Solutions Manual for QuickBooks Online for Accounting 1st Glenn Owen

QuickBooks Online

For Accounting

Solutions Manual

First Edition

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CENGAGE Learning

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Chapter 1 Solutions Manual

Chapter 1 Questions

1. QBO is limited to one company per license. QBDT can manage an unlimited number of companies.
2. No, QBO requires an Internet connection.
3. No, QBO does not require the creation of backup files.
4. Both QBO and QBDT were developed in-house by Intuit to capture and report on accounting events.
5. The process of assigning your instructor as the accountant for your company involves a brief interview in which you'll provide your instructor's email address and name.

Chapter 1 Matching

a.	QBO	h	Click to access help
b.	QBDT	g	Click to find past transactions
c.	Gear icon	d	Provides tasks to help you get started
d.	Welcome Guide	a	Online version of QuickBooks
e.	Navigation bar	i	Click to add your instructor as your accountant
f.	Create (+) icon	j	Provides links to QBO tasks and resources
g.	Magnifying Glass	b	Windows Desktop version of QuickBooks
h.	Help (?) icon	f	Click to add any transaction
i.	Manage Users	c	Click to manage your subscription, users, and settings
j.	Home Page	e	On the left of the home page it shows a menu of items

Chapter 2 Solutions Manual

Chapter 2 Questions

1. Right-click Customers from the navigation bar and then select Open Link in New Tab.
2. Open the Customer window from the navigation bar and then click a customer name.
3. Open the Vendor window from the navigation bar, click a specific vendor name, and then click a specific bill.
4. Open the Employee window from the navigation bar and the click Edit next to a specific employee name.
5. Bank deposits which have not yet been recorded in QBO are not recognized and are temporarily classified as Uncategorized Income.
6. Bank charges which have not yet been recorded in QBO are not recognized and are temporarily classified as Uncategorized Expense.
7. Opening the sales transaction section of QBO will provide a listing of recent sales invoices and payments.
8. Opening the expense transaction section of QBO will provide a listing of recent credit card, bills, expenses, purchase orders, checks, bill payments, and cash transactions.
9. List options include: chart of accounts, recurring transactions, products and services, locations, custom form styles, payment methods, terms, classes, and attachments.
10. Click **Reports** then type **A/P** in the reports search box.

Chapter 2 Matching

a.	Navigation bar	h	An employee in the Sample Company
b.	Amy's Bird Sanctuary	e	Bank deposits not yet recognized
c.	Brosnahan Insurance Agency	g	Exist for all asset, liability, and equity accounts
d.	Recognizing	i	Specify due dates for payment to/from vendors/customers
e.	Uncategorized Income	a	Used to access a list of sales and expense transactions
f.	Uncategorized Expense	c	A vendor in the Sample Company
g.	Registers	j	A listing of all accounts available
h.	John Johnson	f	Bank charges not yet recognized
i.	Terms	b	A customer in the Sample Company
j.	Chart of accounts	d	Matching a banking transaction with a QBO transaction

Chapter 3 Solutions Manual

Chapter 3 Questions

1. Company Settings is accessed by clicking the Gear icon and then clicking Company Settings.
2. Adding beginning balances only occurs when you are utilizing QBO for the first time and your business has been in operation for some time.
3. Click **Transactions** and then click **Chart of Accounts** from the Navigation bar and then click the **New** button in the upper right-hand corner of the chart of accounts.
4. The Opening Balance Equity account is also affected when a beginning balance is entered into an account.
5. When you add a new product you must identify whether you wish to track quantities, you may provide an initial quantity on hand and a related as of date. You must also provide the related inventory asset account, sales and purchase description information, the price, the cost, the income account and the cost of goods sold account used. You must also identify if the item is taxable if the company collects sales tax.
6. When you add a beginning balance to accounts receivable you must also identify the name of the customer who owes you.
7. When you add a beginning balance to accounts payable you must also identify the name of the vendor you owe.
8. Retained Earnings is the additional account used when closing the Opening Balance Equity account.
9. Type **Trial Balance** into the Go to report search text box, then press [**Enter**].
10. Click the **0.00** balance in the Opening Balance Equity line of the Trial Balance report to view the Transaction Report.

Chapter 3 Matching

a.	Transactions report	e	Entity to whom you sell products/services
b.	Trial balance	d	Account used to offset beginning balances adjustments
c.	Journal entry	g	Merchandise a company purchases from a vendor
d.	Opening Balance Equity	h	Efforts made by a company to add value to a customer
e.	Customer	b	A listing the debit or credit balances as of a specific date
f.	Vendor	i	Dictates where an account appears in all reports
g.	Product	a	Transactions for an account for a specified period
h.	Service	f	Entity from whom you purchase products/services
i.	Category Type	j	Checking
j.	Detailed type example	c	Commonly used to adjust accounts

Chapter 3 Case 1

Trial Balance

Case 1

TRIAL BALANCE

As of December 31, 2017

	DEBIT	CREDIT
Checking	25,000.00	
Accounts Receivable	5,000.00	
Inventory Asset	8,000.00	
Prepaid Expenses	3,000.00	
Furniture & Fixtures:Depreciation		10,000.00
Furniture & Fixtures:Original cost	40,000.00	
Accounts Payable		4,500.00
Notes Payable		60,000.00
Common Stock		1,000.00
Opening Balance Equity		0.00
Retained Earnings		5,500.00
TOTAL	**$81,000.00**	**$81,000.00**

Transaction Detail by Account

Case 1

TRANSACTION DETAIL BY ACCOUNT

January 2010 - December 2020

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	SPLIT	AMOUNT	BALANCE
Checking							
12/31/2017	Deposit			Opening Balance	Opening Balance Equity	25,000.00	25,000.00
Total for Checking						**$25,000.00**	
Accounts Receivable							
12/31/2017	Journal Entry	1			-Split-	5,000.00	5,000.00
Total for Accounts Receivable						**$5,000.00**	
Inventory Asset							
12/31/2017	Inventory Qty Adjust	START		Opening inventory for The Water Hog	Opening Balance Equity	4,000.00	4,000.00
12/31/2017	Inventory Qty Adjust	START		Opening inventory for Rook 15	Opening Balance Equity	4,000.00	8,000.00
12/31/2017	Inventory Qty Adjust	START		Opening inventory for Rook 15	Opening Balance Equity		8,000.00
12/31/2017	Inventory Qty Adjust	START		Opening inventory for The Water Hog	Opening Balance Equity		8,000.00
Total for Inventory Asset						**$8,000.00**	
Prepaid Expenses							
12/31/2017	Journal Entry	1			-Split-	3,000.00	3,000.00
Total for Prepaid Expenses						**$3,000.00**	
Furniture & Fixtures							
Depreciation							
12/31/2017	Journal Entry			Opening Balance	-Split-	-10,000.00	-10,000.00
Total for Depreciation						**$ -10,000.00**	
Original cost							
12/31/2017	Journal Entry			Opening Balance	-Split-	40,000.00	40,000.00
Total for Original cost						**$40,000.00**	
Total for Furniture & Fixtures						**$30,000.00**	
Accounts Payable							
12/31/2017	Journal Entry	1			-Split-	4,500.00	4,500.00
Total for Accounts Payable						**$4,500.00**	
Notes Payable							
12/31/2017	Journal Entry			Opening Balance	-Split-	60,000.00	60,000.00
Total for Notes Payable						**$60,000.00**	
Common Stock							
12/31/2017	Journal Entry			Opening Balance	-Split-	1,000.00	1,000.00
Total for Common Stock						**$1,000.00**	
Opening Balance Equity							
12/31/2017	Journal Entry	1			-Split-	3,500.00	3,500.00
12/31/2017	Inventory Qty Adjust	START		Opening inventory for The Water Hog	Opening Balance Equity	4,000.00	7,500.00
12/31/2017	Inventory Qty Adjust	START		Opening inventory for The Water Hog	Inventory Asset		7,500.00
12/31/2017	Inventory Qty Adjust	START		Opening inventory for Rook 15	Opening Balance Equity	4,000.00	11,500.00
12/31/2017	Inventory Qty Adjust	START		Opening inventory for Rook 15	Inventory Asset		11,500.00
12/31/2017	Journal Entry			Opening Balance	-Split-	-1,000.00	10,500.00
12/31/2017	Journal Entry			Opening Balance	-Split-	-10,000.00	500.00
12/31/2017	Journal Entry			Opening Balance	-Split-	40,000.00	40,500.00
12/31/2017	Deposit				Checking	25,000.00	65,500.00
12/31/2017	Journal Entry			Opening Balance	-Split-	-60,000.00	5,500.00
12/31/2017	Journal Entry	2			-Split-	-5,500.00	0.00
Total for Opening Balance Equity						**$0.00**	
Retained Earnings							
12/31/2017	Journal Entry	2			-Split-	5,500.00	5,500.00
Total for Retained Earnings						**$5,500.00**	

Chapter 3 Case 2

Trial Balance

Case 2

TRIAL BALANCE

As of December 31, 2018

	DEBIT	CREDIT
Checking	5,000.00	
Accounts Receivable	925.00	
Inventory Asset	5,060.00	
Prepaid Expenses	2,400.00	
Machinery & Equipment:Depreciation		1,000.00
Machinery & Equipment:Original cost	10,000.00	
Accounts Payable		1,900.00
Notes Payable		12,000.00
Common Stock		100.00
Opening Balance Equity		0.00
Retained Earnings		8,385.00
TOTAL	$23,385.00	$23,385.00