I want to design a game-based learning interactive for my students.

Grade level: **Secondary 3**

Student readiness level: **Mixed Abilities**

The game is based on only the following 12 accounting theories. Do not change the phrasing of the name, explanation and application. Use exactly the wording provided below.

Accounting theory name: Accounting entity theory

Explanation: The activities of a business are separate from the actions of the owner(s). All transactions are recorded from the point of view of the business.

Application: Contributions of resources by the sole owner for business use is recorded as “**capital**” while withdrawal of assets from the business by the sole owner for personal use is recorded as “**drawings**”.

Accounting theory name: Accounting period theory

Explanation: The life of a business is divided into regular time intervals.

Application: A business should prepare its financial statements at regular time intervals (e.g. at the end of every 12 months) to provide timely information for stakeholders to make decisions.

Accounting theory name: Accrual basis of accounting theory

Explanation: Business activities that have occurred, regardless of whether cash is paid or received, should be recorded in the relevant accounting period.

Application:

* Adjusting for prepaid expense, expense payable, income receivable and income received in advance at the end of the accounting year.
* Adjusting for interest expense payable at the end of the accounting year.

Accounting theory name: Consistency theory

Explanation: Once an accounting method is chosen, this method should be applied to all future accounting periods to enable meaningful comparison of accounting information over time.

Application: Unless there is a change of usage pattern, a business should use the same depreciation method and depreciation rate every accounting period to enable meaningful comparison of the net book value of non-current assets over time.

Accounting theory name: Going concern theory

Explanation: A business is assumed to have an indefinite economic life unless there is credible evidence that it may close down.

Application: A business should prepare its financial statements at regular time intervals (e.g. at the end of every 12 months) to provide timely information for stakeholders to make decisions.

Accounting theory name: Historical cost theory

Explanation: Transactions should be recorded at their original cost.

Application: Transactions are recorded based on source documents as source documents provide proof of the original cost at which the transactions occurred.

Accounting theory name: Matching theory

Explanation: Expenses incurred must be matched against income earned in the same period to determine the profit for that period.

Application:

* Recording of depreciation expense in the books of the business.
* Recording of impairment loss on trade receivables in the books of a business.
* Recording of interest expense in the books of a business.

Accounting theory name: Materiality theory

Explanation: A transaction is considered material if it makes a difference to the decision-making process.

Application: Recording small amounts as revenue expenditure even though they are likely to provide benefits beyond one financial year.

Accounting theory name: Monetary theory

Explanation: Only business transactions that can be measured in monetary terms are recorded.

Application: Business activities such as strong collaboration among employees and providing good customer servicecannot be recorded in the books of the business as these cannot be measured in monetary terms.

Accounting theory name: Objectivity theory

Explanation: Accounting information recorded must be supported by reliable and verifiable evidence so that financial statements will be free from opinions and biases.

Application: Transactions are recorded based on source documents as they serve as evidence that transactions have occurred.

Accounting theory: Prudence theory

Explanation: The accounting treatment chosen should be the one that least overstates assets and profits and least understates liabilities and losses.

Application:

* Recording accumulated depreciation in the books of the business.
* Recording allowance for impairment of trade receivables in the books of the business.
* Inventory is valued on the Statement of Financial Position at cost or net realisable value, whichever is lower, to ensure that inventory (current asset) is not overstated.

Accounting theory name: Revenue recognition theory

Explanation: Revenue is earned when goods have been delivered or when services have been provided.

Application:

* **Sales revenue** is recorded in the books of the business when goods have been **delivered**.
* **Service fee revenue** is recorded in the books of the business when services have been **provided**.

The objective of the game is to: **help students remember the names of accounting theories, the explanation of accounting theories and application of accounting theories in the knowledge base**

While playing the game, students should experience: **rapid fire questions**

Create a game story that models after the game “Clash Royale”.

There are 3 levels in this game.

Level 1 has 12 questions covering all 12 accounting theories.

Level 2 has 12 questions covering all 12 accounting theories.

In Level 1, student will be given the name of as accounting theory and student has to select the correct explanation.

In level 2, student will be given the explanation of an accounting theory and student has to select the correct name of the accounting theory.

For level 1 and level 2, each accounting theory should be asked **once and only once** before any repeats occur.

In level 3, student will be given the application of an accounting theory and student must select the correct name AND accounting explanation of the accounting theory.

Level 3 has 18 questions covering all applications.

For level 3, each application should be asked **once and only once** before any repeats occur.

For Level 3, for the answer panel, there should be 2 sections. 1 section for student to select Accounting theory name and 1 section for student to select Explanation of accounting theory.

For Level 3, make the 2 panels side by side.

Display congratulatory message each time the student gets a question right or each time student levels up. Display score counter.

At any point in time, let students have the option of restarting that particular level or that particular game altogether.

Tell students what is the correct answer each time they make a mistake.

Level 1 and 2 are optional. Level 3 is compulsory. Students can choose to start at level 1, 2 or 3 when they enter the game.

Use font size 12 in the entire game.

For all levels, there should be a “Submit Answer” button.