

# Chapter 3

## Beginning Balances and October Transaction Register

**Scenario:** In Chapter 3, you start by checking the work completed so far. The stop sign reminds you to check your data. After recording the journal entry for the owner's investment in the business, checks and deposits are entered from a Transaction Register. You also display the bank register, reports, and the audit log. The objectives that follow specify the work that is completed in Chapter 3.

### OBJECTIVES

1. Start QBO+ and sign into Student Name Sales and Service (your first and last name).
2. Enter the owner's investment in the business.
3. Use a transaction register to write checks.
4. Record cash sales, set up sales tax, and complete a transfer of funds.
5. Display the Bank Register, Journal, Trial Balance, Balance Sheet, Income Statement, and Audit Log.
6. Export reports to Excel and PDF.
7. Complete Check Your Progress.
8. Complete the QuickBooks Online Resources and Activities.
9. Complete Exercises 3-1, 3-2, 3-3, and Certification Q&A practice test.

In Chapter 2, you set up the company Student Name Sales and Service (your first and last name), and completed a Chart of Accounts. In this chapter, you use those accounts to record transactions for October 20XX, the first month of the fourth quarter.

In Chapter 3, the owner invests cash and computer equipment in the business. The owner's investment is recorded in the Journal. Once that's completed, use the transaction register to issue checks, ATMs, and make deposits. October is the month that QBO starts. For recording transactions, a ***transaction register*** is used. The transaction register shows checking account activity. In later chapters, vendors, inventory, and customers are added. The transaction register is the ***source document*** for analyzing each entry. Source documents are used to show written evidence of a business transaction.

## GETTING STARTED

1. Start your browser > go online to <http://qbo.intuit.com>. Each time you sign in, you are using the most recent version of QBO+ from Intuit's web server.
2. Sign in with your User ID and Password.

Start QBO+ and sign in with your User ID and Password.



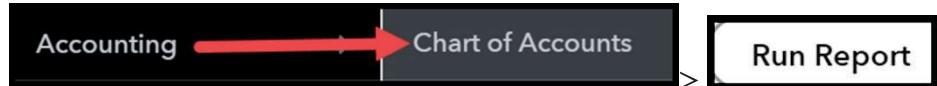
## CHECK YOUR DATA: ACCOUNT LIST OR CHART OF ACCOUNTS

To check that you are starting in the correct place, display the Account List (Chart of Accounts).

### Reports

1. Select **Reports** > in the search field, type **Account List** > select **Account List**. The Account List is also called the Chart of Accounts. There are also two other ways to display the Chart of Accounts.

- a. From the Navigation bar, select



Or,

- b. Click Gear > Chart of Accounts > Run Report.



Figures 3-1A and 3-1B show the Account List or Chart of Accounts. When QBO updates, accounts may be added. Accounts *without* account numbers may differ; this is okay. In Exercise 2-2, the Chart of Accounts was completed. *Make sure the Account #, Account name, Type, and Detail type agree with your Account List.*

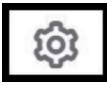
<b>Student Name Sales and Service Account List or Chart of Accounts</b>			
<b>Account #</b>	<b>Account</b>	<b>Type</b>	<b>Detail type</b>
101	Checking	Bank	Checking
105	Accounts Receivable (A/R)	Accounts receivable (A/R)	Accounts Receivable (A/R)
115	Merchandise Inventory	Other Current Assets	Inventory
123	Prepaid Rent	Other Current Assets	Prepaid Expenses
125	Prepaid Insurance	Other Current Assets	Prepaid Expenses
130	Uncategorized Asset	Other Current Assets	Other Current Assets
133	Undeposited Funds	Other Current Assets	Undeposited Funds
135	Computer Equipment	Fixed Assets	Machinery & Equipment
137	Accumulated Depreciation	Fixed Assets	Accumulated Depreciation
201	Accounts Payable (A/P)	Accounts payable (A/P)	Accounts Payable (A/P)
205	Loan Payable	Other Current Liabilities	Loan Payable
301	Common Stock	Equity	Common Stock
318	Retained Earnings	Equity	Retained Earnings
	Opening Balance Equity	Equity	Opening Balance Equity
	Owner's Investment	Equity	Owner's Equity
	Owner's Pay & Personal Expenses	Equity	Owner's Equity
401	Sales	Income	Sales of Product Income
403	Professional Fees	Income	Service/Fee Income
	Billable Expense Income	Income	Sales of Product Income
	Shipping Income	Income	Sales of Product Income
	Uncategorized Income	Income	Sales of Product Income
501	Cost of Goods Sold	Cost of Goods Sold	Supplies & Materials - COGS
601	Advertising & Marketing	Expenses	Advertising/Promotional
603	Bank Charges & Fees	Expenses	Bank Charges
604	Conventions	Expenses	Travel
605	Dues & subscriptions	Expenses	Dues & subscriptions
607	Depreciation Expense	Expenses	Office/General Administrative Expenses
609	Freight & Delivery	Expenses	Shipping, Freight & Delivery

Figure 3-1A: Chart of Accounts

#	Account	Type	Detail Type
611	Insurance Expense	Expenses	Insurance
613	Interest Paid	Expenses	Interest Paid
615	Job Supplies	Expenses	Supplies & Materials
617	Legal & Professional Services	Expenses	Legal & Professional Fees
619	Meals & Entertainment	Expenses	Entertainment Meals
621	Office Supplies & Software	Expenses	Office/General Administrative Expenses
623	Rent & Lease	Expenses	Rent or Lease of Buildings
625	Repairs & Maintenance	Expenses	Repair & Maintenance
627	Shipping and Delivery Expense	Expenses	Shipping, Freight & Delivery
629	Stationery & Printing	Expenses	Office/General Administrative Expenses
633	Telephone Expense	Expenses	Office/General Administrative Expenses
635	Utilities Expense	Expenses	Utilities
701	Uncategorized Expense	Expenses	Other Miscellaneous Service Cost
	Ask My Accountant	Expenses	Utilities
	Car & Truck	Expenses	Auto
	Contractors	Expenses	Payroll Expenses
	Other Business Expenses	Expenses	Office/General Administrative Expenses
	Reimbursable Expenses	Expenses	Supplies & Materials
	Taxes & Licenses	Expenses	Taxes Paid

Figure 3-1B: Chart of Accounts completed

2. The Chart of Accounts was set up in Chapter 2 and completed in Exercises 2-1 and 2-2. If some of your accounts need to be edited, do that before

continuing. To edit, select  > Chart of Accounts >  > .



QuickBooks Online updates automatically. When you sign in, the latest version of the software is being used. Software updates improve features and functions. QBO updates approximately every 6 weeks. When new features are rolled out, you may experience changes to the software. Regularly check Text Updates and the QuickBooks Blog at <https://quickbooks.intuit.com/blog/whats-new/>.

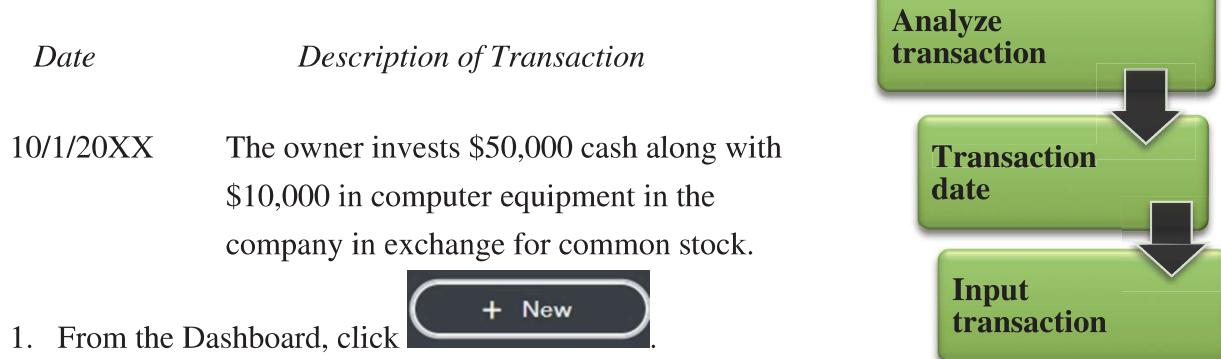
## JOURNAL ENTRY

A *journal entry* is a transaction in which:

- There are at least two parts: Debit and Credit distribution lines.
- Each distribution line includes an account from the Chart of Accounts.
- The total of the Debit column equals the total of the Credit column.

When you record a Journal Entry, QBO labels the transaction Journal on reports that list transactions. You can also enter other types of transactions in QBO using *specialized screens*, such as Check, Receive Payment, Bill, Bank Deposit, and Transfer.

The following transaction is the initial investment to establish Student Name Sales and Service (your first and last name).



CUSTOMERS	VENDORS	EMPLOYEES	OTHER
Invoice	Expense	Payroll ↗	Bank deposit
Receive payment	Check	Time entry	Transfer
Estimate	Bill		Journal entry
Credit memo	Pay bills		Statement
Sales receipt	Purchase order		Inventory qty adjustment
Refund receipt	Vendor credit		Pay down credit card
Delayed credit	Credit card credit		
Delayed charge	Print checks		

Figure 3-2: Select Journal entry

2. Click Journal entry (in the Other list). Complete these fields:

Journal date: Type **10/1/20XX** (type the current year)  
 Journal no. 1 is completed automatically

ACCOUNT: Select 101 Checking (*Hint: You can also type 101*)

DEBITS: Type **50000**

ACCOUNT: Select 135 Computer Equipment

DEBITS: Type **10000**

ACCOUNT: Select 301 Common Stock

CREDITS: 60,000.00 is completed automatically

DESCRIPTION: Type **Owner invested cash and computer equipment for stock**

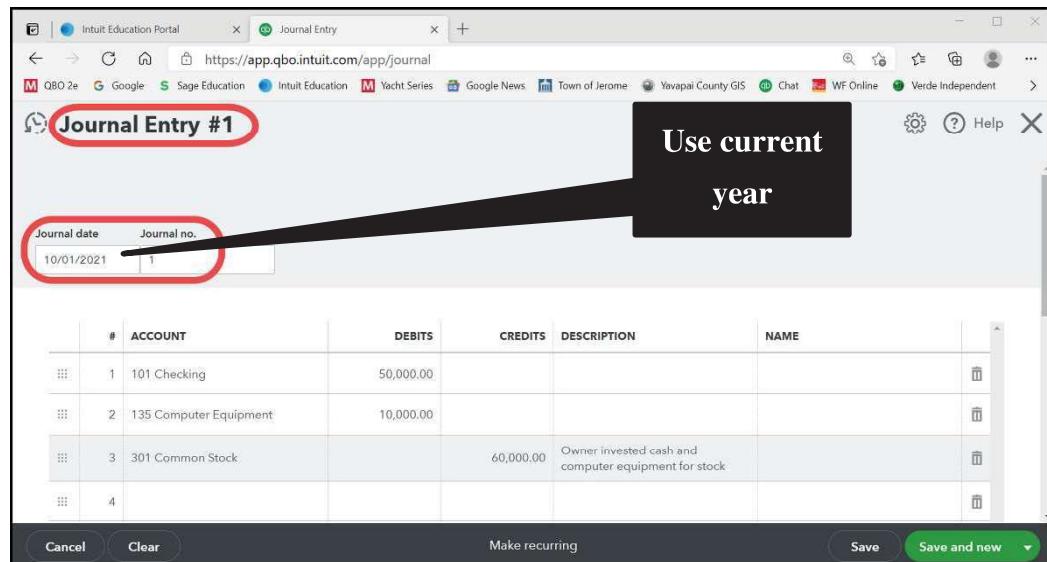
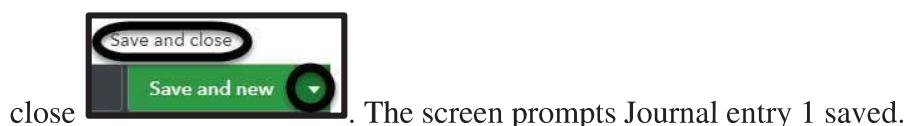


Figure 3-3: Journal Entry #1

3. Click on the down-arrow ▼ next to Save and New > select Save and



close. The screen prompts Journal entry 1 saved.

## ACCOUNT LIST

After recording the owner investment, look at the Account List.

### Reports

- From the Navigation bar, select **Reports** > in the Search box, type **Account List** > select **Account List**. Observe that Checking, Computer Equipment, and Common Stock show a balance. The minus sign in front of Common Stock means it is a credit balance.

Student Name Sales and Service					
Account List					
ACCOUNT #	ACCOUNT	TYPE	DETAIL TYPE	DESCRIPTION	BALANCE
101	Checking	Bank	Checking	101 Checking	50,000.00
105	Accounts Receivable (A/R)	Accounts receivable	Accounts Receivable (A/R)	105 Accounts Receivable (A/R)	0.00
115	Merchandise Inventory	Other Current Assets	Inventory	115 Merchandise Inventory	0.00
123	Prepaid Rent	Other Current Assets	Prepaid Expenses	123 Prepaid Rent	0.00
125	Prepaid Insurance	Other Current Assets	Prepaid Expenses	125 Prepaid Insurance	0.00
130	Uncategorized Asset	Other Current Assets	Other Current Assets	130 Uncategorized Asset	0.00
133	Undeposited Funds	Other Current Assets	Undeposited Funds	133 Undeposited Funds	0.00
	Inventory Asset	Other Current Assets	Inventory	Inventory Asset	0.00
135	Computer Equipment	Fixed Assets	Machinery & Equipment	135 Computer Equipment	10,000.00
137	Accumulated Depreciation	Fixed Assets	Accumulated Depreciation	137 Accumulated Depreciation	0.00
201	Accounts Payable (A/P)	Accounts payable	Accounts Payable (A/P)	201 Accounts Payable (A/P)	0.00
205	Loan Payable	Other Current Liabilities	Loan Payable	205 Loan Payable	0.00
301	Common Stock	Equity	Common Stock	301 Common Stock	60,000.00

Figure 3-4: Account List with beginning balances

**Comment:** Since you invested in Computer Equipment, which is a Fixed Asset account, QBO automatically created an Inventory Asset account. In Chapter 4 when you add products and services, you learn more about inventory accounts. It is okay that Inventory Asset does not have a number.

- Return to the Dashboard. Observe that Bank Accounts shows 101 Checking In QuickBooks \$50,000.00.

Bank accounts		
101 Checking	In QuickBooks	\$50,000.00

Figure 3-5: Checking account balance

## OCTOBER TRANSACTION REGISTER

The transaction register shows QBO's checking account activity. The transaction register includes the information to record entries for the month of October.

Within Chapter 3, you enter October 1-17, 20XX transactions. In Exercise 3-1, you enter transactions for October 19 through October 30.

**Comment:** Chapter work is cumulative—complete transactions within the chapter, then continue with the end-of-chapter exercises.

Ck. No.	Date	Description of Transaction	Payment	Deposit	Balance
	10/1	<i>Balance</i>			\$50,000.00
1010	10/2	Lake Insurance (Insurance for one year)	\$3,000.00		\$47,000.00

### CHECK

To record Check No. 1010, follow these steps.

1. Go to the Create menu. Click  > select Check (in Vendors list). (*Hint:* For purposes of verifying check numbers and Transaction Register balances, the Check page is used.)

Complete these fields on the Check page:

Choose a payee: Type **Lake Insurance**, click  >  
  
 Press Tab > Type is Vendor >

Payee
Lake Insurance

After clicking <Save>, the Payee field shows

Payment date: Type **10/2/20XX** (use current year)  
 Check no.: Type **1010**  
 CATEGORY: Select or type **125** Prepaid Insurance  
 DESCRIPTION: Type **Paid insurance for one year**  
 AMOUNT: Type **\$3000**

2. Compare Check #1010 page with the one shown below. Before saving the check, the **Balance** field shows \$50,000.00, which is the 10/1 balance on the Transaction Register. That's the owner's cash investment.
3. On the top right of the page, the amount shown is \$3,000.00. Compare your Check to the one shown below.

Check #1010

#	CATEGORY	DESCRIPTION	AMOUNT
1	125 Prepaid Insurance	Paid insurance for one year	3,000.00

Save and new

Figure 3-6: Check #1010

4. After selecting <Save and new>, the Balance field shows \$47,000 and the Check no. field shows 1011.

Balance \$47,000.00	Check no. 1011
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Using the transaction register, enter Check numbers 1011 to 1017. Start with Check No. 1011 and use the current year. Add payee names as Vendors.

Ck. No.	Date	Description of Transaction	Payment	Deposit	Balance
	10/1	Balance			\$50,000.00
1010	10/2	Lake Insurance	\$3,000.00		\$47,000.00
1011	10/3	<b>U.S. Post Office</b> (627 Shipping and Delivery Expense)	<b>\$47.00</b>		\$46,953.00
1012	10/3	Chronicle News (605 Dues & subscriptions)	\$75.00		\$46,878.00
1013	10/4	SPR Gas (635 Utilities; paid monthly bill)	\$79.00		\$46,799.00
1014	10/5	Conlin Rentals Prepaid rent for 3 months (Account 123)	\$6,000.00		\$40,799.00
1015	10/10	Office Suppliers (621 Office Supplies & Software; bought office supplies)	\$106.52		\$40,692.48
1016	10/12	Western Telephone (633 Paid monthly bill)	\$76.19		\$40,616.29
1017	10/15	Vince Bartel (625 Repairs & Maintenance)	\$140.00		\$40,476.29



On the Check page, click to see Recent Checks. The back arrow is available on specialized screens (Cash sales, Sales receipts, etc.).

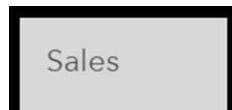
**Expense Account Distribution:** Each time a check is issued, the account distribution in the Journal is a debit to the appropriate expense account and a credit to Account No. 101 Checking. The payee is added as a vendor. This is shown in the Journal report later in the chapter.

## ACCOUNT AND SETTINGS

Before you continue with Sales Receipts in the next section, check your account settings or preferences. Some of these settings were completed in Chapter 2, but to make sure you have them selected, complete 1 through 5. When needed, click on the pencil icon to edit.

1. If the Check page is shown, click  $\langle X \rangle$  next to ? Help to close it. Select Gear   
  - > Account and settings > Company. In the Company type field, select > Tax form down-arrow > Small business corporation, two or more owners (Form 1120S) > click  $\langle \text{Save} \rangle$ . The Industry field can be left blank.

Figure 3-7: Tax form

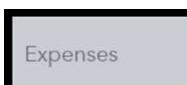


2. In the Account and Settings list, select . Check the Sales form content area and Products and services. If needed, click on the pencil .

icon to edit. For example, Preferred delivery method is Print later, and Custom transaction numbers and Tags are On > click <Save>. Check Products and services.

Sales form content	Preferred invoice terms	Net 30	
	<b>Preferred delivery method</b>	Print later	
	Shipping	On	
	<b>Custom fields</b>		
	Custom transaction numbers	On	
	Service date	Off	
	Discount	Off	
	Deposit	Off	
	Tips (Gratuity)	Off	
	Tags	On	
Products and services	Show Product/Service column on sales forms	On	
	Show SKU column	Off	
	Turn on <a href="#">price rules</a> <small>BETA</small>	Off	
	Track quantity and price/rate	On	
	Track inventory quantity on hand	On	

Figure 3-8: Sales form content and Products and services

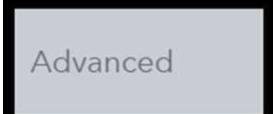
3. Select . Check the Bills and expenses area and Purchase orders. Edit and Save, when needed.

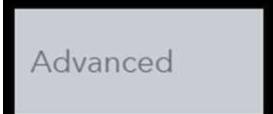
Bills and expenses	Show Items table on expense and purchase forms	On	
	Show Tags field on expense and purchase forms	On	
	Track expenses and items by customer	On	
	Make expenses and items billable	Off	
	<b>Default bill payment terms</b>	Net 30	
Purchase orders	Use purchase orders	On	

Figure 3-9: Bills and expenses and Purchase orders

Make sure these selections are **On**.

- Show Items table on expense and purchase forms
- Show Tags field on expense and purchase forms
- Track expenses and items by customer
- Default bill payment terms are Net 30
- Use purchase orders

 Advanced

4. Select  In the Other preferences area, select Sign me out if inactive for 3 hours > then <Save>.

 Done

5. When through, click .



If you made Account and Settings changes, the selections may add default accounts to the Chart of Accounts or Account List. In Chapter 4, Vendors and Inventory, and Chapter 5, Customers and Sales, more chart of accounts information is included based on account settings.

## SALES RECEIPT

Before entering the sales receipt, add the following customer for Cash Sales. Then, create a non-inventory item for Cash Sales.

**Note:** For purposes of the cash sales in Chapter 3, inventory is not tracked. In Chapter 4, defaults for inventory and vendor purchases are completed. QBO's owners sold some items for cash before tracking inventory and vendor purchases.

### Add Customer

1. From the Navigation bar, select Sales > Customers.

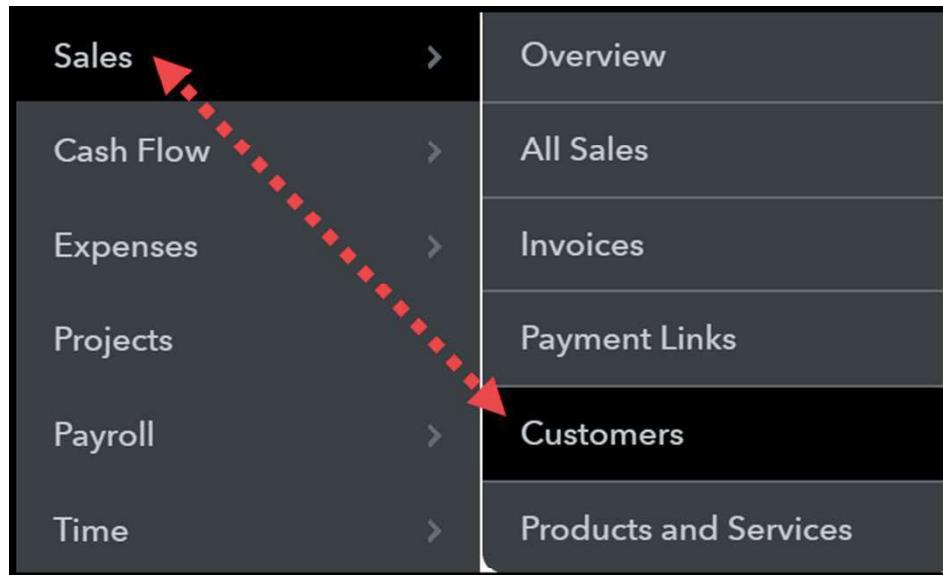


Figure 3-10: Sales > Customers

2. Keep track of who needs to pay you appears > select

**Add customer manually**

3. The Customer information form appears. In the **Company** field, type **Cash Sales** > press <Tab>. Compare your Customer information to Figure 3-11.

**Customer information**

Company: Cash Sales

\*Display name as: Cash Sales

Print on check as  Use display name

Address Notes Tax info Payment and billing Language Attachments Custom fields Additional Info

Billing address map

Street:

City/Town:  State/Province:

ZIP code:  Country:

Shipping address map  Same as billing address

Street:

City/Town:  State/Province:

ZIP code:  Country:

Cancel Privacy Save

Figure 3-11: Customer information > Cash Sales

4. After selecting Save, Cash Sales is added to Customers tab.

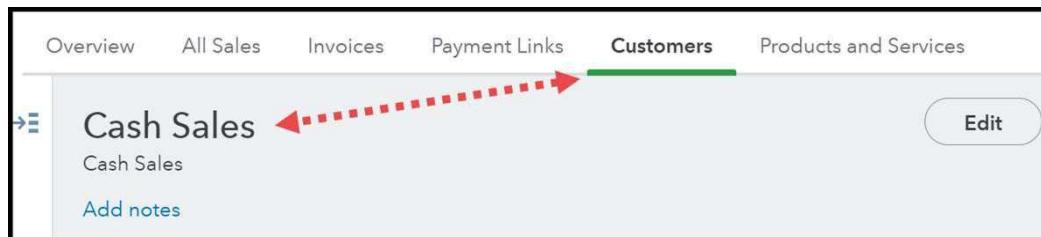


Figure 3-12: Cash Sales added as a customer

### Add Non-Inventory Product/Service

1. If Cash Sales is displayed, select the Products and Services tab. *Or*, from the Navigation bar > select Sales > Product and Services >

**Add a product or service**

2. The Product/Service information page appears. Select Non-inventory.

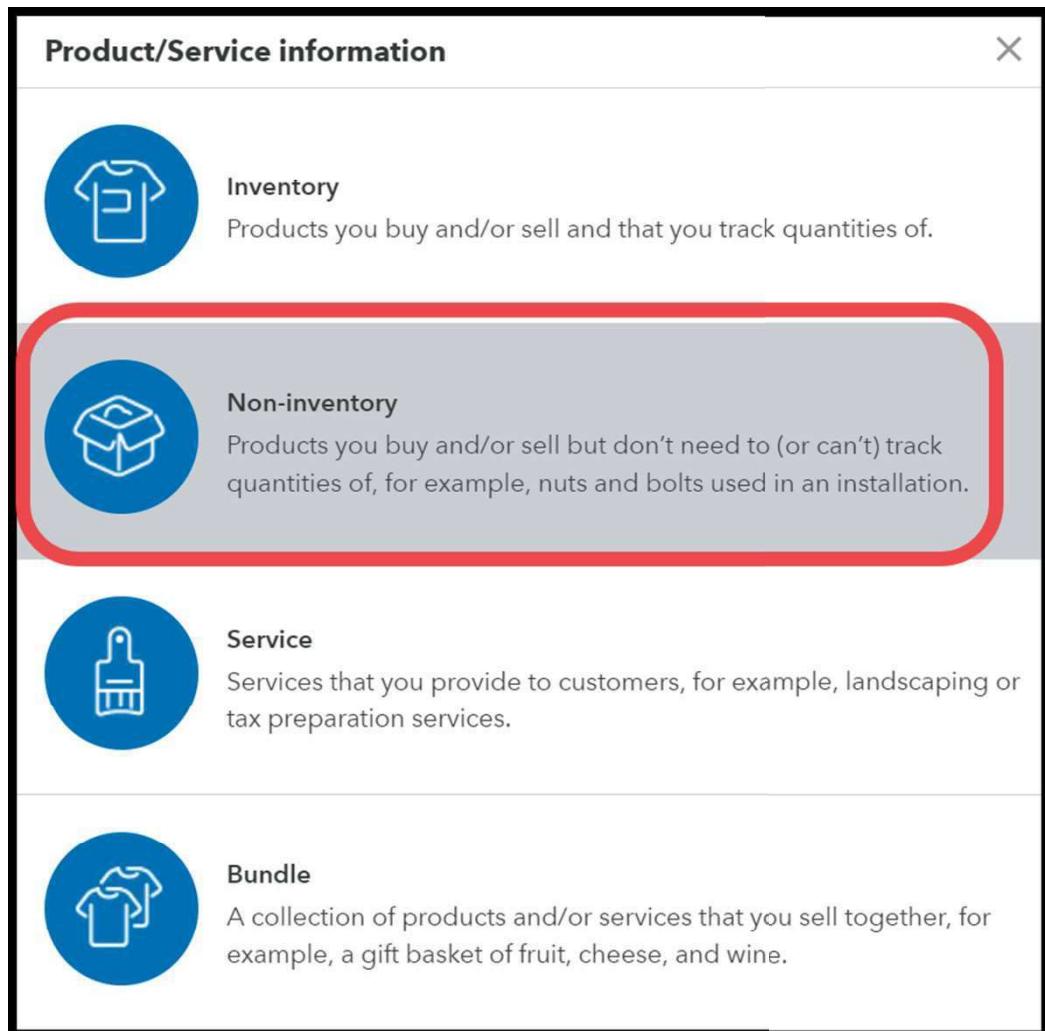


Figure 3-13: Product/Service Information

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3. The Non-inventory page appears. Complete these fields.

Name:

**Cash Sales**

Sales information:

I sell this product/service to my customers should be checked.

Income Account:

Make sure 401 Sales is selected.

**Product/Service information**

Non-inventory [Change type](#)

**Name\***  
Cash Sales

**SKU** ⓘ

**Category** ⓘ

**Description**  
 I sell this product/service to my customers.

**Sales price/rate**

**Income account**  
401 Sales

**Purchasing information**  
 I purchase this product/service from a vendor.

**Save and close**

Figure 3-14: Non-inventory

4. After selecting <Save and close>, the Products and Services page appears.

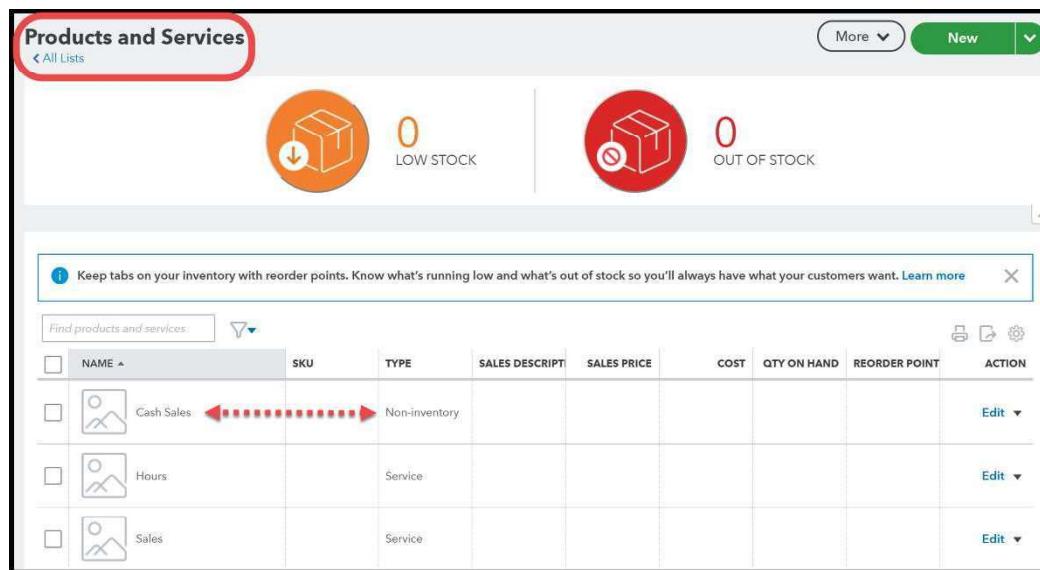


Figure 3-15: Products and Services

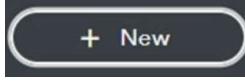
## Cash Sales

The transaction for cash sales is:

<i>Date</i>	<i>Description of Transaction</i>
10/16/20XX	Cash sales in the amount of \$2,500; sales tax in the amount of \$152.50 for a total of \$2,652.50.

On the next page, the partial transaction register shows the 10/16 cash sale in the Deposit column.

Ck. No.	Date	Description of Transaction	Payment	Deposit	Balance
1017	10/15	Vince Bartel (Repair & Maintenance)	\$140.00		\$40,476.29
	10/16	Cash Sales (\$2,500 + Sales Tax, \$152.50)		\$2,652.50	\$43,128.79

5. Click  > Sales receipt (in the Customers list). The Sales Receipt page appears. Complete these fields.

*Choose a customer:* Select Cash Sales



Figure 3-16: Cash Sales

Billing address: Cash Sales completed automatically

Sales Receipt date: Type **10/16/XXXX** (use current year)

Sales Receipt no. 1001 completed automatically

Payment method: Select Check

Deposit to: 101 Checking automatically selected

PRODUCT/SERVICE: Select Cash Sales.

DESCRIPTION: Type **Cash Sales**

QTY: 1 automatically completed

RATE: Type **\$2500**

AMOUNT: \$2,500.00 automatically completed

**Add sales tax** Link to [Add sales tax](#)

Follow these steps to add sales tax to cash sales.

- Read the Let's calculate your tax rate page. Three areas are set up automatically—what and where you sell, automatic math calculation, and tax rates.

### Set up automatic sales tax

- Click

- Your tax agency and standard rate page appears showing your company's address, city, state and zip > Save and continue.
- After selecting <Save and continue>, Your tax agency and standard rate is set up for Arizona State and Pima County at 6.10 percent. Accept the default for Taxable—standard rate.

Figure 3-17: Calculate tax rate

Figure 3-18: Tax agency and standard rate

3) After selecting <Save and continue>, the total sales tax for the cash sale of \$2,500 is calculated, \$152.50. Check the information > click



> you are returned to Sales Receipt #1001.

**Sales Receipt #1001**

**Customer:** Cash Sales **Amount:** \$2,652.50

**Billing address:** Cash Sales **Sales Receipt date:** 10/16/2021 **Sales Receipt no.:** 1001

**Payment method:** Check **Reference no.:** **Deposit to:** 101 Checking

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	Cash Sales		1	2,500	2,500.00	<input checked="" type="checkbox"/>
Subtotal					\$2,500.00	
Taxable subtotal \$2,500.00						
Select tax rate: Based on location						\$152.50 See the math
Shipping: Tax on shipping						Save and new
Message displayed on statement:						Save and close (Alt D)

**Cancel** **Revert** **Print or Preview** **Make recurring** **Customize** **More** **Save** **Save and new** **Save and close (Alt D)** **Save and send**

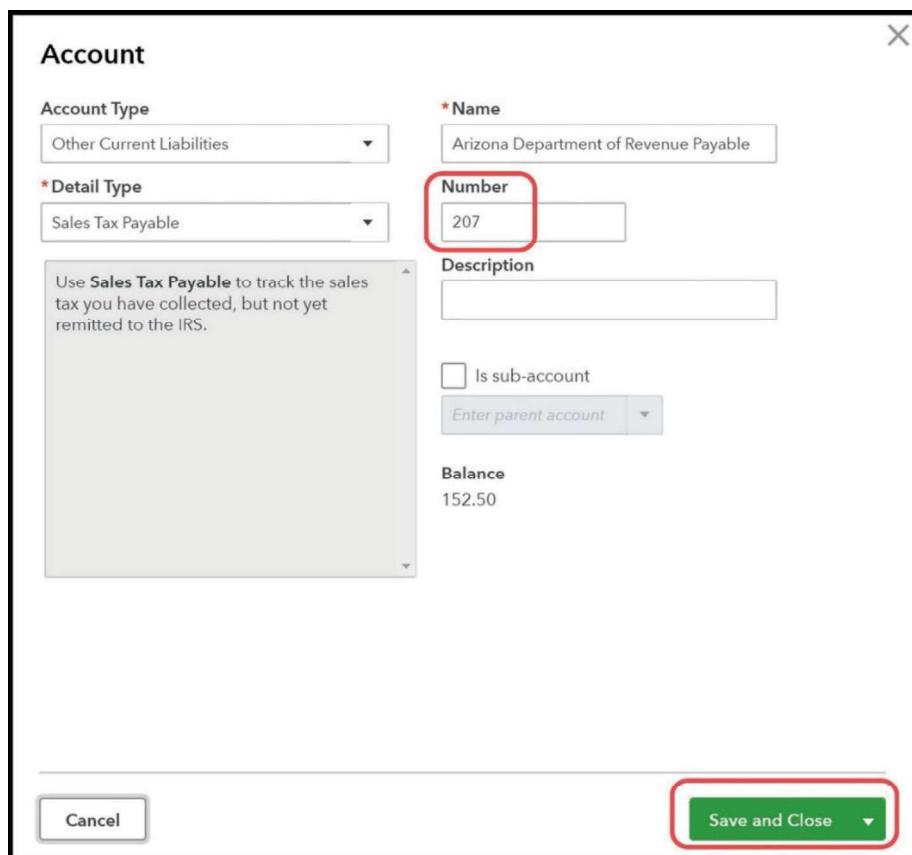
Figure 3-19: Sales Receipt #1001

6. Select <Save and close>. Check Figure 3-19: Sales Receipt #1001. The TAX field is checked. The AMOUNT is \$2,652.50. The Based on location field shows \$152.50 for the tax ( $6.10\% \times \$2,500 = \$152.50$ ). Click <Save and close>.

### Edit the Chart of Accounts

When you added sales tax for your company which is located in Tucson, AZ, a Sales Tax Payable account was added to the Chart of Accounts. The Name of the account is Arizona Department of Revenue Payable. To add an account number, follow these steps.

7. Select Gear > Chart of Accounts > Arizona Department of Revenue > View register > Edit > type 207 in the Number field. Read the information on the Account page.



The screenshot shows the 'Account' dialog box. At the top right is a close button (X). The main area contains the following fields:

- Account Type:** Other Current Liabilities
- Name:** Arizona Department of Revenue Payable
- Number:** 207 (This field is highlighted with a red box.)
- Description:** (Empty text box)
- Is sub-account:** (unchecked checkbox)
- Enter parent account:** (dropdown menu)
- Balance:** 152.50

At the bottom are two buttons: **Cancel** and **Save and Close** (this button is also highlighted with a red box).

Figure 3-20: Account Number 207

8. Select <Save and Close>. Observe that 207 Arizona Department of Revenue Payable is added to the chart of accounts.

**Sales Receipt Account Distribution:** Each time a cash sale is recorded, Account No. 101 Checking is debited and Account No. 401 Sales is credited. The account distribution is shown on the Journal report. Reports are displayed later in the chapter. Here's how the Journal report shows the 10/16 Sales Receipt. Select Reports > Journal > 10/16/XX to 10/16/XX.

Student Name Sales and Service									
Journal									
October 16, 2021									
DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT	
10/16/2021	Sales Receipt	1001	Cash Sales		101	101 Checking		\$2,652.50	
					401	401 Sales			\$2,500.00
					207	207 Arizona Department of Revenue Payable			\$140.00
					207	207 Arizona Department of Revenue Payable			\$12.50
							\$2,652.50		\$2,652.50
<b>TOTAL</b>								<b>\$2,652.50</b>	<b>\$2,652.50</b>

Figure 3-21: Sales Receipt account distribution

## BANK ACCOUNTS

To verify your Checking account balance, select Dashboard > Business overview. Observe that BANK ACCOUNTS shows \$43,128.79.

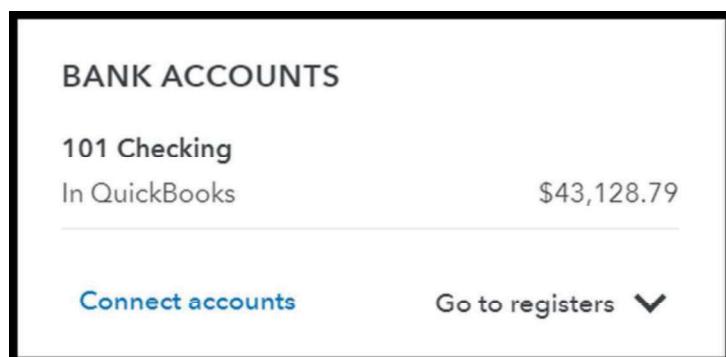


Figure 3-22: Checking account balance

## TRANSFER

You can transfer funds between most balance sheet accounts in your Chart of Accounts *except* between Accounts Payable (A/P) and Accounts Receivable (A/R). In this transaction, funds are transferred from the Checking Account to Loan Payable.

<i>Date</i>	<i>Description of Transaction</i>
-------------	-----------------------------------

10/17/20XX	After completing the transfer, Account 205 Loan Payable has a balance of \$5,000. The Loan is owed to First Trust Bank.
------------	---

The partial transaction register shows the Transfer.

<b>Ck. No.</b>	<b>Date</b>	<b>Description of Transaction</b>	<b>Payment</b>	<b>Deposit</b>	<b>Balance</b>
1017	10/15	Vince Bartel (Repair & Maintenance)	\$140.00		\$40,476.29
	10/16	Cash Sales		\$2,652.50	\$43,128.79
	10/17	<b>First Trust Bank</b> (Loan Payable)		<b>\$5,000.00</b>	\$48,128.79

The steps that follow show how to record a transfer.

1. Click  > Transfer. The Transfer page appears. Complete the following fields.

Transfer Funds From:      Select Account 205 Loan Payable

Transfer Funds To: Select or type 101 Checking  
 Transfer Amount: Type **\$5000**  
 Memo: Type **First Trust Bank**  
 Date: Type **10/17/20XX** (use current year)

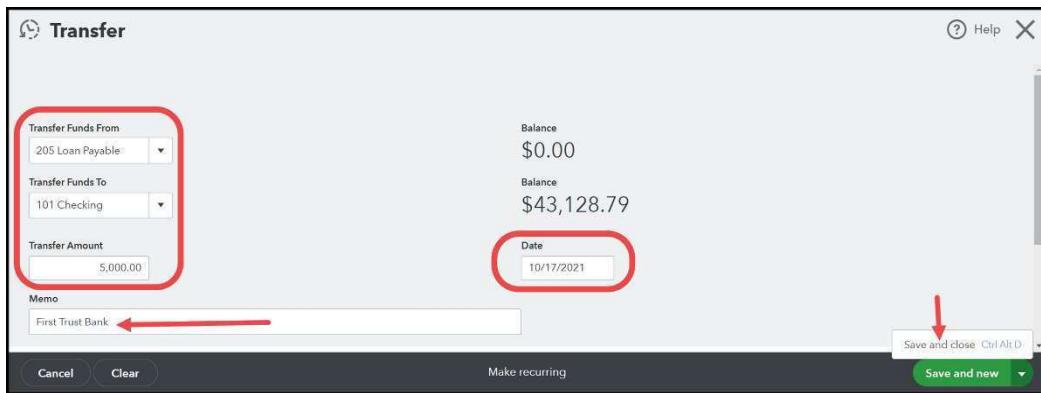


Figure 3-23: Transfer

2. Click <Save and close>. The screen prompts Transfer saved.

**Transfer Account Distribution:** When this transfer is recorded, the account distribution in the Journal report is a debit to Account No. 101, Checking, and a credit to Account No. 205, Loan Payable. The account distribution is shown on the Journal report.

Student Name Sales and Service								
Journal								
October 17, 2021								
DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT
10/17/2021	Transfer			First Trust Bank	205	205 Loan Payable		\$5,000.00
				First Trust Bank	101	101 Checking	\$5,000.00	
							<b>\$5,000.00</b>	<b>\$5,000.00</b>
				<b>TOTAL</b>			<b>\$5,000.00</b>	<b>\$5,000.00</b>

Figure 3-24: Transfer account distribution

**Comment:** The Loan Payable will be paid in a later chapter. When that's done, the vendor, First Trust Bank, will be added. For this transaction, the Memo includes the vendor name. *Or*, if preferred, you could add First Trust Bank as the vendor now.

### DASHBOARD > BUSINESS OVERVIEW

To see how QBO illustrates data, select Dashboard > Business overview. When transactions are recorded, the Dashboard shows changes graphically on bar, pie, and line charts for Profit and Loss, Expenses, Invoices, and Sales. For Bank Accounts, a selection is available to go to registers.

**DAVE**

The acronym **DAVE** is used to identify QBO's Dashboard graphics.

**D**  
**A**  
**V**  
**E**

Data metrics  
Analysis  
Visualization  
Evaluation

**Profit and Loss > select This year.**

An example is the PROFIT AND LOSS bar graph. Based on the transactions entered from October 1 to October 17, the Profit and Loss graph shows Income of \$2,500 and Expenses (rounded up) of \$524; net income is \$1,976 ( $\$2,500 - \$524 = \$1,976$ ). Using your mouse, scroll over the green Income bar and turquoise Expenses bar.

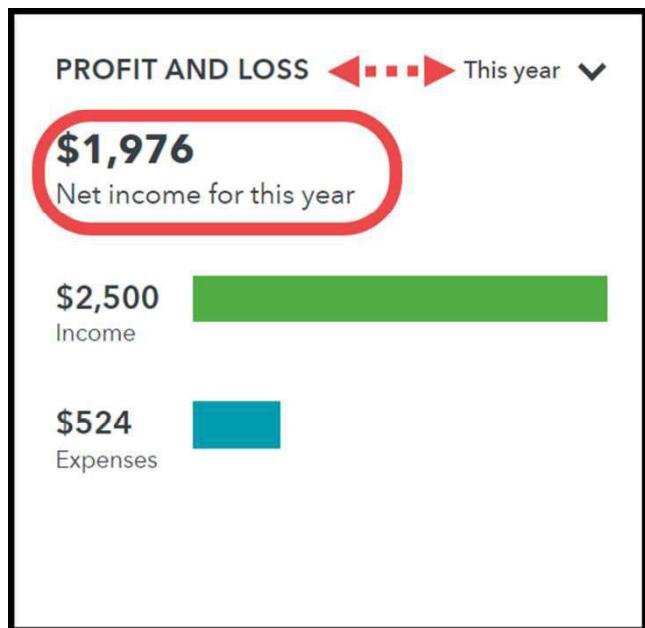


Figure 3-25: Profit and Loss > This year

Expenses > select This fiscal year.

When “This fiscal year” is selected, the pie graph’s Total expenses are \$523.71. Scroll over the colors to see individual expenses; for example, Account 625 Repairs & Maintenance, the total is \$140.00; Account 621 Office Supplies & Software, the total is \$106.52, etc.

### Invoices

Invoices default to the “Last 365 days.” Since there are no open invoices, zeroes are shown for Unpaid and Paid invoices.

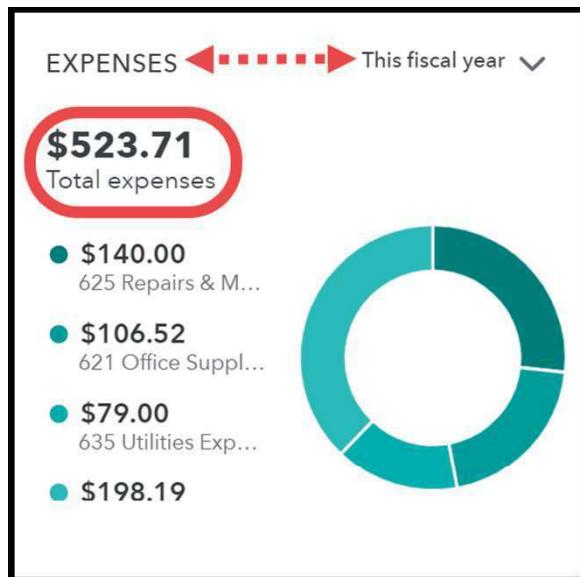


Figure 3-26: Expenses > This fiscal year



Figure 3-27: Invoices

**Sales** > select This fiscal year.

Sales shows the total as \$2,500 for Oct 2021.

### Bank Accounts

Bank accounts shows the balance in Account 101 Checking of \$48,128.79 > select Go to registers 101 Checking to see the Bank register.

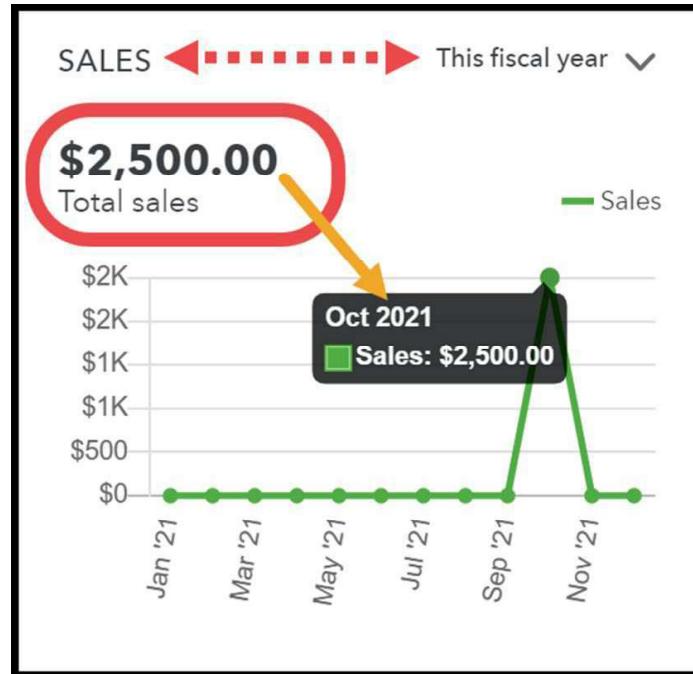


Figure 3-28: Sales

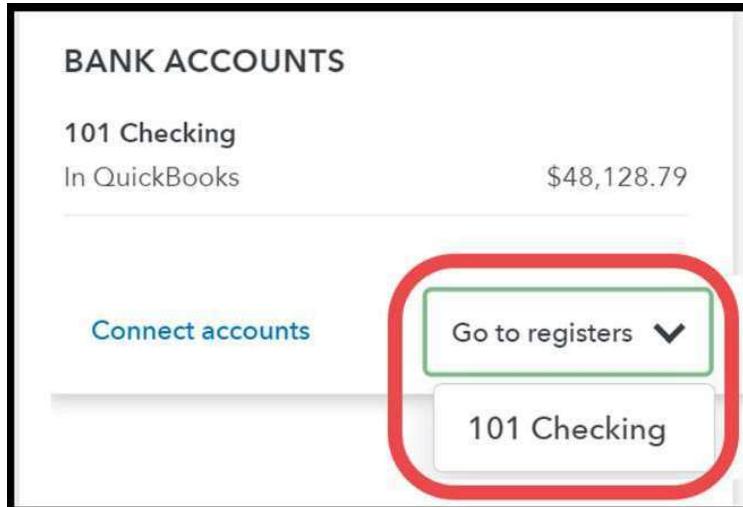


Figure 3-29: Bank Accounts

Compare your Bank register with Figure 3-30.

Student Name Sales and Service							
101 Checking Ending Balance: \$48,128.79							
Date	Ref No.	Payee	Memo	Payment	Deposit	Stat	Balance
		Type	Account			Auto	
10/17/2021			First Trust Bank		\$5,000.00		\$48,128.79
		Transfer	205 Loan Payable				
10/16/2021	1001		Cash Sales		\$2,652.50		\$43,128.79
		Sales Receipt	401 Sales				
10/15/2021	1017		Vince Bartel	\$140.00			\$40,476.29
		Check	625 Repairs & Maintenance				
10/12/2021	1016		Western Telephone	\$76.19			\$40,616.29
		Check	633 Telephone Expense				
10/10/2021	1015		Office Suppliers	\$106.52			\$40,692.48
		Check	621 Office Supplies & Software				
10/05/2021	1014		Conlin Rentals	\$6,000.00			\$40,799.00
		Check	123 Prepaid Rent				
10/04/2021	1013		SPR Gas	\$79.00			\$46,799.00
		Check	635 Utilities Expense				
10/03/2021	1012		Chronicle News	\$75.00			\$46,878.00
		Check	605 Dues & Subscriptions				
10/03/2021	1011		U.S. Post Office	\$47.00			\$46,953.00
		Check	627 Shipping and Delivery Expense				
10/02/2021	1010		Lake Insurance	\$3,000.00			\$47,000.00
		Check	125 Prepaid Insurance				
10/01/2021	1				\$50,000.00		\$50,000.00
		Journal	-Split-				

Figure 3-30: Bank Register

Using the dashboard's business overview, data metrics, analysis, visualization, and evaluation can be done.

## REPORTS

Use reports to view your company and financial information. Reports generate financial statements, transaction details, employee information, and more. If you don't see the report that you want, you can customize an existing report and memorize it to use again later. Student Name Sales and Service reports default to **accrual basis accounting**. Refer to Appendix B, Glossary, for accrual basis accounting and **cash basis accounting** definitions. Reports are divided into five sections:

- Standard: Reports that QuickBooks recommends you run. Standard is the default.
- a. Custom reports: Reports that you have customized and saved.
- b. Management Reports: Management reports include a cover page, table of contents, preliminary pages, reports, and end notes. There are three ready-to-use report templates:
  - Company Overview: Contains the Profit and Loss and Balance Sheet reports.
  - Sales Performance: Contains the Profit and Loss, A/R Aging Detail, and Sales by Customer Summary reports.
  - Expense Performance: Profit and Loss, A/P Aging Detail, and Expenses by Vendor Summary reports. All Reports: A list of all available reports, categorized by subject.

### Journal

To see the transactions that you have entered, display the Journal report.

Reports

1. Click **Reports**. In the Search field, type **Journal** > click **Journal**.

2. Select or type **10/1/XX** to **10/17/XX** in the report period fields > press **<Tab>**. (*Hint:* Use the current year. Type either four characters or two for the year.)



Figure 3-31: Report period, 10/1 to 10/17

3. After pressing **<Tab>**, the October 1-17, 20XX journal displays. Compare your Journal to Figures 3-32A and 3-32B.

Student Name Sales and Service								
Journal								
October 1-17, 2021								
DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT
10/01/2021	Journal Entry	1			101	101 Checking	\$50,000.00	
				Owner invested cash and computer equipment for stock	135	135 Computer Equipment	\$10,000.00	
					301	301 Common Stock	\$60,000.00	
							\$80,000.00	\$80,000.00
10/02/2021	Check	1010	Lake Insurance	Paid insurance for one year	101	101 Checking	\$3,000.00	
					125	125 Prepaid Insurance	\$3,000.00	
							\$3,000.00	\$3,000.00
10/03/2021	Check	1011	U.S. Post Office	Shipping and delivery	101	101 Checking	\$47.00	
					627	627 Shipping and Delivery Expense	\$47.00	
							\$47.00	\$47.00
10/03/2021	Check	1012	Chronicle News	Subscription	101	101 Checking	\$75.00	
					605	605 Dues & Subscriptions	\$75.00	
							\$75.00	\$75.00
10/04/2021	Check	1013	SPR Gas	Paid monthly bill	101	101 Checking	\$79.00	
					635	635 Utilities Expense	\$79.00	
							\$79.00	\$79.00
10/05/2021	Check	1014	Contin Rentals	Paid rent for 3 months	101	101 Checking	\$6,000.00	
					123	123 Prepaid Rent	\$6,000.00	
							\$6,000.00	\$6,000.00

Figure 3-32A Journal, 10/01/XX to 10/15/XX

10/10/2021	Check	1015	Office Suppliers	Bought office supplies:	101	101 Checking	\$106.52	
					621	621 Office Supplies & Software	\$106.52	
							\$106.52	\$106.52
10/12/2021	Check	1016	Western Telephone	Paid monthly bill	101	101 Checking	\$76.19	
					633	633 Telephone Expense	\$76.19	
							\$76.19	\$76.19
10/15/2021	Check	1017	Vince Bartel	Repair and maintenance	101	101 Checking	\$140.00	
					625	625 Repairs & Maintenance	\$140.00	
							\$140.00	\$140.00
10/16/2021	Sales Receipt	1001	Cash Sales	Cash sales	101	101 Checking	\$2,652.50	
					401	401 Sales	\$2,500.00	
					207	207 Arizona Department of Revenue Payable	\$12.50	
					207	207 Arizona Department of Revenue Payable	\$140.00	
							\$2,652.50	\$2,652.50
10/17/2021	Transfer			First Trust Bank	205	205 Loan Payable	\$5,000.00	
				First Trust Bank	101	101 Checking	\$5,000.00	
							\$5,000.00	\$5,000.00
<b>TOTAL</b>							<b>\$77,176.21</b>	<b>\$77,176.21</b>

Figure 3-32B: Journal, 10/10/XX to 10/17/XX

In the NUM column, observe that the Cash sales transaction on 10/16 automatically added 1001. *Hint:* If edits are needed, you can drill down on the transaction to go to the entry, then Save.

3. Save the Journal as an Excel file. Use the file name **Chapter 3\_Oct 1 to Oct 17\_Journal**. If your professor would like a PDF file, select <Save as PDF>.

### Trial Balance

#### TROUBLESHOOTING: CUSTOMIZE

By default, each report shows today's date. To limit the report to a different set of dates, choose a Transaction Date range on the Customize page. The Customize page contains settings that help limit the report so that it shows only what you want to see. If you want to save your customized report to access later, memorize it. To further customize, export the report to Excel and make changes.

1. The **Trial Balance** report shows the debit and credit balances of each account in your chart of accounts during a period of time. Select <Reports>, in the Search field, type **Trial Balance** > select **Trial Balance** > for the report period dates, type **10/1/XX to 10/17/XX** > . If needed, edit balances that do not agree. Editing a transaction using the Audit Log is shown on page 134.

Student Name Sales and Service		
Trial Balance		
As of October 17, 2021		
	DEBIT	CREDIT
101 Checking	48,128.79	
123 Prepaid Rent	6,000.00	
125 Prepaid Insurance	3,000.00	
135 Computer Equipment	10,000.00	
205 Loan Payable		5,000.00
207 Arizona Department of Revenue Payable		152.50
301 Common Stock		60,000.00
401 Sales		2,500.00
605 Dues & Subscriptions	75.00	
621 Office Supplies & Software	106.52	
625 Repairs & Maintenance	140.00	
627 Shipping and Delivery Expense	47.00	
633 Telephone Expense	76.19	
635 Utilities Expense	79.00	
<b>TOTAL</b>	<b>\$67,652.50</b>	<b>\$67,652.50</b>

Figure 3-33: October 17 Trial Balance

**IMPORTANT:** If your trial balance does not agree with the one shown, make the needed changes. Drill-down to edit. The work continues in the end-of-chapter exercises. Your Trial Balance should be the same *before* adding additional transactions in Exercise 3-1.

2. Export to Excel and save as a PDF file. Use the file name **Chapter 3\_Oct 1 to Oct 17\_Trial Balance.**

## Profit and Loss

The Profit and Loss report discloses money earned and money spent to calculate profitability. The P&L is also called an income statement.

1. Go to the Reports page, in the Favorites list, select **Profit and Loss**.

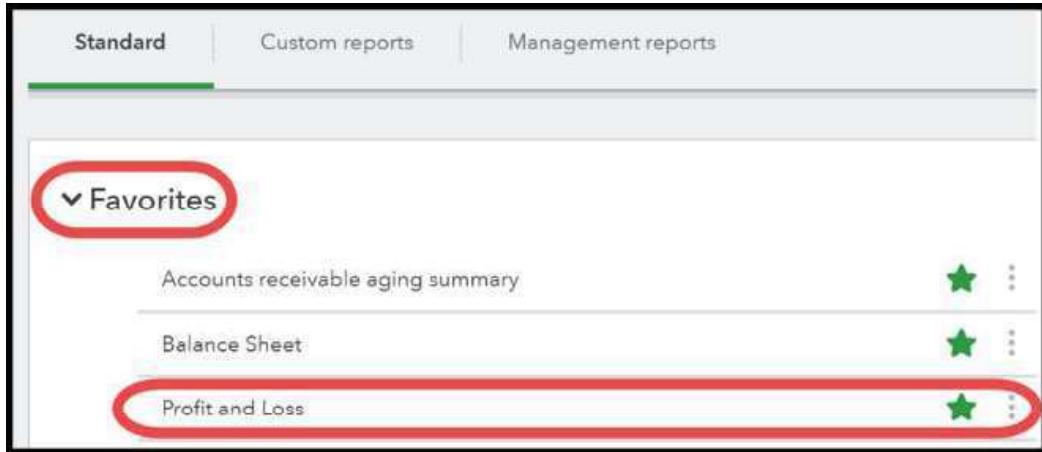


Figure 3-34: Favorites &gt; Profit and Loss

2. Type the date range **10/1/XX** to **10/17/XX** > **Run report**

Student Name Sales and Service	
Profit and Loss	
October 1-17, 2021	
	TOTAL
Income	
401 Sales	2,500.00
<b>Total Income</b>	<b>\$2,500.00</b>
<b>GROSS PROFIT</b>	<b>\$2,500.00</b>
Expenses	
605 Dues & subscriptions	75.00
621 Office Supplies & Software	106.52
625 Repairs & Maintenance	140.00
627 Shipping and Delivery Expense	47.00
633 Telephone Expense	76.19
635 Utilities Expense	79.00
<b>Total Expenses</b>	<b>\$523.71</b>
<b>NET INCOME</b>	<b>\$1,976.29</b>

Figure 3-35: Profit and Loss, October 1-17

2. Export the Profit and Loss report to Excel and save as a PDF file. Use the file name **Chapter 3\_Oct 1 to Oct 17\_Profit and Loss**. (Hint: When the Excel report displays, click Enable Editing.)

## Balance Sheet

The Balance Sheet lists what the company owns (assets), the amount of company debts (liabilities), and the amount invested in the company (equity).

1. Go to the Reports page > Favorites > Balance Sheet > from 10/1/XX to

10/17/XX > Run report

<b>Student Name Sales and Service</b>		
<b>Balance Sheet</b>		
As of October 17, 2021		
	<b>Total</b>	
<b>ASSETS</b>		
<b>Current Assets</b>		
Bank Accounts		
101 Checking	48,128.79	
Total Bank Accounts	<u>48,128.79</u>	
Other Current Assets		
123 Prepaid Rent	6,000.00	
125 Prepaid Insurance	3,000.00	
Total Other Current Assets	<u>9,000.00</u>	
Total Current Assets	<u>57,128.79</u>	
<b>Fixed Assets</b>		
135 Computer Equipment	10,000.00	
Total Fixed Assets	<u>10,000.00</u>	
<b>TOTAL ASSETS</b>	<b><u>67,128.79</u></b>	
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Other Current Liabilities		
205 Loan Payable	5,000.00	
207 Arizona Department of Revenue Payable	152.50	
Total Other Current Liabilities	<u>5,152.50</u>	
Total Current Liabilities	<u>5,152.50</u>	
Total Liabilities	<b><u>5,152.50</u></b>	
<b>Equity</b>		
301 Common Stock	60,000.00	
318 Retained Earnings	1,976.29	
Net Income	<u>1,976.29</u>	
Total Equity	<b><u>61,976.29</u></b>	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>67,128.79</u></b>	

Figure 3-36: Balance Sheet, October 17

---

2. Export the Balance Sheet to Excel and save as a PDF file. Use the file name **Chapter 3\_Oct 1 to Oct 17\_Balance Sheet**.

### Audit Log

There are a couple ways to view the Audit Log: Gear > Audit log, or Reports > Audit log. The Audit Log displays all the changes made to QBO. You can drill down to the original entry from the Audit Log. The author's Audit Log is shown. Your audit log may differ.

1. From the Audit log, drill down on Sales Receipt No. 1001. The Sales Receipt #1001 page appears.

**Sales Receipt #1001**

**Customer:** Cash Sales **Email:** Email (Separate emails with a comma) **Co/Bcc:**  **AMOUNT:** \$2,652.50

**Billing address:** Cash Sales **Sales Receipt date:** 10/16/2021 **Sales Receipt no.:** 1001

**Shipping to:** **Ship via:** **Shipping date:** **Tracking no.:** **Location of sale:**

**Tags:**  **Manage tags:** **Start typing to add a tag:**

**Payment method:** Check **Reference no.:** **Deposit to:** 101 Checking

**Subtotal:** \$2,500.00 **Taxable subtotal:** \$2,500.00

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	Cash Sales		1	2,500	2,500.00	<input checked="" type="checkbox"/>
2						<input type="checkbox"/>

**Add lines** **Clear all lines**

**Message displayed on sales receipt:**

**Select tax rate:**  **Based on location:**  **\$152.50** **See the math:**

**Shipping:**  **Tax on shipping:**  \$0.00

**Total:** \$2,652.50 **Amount received:** \$2,652.50 **Balance due:** \$0.00

Figure 3-37: Sales Receipt #1001

---

2. Continue with Editing a Transaction.

### EDITING A TRANSACTION

With the Audit Log shown, drill down to a transaction that needs editing. The original entry is shown. Make the needed corrections, then <Save and Close>.

When you view the Audit Log again, the edited transaction is shown.

The Audit Log shows everything that was entered. The example is from the author's audit log, yours will differ.

**Example:** The Author changed the date from 10/15/20XX to 10/16/20XX for Sales Receipt No. 1001. The Audit Log shows that the sales receipt was edited to add sales tax of \$152.50 ( $\$2,500 + \$152.50 = \$2,652.50$ ).



Edited Sales Receipt No. 1001	Cash Sales	10/16/2021	\$2,652.50
Added Sales Receipt No. 1001	Cash Sales	10/16/2021	\$2,500.00

Figure 3-38: Audit Log edited and added

### Recent Transactions

Another way to drill down to the original entry is to go to Recent Transactions.



1. Click (magnifying-glass icon). Recent Transactions are listed.  
Click View More to see all of them. (Hint: You may need to scroll down.)

RECENT TRANSACTIONS	Check 1017   Vince Bartel   10/15/2021   \$140.00
	Transfer   10/17/2021   \$5,000.00
	Sales Receipt 1001   Cash Sales   10/16/2021   \$2,652.50
	Check 1016   Western Telephone   10/12/2021   \$76.19
	Check 1015   Office Suppliers   10/10/2021   \$106.52
	Check 1014   Conlin Rentals   10/05/2021   \$6,000.00
	Check 1013   SPR Gas   10/04/2021   \$79.00
	Check 1012   Chronicle News   10/03/2021   \$75.00
	Check 1011   U.S. Post Office   10/03/2021   \$47.00
	Check 1010   Lake Insurance   10/02/2021   \$3,000.00
	 <a href="#">View more</a>

Figure 3-39: Recent Transactions

2. To edit a transaction, drill-down on it. Make any needed changes, then save.

## REGISTERS

There are a variety of accounts in QuickBooks—assets, liabilities, etc.

Registers are a useful way to look at transactions and amounts associated with a particular account.

1. From the Navigation bar > select Accounting > Chart of Accounts.

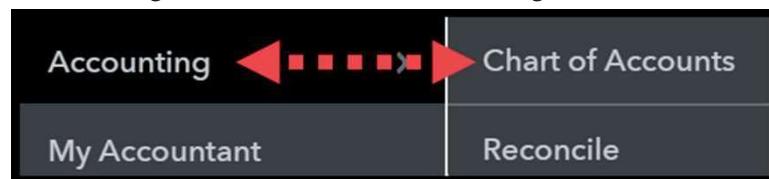


Figure 3-40: Accounting &gt; Chart of Accounts

2. In the 101 Checking row, link to View register.
3. The Bank Register appears. Observe that the balance is \$48,128.79. This agrees with the transaction register. A partial bank register is shown.



Figure 3-41: Bank Register

### CHECK YOUR PROGRESS

Check Your Progress assignments are included within Connect and below. To answer these questions, use QBO's Dashboard graphics.

1. What is the account balance as of 10/17/XX in these accounts? Indicate whether the accounts have a debit (dr.) or credit (cr.) balance.

Account 101 Checking \_\_\_\_\_

Account 205 Loan Payable \_\_\_\_\_

Account 207 Arizona Department of Revenue Payable \_\_\_\_\_

Account 401 Sales \_\_\_\_\_

Account 621 Office Supplies \_\_\_\_\_

Account 633 Telephone Expense \_\_\_\_\_

Account 635 Utilities \_\_\_\_\_

2. What is the 10/17/XX Net Income? \_\_\_\_\_

3. What are the total Liabilities and Equity? \_\_\_\_\_

4. What report(s) show the Net Income? \_\_\_\_\_

5. What report(s) shows all work completed? \_\_\_\_\_

6. What transactions changed the Dashboard's data metrics from October 1 through October 17 for Profit and Loss, Expenses, Sales, and Bank Accounts (include the beginning balance account distribution)? Specify the account name, account balances, and totals. When appropriate indicate dr. or cr. Some amounts are rounded up.

D  
A  
V  
E

Profit and Loss \_\_\_\_\_

Expenses \_\_\_\_\_

Sales \_\_\_\_\_

Bank Accounts \_\_\_\_\_

7. What QBO features are used for entering the beginning balance, transaction register expenses, and cash sales?

Beginning balance \_\_\_\_\_

Expenses \_\_\_\_\_

Cash Sales \_\_\_\_\_

**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. Access QBO Sign Up.
2. Narrated PowerPoints.
3. QBO Videos. The PowerPoints include links to the videos.
  - a. How to Navigate in QuickBooks.
  - b. How to Collect and Record Sales Taxes.
4. Text Updates.

**Exercise 3-1:** Follow the instructions below to complete Exercise 3-1.

1. If necessary, sign in at <http://qbo.intuit.com>.
2. To enter checks and cash sales, use the transaction register on the next page. Cash sales include 6.10% sales tax.

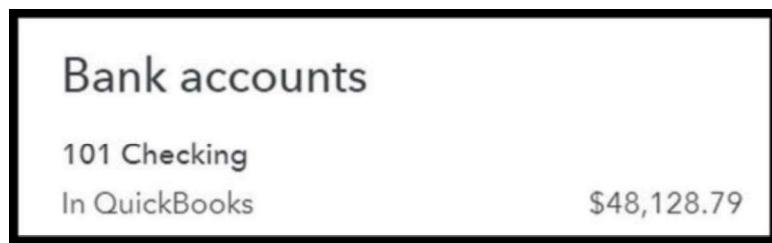
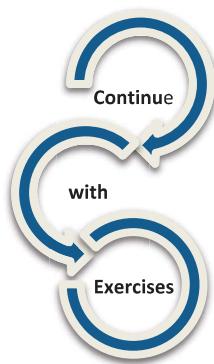


Figure 3-42: 101 Checking balance

**Tip:** The Transaction Register on page 122 also shows the checking account balance of \$48,128.29. For Cash Sales, make sure Tax field is checked.

Ck. No.	Date	Description of Transaction	Payment	Deposit	Balance
	10/17	Balance			\$48,128.29
1018	10/19	Office Suppliers <sup>1</sup>	\$100.34		\$48,028.45
1019	10/20	Moss Advertising	\$125.00		\$47,903.45
	10/20	Cash Sales + sales tax [\$2,000 + \$122]; Sales Receipt 1002		\$2,122.00	\$50,025.45
1020	10/23	Cellular Service (Cell service is Telephone expense)	\$82.13		\$49,943.32
1021	10/25	Journal of Accounting (Dues & Subscriptions)	\$75.00		\$49,868.32
1022	10/29	Hour Deliveries (Freight & Delivery Expense)	\$42.40		\$49,825.92
ATM <sup>2</sup>	10/30	Village Restaurant <sup>3</sup> (Meal with clients)	\$126.40		\$49,699.52
	10/30	Cash Sales [\$1,500 + \$91.50] Sales Receipt 1003		\$1,591.50	\$51,291.02
1023	10/30	Paper Supply Co. (Stationery & Printing)	\$425.22		\$50,865.80
1024	10/30	Hour Deliveries	\$22.25		\$50,843.55
1025	10/30	Office Suppliers	\$19.99		\$50,823.56

Hint: Compare your work to the Transaction Register. Click Gear >  > Recent Transactions > View more. If necessary, edit transactions.

<sup>1</sup>QBO remembers the previous Office Suppliers transaction amount. Click <NO> for Prefill. Type the 10/19 amount.

<sup>2</sup>Debit card used so there is no check number.

<sup>3</sup>Add Village Restaurant as a Vendor. Type ATM in the Check No. field.

3. Display the Register for Account 101 Checking. (*Hint:* From the Navigation bar, select <Accounting> and <Chart of Accounts>.) On the 101 Checking row > click View register. Make sure your ending balance is \$50,823.56. If not, edit transaction(s).

Student Name Sales and Service							
101 Checking Ending Balance: \$50,823.56							
Date	Ref No.	Payee	Memo	Payment	Deposit	Stat	Balance
Type	Account					Auto	
10/30/2021	1003	Cash Sales			\$1,591.50		\$50,823.56

Figure 3-43: Checking register balance

3. On the Dashboard's Business overview page, make sure your Bank account ending balance also shows \$50,823.56.

BANK ACCOUNTS		
101 Checking	In QuickBooks	\$50,823.56

Figure 3-44: Bank accounts balance

4. Continue with Exercise 3-2.

**Exercise 3-2:** Follow the instructions below to complete Exercise 3-2:

1. Export the Journal, Trial Balance, Profit and Loss and Balance Sheet as Excel and Adobe PDF files. The date range is 10/1/20XX to 10/30/20XX.
2. Use these file names:

**Exercise 3-2\_October Journal**

**Exercise 3-2\_October Trial Balance**

**Exercise 3-2\_October Profit and Loss**

**Exercise 3-2\_October Balance Sheet**

*Hint:* Another way to save Adobe PDF files is to export to Excel and save the file. Then, on Excel's file menu, click File > Save as Adobe PDF > Convert to PDF > go to the location to save the PDF file. Steps are included in Appendix A, Troubleshooting.

### **Troubleshooting:**

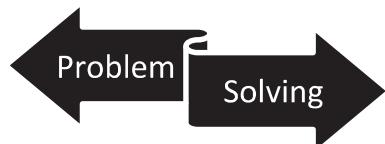
- 1) When the PDF file displays, right-click > select Save as > go to the location where you want to save the file > type the file name.
- 2) If exporting to Excel is not working, exit Excel and try again. *Or*, sign out and sign back in.

### **Check Figures:**

- Account No. 101 Checking, \$50,823.56
- Account No. 207 Arizona Department of Revenue Payable, \$366.00
- Account No. 401 Sales, \$6,000.00
- Account No. 601 Advertising & Marketing, \$125.00
- Account No. 605 Dues & Subscriptions, \$150.00
- Account No. 619 Meals and Entertainment, \$126.40
- Account No. 621 Office Supplies & Software, \$226.85
- Account No. 627 Shipping and Delivery Expense, \$47.00
- Net income, \$4,457.56
- Total Liabilities and Equity, \$69,823.56

### **Exercise 3-3: Problem Solving**

Exercise 3-3 is available within Connect. It includes:



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1. What is the date of the beginning balance?
2. Describe the beginning balance transaction type and the account distribution.
3. What are the steps for accessing the report that shows the beginning balance?
4. When you set up sales tax, what three areas are set up automatically?
5. Using the Dashboard's data metrics for Profit and Loss, Expenses, Sales, and Bank Accounts, what is the difference between the October 17 balances and October 30 balances?

**D  
A  
V  
E**

<b>Data Analysis</b>	<b>October 30</b>	<b>October 17</b>	<b>Difference</b>
<b>Profit and Loss</b>			
<b>Expenses</b>			
<b>Sales</b>			
<b>Bank Accounts</b>			

6. Instead of the Dashboard's data metrics, what is another way 10/17 and 10/30 balances for Profit and Loss, Expenses, Sales, and Bank Accounts can be checked?

### 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, Basic Reports and Views. Refer to the QBO Certified User\_Exam Objectives.pdf.

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