

Chapter 10

March Source Documents and End of First Quarter

Scenario: In Chapter 10, start by checking Money-in and Money-out reports. Then, verify data with the February 28 Trial Balance. The stop sign reminds you to make sure your debit and credit balances are correct. In this chapter, you analyze typical source documents used by businesses. Memos remind you to make vendor payments and include customer payments received, sales receipts show cash and credit card sales, bills are used for recording purchases on account, and invoices are used for sales on account. Then, complete end-of-first-quarter adjusting entries, an adjusted trial balance, and financial statements. To review what you will do in Chapter 10, read the objectives.

OBJECTIVES

1. Start QuickBooks Online and sign in to Student Name Sales and Service.
2. To check data, display money-in and money-out reports, and the February 28 Trial Balance.
3. Analyze source documents.
4. Record vendor, customer, cash, and credit card transactions, and sales tax.
5. Record end-of-quarter adjusting entries.
6. Display the adjusted trial balance and financial statements.
7. Export reports to Excel and save as PDF files.
8. Complete Check Your Progress.
9. Review and complete the QuickBooks Resources and Activities.
10. Complete Exercises 10-1, 10-2, 10-3, and the Certification Q&A practice test.

In Chapter 10, complete business transactions for Student Name Sales and Service. Your company sells computers, data storage, network products, web servers, webinars, and purchases inventory on account from vendors. In order to record transactions, analyze source documents. You also use the March 31 bank statement to reconcile Account 101 Checking.

At the end of the first quarter—January, February, and March—sales tax payments, adjusting entries, and financial statements are completed.

The source documents include:

- Vendor bills for purchasing inventory.
- Memos include customer payments, vendor payments, and remittances.
- Transaction register for issuing checks for expenses and recording ATM withdrawals.
- Sales invoices for credit customers.
- Sales receipts for cash and credit card sales.

GETTING STARTED

1. Start your browser. Go online to <http://qbo.intuit.com>.
2. Sign in to QuickBooks Online with your User ID and Password.



CHECK YOUR DATA

To make sure you are starting in the correct place, display Dashboard Invoices, Money in and Money out reports (Figures 10-1, 10-2, and 10-3), and the Trial Balance from 01/01/20XY to 2/28/20XY (Figure 10-4). The Trial Balance was also completed in Exercise 9-2.

Data Metrics and Visualization



1. Select Dashboard > Business overview > drill-down on INVOICES. The Sales page appears. The **Status** column shows the customer payments due in March.

Overview	All Sales	Invoices	Payment links	Customers	Products and services	
<input type="checkbox"/>	DATE	NO.	CUSTOMER	AMOUNT	STATUS ▲	ACTION ⚙
<input type="checkbox"/>	2/7/2022	1049	eBiz	\$180.00	Due on 3/9/2022	Receive payment ▼
<input type="checkbox"/>	2/18/2022	1050	Law Offices of Williamson, Gallagher & Katz	\$300.00	Due on 3/20/2022	Receive payment ▼
<input type="checkbox"/>	2/18/2022	1051	Permanente Medical Service	\$286.47	Due on 3/20/2022	Receive payment ▼
<input type="checkbox"/>	2/20/2022	1052	WebPro	\$424.40	Due on 3/22/2022	Receive payment ▼
<input type="checkbox"/>	2/25/2022	1053	Springfield Unified School District	\$425.00	Due on 3/27/2022	Receive payment ▼

Figure 10-1: Customer payments due in March

2. **Money in:** Select Cash flow > Overview > within Expected money in section, select View reports > Customer balance detail report > as of 02/28/20XY > Run report.

Student Name Sales and Service						
Customer Balance Detail						
As of February 28, 2022						
DATE	TRANSACTION TYPE	NUM	DUE DATE	AMOUNT	OPEN BALANCE	BALANCE
eBiz						
02/07/2022	Invoice	1049	03/09/2022	180.00	180.00	180.00
Total for eBiz				\$180.00	\$180.00	
Law Offices of Williamson, Gallagher & Katz						
02/18/2022	Invoice	1050	03/20/2022	300.00	300.00	300.00
Total for Law Offices of Williamson, Gallagher & Katz				\$300.00	\$300.00	
Permanente Medical Service						
02/18/2022	Invoice	1051	03/20/2022	286.47	286.47	286.47
Total for Permanente Medical Service				\$286.47	\$286.47	
Springfield Unified School District						
02/25/2022	Invoice	1053	03/27/2022	425.00	425.00	425.00
Total for Springfield Unified School District				\$425.00	\$425.00	
WebPro						
02/20/2022	Invoice	1052	03/22/2022	424.40	424.40	424.40
Total for WebPro				\$424.40	\$424.40	
TOTAL				\$1,615.87	\$1,615.87	

Figure 10-2: Customer Balance Detail report

Figure 10-2, the Customer Balance Detail report, shows the *same* Due Dates and Open Balances as Figure 10-1, customer payments due in March. The report's total, \$1,615.87 agrees with the Account Receivable balance on the February 28 Trial Balance (Figure 10-4).

3. **Money out:** Select Cash flow > Overview > within Expected Money out, select View reports > Unpaid bills report > as of 2/28/20XY > Run report.

Student Name Sales and Service						
Unpaid Bills						
As of February 28, 2022						
DATE	TRANSACTION TYPE	NUM	DUE DATE	PAST DUE	AMOUNT	OPEN BALANCE
AmpleStore Inc. (650) 555-8527						
02/09/2022	Bill	AS401	03/11/2022	-175	300.00	300.00
02/20/2022	Bill	AS423	03/22/2022	-186	180.00	180.00
Total for AmpleStore Inc.					\$480.00	\$480.00
Any Time Deployment (781) 555-4671						
02/25/2022	Bill	ATD645	03/27/2022	-191	250.00	250.00
Total for Any Time Deployment					\$250.00	\$250.00
CloudZ Channel (650) 555-3250						
02/07/2022	Bill	CZ403	03/09/2022	-173	1,000.00	1,000.00
Total for CloudZ Channel					\$1,000.00	\$1,000.00
Computers 2 You (213) 555-2300						
02/25/2022	Bill	492C2U	03/27/2022	-191	2,000.00	2,000.00
Total for Computers 2 You					\$2,000.00	\$2,000.00
Conf/Call (480) 555-2411						
02/18/2022	Bill	275CC	03/20/2022	-184	135.00	135.00
02/27/2022	Bill	385CC	03/29/2022	-193	270.00	270.00
Total for Conf/Call					\$405.00	\$405.00
TOTAL					\$4,135.00	\$4,135.00

Figure 10-3: Unpaid Bills report

The \$4,135 balance is the same as Accounts Payable on Figure 10-4, the February 28 Trial Balance.

Comment: When viewing Money in and Money out reports, you can type the as of date *or* select All dates. Since QBO defaults to the system date (your current date), the Past Due column may have a minus in front of it.

4. **Trial Balance:** 01/01/20XY to 02/28/20XY

Student Name Sales and Service		
Trial Balance		
As of February 28, 2022		
	DEBIT	CREDIT
101 Checking	49,044.90	
105 Accounts Receivable (A/R)	1,615.87	
115 Merchandise Inventory	11,120.00	
123 Prepaid Rent	6,000.00	
125 Prepaid Insurance	2,250.00	
135 Computer Equipment	10,000.00	
137 Accumulated Depreciation		800.00
201 Accounts Payable (A/P)		4,135.00
205 Loan Payable		0.00
207 Arizona Department of Revenue Payable		977.83
208 Illinois Department of Revenue Payable		50.00
Out Of Scope Agency Payable		0.00
301 Common Stock		60,000.00
318 Retained Earnings		7,093.52
Opening Balance Equity		0.00
401 Sales		17,790.00
501 Cost of Goods Sold	8,895.00	
601 Advertising & Marketing	275.00	
603 Bank Charges & Fees	40.00	
605 Dues & subscriptions	175.00	
609 Freight & Delivery	95.97	
613 Interest Paid	150.00	
619 Meals & Entertainment	55.22	
621 Office Supplies & Software	179.72	
625 Repairs & Maintenance	300.00	
627 Shipping and Delivery Expense	47.00	
633 Telephone Expense	316.64	
635 Utilities Expense	286.03	
TOTAL	\$90,846.35	\$90,846.35

Accrual basis


Figure 10-4: February Trial Balance

Before recording March transactions, make sure your trial balance agrees with Figure 10-4. If editing is needed, go to the February Journal report. Compare your transactions to Figures 9-8 to 9-13. An additional entry for the \$20 service charge should also be shown. From the Journal report, drill-down to any entries that need to be changed. Save, then compare your February Trial Balance to Figure 10-4.



MARCH SOURCE DOCUMENTS

After analyzing each source document, record the appropriate transaction. All transactions occurred during March.

	Student Name Sales and Service
Memo	
Date: 3/6	
Re: Customer Payment	
<hr/> <p>Student Name Sales and Service received the following customer payment.</p>	
<p>Received payment from eBiz, Invoice 1049, \$180, customer check 10392.</p>	





Student Name Sales and Service

Memo

Date: 3/6

Re: Credit Card Receipts

The bank sent verification of credit card receipts in the amount of \$4,392.54 Refer to the sales receipts on the next three pages for the products sold and credit cards used.

Checking Account		Checks	Credit Card	Amount
Bank Statement				
Date: March 5		1	American Express	\$1,538.45
List of Deposits:		2	MasterCard	\$1,633.94
Coin	Totals	3	Visa	\$1,220.15
Quarters:	\$	4		
Dimes:	\$	5		
Nickels:	\$	6		
Pennies	\$			
Total				
Cash	Totals			
\$1	\$			
\$5	\$			
\$10	\$			
\$20	\$			
\$50	\$			
\$100	\$			
Total	\$			
Total Cash			Total Deposit	\$4,392.54



SALES RECEIPT

Student Name Sales and Service

Date: 3/6

RECEIPT # 1058

For: CREDIT

CARD

Payment Method	Type
CREDIT CARD	American Express

Qty	Description	Rate	Amount
15	Data storage	\$30.00	\$450.00
1	Computer	\$1,000.00	\$1,000.00
		Sales Tax 6.10%	\$88.45
		Total	\$1,538.45

Thank you for your business!

Comment: After entering the quantities and products, make sure the calculation for sales tax is \$88.45. On the Sales receipt page, you may need to click on the [Sales tax](#) link to calculate sales tax. Make sure the TAX field is checked.



SALES RECEIPT

Student Name Sales and Service

Date: 3/6

RECEIPT # 1059

For: **CREDIT CARD**

Payment Method	Type
CREDIT CARD	MasterCard

Qty	Description	Rate	Amount
5	Network products	\$50.00	\$250.00
3	Web server	\$400.00	\$1,200.00
1	Webinar	\$90.00	\$90.00
Sales Tax 6.10%			\$93.94
Total			\$1,633.94

Thank you for your business!



SALES RECEIPT

Student Name Sales and Service

Date: 3/6

RECEIPT # 1060

For: **CREDIT CARD**

Payment Method Type

CREDIT CARD	Visa
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Qty	Description	Rate	Amount
1	Computer	\$1,000.00	\$1,000.00
5	Data storage	\$30.00	\$150.00
		Sales Tax 6.10%	\$70.15
		Total	\$1,220.15

Thank you for your business!

BILL #: CZ459

DATE: 3/7

Customer:

CloudZ Channel
110 Merit Street
Menlo Park, CA 94025
650-555-3250



Student Name
 Sales and Service

Date	Quantity	Description	Unit Price	Amount
3/7	5	Web server	\$200.00	\$1,000.00

Remittance

Bill #	CZ459
Date	3/7
Amount Due	\$1,000.00

Thank you for your business!
Make all checks payable to CloudZ Channel.



Sales Invoice

TO:

eBiz
 800 W. Second Ave.
 Wilmington, DE 19801
 (302) 555-2000

SHIP

TO: SAME

Date	Invoice Number	Payment Terms	Due Date
3/8	1061	Net 30	4/7

Qty	Product	Description	Rate	Amount
9	Data storage	Data storage	\$30.00	\$270.00

Make all checks payable to Student Name Sales and Service

Thank you for your business!

Comment: If “You’re not set up to collect sales tax” message appears, it’s okay to close the message or ignore it. eBiz is located in Delaware where there is no sales tax.



Student Name Sales and Service

Memo

Date: 3/8

Re: Vendor Payments

Student Name Sales and Service pays the following vendors:

Vendor ID	Bill #	Check No.	Amount
AmpleStore	AS401	1100	\$300.00
CloudZ Channel	CZ403	1101	\$1,000.00

REMITTANCE

Bill #	AS401
Customer ID	Student Name Sales and Service
Date	3/8
Amount Enclosed	\$300.00
	AmpleStore Inc. 200 West Concord Ave. Palo Alto, CA 94301 650-555-8527

REMITTANCE

Bill #	CZ403
Customer ID	Student Name Sales and Service
Date	3/8
Amount Enclosed	\$1,000.00
	CloudZ Channel 110 Merit Street Menlo Park, CA 94025 650-555-3250



Bill: AS476

AmpleStore Inc.

Bill To: Student Name Sales
and Service

Date	Quantity	Description	Unit Price	Amount
3/12	22	Data storage	\$15.00	\$330.00

Remittance

Bill #	AS476
Date	3/12
Amount Due	\$330.00

AmpleStore Inc. 200 West Concord Ave. Palo Alto, CA 94301
(650) 555-8527



Bill: 431CC

Conf/Call
 700 North Prince Street
 Tempe, AZ 85008 USA
 480-555-2411

Bill to:
 Student Name
 Sales and Service

Date	Quantity	Description	Unit Price	Amount
3/12	3	Webinars	\$45	\$135.00

Remittance

Bill #	431CC
Date	3/12
Amount Due	\$135.00

Make all checks payable to Conf/Call.

Thank you for your business!



Sales Invoice

TO: Law Offices of Williamson,
Gallagher & Katz
 18 Piedmont Ave. NW
 Anchorage, AK 99510
 (907) 555-8134

SHIP
TO: SAME

Date	Invoice Number	Payment Terms	Due Date
3/15	1062	Net 30	4/14

Qty	Product	Description	Rate	Amount
6	Network Products	Network products	\$50.00	\$300.00

Make all checks payable to Student Name Sales and Service

Thank you for your business!

Comment: After entering the Invoice, make sure the Balance due field shows \$300.00.



Sales Invoice

TO: Permanente Medical Service SHIP
255 W. Third St. TO: SAME
Tucson, AZ 85704
(520) 555-555-9000

Date	Invoice Number	Payment Terms	Due Date
3/15	1063	Net 30	4/14

Qty	Product	Description	Rate	Amount
4	Webinars	Webinars	\$90	\$360.00
		Sales Tax	6.10%	\$21.96
		Balance Due		\$381.96

Make all checks payable to Student Name Sales and Service

Thank you for your business!



Bill: AS490

AmpleStore Inc.

Bill to:
Student Name Sales
and Service

Date	Quantity	Description	Unit Price	Amount
3/17	10	Data storage	\$15.00	\$150.00

Remittance

Bill #	AS490
Date	3/17
Amount Due	\$150.00

**AmpleStore Inc. 200 West Concord Ave. Palo Alto, CA 94301
(650) 555-8527**



Sales Invoice

TO: **WebPro** **SHIP**
1506 West Sage Street **TO: SAME**
Tucson, AZ 85704
(520) 555-5311

Date	Invoice Number	Payment Terms	Due Date
3/17	1064	Net 30	4/16

Qty	Product	Description	Rate	Amount
1	Web servers	Web servers	\$400.00	\$400.00
		Sales Tax	6.10%	\$24.40
		Balance Due		\$424.40

Make all checks payable to Student Name Sales and Service

Thank you for your business!



Student Name Sales and Service

Memo

Date: 3/19

Re: Vendor Payments

Student Name Sales and Service pays the following vendors:

Vendor ID	Bill #	Check No.	Amount
AmpleStore Inc.	AS423	1102	\$180.00
Conf/Call	275CC	1103	\$135.00

REMITTANCE

Bill #	AS423
Customer ID	Student Name Sales and Service
Date	3/19
Amount Enclosed	\$180.00
	AmpleStore Inc. 200 West Concord Ave. Palo Alto, CA 94301 650-555-8527

REMITTANCE	
Bill #	275CC
Customer ID	Student Name Sales and Service
Date	3/19
Amount Enclosed	\$135.00
	Conf/Call 700 North Prince Street Tempe, AZ 85008 (480) 555-2411



Student Name Sales and Service

Memo

Date: 3/19

Re: Customer Payments

Student Name Sales and Service received the following customer payments.

1. Received payment from the Law Offices of Williamson, Gallagher & Katz, Invoice 1050, \$300, customer check 5911.
2. Received payment from Permanente Medical Service, Invoice 1051, \$286.47, customer check 1794.

Transaction Register

Check No.	Date	Description of Transaction	Debit (-)	Credit (+)	Balance
	3/19	<i>Balance</i>			\$52,588.91
1104	3/19	Cellular Service	\$82.13		\$52,506.78
1105	3/19	Paper Supply Co.	\$150.00		\$52,356.78
1106	3/19	Western Telephone	\$78.23		\$52,278.55
1107	3/19	Office Suppliers	\$132.40		\$52,146.15
1108	3/19	Moss Advertising	\$175.00		\$51,971.15
1109	3/19	SPR Gas	\$113.25		\$51,857.90
1110	3/20	Hour Deliveries	\$60.00		\$51,797.90
1111	3/20	U.S. Post Office	\$47.00		\$51,750.90
1112	3/20	Vince Bartel	\$150.00		\$51,600.90

Comment: Verify that the Dashboard BANK ACCOUNTS balance in 101 Checking is \$51,600.90. If editing is needed, refer to the March 6 through March 20 Journal, Figures 10-7 to 10-15.

Date:

3/21

BILL #: 501C2U

Computers 2 You
2006 East 14 Avenue
Los Angeles, CA 90046
(213) 555-2300



BILL TO: Student
 Name Sales and
 Service

Quantity	Description	Unit Price	Amount
4	Computers	\$500.00	\$2,000.00

Remittance

Bill #	501C2U
Date	3/21
Amount Due	\$2,000.00

Any Time Deployment

1189 W. Burnside
 Lexington, MA 02421
 (781) 555-4681

Bill Number: ATD694

Date: 3/21



Ship To:
 Student Name Sales and Service

SHIPPED VIA	TERMS
UPS	Net 30

QTY	DESCRIPTION	UNIT PRICE	TOTAL
10	Network products	\$25.00	\$250.00
SUBTOTAL			\$250.00
TOTAL			\$250.00

Remittance

Bill #	ATD694
Date	3/21
Amount Due	\$250.00



Student Name Sales and Service

Memo

Date: 3/21

Re: Customer Payments

Student Name Sales and Service received the following customer payments.

1. Received payment from Springfield Unified School District, Invoice 1053, \$425, customer check 9290.
2. Received payment from WebPro, Invoice 1052, \$424.40, customer check 912.



Sales Invoice

TO: Springfield Unified School District
4892 Clear Lake Ave.
Springfield, IL 62703
(217) 555-555-5500

SHIP TO: SAME

Date	Invoice Number	Payment Terms	Due Date
3/25	1065	Net 30	4/24

Qty	Product	Description	Rate	Amount
2	Web server	Web server	\$400.00	\$800.00
		Sales Tax	6.25%	\$50.00
		Balance Due		\$850.00

Make all checks payable to Student Name Sales and Service

Thank you for your business!



SALES RECEIPT

Student Name Sales and Service

Date: 3/25

RECEIPT # 1066

For: **Cash Sales**

Payment Method

Type

Check 12978

Cash sales

Qty	Description	Rate	Amount
1	Computer	\$1,000.00	\$1,000.00
		Sales Tax 6.10%	\$61.00
		Total	\$1,061.00

Thank you for your business!



Student Name Sales and Service

Memo

Date: 3/26

Re: Credit Card Receipts

The bank sent verification of credit card receipts in the amount of \$2,026.51. Refer to the sales receipts on the next three pages for the products sold and credit cards used.

Checking Account		Checks	Credit Card	Amount
Bank Statement				
Date: March 5		1	American Express	\$1,315.64
List of Deposits:		2	MasterCard	\$159.15
Coin	Totals	3	Visa	\$551.72
Quarters:	\$	4		
Dimes:	\$	5		
Nickels:	\$	6		
Pennies	\$			
Total				
Cash	Totals			
\$1	\$			
\$5	\$			
\$10	\$			
\$20	\$			
\$50	\$			
\$100	\$			
Total	\$			
Total Cash			Total Deposit	\$2,026.51

Hint: On the Sales Receipts page, select the appropriate credit card.



SALES RECEIPT

Student Name Sales and Service

Date: 3/26

RECEIPT #1067

For: **Credit Card**

Payment Method

Type

CREDIT CARD

American Express

Qty	Description	Rate	Amount
8	Data storage	\$30.00	\$240.00
1	Computer	\$1,000.00	\$1,000.00
		Sales Tax 6.10%	\$75.64
		Total	\$1,315.64

Thank you for your business!



SALES RECEIPT

Student Name Sales and Service

Date: 3/26

RECEIPT #1068

For: **Credit Card**

Payment Method Type

CREDIT CARD	MasterCard
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Qty	Description	Rate	Amount
3	Network products	\$50.00	\$150.00
		Sales Tax 6.10%	\$9.15
		Total	\$159.15

Thank you for your business!



SALES RECEIPT

Student Name Sales and Service

Date: 3/26

RECEIPT #1069

For: **Credit Card**

Payment Method Type

CREDIT CARD

Visa

Qty	Description	Rate	Amount
5	Data storage	\$30.00	\$150.00
2	Network products	\$50.00	\$100.00
3	Webinars	\$90.00	\$270.00
Sales Tax 6.10%			\$31.72
Total			\$551.72

Thank you for your business!



Student Name Sales and Service

Memo

Date: 3/26

Re: Vendor Payments

Student Name Sales and Service pays the following vendors:

Vendor ID	Bill #	Check No.	Amount
Any Time Deployment	ATD645	1113	\$250.00
Computers 2 You	492C2U	1114	\$2,000.00
Conf/Call	385CC	1115	\$270.00

REMITTANCE

Bill #	ATD645
Customer ID	Student Name Sales and Service
Date	3/26
Amount Enclosed	\$250.00
	Any Time Deployment 1189 W. Burnside Lexington, MA 02421 (781) 555-4781

REMITTANCE	
Bill #	492C2U
Customer ID	Student Name Sales and Service
Date	3/26
Amount Enclosed	\$2,000.00
	Computers 2 You 2006 East 14 Avenue Los Angeles, CA 90046 213-555-2300

REMITTANCE	
Bill #	385CC
Customer ID	Student Name Sales and Service
Date	3/26
Amount Enclosed	\$270.00
	Conf/Call 700 North Prince Street Tempe, AZ 85008 Phone: 480-555-2411

BILL #: CZ476

DATE: 3/30

Customer:

CloudZ Channel

Student Name Sales and Service

110 Merit Street

Menlo Park, CA 94025

650-555-3250



Date	Quantity	Description	Unit Price	Amount
3/30	6	Web server	\$200.00	\$1,200.00

Remittance

Bill #	CZ476
Date	3/30
Amount Due	\$1,200.00

Thank you for your business!

Make all checks payable to CloudZ Channel.

Any Time Deployment

1189 W. Burnside
 Lexington, MA 02421
 (781) 555-4681

Bill Number: ATD734

Date: 3/30



Ship To:
 Student Name Sales and Service

SHIPPED VIA	TERMS
UPS	Net 30

QTY	DESCRIPTION	UNIT PRICE	TOTAL
11	Network products	\$25.00	\$275.00
SUBTOTAL			\$275.00
TOTAL			\$275.00

Remittance

Bill #	ATD734
Date	3/30
Amount Due	\$275.00



Student Name Sales and Service

Memo

Date: 3/30

Re: Credit Card Receipts

The bank sent verification of credit card receipts in the amount of \$3,904.48. Refer to the sales receipts on the next three pages for the products sold and credit cards used.

Checking Account		Checks	Credit Card	Amount
Bank Statement				
Date: March 5		1	American Express	\$795.75
List of Deposits:		2	MasterCard	\$1,538.45
Coin	Totals	3	Visa	\$1,570.28
Quarters:	\$	4		
Dimes:	\$	5		
Nickels:	\$	6		
Pennies	\$			
Total				
Cash	Totals			
\$1	\$			
\$5	\$			
\$10	\$			
\$20	\$			
\$50	\$			
\$100	\$			
Total				
Total Cash			Total Deposit	\$3,904.48

Hint: On the Sales Receipts page, select the appropriate credit card.



SALES RECEIPT

Student Name Sales and Service

Date: 3/30

RECEIPT # 1070

For: **Credit Card**

Payment Method

Type

CREDIT CARD

American Express

Qty	Description	Rate	Amount
15	Data storage	\$30.00	\$450.00
6	Network products	\$50.00	\$300.00
		Sales Tax 6.10%	\$45.75
		Total	\$795.75

Thank you for your business!



SALES RECEIPT

Student Name Sales and Service

Date: 3/30

RECEIPT # 1071

For: **Credit Card**

Payment Method	Type
CREDIT CARD	MasterCard

Qty	Description	Rate	Amount
1	Computers	\$1,000.00	\$1,000.00
6	Network products	\$50.00	\$300.00
5	Data storage	\$30.00	\$150.00
Sales Tax 6.10%			\$88.45
Total			\$1,538.45

Thank you for your business!



SALES RECEIPT

Student Name Sales and Service

Date: 3/30

RECEIPT # 1072

For: **Credit Card**

Payment Method Type

CREDIT CARD

Visa

Qty	Description	Rate	Amount
16	Data storage	\$30.00	\$480.00
1	Computer	\$1,000.00	\$1,000.00
		Sales Tax 6.10%	\$90.28
		Total	\$1,570.28

Thank you for your business!

UNADJUSTED TRIAL BALANCE, SALES TAX LIABILITY REPORT, AND JOURNAL

1. Trial Balance (unadjusted): 1/1/20XY to 3/30/XY. For rows and columns, Non-zero was selected.

Student Name Sales and Service		
Trial Balance		
As of March 30, 2022		
	DEBIT	CREDIT
101 Checking	56,922.29	
105 Accounts Receivable (A/R)	2,226.36	
115 Merchandise Inventory	10,030.00	
123 Prepaid Rent	6,000.00	
125 Prepaid Insurance	2,250.00	
135 Computer Equipment	10,000.00	
137 Accumulated Depreciation		800.00
201 Accounts Payable (A/P)		5,340.00
207 Arizona Department of Revenue Payable		1,678.72
208 Illinois Department of Revenue Payable		100.00
301 Common Stock		60,000.00
318 Retained Earnings		7,093.52
401 Sales		30,650.00
501 Cost of Goods Sold	15,325.00	
601 Advertising & Marketing	450.00	
603 Bank Charges & Fees	40.00	
605 Dues & subscriptions	175.00	
609 Freight & Delivery	155.97	
613 Interest Paid	150.00	
619 Meals & Entertainment	55.22	
621 Office Supplies & Software	312.12	
625 Repairs & Maintenance	450.00	
627 Shipping and Delivery Expense	94.00	
629 Stationery & Printing	150.00	
633 Telephone Expense	477.00	
635 Utilities Expense	399.28	
TOTAL	\$105,662.24	\$105,662.24

Accrual basis

Figure 10-5: Unadjusted Trial Balance

- Export the Unadjusted Trial Balance to Excel and save as a PDF file. Use the file name **Chapter 10_Unadjusted Trial Balance**.

2. Figure 10-5, the Unadjusted Trial Balance shows a balance for both sales tax agencies. To confirm the amounts owed to Illinois and Arizona, display the Sales Tax Liability Report from 1/1/XY to 3/30/XY.

Student Name Sales and Service				
Sales Tax Liability Report				
January 1 - March 30, 2022				
	GROSS AMOUNT	NON TAXABLE AMOUNT	TAXABLE AMOUNT	TAX AMOUNT
Arizona Department of Revenue				
Arizona State	27,520.00	0.00	27,520.00	1,541.12
Arizona, Pima County	27,520.00	0.00	27,520.00	137.60
TOTAL				1,678.72
Illinois Department of Revenue				
Illinois State	1,600.00	0.00	1,600.00	100.00
TOTAL				100.00
Accrual basis				

Figure 10-6: Sales Tax Liability Report

- Export the Sales Tax Liability Report to Excel and save as a PDF file.
Use the file name **Chapter 10_Sales Tax Liability Report**.

Use the Transaction Register below to pay the sales tax agencies.

Transaction Register					
Check No.	Date	Description of Transaction	Debit (-)	Credit (+)	Balance
	3/30	<i>Balance</i>			\$56,922.29
1116	3/30	Arizona Department of Revenue	\$1,678.72		\$55,243.57
1117	3/30	Illinois Department of Revenue	\$100.00		\$55,143.57

3. Journal: 3/1/20XY to 3/30/XY. Figures 10-7 to 10-15 show the Journal Report. Check your journal carefully. Drill-down to make any needed corrections.

Page 1		Student Name Sales and Service									
JOURNAL											
March 1-30, 2022											
Date	Transaction Type	Num	Adj	Name	Memo/Description	Account #	Account	Debit	Credit		
03/06/2022	Payment	10392	No	eBiz		101	101 Checking	180.00			
			No			105	105 Accounts Receivable (A/R)		180.00		
								\$ 180.00	\$ 180.00		
03/06/2022	Sales Receipt	1058	No	Credit Card Sales		101	101 Checking	1,538.45			
			No		Data storage	401	401 Sales		450.00		
			No		Data storage	115	115 Merchandise Inventory		180.00		
			No		Data storage	501	501 Cost of Goods Sold	180.00			
			No		Data storage	115	115 Merchandise Inventory		45.00		
			No		Data storage	501	501 Cost of Goods Sold	45.00			
			No		Computers	401	401 Sales		1,000.00		
			No		Computers	115	115 Merchandise Inventory		500.00		
			No		Computers	501	501 Cost of Goods Sold	500.00			
			No			207	207 Arizona Department of Revenue Payable		81.20		
			No			207	207 Arizona Department of Revenue Payable		7.25		
								\$ 2,283.45	\$ 2,283.45		
03/06/2022	Sales Receipt	1059	No	Credit Card Sales		101	101 Checking	1,633.94			
			No		Network products	401	401 Sales		250.00		
			No		Network products	115	115 Merchandise Inventory		125.00		
			No		Network products	501	501 Cost of Goods Sold	125.00			
			No		Web server	401	401 Sales		1,200.00		
			No		Web server	115	115 Merchandise Inventory		600.00		
			No		Web server	501	501 Cost of Goods Sold	600.00			
			No		Webinars	401	401 Sales		90.00		
			No		Webinars	115	115 Merchandise Inventory		45.00		
			No		Webinars	501	501 Cost of Goods Sold	45.00			
			No			207	207 Arizona Department of Revenue Payable		86.24		
			No			207	207 Arizona Department of Revenue Payable		7.70		
								\$ 2,403.94	\$ 2,403.94		

Figure 10-7: Journal, page 1

Page 2											
03/06/2022	Sales Receipt	1060	No	Credit Card Sales		101	101 Checking	1,220.15			
			No		Computers	401	401 Sales		1,000.00		
			No		Computers	115	115 Merchandise Inventory		500.00		
			No		Computers	501	501 Cost of Goods Sold	500.00			
			No		Data storage	401	401 Sales		150.00		
			No		Data storage	115	115 Merchandise Inventory		75.00		
			No		Data storage	501	501 Cost of Goods Sold	75.00			
			No			207	207 Arizona Department of Revenue Payable		64.40		
			No			207	207 Arizona Department of Revenue Payable		5.75		
								\$ 1,795.15	\$ 1,795.15		
03/07/2022	Bill	G2459	No	CloudZ Channel		201	201 Accounts Payable (A/P)		1,000.00		
			No		Web server	115	115 Merchandise Inventory	1,000.00			
								\$ 1,000.00	\$ 1,000.00		
03/08/2022	Invoice	1061	No	eBiz		105	105 Accounts Receivable (A/R)	270.00			
			No		Data storage	401	401 Sales		270.00		
			No		Data storage	115	115 Merchandise Inventory		60.00		
			No		Data storage	501	501 Cost of Goods Sold	60.00			
			No		Data storage	115	115 Merchandise Inventory		75.00		
			No		Data storage	501	501 Cost of Goods Sold	75.00			
								\$ 405.00	\$ 405.00		
03/08/2022	Bill Payment (Check)	1100	No	AmpleStore Inc.		101	101 Checking		300.00		
			No			201	201 Accounts Payable (A/P)	300.00			
								\$ 300.00	\$ 300.00		
03/08/2022	Bill Payment (Check)	1101	No	CloudZ Channel		101	101 Checking		1,000.00		
			No			201	201 Accounts Payable (A/P)	1,000.00			
								\$ 1,000.00	\$ 1,000.00		
03/12/2022	Bill	AS476	No	AmpleStore Inc.		201	201 Accounts Payable (A/P)		330.00		
			No		Data storage	115	115 Merchandise Inventory	330.00			
								\$ 330.00	\$ 330.00		

Figure 10-8: Journal, page 2

Page 3									
03/12/2022	Bill	431CC	No	Conf/Call		201	201 Accounts Payable (A/P)		135.00
			No		Webinars	115	115 Merchandise Inventory	135.00	
								\$ 135.00	\$ 135.00
03/15/2022	Invoice	1062	No	Law Offices of Williamson, Gallagher & Katz		105	105 Accounts Receivable (A/R)	300.00	
			No		Network products	401	401 Sales		300.00
			No		Network products	115	115 Merchandise Inventory		75.00
			No		Network products	501	501 Cost of Goods Sold	75.00	
			No		Network products	115	115 Merchandise Inventory		75.00
			No		Network products	501	501 Cost of Goods Sold	75.00	
								\$ 450.00	\$ 450.00
03/16/2022	Invoice	1063	No	Permanente Medical Service		105	105 Accounts Receivable (A/R)	301.96	
			No		Webinars	401	401 Sales		360.00
			No		Webinars	115	115 Merchandise Inventory		180.00
			No		Webinars	501	501 Cost of Goods Sold	180.00	
			No			207	207 Arizona Department of Revenue Payable		20.16
			No			207	207 Arizona Department of Revenue Payable		1.80
								\$ 561.96	\$ 561.96
03/17/2022	Bill	AS490	No	AmpleStore Inc.		201	201 Accounts Payable (A/P)		150.00
			No		Data storage	115	115 Merchandise Inventory	150.00	
								\$ 150.00	\$ 150.00
03/17/2022	Invoice	1064	No	WebPro		105	105 Accounts Receivable (A/R)	424.40	
			No		Web server	401	401 Sales		400.00
			No		Web server	115	115 Merchandise Inventory		200.00
			No		Web server	501	501 Cost of Goods Sold	200.00	
			No			207	207 Arizona Department of Revenue Payable		22.40
			No			207	207 Arizona Department of Revenue Payable		2.00
								\$ 624.40	\$ 624.40
03/19/2022	Bill Payment (Check)	1102	No	AmpleStore Inc.		101	101 Checking		180.00
			No			201	201 Accounts Payable (A/P)	180.00	
								\$ 180.00	\$ 180.00

Figure 10-9: Journal, page 3

Page 4									
03/19/2022	Bill Payment (Check)	1103	No	Conf/Call		101	101 Checking		135.00
			No			201	201 Accounts Payable (A/P)	135.00	
								\$ 135.00	\$ 135.00
03/19/2022	Payment	5911	No	Law Offices of Williamson, Gallagher & Katz		101	101 Checking	300.00	
			No			105	105 Accounts Receivable (A/R)		300.00
								\$ 300.00	\$ 300.00
03/19/2022	Payment	1794	No	Permanente Medical Service		101	101 Checking	286.47	
			No			105	105 Accounts Receivable (A/R)		286.47
								\$ 286.47	\$ 286.47
03/19/2022	Check	1104	No	Cellular Service		101	101 Checking		82.13
			No		Cell service	633	633 Telephone Expense	82.13	
								\$ 82.13	\$ 82.13
03/19/2022	Check	1105	No	Paper Supply Co.		101	101 Checking		150.00
			No		Stationery	629	629 Stationery & Printing	150.00	
								\$ 150.00	\$ 150.00
03/19/2022	Check	1106	No	Western Telephone		101	101 Checking		78.23
			No		Paid monthly bill	633	633 Telephone Expense	78.23	
								\$ 78.23	\$ 78.23
03/19/2022	Check	1107	No	Office Suppliers		101	101 Checking		132.40
			No		Bought office supplies	621	621 Office Supplies & Software	132.40	
								\$ 132.40	\$ 132.40
03/19/2022	Check	1108	No	Moss Advertising		101	101 Checking		175.00
			No		Advertising expense	601	601 Advertising & Marketing	175.00	
								\$ 175.00	\$ 175.00

Figure 10-10: Journal, page 4

Page 5

03/19/2022	Check	1109	No	SPR Gas	101	101 Checking	113.25	
			No	Paid monthly bill	635	635 Utilities Expense		
							113.25	
							\$ 113.25	\$ 113.25
03/20/2022	Check	1110	No	Hour Deliveries	101	101 Checking	60.00	
			No	Delivery	609	609 Freight & Delivery	60.00	
							60.00	
							\$ 60.00	\$ 60.00
03/20/2022	Check	1111	No	U.S. Post Office	101	101 Checking	47.00	
			No	Shipping and delivery	627	627 Shipping and Delivery Expense	47.00	
							47.00	
							\$ 47.00	\$ 47.00
03/20/2022	Check	1112	No	Vince Bartel	101	101 Checking	150.00	
			No	Repair and maintenance	625	625 Repairs & Maintenance	150.00	
							150.00	
							\$ 150.00	\$ 150.00
03/21/2022	Bill	501C2U	No	Computers 2 You	201	201 Accounts Payable (A/P)	2,000.00	
			No	Computers	115	115 Merchandise Inventory	2,000.00	
							2,000.00	
							\$ 2,000.00	\$ 2,000.00
03/21/2022	Bill	ATD694	No	Any Time Deployment	201	201 Accounts Payable (A/P)	250.00	
			No	Network products	115	115 Merchandise Inventory	250.00	
							250.00	
							\$ 250.00	\$ 250.00
03/21/2022	Payment	9290	No	Springfield Unified School District	101	101 Checking	425.00	
			No		105	105 Accounts Receivable (A/R)	425.00	
							425.00	
							\$ 425.00	\$ 425.00
03/21/2022	Payment	912	No	WebPro	101	101 Checking	424.40	
			No		105	105 Accounts Receivable (A/R)	424.40	
							424.40	
							\$ 424.40	\$ 424.40

Figure 10-11: Journal, page 5

Page 6

03/25/2022	Invoice	1065	No	Springfield Unified School District	105	105 Accounts Receivable (A/R)	850.00	
			No	Web server	401	401 Sales	800.00	
			No	Web server	115	115 Merchandise Inventory	400.00	
			No	Web server	501	501 Cost of Goods Sold	400.00	
			No		208	208 Illinois Department of Revenue Payable	50.00	
							1,250.00	
							\$ 1,250.00	\$ 1,250.00
03/25/2022	Sales Receipt	1066	No	Cash Sales	101	101 Checking	1,061.00	
			No	Computers	401	401 Sales	1,000.00	
			No	Computers	115	115 Merchandise Inventory	500.00	
			No	Computers	501	501 Cost of Goods Sold	500.00	
			No		207	207 Arizona Department of Revenue Payable	56.00	
			No		207	207 Arizona Department of Revenue Payable	5.00	
							1,561.00	
							\$ 1,561.00	\$ 1,561.00
03/26/2022	Sales Receipt	1067	No	Credit Card Sales	101	101 Checking	1,315.64	
			No	Data storage	401	401 Sales	240.00	
			No	Data storage	115	115 Merchandise Inventory	120.00	
			No	Data storage	501	501 Cost of Goods Sold	120.00	
			No	Computers	401	401 Sales	1,000.00	
			No	Computers	115	115 Merchandise Inventory	500.00	
			No	Computers	501	501 Cost of Goods Sold	500.00	
			No		207	207 Arizona Department of Revenue Payable	69.44	
			No		207	207 Arizona Department of Revenue Payable	6.20	
							1,935.64	
							\$ 1,935.64	\$ 1,935.64
03/26/2022	Sales Receipt	1068	No	Credit Card Sales	101	101 Checking	158.15	
			No	Network products	401	401 Sales	150.00	
			No	Network products	115	115 Merchandise Inventory	75.00	
			No	Network products	501	501 Cost of Goods Sold	75.00	
			No		207	207 Arizona Department of Revenue Payable	8.40	
			No		207	207 Arizona Department of Revenue Payable	0.75	
							234.15	
							\$ 234.15	\$ 234.15

Figure 10-12: Journal, page 6

Page 7									
03/26/2022	Sales Receipt	1069	No	Credit Card Sales	101	101 Checking	591.72		
			No	Data storage	401	401 Sales		150.00	
			No	Data storage	115	115 Merchandise Inventory		75.00	
			No	Data storage	501	501 Cost of Goods Sold	75.00		
			No	Network products	401	401 Sales		100.00	
			No	Network products	115	115 Merchandise Inventory		50.00	
			No	Network products	501	501 Cost of Goods Sold	50.00		
			No	Webinars	401	401 Sales		270.00	
			No	Webinars	115	115 Merchandise Inventory		135.00	
			No	Webinars	501	501 Cost of Goods Sold	135.00		
			No		207	207 Arizona Department of Revenue Payable		29.12	
			No		207	207 Arizona Department of Revenue Payable		2.60	
							\$ 811.72	\$ 811.72	
03/26/2022	Bill Payment (Check)	1113	No	Any Time Deployment	101	101 Checking		250.00	
			No		201	201 Accounts Payable (A/P)	250.00		
							\$ 250.00	\$ 250.00	
03/26/2022	Bill Payment (Check)	1114	No	Computers 2 You	101	101 Checking		2,000.00	
			No		201	201 Accounts Payable (A/P)	2,000.00		
							\$ 2,000.00	\$ 2,000.00	
03/26/2022	Bill Payment (Check)	1115	No	Conf/Call	101	101 Checking		270.00	
			No		201	201 Accounts Payable (A/P)	270.00		
							\$ 270.00	\$ 270.00	
03/30/2022	Bill	C2476	No	Cloud2 Channel	201	201 Accounts Payable (A/P)		1,200.00	
			No	Web server	115	115 Merchandise Inventory	1,200.00		
							\$ 1,200.00	\$ 1,200.00	
03/30/2022	Bill	ATD734	No	Any Time Deployment	201	201 Accounts Payable (A/P)		275.00	
			No	Network products	115	115 Merchandise Inventory	275.00		
							\$ 275.00	\$ 275.00	

Figure 10-13: Journal, page 7

Page 8									
03/30/2022	Sales Receipt	1070	No	Credit Card Sales	101	101 Checking	795.75		
			No	Data storage	401	401 Sales		450.00	
			No	Data storage	115	115 Merchandise Inventory		225.00	
			No	Data storage	501	501 Cost of Goods Sold	225.00		
			No	Network products	401	401 Sales		300.00	
			No	Network products	115	115 Merchandise Inventory		50.00	
			No	Network products	501	501 Cost of Goods Sold	50.00		
			No	Network products	115	115 Merchandise Inventory		100.00	
			No	Network products	501	501 Cost of Goods Sold	100.00		
			No		207	207 Arizona Department of Revenue Payable		42.00	
			No		207	207 Arizona Department of Revenue Payable		3.75	
							\$ 1,170.75	\$ 1,170.75	
03/30/2022	Sales Receipt	1071	No	Credit Card Sales	101	101 Checking	1,538.45		
			No	Computers	401	401 Sales		1,000.00	
			No	Computers	115	115 Merchandise Inventory		500.00	
			No	Computers	501	501 Cost of Goods Sold	500.00		
			No	Network products	401	401 Sales		300.00	
			No	Network products	115	115 Merchandise Inventory		150.00	
			No	Network products	501	501 Cost of Goods Sold	150.00		
			No	Data storage	401	401 Sales		150.00	
			No	Data storage	115	115 Merchandise Inventory		75.00	
			No	Data storage	501	501 Cost of Goods Sold	75.00		
			No		207	207 Arizona Department of Revenue Payable		81.20	
			No		207	207 Arizona Department of Revenue Payable		7.25	
							\$ 2,263.45	\$ 2,263.45	
03/30/2022	Sales Receipt	1072	No	Credit Card Sales	101	101 Checking	1,570.28		
			No	Data storage	401	401 Sales		480.00	
			No	Data storage	115	115 Merchandise Inventory		30.00	
			No	Data storage	501	501 Cost of Goods Sold	30.00		
			No	Data storage	115	115 Merchandise Inventory		180.00	
			No	Data storage	501	501 Cost of Goods Sold	180.00		
			No	Data storage	115	115 Merchandise Inventory		30.00	
			No	Data storage	501	501 Cost of Goods Sold	30.00		
			No	Computers	401	401 Sales		1,000.00	
			No	Computers	115	115 Merchandise Inventory		500.00	

Figure 10-14: Journal, page 8

Page 9									
			No	Computers	501	501 Cost of Goods Sold		500.00	
			No		207	207 Arizona Department of Revenue Payable			82.88
			No		207	207 Arizona Department of Revenue Payable			7.40
								<u>\$ 2,310.28</u>	<u>\$ 2,310.28</u>
03/30/2022	Check	1116	No	Arizona Department of Revenue	101	101 Checking			1,678.72
			No	Sales tax payment	207	207 Arizona Department of Revenue Payable		1,678.72	
								<u>\$ 1,678.72</u>	<u>\$ 1,678.72</u>
03/30/2022	Check	1117	No	Illinois Department of Revenue	101	101 Checking			100.00
			No	Sales tax payment	208	208 Illinois Department of Revenue Payable		100.00	
								<u>\$ 100.00</u>	<u>\$ 100.00</u>
								<u>\$ 33,898.49</u>	<u>\$ 33,898.49</u>

Figure 10-15: Journal, page 9

- Export the Journal to Excel and save as a PDF file. Use the file name **Chapter 10_Journal**.

END-OF-QUARTER ADJUSTING ENTRIES

It is the policy of Student Name Sales and Service to record adjusting entries at the end of the quarter. The accounting records are complete through March 31, the end of the first quarter. Make the following journal entries as of March 31, 20XY.

1. Adjust three months of prepaid rent. (*Hint:* On the Journal entry page, select



Is Adjusting Entry (.)

2. Adjust prepaid insurance. Student Name Sales and Service paid a one-year insurance premium on 10/2/XX. An adjusting entry was recorded on December 31.
3. Adjust accumulated depreciation. Use straight-line depreciation for computer equipment. The computer equipment has a three-year service life and a \$400 salvage value.
4. Display the March 31, 20XY Adjusting Journal Entries.

Student Name Sales and Service							
Adjusting Journal Entries							
March 31, 2022							
DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT	DEBIT	CREDIT
03/31/2022	Journal Entry	5		Adjust prepaid rent	623 Rent & Lease	\$6,000.00	
				Adjust prepaid rent	123 Prepaid Rent		\$6,000.00
						\$6,000.00	\$6,000.00
03/31/2022	Journal Entry	6		Adjust prepaid insurance	611 Insurance Expense	\$750.00	
				Adjust prepaid insurance	125 Prepaid Insurance		\$750.00
						\$750.00	\$750.00
03/31/2022	Journal Entry	7		Adjust depreciation	607 Depreciation Expense	\$800.00	
				Adjust depreciation	137 Accumulated Depreciation		\$800.00
						\$800.00	\$800.00
TOTAL						\$7,550.00	\$7,550.00

Figure 10-16: March 31 Adjusting Journal Entries

- Export the March 31 Adjusting Journal Entries to Excel and save as a PDF file. Use the file name **Chapter 10_March 31 Adjusting Journal Entries**.

REPORTS

1. **Adjusted Trial Balance** from 1/1/XY to 3/31/XY.

Student Name Sales and Service						
Adjusted Trial Balance						
As of March 31, 2022						
	UNADJUSTED BALANCE		ADJUSTMENTS		ADJUSTED BALANCE	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
101 Checking	55,143.57				55,143.57	
105 Accounts Receivable (A/R)	2,226.36				2,226.36	
115 Merchandise Inventory	10,030.00				10,030.00	
123 Prepaid Rent	6,000.00			6,000.00		
125 Prepaid Insurance	2,250.00			750.00		1,500.00
135 Computer Equipment	10,000.00				10,000.00	
137 Accumulated Depreciation		800.00		800.00		1,600.00
201 Accounts Payable (A/P)		5,340.00				5,340.00
301 Common Stock		60,000.00				60,000.00
318 Retained Earnings		7,093.52				7,093.52
401 Sales		30,650.00				30,650.00
501 Cost of Goods Sold	15,325.00				15,325.00	
601 Advertising & Marketing	450.00				450.00	
603 Bank Charges & Fees	40.00				40.00	
605 Dues & subscriptions	175.00				175.00	
607 Depreciation Expense			800.00		800.00	
609 Freight & Delivery	155.97				155.97	
611 Insurance Expense			750.00		750.00	
613 Interest Paid	150.00				150.00	
619 Meals & Entertainment	55.22				55.22	
621 Office Supplies & Software	312.12				312.12	
623 Rent & Lease			6,000.00		6,000.00	
625 Repairs & Maintenance	450.00				450.00	
627 Shipping and Delivery Expense	94.00				94.00	
629 Stationery & Printing	150.00				150.00	
633 Telephone Expense	477.00				477.00	
635 Utilities Expense	399.28				399.28	
TOTAL	\$103,883.52	\$103,883.52	\$7,550.00	\$7,550.00	\$104,683.52	\$104,683.52

Accrual basis

Figure 10-17: Adjusted Trial Balance

Comment: The Unadjusted Trial Balance displayed in Figure 10-5 differs from the Unadjusted Balance column in Figure 10-17. Figure 10-5’s Unadjusted Trial Balance was printed *before* the sales tax payments were made. The Unadjusted Trial Balance includes credit balances in *both* Account 207 Arizona Department of Revenue Payable, and Account 208 Illinois Department of Revenue Payable. Once sales tax payments are made, the Adjusted Trial Balance does not show balances Accounts 207 and 208.

- Export the Trial Balance to Excel and save as a PDF file. Use the file name **Chapter 10_Adjusted Trial Balance**.

2. Accounts Receivable Aging Summary: As of 3/31/20XY

Student Name Sales and Service						
A/R Aging Summary						
As of March 31, 2022						
	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
eBiz	270.00					\$270.00
Law Offices of Williamson, Gallagher & Katz	300.00					\$300.00
Permanente Medical Service	381.96					\$381.96
Springfield Unified School District	850.00					\$850.00
WebPro	424.40					\$424.40
TOTAL	\$2,226.36	\$0.00	\$0.00	\$0.00	\$0.00	\$2,226.36

Figure 10-18: Accounts Receivable Aging Summary

- Export the Accounts Receivable Aging Summary to Excel and save as a PDF file. Use the file name, **Chapter 10_AR Aging Summary**.

3. Inventory Valuation Summary: As of 3/31/20XY

Student Name Sales and Service				
Inventory Valuation Summary				
As of March 31, 2022				
	SKU	QTY	ASSET VALUE	CALC. AVG
Computers		10.00	5,000.00	500.00
Data storage		10.00	150.00	15.00
Network products		11.00	275.00	25.00
Web server		21.00	4,200.00	200.00
Webinars		9.00	405.00	45.00
TOTAL			\$10,030.00	

Figure 10-19: Inventory Valuation Summary

- Export to Excel and save as a PDF file. Use the file name **Chapter 10_Inventory Valuation Summary**.

4. **Accounts Payable Aging Summary: As of 3/31/20XY**

Student Name Sales and Service						
A/P Aging Summary						
As of March 31, 2022						
	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
AmpleStore Inc.	480.00					\$480.00
Any Time Deployment	525.00					\$525.00
CloudZ Channel	2,200.00					\$2,200.00
Computers 2 You	2,000.00					\$2,000.00
Conf/Call	135.00					\$135.00
TOTAL	\$5,340.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,340.00

Figure 10-20: Accounts Payable Aging Summary

- Export to Excel and save as a PDF file. Use the file name **Chapter 10_AP Aging Summary**.

5. **Profit and Loss from 1/1/20XY to 3/31/20XY**

Student Name Sales and Service	
Profit and Loss	
January - March, 2022	
	TOTAL
Income	
401 Sales	30,650.00
Total Income	\$30,650.00
Cost of Goods Sold	
501 Cost of Goods Sold	15,325.00
Total Cost of Goods Sold	\$15,325.00
GROSS PROFIT	\$15,325.00
Expenses	
601 Advertising & Marketing	450.00
603 Bank Charges & Fees	40.00
605 Dues & subscriptions	175.00
607 Depreciation Expense	800.00
609 Freight & Delivery	155.97
611 Insurance Expense	750.00
613 Interest Paid	150.00
619 Meals & Entertainment	55.22
621 Office Supplies & Software	312.12
623 Rent & Lease	6,000.00
625 Repairs & Maintenance	450.00
627 Shipping and Delivery Expense	94.00
629 Stationery & Printing	150.00
633 Telephone Expense	477.00
635 Utilities Expense	399.28
Total Expenses	\$10,458.59
NET OPERATING INCOME	\$4,866.41
NET INCOME	\$4,866.41
Accrual basis	

Figure 10-21: Profit and Loss

- Export the Profit and Loss to Excel and save as a PDF file. Use the file name **Chapter 10_Profit and Loss**.

6. Reports > type and select **Profit and Loss by Month** from 1/1/20XY to 3/31/XY > Run Report.

Student Name Sales and Service				
Profit and Loss by Month				
January - March, 2022				
	JAN 2022	FEB 2022	MAR 2022	TOTAL
Income				
401 Sales	8,610.00	9,180.00	12,860.00	\$30,650.00
Total Income	\$8,610.00	\$9,180.00	\$12,860.00	\$30,650.00
Cost of Goods Sold				
501 Cost of Goods Sold	4,305.00	4,590.00	6,430.00	\$15,325.00
Total Cost of Goods Sold	\$4,305.00	\$4,590.00	\$6,430.00	\$15,325.00
GROSS PROFIT	\$4,305.00	\$4,590.00	\$6,430.00	\$15,325.00
Expenses				
601 Advertising & Marketing	125.00	150.00	175.00	\$450.00
603 Bank Charges & Fees	20.00	20.00		\$40.00
605 Dues & subscriptions	100.00	75.00		\$175.00
607 Depreciation Expense			800.00	\$800.00
609 Freight & Delivery		95.97	60.00	\$155.97
611 Insurance Expense			750.00	\$750.00
613 Interest Paid		150.00		\$150.00
619 Meals & Entertainment		55.22		\$55.22
621 Office Supplies & Software	88.52	91.20		\$312.12
623 Rent & Lease			6,000.00	\$6,000.00
625 Repairs & Maintenance	150.00	150.00	150.00	\$450.00
627 Shipping and Delivery Expense	47.00		47.00	\$94.00
629 Stationery & Printing			150.00	\$150.00
633 Telephone Expense	158.32	158.32	160.36	\$477.00
635 Utilities Expense	90.14	195.89	113.25	\$399.28
Total Expenses	\$778.98	\$1,141.60	\$8,538.01	\$10,458.59
NET OPERATING INCOME	\$3,526.02	\$3,448.40	\$-2,108.01	\$4,866.41
NET INCOME	\$3,526.02	\$3,448.40	\$-2,108.01	\$4,866.41
Accrual basis				

Figure 10-22: Profit and Loss by Month

- Export the Profit and Loss by Month to Excel and save as a PDF file. Use the file name **Chapter 10_Profit and Loss by Month**.

7. Balance Sheet from 1/1/20XY to 3/31/20XY

Student Name Sales and Service	
Balance Sheet	
As of March 31, 2022	
	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
101 Checking	55,143.57
Total Bank Accounts	\$55,143.57
Accounts Receivable	
105 Accounts Receivable (A/R)	2,226.36
Total Accounts Receivable	\$2,226.36
Other Current Assets	
115 Merchandise Inventory	10,030.00
123 Prepaid Rent	0.00
125 Prepaid Insurance	1,500.00
Total Other Current Assets	\$11,530.00
Total Current Assets	\$68,899.93
Fixed Assets	
135 Computer Equipment	10,000.00
137 Accumulated Depreciation	-1,600.00
Total Fixed Assets	\$8,400.00
TOTAL ASSETS	\$77,299.93
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
201 Accounts Payable (A/P)	5,340.00
Total Accounts Payable	\$5,340.00
Other Current Liabilities	
205 Loan Payable	0.00
207 Arizona Department of Revenue Payable	0.00
208 Illinois Department of Revenue Payable	0.00
Out Of Scope Agency Payable	0.00
Total Other Current Liabilities	\$0.00
Total Current Liabilities	\$5,340.00
Total Liabilities	\$5,340.00
Equity	
301 Common Stock	60,000.00
318 Retained Earnings	7,093.52
Opening Balance Equity	0.00
Net Income	4,866.41
Total Equity	\$71,959.93
TOTAL LIABILITIES AND EQUITY	\$77,299.93
Accrual basis	

Figure 10-23: Balance Sheet

- Export the Balance Sheet to Excel and save as a PDF file. Use the file name **Chapter 10_Balance Sheet**.

8. **Statement of Cash Flows** from 1/1/20XY to 3/31/20XY

Student Name Sales and Service	
Statement of Cash Flows	
January - March, 2022	
	TOTAL
OPERATING ACTIVITIES	
Net Income	4,866.41
Adjustments to reconcile Net Income to Net Cash provided by operations:	
105 Accounts Receivable (A/R)	-1,801.36
115 Merchandise Inventory	-160.00
123 Prepaid Rent	0.00
125 Prepaid Insurance	750.00
137 Accumulated Depreciation	800.00
201 Accounts Payable (A/P)	2,220.00
205 Loan Payable	-5,000.00
207 Arizona Department of Revenue Payable	0.00
208 Illinois Department of Revenue Payable	0.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-3,191.36
Net cash provided by operating activities	\$1,675.05
NET CASH INCREASE FOR PERIOD	\$1,675.05
Cash at beginning of period	53,468.52
CASH AT END OF PERIOD	\$55,143.57

Figure 10-24: Statement of Cash Flows

- Export the Statement of Cash Flows to Excel and save as a PDF file. Use the file name **Chapter 10_Statement of Cash Flows**.

CHECK YOUR PROGRESS

Check Your Progress assignments are included within Connect and on the next page.

1. What are the account balances from 1/1/20XY to 3/31/20XY in these accounts? Indicate whether these accounts have debit (dr.) or credit (cr.) balances.

Account 101 Checking _____

Account 115 Merchandise Inventory _____

Account 123 Prepaid Rent _____

Account 207 Arizona Department of Revenue Payable _____

Account 208 Illinois Department of Revenue Payable _____

Account 401 Sales _____

Net Income _____

Total Assets _____

2. What accounts are debited and credited for the prepaid rent adjustment? Indicate the account type.

3. What is the amount of the adjusting entry for prepaid rent?

4. What accounts are debited and credited for the prepaid insurance adjustment? Indicate the account type.

5. What is the amount of the adjustment entry for prepaid insurance?

6. What accounts are debited and credited for the depreciation adjustment?
Indicate the account type.

7. What is the amount of the adjustment for depreciation?

SIGN OUT or continue.

QUICKBOOKS RESOURCES AND ACTIVITIES

If your professor requires **Connect**, the following resources may be assigned for grading.

1. Multiple-choice and true or false questions.
2. Analysis question(s).
3. Check Your Progress.
4. Chapter work and end-of-chapter exercises.
5. Problem solving.
6. Certification Q&A.
7. Test Bank.
8. Additional student resources (ASR).

Additional Student Resources (ASR)

The following resources can be found on the Additional Student Resources (ASR) page in Connect's eBook. If you are not using Connect, your instructor can provide you with an ASR page document that contains *URLs* to access these resources:

1. Narrated PowerPoints. The PowerPoints include links to the videos.
2. QBO Videos:
 - a. Customize Reports.
 - b. Explore videos. The video tutorials include numerous choices—Get started, Invoices and payments, Expenses and vendors, etc.
3. Text Updates.

Exercise 10-1: Follow the instructions below to complete Exercise 10-1:

1. Start QBO. Sign into Student Name Sales and Service.
2. To reconcile Account 101 Checking, use the March 31 bank statement.



Statement of Account, Checking Account			Student Name and Service
March 1 to March 31, 20XY			2905 E. Skyline Dr.
Account No. 7731-2256			Tucson, AZ 85718
REGULAR CHECKING			
Previous Balance	2/28/XY	\$49,044.90	
15 Deposits (+)		\$13,000.40	
16 checks (-)		\$5,123.01	
Service Charge		\$20.00	
Ending Balance	3/31/XY	\$56,902.29	
DEPOSITS			
	3/6/XY	\$180.00	
	3/6/XY	\$1,538.45	
	3/6/XY	\$1,633.94	
	3/6/XY	\$1,220.15	
	3/19/XY	\$300.00	
	3/19/XY	\$286.47	
	3/19/XY	\$425.00	
	3/21/XY	\$424.40	
	3/25/XY	\$1,061.00	
	3/26/XY	\$1,315.64	
	3/26/XY	\$159.15	
	3/26/XY	\$551.72	
	3/30/XY	\$795.75	
	3/30/XY	\$1,538.45	
	3/30/XY	\$1,570.28	
CHECKS (Asterisk * indicates break in check number sequence)			
	3/9/XY	1100	\$300.00
	3/10/XY	1101	\$1,000.00
	3/21/XY	1102	\$180.00
	3/21/XY	1103	\$135.00
	3/21/XY	1104	\$82.13
	3/22/XY	1105	\$150.00

	3/23/XY	1106	\$78.23	
	3/23/XY	1107	\$132.40	
	3/23/XY	1108	\$175.00	
	3/24/XY	1109	\$113.25	
	3/24/XY	1110	\$60.00	
	3/24/XY	1111	\$47.00	
	3/27XY	1112	\$150.00	
	3/27/XY	1113	\$250.00	
	3/28/XY	1114	\$2,000.00	
	3/28XY	1115	\$270.00	

3. Two checks have not cleared the bank. Check number 1116 for \$1,678.72; and check number 1117 for \$100.00.
4. Copy/Paste the March 31 Reconciliation Report into an Excel workbook. Reformat as needed. Save as a PDF file. Use the file name **Exercise 10-1_Reconciliation Report**.

Exercise 10-2: Follow the instructions below to complete Exercise 10-2:

1. Export these files to Excel and save as PDF files. Run reports from **1/1/20XY to 3/31/20XY** unless another date range is shown. (*Hint: When the report needs an As of date, use 3/31/20XY.*)
 - Exercise 10-2_Journal (from 3/31/20XY to 3/31/20XY)
 - Exercise 10-2_Trial Balance
 - Exercise 10-2_Transaction Detail by Account (from 3/1/20XY to 3/31/XY)
 - Exercise 10-2_General Ledger (from 3/1/20XY to 3/31/20XY)
 - Exercise 10-2_Customer Balance Summary
 - Exercise 10-2_Vendor Balance Summary

- Exercise 10-2_Profit and Loss
- Exercise 10-2_Balance Sheet
- Exercise 10-2_Statement of Cash Flows

2. **Check Figures** (from 1/1/20XY to 3/31/XY):

- Account 125 Prepaid Insurance, \$1,500.00
- Account 137 Accumulated Depreciation, \$1,600.00
- Account 603 Bank Charges & Fees, \$60.00
- Account 607 Depreciation Expense, \$800.00
- Account 611 Insurance Expense, \$750.00
- Account 621 Office Supplies & Software, \$312.12
- Cash at end of period, \$55,123.57

Exercise 10-3: Problem Solving

Exercise 10-3 is available within Connect and includes:



1. What are the similarities and differences between the Transaction Detail by Account and the General Ledger?
2. Why does the Profit and Loss by Month report (Figure 10-22, page 548) show a Net Loss for March 20XY? Show the calculation.
3. Why do the Total Assets and Total Liabilities and Equity balance within the Exercise 10-2 Balance Sheet differ from the March 31 Balance Sheet shown on Figure 10-23, page 549? Show the calculation.

Certification Q&A Practice Test

Certification Q&A multiple-choice questions are available within Connect. For this chapter, the certification practice test is mapped to these exam objectives: QuickBooks Online Administration, Sales and Money In, Vendors and Money Out, Basic Reports and Views. Refer to QBO Certified User_Exam Objectives.pdf.

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