awarded points only because a description in your response is different to ours.

In the example shown below, the student’s entry has been graded as incorrect and it may appear that this is for no other reason than the description they wrote (‘Buy on credit’) is different from that provided in our model solution (‘Credit purchase’). However, a more careful inspection reveals that the Credit column contains ‘1546’ instead of the correct ‘1456’.

Account: APC - Sports 'R Us  
Account No. 210-5

Date	Description	Ref.	Debit	Credit	Balance
May 30	Balance				0
Jun 8	Buy on credit	PJ		1546	1456 CR

**Feedback [0 out of 4]**

Account: APC - Sports 'R Us  
Account No. 210-5

Date	Description	Ref.	Debit	Credit	Balance
May 30	Balance				0
Jun 8	Credit purchase	PJ		1,456	1,456 CR

If it is not clear to you why you have been marked as incorrect, please review your feedback closely. A recording error can be a subtle issue that is difficult to see in your own work even when you are provided a model solution. Students sometimes incorrectly feel that they were marked as incorrect solely because their written description differed from ours. This is never the case.

**Being accurate will earn you points**

Like any accounting activity, the practice set requires you to manipulate numbers with precision. Unfortunately, incorrect dates, transposition errors, transcription errors and calculation errors are common mistakes that students make in their practice set. These errors will be treated as incorrect and points will not be scored. This is reasonable for an activity (and a profession!) that demands accuracy.

To ensure you don’t miss out on points, check and double check all of your work before you submit it.

## Conclusion and how to get technical help

Good luck with the completion of your VirtualTutor practice set.

If you encounter technical difficulties with the practice set, our customer support team is available to help you with computer related issues. We respond to all emails within one business day and often much sooner.

Email us at [support@perdisco.com](mailto:support@perdisco.com)

Please understand that our customer support team members are not accounting instructors and cannot help you with academic queries. If you have any questions that are of an academic nature, you will need to see your instructor. Our customer support team is also unable to provide time extensions or additional attempts at the practice set – such special considerations can only be granted by your instructor.

Best wishes for all of your studies this semester from the team at Perdisco.