# *QuickBooks 2015 A Complete Course 16th edition Horne Test Bank*

SKU: 9780134325903-TEST-BANK

# NAME _____

# QUICKBOOKS® 2015: A COMPLETE COURSE

## SECTION 2 PRACTICE SET EXAM:

## YOUR NAME'S ULTIMATE GOLF

Enter the following transactions and print when possible (Continue to use your Golf.qbw file to complete the exam):

**2/01/2015**

- Add a new sales item for Golf Socks: Type: Inventory Part; Item Name: Socks; Description: Golf Socks; Accounts: 5000, 4020, and 1120; Preferred Vendor: Golf Clothes, Inc.; Tax Code: Tax; Re-order Point (Min): 10; Max: 20; On Hand: 5; Total Value: 15.00 as of 02/01/15.
- Received a telephone order for a new putter (an iron) from Azar Hammar for $149.95.
- Change the payment terms for Dr. Joan Miller to 1% 10 Net 30. Use your customized invoice and prepare it for her purchase of a women's jacket, $99.50, women's pants, $79.95, and two women's shirts, $49.95 each.
- Prepare a Purchase Order for golf socks. Use the preferred vendor. The cost is $3.00 each. When the order is received, there should be 10 more items on hand than the re-order point. Print the Purchase Order.

**2/03/2015**

- Azar Hammar picked up the putter he ordered by telephone on February 1, 2015. (Use the original sales order date as the invoice date.)
- Received the entire order of golf socks and the bill dated 02/03/15.
- Sold 2 pair of golf socks to a cash customer at $7.50 per pair. Customer paid with her Visa Card Number 4684 6270 6204 852, Expiration 09/18.

**2/05/2015**

- Returned 1 pair of golf socks to Golf Clothes, Inc. for credit. (Note: If the information for the last credit memo for Golf Clothes, Inc. appears, remove it by entering the new information.)
- Dr. Joan Miller returned one of the shirts she purchased on February 1. Issue a Credit Memo and apply to Invoice 15. (Did you use your message for returns?)
- Azar Hammar used Debit Card 7345 9654 0687 624, Expiration 01/19, for payment in full for the putter. (If the transaction is eligible for a discount, include it.)

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**2/10/2015**

- Pay the bill to Golf Clothes, Inc. for the golf socks. (Apply any credits available; and, if eligible, calculate any discounts after applying any credits.) Print the check.
- Received Check 234 for $795.27 from Dr. Joan Miller as payment in full for her beginning balance and for Invoice 15. (Calculate any eligible discount for Invoice 15 after subtracting the credit. Remember, beginning balances do not qualify for a discount.)
- Deposit all receipts and print the Deposit Summary.

- Print the following reports:
  - Trial Balance for 02/01/15 through 2/10/2015.
  - Profit & Loss (Standard) for 02/01/2015 through 02/10/2015.
  - Balance Sheet (Standard) as of 02/10/2015.
  - Unpaid Bills Detail Report for 02/10/2015.
  - Customer Balance Detail for Dates: All.
  - Journal 02/01/2015 through 02/10/2015

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**Practice Set and Exam Questions:**

If necessary, refer to your printouts for Your Name's Golf Shop World and Practice Set to answer the following questions in the space provided:

1. Deposit Summary Total for 1/14/2015 _____
2. Number of sets of clubs on hand on 1/20/2015 _____
3. Total of the Unpaid Bills Detail Report for 1/26/2015 _____
4. Total owed to Golf & Tennis Supplies & Equipment on 1/26/2015 _____
5. Total of the Unpaid Bills Detail Report, 02/10/2015 _____
6. Total Net Income for February 1-10, 2015 _____
7. Total Assets as of 2/10/2015 _____
8. Total Equity as of 2/10/2015 _____
9. Total of Customer Balance Detail Report _____
10. Total of the Journal for February 1-10, 2015 _____

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# QUICKBOOKS 2015: A COMPLETE COURSE

## SECTION 2 PRACTICE SET EXAM:

## YOUR NAME'S ULTIMATE GOLF

Enter the following transactions and print when possible (Continue to use your Golf.qbw file to complete the exam):

**2/01/2015**

- Add a new sales item for Golf Socks: Type: Inventory Part; Item Name: Socks; Description: Golf Socks; Accounts: 5000, 4020, and 1120; Preferred Vendor: Golf Clothes, Inc.; Tax Code: Tax; Re-order Point (Min): 10; Max: 20; On Hand: 5; Total Value: 15.00 as of 02/01/15.
- Received a telephone order for a new putter (an iron) from Azar Hammar for $149.95.
- Change the payment terms for Dr. Joan Miller to 1% 10 Net 30. Use your customized invoice and prepare it for her purchase of a women's jacket, $99.50, women's pants, $79.95, and two women's shirts, $49.95 each.
- Prepare a Purchase Order for golf socks. Use the preferred vendor. The cost is $3.00 each. When the order is received, there should be 10 more items on hand than the re-order point. Print the Purchase Order.

**2/03/2015**

- Azar Hammar picked up the putter he ordered by telephone on February 1, 2015. (Use the original sales order date as the invoice date.)
- Received the entire order of golf socks and the bill dated 02/03/15.
- Sold 2 pair of golf socks to a cash customer at $7.50 per pair. Customer paid with her Visa Card Number 4684 6270 6204 852, Expiration 09/18.

**2/05/2015**

- Returned 1 pair of golf socks to Golf Clothes, Inc. for credit. (Note: If the information for the last credit memo for Golf Clothes, Inc. appears, remove it by entering the new information.)
- Dr. Joan Miller returned one of the shirts she purchased on February 1. Issue a Credit Memo and apply to Invoice 15. (Did you use your message for returns?)
- Azar Hammar used Debit Card 7345 9654 0687 624, Expiration 01/19, for payment in full for the putter. (If the transaction is eligible for a discount, include it.)

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**2/10/2015**

- Pay the bill to Golf Clothes, Inc. for the golf socks. (Apply any credits available; and, if eligible, calculate any discounts after applying any credits.) Print the check.
- Received Check 234 for $795.27 from Dr. Joan Miller as payment in full for her beginning balance and for Invoice 15. (Calculate any eligible discount for Invoice 15 after subtracting the credit. Remember, beginning balances do not qualify for a discount.)
- Deposit all receipts and print the Deposit Summary.

- Print the following reports:
  - Trial Balance for 02/01/15 through 2/10/2015.
  - Profit & Loss (Standard) for 02/01/2015 through 02/10/2015.
  - Balance Sheet (Standard) as of 02/10/2015.
  - Unpaid Bills Detail Report for 02/10/2015.
  - Customer Balance Detail for Dates: All.
  - Journal 02/01/2015 through 02/10/2015

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**Practice Set and Exam Questions:**

If necessary, refer to your printouts for Your Name's Ultimate Golf Exam and Practice Set to answer the following questions in the space provided:

| | | |
|---|---|---|
| 1. | Deposit Summary Total for 1/14/2015 | 2,820.83 |
| 2. | Number of sets of clubs on hand on 1/20/2015 | 37 |
| 3. | Total of the Unpaid Bills Detail Report for 1/26/2015 | 17,589.65 |
| 4. | Total owed to Golf & Tennis Gear on 1/26/2015 | 194.50 |
| 5. | Total of the Unpaid Bills Detail Report, 02/10/2015 | 14,789.65 |
| 6. | Total Net Income for February 1-10, 2015 | 230.09 |
| 7. | Total Assets as of 2/10/2015 | 107,254.83 |
| 8. | Total Equity as of 2/10/2015 | 84,461.17 |
| 9. | Total of Customer Balance Detail Report | 12,388.07 |
| 10. | Total of the Journal for February 1-10, 2015 | 2,761.30 |

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**For Instructor Use:**

| EXAM REPORT | TOTALS |
|---|---|
| Report 1 Trial Balance, 2-10-15 | 124,024.97 |
| Report 2 Profit & Loss, 2-10-15 | 230.09 |
| Report 3 Balance Sheet, 2-10-15 | 107,254.83 |
| Report 4 Unpaid Bills Detail, 2-10-15 | 14,789.65 |
| Report 6 Customer Balance Detail | 12,388.07 |
| Report 7 Journal from 2-1-15 to 2-10-15 | 2,761.30 |

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## SECTION 2 PRACTICE SET EXAM TRANSMITTAL:

## YOUR NAME'S ULTIMATE GOLF

The following documents and reports should be printed and attached to the students' transmittal sheets.

Note: Printing Payment Receipts and Bills is not required within the chapter but may be printed if you wish. They are provided here in case you want them printed.

Sales Order 4, Azar Hammar, $161.95
Invoice 15: Joan Miller, $301.70
Purchase Order 7, Golf Clothes, Inc., $45.00
Invoice 16: Azar Hammar, $161.95
Bill Golf Clothes, Inc., $45.00 (Optional)
Sales Receipt 6: Cash Customer, $16.20
Bill Credit Golf Clothes, Inc., -$3.00 (Optional)
Credit Memo 17: Joan Miller, -$53.95
Payment Receipt: Azar Hammar, $160.33
Check 15 Golf Clothes, Inc., $41.16
Payment Receipt Joan Miller, $795.27
Deposit Summary, 2/10/15, $971.80
Trial Balance, 2/10/15, $124,024.97
Profit & Loss, 2/10/15, $230.09
Balance Sheet, 2/10/15, $107,254.83
Unpaid Bills Detail, 2/10/15, $14,789.65
Customer Balance Detail, 2/10/15, $12,388.07
Journal, February 1-10, 2015, $2,761.30

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# NAME _____

# QUICKBOOKS 2015: A COMPLETE COURSE

## SECTION 2 PRACTICE SET EXAM TRANSMITTAL:

## YOUR NAME'S ULTIMATE GOLF

Check the items below as you complete and/or print them; then attach the documents and reports in the order listed when you submit them to your instructor. Printing is optional for Payment Receipts and Bills (unless your instructor requires them to be printed); however, they are included on the transmittal sheet so they can be checked as they are completed.

___ Sales Order 4: Azar Hammar
___ Invoice 15: Joan Miller
___ Purchase Order 7: Golf Clothes, Inc.
___ Invoice 16: Azar Hammar
___ Bill: Golf Clothes, Inc.
___ Sales Receipt 6: Cash Customer
___ Bill Credit Golf Clothes, Inc.
___ Credit Memo 17: Joan Miller
___ Payment Receipt: Azar Hammar
___ Check 15: Golf Clothes, Inc.
___ Payment Receipt Joan Miller
___ Deposit Summary, 2/10/15
___ Trial Balance, 2/10/15
___ Profit & Loss, 2/10/15
___ Balance Sheet, 2/10/15
___ Unpaid Bills Detail, 2/10/15
___ Customer Balance Detail, 2/10/15
___ Journal, February 1-10, 2015

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# NAME KEY

# QUICKBOOKS 2015: A COMPLETE COURSE

## COMPREHENSIVE FINAL EXAM

### TRUE/FALSE

ANSWER THE FOLLOWING QUESTIONS IN THE SPACE PROVIDED BEFORE THE QUESTION NUMBER.

T 1. Anything entered as a service charge or as interest earned on a bank reconciliation will be entered automatically in the checking account register when the reconciliation is complete.

F 2. The Discount Info button on the Receive Payments window allows discounts to be applied to invoices being paid by clicking Cancel.

T 3. Once a report format has been customized as a QuickBooks preference, QuickBooks will automatically use the custom format for reports prepared in the Report Center or from the Reports menu.

F 4. A purchase order is closed automatically when a partial receipt of merchandise is recorded.

F 5. Since purchase discounts are a cost of doing business, they are categorized as an expense.

F 6. If several taxes are owed to a single agency, QuickBooks generates a separate check to the agency for each tax liability item.

F 7. A Commented report must be saved before it can be printed.

F 8. When receiving a payment from a customer, QuickBooks automatically deducts any credits before calculating the sales discount.

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T 9. QuickBooks keeps track of sales tax liability and will prepare the payment of sales taxes to the appropriate agency when using the Manage Sales Tax feature of the program.

T 10. A logo may be added to the Insights page.

F 11. In a sole proprietorship an owner's name is added to the Vendor list for recording withdrawals.

T 12. Because cash sales do not involve accounts receivable, a Sales Receipt is prepared.

T 13. In QuickBooks, error correction for a sale on account can be accomplished by editing the invoice.

T 14. A credit received from a vendor for the return of merchandise can be applied to a payment to the vendor.

F 15. QuickBooks icons appear beneath the title bar and have a list of drop-down menus.

T 16. If a customer is marked taxable, sales tax will be calculated automatically for an inventory item on an invoice.

F 17. A single purchase order can be prepared and sent to several vendors.

T 18. Processing the Payroll Liability Balances Report does not generate the checks for payment of the liabilities.

F 19. When using QuickBooks, all checks must be printed by the computer.

T 20. The start date is the date you select to begin tracking financial information for your company in QuickBooks.

T 21. A bill can be paid by check or credit card.

T 22. At the end of the year, a closing entry to transfer the owner withdrawals from the drawing account to the capital account needs to be made.

F 23. In QuickBooks, the Journal is called the book of final entry.

T 24. You can enter payroll deductions manually when processing the payroll.

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F 25. To close the balances of the Uncategorized Expenses and Uncategorized Income accounts, you record a clearing transaction.

T 26. When a correction for a transaction is made, QuickBooks changes the form used to record the transaction; all journal entries, and all account entries for the transaction.

F 27. QuickBooks automatically applies payments received from customers on account to the most current invoice.

T 28. QuickBooks prevents the deletion of an account once it has been used even if it simply contains an opening or an existing balance.

F 29. Rather than use a traditional Purchases Journal to record transactions using debits and credits and special columns, QuickBooks uses an invoice to record sales transactions for accounts receivable in the Accounts Receivable Register.

T 30. The total of the Vendor list/Accounts Payable ledger will match the total of the Accounts Payable account in the Chart of Accounts/General ledger.

T 31. At the end of the fiscal year, QuickBooks transfers the net income into the Owner's Equity account and allows you to protect the data for the year by entering a closing date.

F 32. The accrual method of accounting matches the income of the period with the cash received for sales.

F 33. The Subtotal account calculates the sales discount.

T 34. You may use the View menu to change from a Left Icon Bar to a Top Icon Bar.

F 35. A Sales Item List stores information about everything you purchase.

F 36. As with other accounting programs, QuickBooks requires a formal closing to be performed at the end of each year.

T 37. If a salaried employee uses vacation pay, QuickBooks will automatically distribute the correct amount of earnings to Vacation Salary once the number of vacation hours has been entered.

F 38. The Accountant's Copy of the company file is used to record day-to-day business transactions.

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T 39. When a Sales Order has been prepared for a customer, the invoice should be created directly from the Sales Order.

T 40. QuickGraphs allows information to be viewed from both a sales standpoint and from an accounts receivable perspective.

F 41. Customer information may be changed by editing the Chart of Accounts.

T 42. The amount of the sale when paid by debit and credit cards is placed into the Undeposited Funds account. When the actual bank deposit is made, the amount is deposited into the checking or bank account and bank fees for the cards are deducted directly from the bank account.

F 43. Receipt of purchase order items is never recorded before the bill arrives.

T 44. If **Include Inactive** is selected, inactive accounts will appear in the Chart of Accounts.

T 45. If a customer issues a check that is returned marked NSF, you may charge the customer the amount of the penalty charges you impose.

## MULTIPLE CHOICE

WRITE THE LETTER OF THE CORRECT ANSWER IN THE SPACE PROVIDED BEFORE THE QUESTION NUMBER.

C 46. In order to customize a(n) ___, you must duplicate it.
A. Purchase Order
B. Sales Receipt
C. Invoice
D. All of the above

C 47. When a bill is deleted, ___.
A. the amount is changed to 0.00
B. the word Deleted appears as the Memo
C. it is removed without a trace
D. a bill cannot be deleted

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A 48. A credit card sale is treated exactly like a ___.
A. cash sale
B. sale on account until reimbursement is received from a bank
C. sale on account
D. bank deposit

B 49. Undeposited Funds represents ___.
A. cash sales
B. cash or checks received from customers but not yet deposited in the bank
C. the balance of the accounts receivable account
D. income earned in a previous year

D 50. To begin the company creation using the EasyStep Interview, click the ___.
A. Start Interview button
B. Begin button
C. Convert Data button
D. Detailed Start button

B 51. QuickMath displays ___.
A. a calculator
B. adding machine tape
C. a calculator with adding machine tape
D. none of the above

C 52. The Item List stores information for ___.
A. Purchase Orders for each item on order
B. items marked to reorder
C. each item a company sells
D. both A and B

B 53. The account type for Merchandise Discounts should be ___.
A. income
B. cost of goods sold
C. expense
D. asset

C 54. When recording a bill, you can ___ so the same transaction is entered when recording the bill next month.
A. customize My Preferences for Bills
B. memorize a report
C. memorize a transaction
D. All of the above

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D 55. QuickBooks uses ___ to value the inventory.
A. LIFO
B. FIFO
C. the gross profit method
D. the average cost method

C 56. If you change the minimum quantity for an item, it becomes effective ___.
A. as soon as outstanding purchase orders are received
B. the beginning of next month
C. immediately
D. the beginning of the next fiscal year

A 57. To create a new company, you use the ___.
A. File Menu
B. QuickBooks Company Preferences screen
C. Activities Menu
D. any of the above

B 58. When payroll liabilities to be paid have been selected, QuickBooks will ___.
A. create a separate check for each liability
B. consolidate liabilities paid and create one check for each vendor
C. automatically process a Payroll Liabilities report
D. prepare any tax return forms necessary

A 59. When adding a new employee after the Payroll Setup has been completed, you use the ___.
A. Employee Center
B. Employee File
C. Employee Roster
D. Employee Record

C 60. The Vendor List can also be called the ___.
A. Sales Journal
B. Purchases Journal
C. Accounts Payable Ledger
D. Payables schedule

B 61. In accrual basis accounting, insurance is a(n) ___ until it is used.
A. expense
B. asset
C. liability
D. cost of goods sold

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A 62. When entering a bill, typing the first letter(s) of a vendor's name on the vendor line ___.
A. enters the vendor's name on the line if it is in the Vendors list
B. takes you to the vendor's account in the Vendor Center
C. displays the Transaction Info tab for the vendor
D. Indicates you want to type the vendor name completely

A 63. To display employee names by last name, make the selection on the ___.
A. Payroll & Employees Preferences
B. Employee List
C. Employee Center
D. any of the above

B 64. QuickBooks uses graphs to illustrate information about ___.
A. the chart of accounts
B. sales
C. the cash account
D. supplies

C 65. A paycheck differs from a regular check because ___.
A. changes are not allowed
B. it lists accounts and amounts at the bottom of the screen
C. it provides a Payroll Summary and an option to view Paycheck Detail at the bottom of the screen
D. once created, it may not be voided or deleted

D 66. If an order is received with a bill but is incomplete, QuickBooks will ___.
A. record the bill for the full amount ordered
B. close the purchase order
C. not allow the bill to be prepared until all the merchandise is received
D. record the bill only for the amount received

D 67. A customer may be added while preparing an invoice using ___.
A. QuickAdd
B. Setup
C. Add New
D. any of the above

C 68. Report formats may be customized ___.
A. by clicking My Company icon
B. by customizing the business form
C. by changing Reports & Graphs Preferences
D. by selecting Customize in the Reports Center

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C 69. If the adjusting entry to transfer net income/owner's equity into the owner's capital account is made prior to the end of the year, the Balance Sheet shows ___.
A. Owner's Equity
B. Net Income
C. both Net Income and Owner's Equity
D. none of the above because the income/earnings has been transferred into capital

D 70. Entries for bank collections for a loan payment ___.
A. are automatically recorded at the completion of the bank reconciliation
B. must be recorded after the bank reconciliation is complete
C. should be recorded on the first of the month
D. should be recorded while reconciling the bank statement

D 71. The report that proves assets = liabilities + owner's equity is the ___.
A. Trial Balance
B. Income Statement
C. Profit & Loss Statement
D. Balance Sheet

C 72. You may add individual information for vendors in the ___.
A. Accounts Payable Register
B. Chart of Accounts
C. Vendor Center
D. all of the above

B 73. If a customer has a balance for an amount owed and a return is made, a credit memo is prepared and ___.
A. a refund check is issued
B. the amount of the return may be applied to the invoice for the original sale
C. the customer determines whether to apply the amount to the invoice for the sale or get a refund check
D. any of the above

D 74. To verify the name of the open company, look at ___.
A. the icon bar
B. QuickBooks Navigator
C. the menu bar
D. the title bar

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B 75. With the Customer Balance Summary Report on the screen, it is possible to get an individual customer's information by using ___.
A. QuickReport
B. QuickZoom
C. QuickGraph
D. QuickSummary

B 76. When items ordered are received without a bill, you record the receipt ___.
A. on a bill
B. on an item receipt form
C. on the original purchase order
D. in the journal

D 77. Pay stub information may be printed ___.
A. only at the end of the year
B. only when there is a voided check
C. only as an individual employee report
D. as part of a voucher check

C 78. If the word -Split- appears in the Split column of a report rather than an account name, it means that the transaction is split between two or more ___.
A. journals
B. customers
C. accounts or items
D. reports

A 79. You may access QuickMath when preparing a journal entry, by pressing the ___ key.
A. =
B. &
C. $
D. @

C 80. When recording a cash sale, QuickBooks puts the money from the cash sale into the ___ until you record a deposit to a bank account.
A. Sales Ledger
B. Receipts file
C. Undeposited Funds account
D. Accounts Receivable Ledger

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D 81. A backup file ___.
A. is a duplicate of the company data
B. is prepared in case of emergencies or errors
C. is restored to a .qbw file for use
D. all of the above

C 82. To record an order placed by telephone, you use a ___.
A. Sales Receipt
B. Receive Order
C. Sales Order
D. Purchase Order

D 83. Additional investments by an owner may be ___.
A. cash items
B. noncash items
C. made at any time
D. all of the above

B 84. To close a period, you must enter a(n) ___.
A. transaction password
B. closing date
C. entry password
D. set-up password

D 85. QuickBooks gives you an instant visual analysis of different elements of your business using ___.
A. line graphs
B. pie charts
C. bar charts
D. both B and C

C 86. The closing entry for owner withdrawals transfers the balance of an owner's drawing account into the ___ account.
A. Owner's Equity
B. Net Income
C. Capital
D. Investment

B 87. Sales tax is paid by using ___.
A. Pay Bills
B. Manage Sales Tax
C. Write Checks
D. Credit Card

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B 88. If a bill is recorded in the Enter Bills window, you should pay the bill by ___.
A. writing a check
B. using the Pay Bills window
C. using petty cash
D. allowing QuickBooks to generate the check automatically five days before the due date

C 89. Accounts that are listed individually but are grouped together under a main account are called ___.
A. dependent accounts
B. secondary accounts
C. subaccounts
D. mini-accounts

C 90. Rather than use a traditional Sales Journal to record transactions using debits and credits and special columns, QuickBooks uses a(n) ___ to record sales transactions for accounts receivable.
A. Sales Receipt
B. Credit Card Receipt
C. Invoice
D. Undeposited Transaction Register

## FILL-IN

IN THE SPACE PROVIDED, WRITE THE ANSWER THAT MOST APPROPRIATELY COMPLETES THE SENTENCE.

91. The Year-to-Date Payrolls section of the QuickBooks Payroll Setup allows information for earnings, withholding, and payroll liabilities to be entered for the year-to-date.

92. A report that you have customized by sizing columns and/or removing columns may be memorized so the custom format is used each time it is prepared.

93. Petty Cash is identified as a Bank account type, so it will be placed at the top of the chart of accounts along with checking and savings accounts.

94. Orders for merchandise are prepared using the QuickBooks Purchase Order form.

95. For inventory valuation, QuickBooks uses the average cost method.

96. No matter where transactions are recorded, they all appear in the Journal.

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97. In a sole proprietorship, an owner's paycheck is considered a(n) withdrawal .

98. Changes to an inventory quantity may be made by clicking the Inventory Activities icon on the QuickBooks Home Page .

99. Accrual -basis accounting matches income and expenses against a period, and cash -basis accounting records income when the money is received and expenses when the purchase is made or the bill is paid.

100. The form prepared to show a reduction to a bill is a(n) credit memo .

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# NAME_____

# QUICKBOOKS 2015: A COMPLETE COURSE

## COMPREHENSIVE FINAL EXAM

### TRUE/FALSE

ANSWER THE FOLLOWING QUESTIONS IN THE SPACE PROVIDED BEFORE THE QUESTION NUMBER.

_____ 1. Anything entered as a service charge or as interest earned on a bank reconciliation will be entered automatically in the checking account register when the reconciliation is complete.

_____ 2. The Discount Info button on the Receive Payments window allows discounts to be applied to invoices being paid by clicking Cancel.

_____ 3. Once a report format has been customized as a QuickBooks preference, QuickBooks will automatically use the custom format for reports prepared in the Report Center or from the Reports menu.

_____ 4. A purchase order is closed automatically when a partial receipt of merchandise is recorded.

_____ 5. Since purchase discounts are a cost of doing business, they are categorized as an expense.

_____ 6. If several taxes are owed to a single agency, QuickBooks generates a separate check to the agency for each tax liability item.

_____ 7. A Commented report must be saved before it can be printed.

_____ 8. When receiving a payment from a customer, QuickBooks automatically deducts any credits before calculating the sales discount.

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_____ 9. QuickBooks keeps track of sales tax liability and will prepare the payment of sales taxes to the appropriate agency when using the Manage Sales Tax feature of the program.

_____ 10. A logo may be added to the Insights page.

_____ 11. In a sole proprietorship an owner's name is added to the Vendor list for recording withdrawals.

_____ 12. Because cash sales do not involve accounts receivable, a Sales Receipt is prepared.

_____ 13. In QuickBooks, error correction for a sale on account can be accomplished by editing the invoice.

_____ 14. A credit received from a vendor for the return of merchandise can be applied to a payment to the vendor.

_____ 15. QuickBooks icons appear beneath the title bar and have a list of drop-down menus.

_____ 16. If a customer is marked taxable, sales tax will be calculated automatically for an inventory item on an invoice.

_____ 17. A single purchase order can be prepared and sent to several vendors.

_____ 18. Processing the Payroll Liability Balances Report does not generate the checks for payment of the liabilities.

_____ 19. When using QuickBooks, all checks must be printed by the computer.

_____ 20. The start date is the date you select to begin tracking financial information for your company in QuickBooks.

_____ 21. A bill can be paid by check or credit card.

_____ 22. At the end of the year, a closing entry to transfer the owner withdrawals from the drawing account to the capital account needs to be made.

_____ 23. In QuickBooks, the Journal is called the book of final entry.

_____ 24. You can enter payroll deductions manually when processing the payroll.

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_____ 25. To close the balances of the Uncategorized Expenses and Uncategorized Income accounts, you record a clearing transaction.

_____ 26. When a correction for a transaction is made, QuickBooks changes the form used to record the transaction; all journal entries, and all account entries for the transaction.

_____ 27. QuickBooks automatically applies payments received from customers on account to the most current invoice.

_____ 28. QuickBooks prevents the deletion of an account once it has been used even if it simply contains an opening or an existing balance.

_____ 29. Rather than use a traditional Purchases Journal to record transactions using debits and credits and special columns, QuickBooks uses an invoice to record sales transactions for accounts receivable in the Accounts Receivable Register.

_____ 30. The total of the Vendor list/Accounts Payable ledger will match the total of the Accounts Payable account in the Chart of Accounts/General ledger.

_____ 31. At the end of the fiscal year, QuickBooks transfers the net income into the Owner's Equity account and allows you to protect the data for the year by entering a closing date.

_____ 32. The accrual method of accounting matches the income of the period with the cash received for sales.

_____ 33. The Subtotal account calculates the sales discount.

_____ 34. You may use the View menu to change from a Left Icon Bar to a Top Icon Bar.

_____ 35. A Sales Item List stores information about everything you purchase.

_____ 36. As with other accounting programs, QuickBooks requires a formal closing to be performed at the end of each year.

_____ 37. If a salaried employee uses vacation pay, QuickBooks will automatically distribute the correct amount of earnings to Vacation Salary once the number of vacation hours has been entered.

_____ 38. The Accountant's Copy of the company file is used to record day-to-day business transactions.

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_____ 39. When a Sales Order has been prepared for a customer, the invoice should be created directly from the Sales Order.

_____ 40. QuickGraphs allows information to be viewed from both a sales standpoint and from an accounts receivable perspective.

_____ 41. Customer information may be changed by editing the Chart of Accounts.

_____ 42. The amount of the sale when paid by debit and credit cards is placed into the Undeposited Funds account. When the actual bank deposit is made, the amount is deposited into the checking or bank account and bank fees for the cards are deducted directly from the bank account.

_____ 43. Receipt of purchase order items is never recorded before the bill arrives.

_____ 44. If **Include Inactive** is selected, inactive accounts will appear in the Chart of Accounts.

_____ 45. If a customer issues a check that is returned marked NSF, you may charge the customer the amount of the penalty charges you impose.

## MULTIPLE CHOICE

WRITE THE LETTER OF THE CORRECT ANSWER IN THE SPACE PROVIDED BEFORE THE QUESTION NUMBER.

_____46. In order to customize a(n) ___, you must duplicate it.
A. Purchase Order
B. Sales Receipt
C. Invoice
D. All of the above

_____47. When a bill is deleted, ___.
A. the amount is changed to 0.00
B. the word Deleted appears as the Memo
C. it is removed without a trace
D. a bill cannot be deleted

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_____48. A credit card sale is treated exactly like a ___.
A. cash sale
B. sale on account until reimbursement is received from a bank
C. sale on account
D. bank deposit

_____49. Undeposited Funds represents ___.
A. cash sales
B. cash or checks received from customers but not yet deposited in the bank
C. the balance of the accounts receivable account
D. income earned in a previous year

_____50. To begin the company creation using the EasyStep Interview, click the ___.
A. Start Interview button
B. Begin button
C. Convert Data button
D. Detailed Start button

_____51. QuickMath displays ___.
A. a calculator
B. adding machine tape
C. a calculator with adding machine tape
D. none of the above

_____52. The Item List stores information for ___.
A. Purchase Orders for each item on order
B. items marked to reorder
C. each item a company sells
D. both A and B

_____53. The account type for Merchandise Discounts should be ___.
A. income
B. cost of goods sold
C. expense
D. asset

_____54. When recording a bill, you can ___ so the same transaction is entered when recording the bill next month.
A. customize My Preferences for Bills
B. memorize a report
C. memorize a transaction
D. All of the above

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_____55. QuickBooks uses ___ to value the inventory.
A. LIFO
B. FIFO
C. the gross profit method
D. the average cost method

_____56. If you change the minimum quantity for an item, it becomes effective ___.
A. as soon as outstanding purchase orders are received
B. the beginning of next month
C. immediately
D. the beginning of the next fiscal year

_____57. To create a new company, you use the ___.
A. File Menu
B. QuickBooks Company Preferences screen
C. Activities Menu
D. any of the above

_____58. When payroll liabilities to be paid have been selected, QuickBooks will ___.
A. create a separate check for each liability
B. consolidate liabilities paid and create one check for each vendor
C. automatically process a Payroll Liabilities report
D. prepare any tax return forms necessary

_____59. When adding a new employee after the Payroll Setup has been completed, you use the ___.
A. Employee Center
B. Employee File
C. Employee Roster
D. Employee Record

_____60. The Vendor List can also be called the ___.
A. Sales Journal
B. Purchases Journal
C. Accounts Payable Ledger
D. Payables schedule

_____61. In accrual basis accounting, insurance is a(n) ___ until it is used.
A. expense
B. asset
C. liability
D. cost of goods sold

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_____62. When entering a bill, typing the first letter(s) of a vendor's name on the vendor line ___.
A. enters the vendor's name on the line if it is in the Vendors list
B. takes you to the vendor's account in the Vendor Center
C. displays the Transaction Info tab for the vendor
D. Indicates you want to type the vendor name completely

_____63. To display employee names by last name, make the selection on the ___.
A. Payroll & Employees Preferences
B. Employee List
C. Employee Center
D. any of the above

_____ 64. QuickBooks uses graphs to illustrate information about ___.
A. the chart of accounts
B. sales
C. the cash account
D. supplies

_____ 65. A paycheck differs from a regular check because ___.
A. changes are not allowed
B. it lists accounts and amounts at the bottom of the screen
C. it provides a Payroll Summary and an option to view Paycheck Detail at the bottom of the screen
D. once created, it may not be voided or deleted

_____ 66. If an order is received with a bill but is incomplete, QuickBooks will ___.
A. record the bill for the full amount ordered
B. close the purchase order
C. not allow the bill to be prepared until all the merchandise is received
D. record the bill only for the amount received

_____ 67. A customer may be added while preparing an invoice using ___.
A. QuickAdd
B. Setup
C. Add New
D. any of the above

_____ 68. Report formats may be customized ___.
A. by clicking My Company icon
B. by customizing the business form
C. by changing Reports & Graphs Preferences
D. by selecting Customize in the Reports Center

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_____ 69. If the adjusting entry to transfer net income/owner's equity into the owner's capital account is made prior to the end of the year, the Balance Sheet shows ___.
A. Owner's Equity
B. Net Income
C. both Net Income and Owner's Equity
D. none of the above because the income/earnings has been transferred into capital

_____ 70. Entries for bank collections for a loan payment ___.
A. are automatically recorded at the completion of the bank reconciliation
B. must be recorded after the bank reconciliation is complete
C. should be recorded on the first of the month
D. should be recorded while reconciling the bank statement

_____ 71. The report that proves assets = liabilities + owner's equity is the ___.
A. Trial Balance
B. Income Statement
C. Profit & Loss Statement
D. Balance Sheet

_____ 72. You may add individual information for vendors in the ___.
A. Accounts Payable Register
B. Chart of Accounts
C. Vendor Center
D. all of the above

_____ 73. If a customer has a balance for an amount owed and a return is made, a credit memo is prepared and ___.
A. a refund check is issued
B. the amount of the return may be applied to the invoice for the original sale
C. the customer determines whether to apply the amount to the invoice for the sale or get a refund check
D. any of the above

_____ 74. To verify the name of the open company, look at ___.
A. the icon bar
B. QuickBooks Navigator
C. the menu bar
D. the title bar

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_____ 75. With the Customer Balance Summary Report on the screen, it is possible to get an individual customer's information by using ___.
A. QuickReport
B. QuickZoom
C. QuickGraph
D. QuickSummary

_____ 76. When items ordered are received without a bill, you record the receipt ___.
A. on a bill
B. on an item receipt form
C. on the original purchase order
D. in the journal

_____ 77. Pay stub information may be printed ___.
A. only at the end of the year
B. only when there is a voided check
C. only as an individual employee report
D. as part of a voucher check

_____ 78. If the word -Split- appears in the Split column of a report rather than an account name, it means that the transaction is split between two or more ___.
A. journals
B. customers
C. accounts or items
D. reports

_____ 79. You may access QuickMath when preparing a journal entry, by pressing the ___ key.
A. =
B. &
C. $
D. @

_____ 80. When recording a cash sale, QuickBooks puts the money from the cash sale into the ___ until you record a deposit to a bank account.
A. Sales Ledger
B. Receipts file
C. Undeposited Funds account
D. Accounts Receivable Ledger

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_____ 81. A backup file ___.
A. is a duplicate of the company data
B. is prepared in case of emergencies or errors
C. is restored to a .qbw file for use
D. all of the above

_____ 82. To record an order placed by telephone, you use a ___.
A. Sales Receipt
B. Receive Order
C. Sales Order
D. Purchase Order

_____ 83. Additional investments by an owner may be ___.
A. cash items
B. noncash items
C. made at any time
D. all of the above

_____84. To close a period, you must enter a(n) ___.
A. transaction password
B. closing date
C. entry password
D. set-up password

_____ 85. QuickBooks gives you an instant visual analysis of different elements of your business using ___.
A. line graphs
B. pie charts
C. bar charts
D. both B and C

_____ 86. The closing entry for owner withdrawals transfers the balance of an owner's drawing account into the ___ account.
A. Owner's Equity
B. Net Income
C. Capital
D. Investment

_____ 87. Sales tax is paid by using ___.
A. Pay Bills
B. Manage Sales Tax
C. Write Checks
D. Credit Card

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_____ 88. If a bill is recorded in the Enter Bills window, you should pay the bill by ___.
A. writing a check
B. using the Pay Bills window
C. using petty cash
D. allowing QuickBooks to generate the check automatically five days before the due date

_____89. Accounts that are listed individually but are grouped together under a main account are called ___.
A. dependent accounts
B. secondary accounts
C. subaccounts
D. mini-accounts

_____ 90. Rather than use a traditional Sales Journal to record transactions using debits and credits and special columns, QuickBooks uses a(n) ___ to record sales transactions for accounts receivable.
A. Sales Receipt
B. Credit Card Receipt
C. Invoice
D. Undeposited Transaction Register

## FILL-IN

IN THE SPACE PROVIDED, WRITE THE ANSWER THAT MOST APPROPRIATELY COMPLETES THE SENTENCE.

91. The _____ section of the QuickBooks Payroll Setup allows information for earnings, withholding, and payroll liabilities to be entered for the year-to-date.

92. A report that you have customized by sizing columns and/or removing columns may be _____ so the custom format is used each time it is prepared.

93. Petty Cash is identified as a _____ account type, so it will be placed at the top of the chart of accounts along with checking and savings accounts.

94. Orders for merchandise are prepared using the QuickBooks _____ form.

95. For inventory valuation, QuickBooks uses the _____ method.

96. No matter where transactions are recorded, they all appear in the _____.

97. In a sole proprietorship, an owner's paycheck is considered a(n) _____.

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98. Changes to an inventory quantity may be made by clicking the Inventory Activities icon on the QuickBooks_____.

99. _____-basis accounting matches income and expenses against a period, and _____-basis accounting records income when the money is received and expenses when the purchase is made or the bill is paid.

100. The form prepared to show a reduction to a bill is a(n) _____.

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