

Solutions Manual for QuickBooks Online for Accounting 1st Glenn Owen

QuickBooks Online

For Accounting Solutions Manual

First Edition

Glenn Owen
Allan Hancock College



Australia • Brazil • Mexico • Singapore • United Kingdom • United States

© 2017 Cengage Learning

WCN: 01-100-101

ALL RIGHTS RESERVED. No part of this work covered by the copyright herein may be reproduced or distributed in any form or by any means, except as permitted by U.S. copyright law, without the prior written permission of the copyright owner, except as may be permitted by the license terms below.

For product information and technology assistance, contact us at
Cengage Learning Academic Resource Center,
1-800-423-0563.

For permission to use material from this text or product, submit
all requests online at www.cengage.com/permissions.
Further permissions questions can be emailed to
permissionrequest@cengage.com.

ISBN: 978-1-305-95344-4

Cengage Learning
20 Channel Center Street
Boston, MA 02210
USA

Cengage Learning is a leading provider of customized learning solutions with employees residing in nearly 40 different countries and sales in more than 125 countries around the world. Find your local representative at www.cengage.com.

Cengage Learning products are represented in Canada by Nelson Education, Ltd.

To learn more about Cengage Learning Solutions, visit www.cengage.com.

Purchase any of our products at your local college store or at our preferred online store
www.cengagebrain.com.

NOTE: UNDER NO CIRCUMSTANCES MAY THIS MATERIAL OR ANY PORTION THEREOF BE SOLD, LICENSED, AUCTIONED, OR OTHERWISE REDISTRIBUTED EXCEPT AS MAY BE PERMITTED BY THE LICENSE TERMS HEREIN.

READ IMPORTANT LICENSE INFORMATION

Dear Professor or Other Supplement Recipient:

Cengage Learning has provided you with this product (the "Supplement") for your review and, to the extent that you adopt the associated textbook for use in connection with your course (the "Course"), you and your students who purchase the textbook may use the Supplement as described below. Cengage Learning has established these use limitations in response to concerns raised by authors, professors, and other users regarding the pedagogical problems stemming from unlimited distribution of Supplements.

Cengage Learning hereby grants you a nontransferable license to use the Supplement in connection with the Course, subject to the following conditions. The Supplement is for your personal, noncommercial use only and may not be reproduced, posted electronically or distributed, except that portions of the Supplement may be provided to your students IN PRINT FORM ONLY in connection with your instruction of the Course, so long as such students are advised that they may not copy or distribute any portion of the Supplement to any third party. Test banks and other testing materials may be made available in the classroom and collected at the end of each class session, or posted

electronically as described herein. Any material posted electronically must be through a password-protected site, with all copy and download functionality disabled, and accessible solely by your students who have purchased the associated textbook for the Course. You may not sell, license, auction, or otherwise redistribute the Supplement in any form. We ask that you take reasonable steps to protect the Supplement from unauthorized use, reproduction, or distribution. Your use of the Supplement indicates your acceptance of the conditions set forth in this Agreement. If you do not accept these conditions, you must return the Supplement unused within 30 days of receipt.

All rights (including without limitation, copyrights, patents, and trade secrets) in the Supplement are and will remain the sole and exclusive property of Cengage Learning and/or its licensors. The Supplement is furnished by Cengage Learning on an "as is" basis without any warranties, express or implied. This Agreement will be governed by and construed pursuant to the laws of the State of New York, without regard to such State's conflict of law rules.

Thank you for your assistance in helping to safeguard the integrity of the content contained in this Supplement. We trust you find the Supplement a useful teaching tool.

TABLE OF CONTENTS

CHAPTER 1	v
QUESTIONS	v
MATCHING	v
CHAPTER 2	vii
QUESTIONS	vii
MATCHING	vii
CHAPTER 3	ix
QUESTIONS	ix
MATCHING	ix
CASE 1	x
CASE 2	xii
CHAPTER 4	xv
QUESTIONS	xv
MATCHING	xv
CASE 1	xvi
CASE 2	xix
CHAPTER 5	xxiii
QUESTIONS	xxiii
MATCHING	xxiii
CASE 1	xxiv
CASE 2	xxviii
CHAPTER 6	xxxiii
QUESTIONS	xxxiii
MATCHING	xxxiii
CASE 1	xxxiv
CASE 2	xxxix

TABLE OF CONTENTS

CHAPTER 7	vi
QUESTIONS	vi
MATCHING	vi
CASE 1	vli
CASE 2	li
CHAPTER 8	lvii
QUESTIONS	lvii
MATCHING	lvii
CASE 1	lviii
CASE 2	lxiv
CHAPTER 9	lxxi
QUESTIONS	lxxi
MATCHING	lxxi
CASE 1	lxxii
CASE 2	lxxvii
CHAPTER 10	lxxxiii
QUESTIONS	lxxxiii
MATCHING	lxxxiii
CASE 1	lxxxiv
CASE 2	lxxxix

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 then 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