

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.

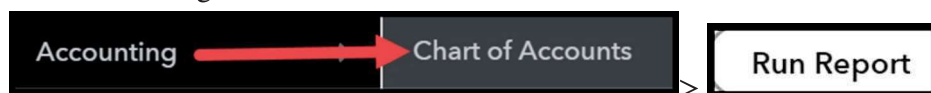
Start QBO+ and sign in with your User ID and Password.



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).

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.*




Student Name Sales and Service Account List or Chart of Accounts			
Account #	Account	Type	Detail type
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:

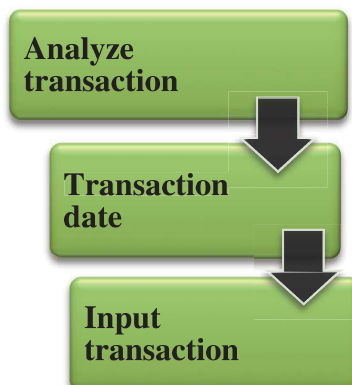
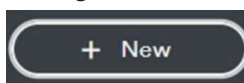
- There are at least two parts: Debit and Credit distribution lines.
- Each distribution line includes an account from the Chart of Accounts.
- The total of the Debit column equals the total of the Credit column.

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).

<i>Date</i>	<i>Description of Transaction</i>
10/1/20XX	The owner invests \$50,000 cash along with \$10,000 in computer equipment in the company in exchange for common stock.

1. From the Dashboard, click



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**

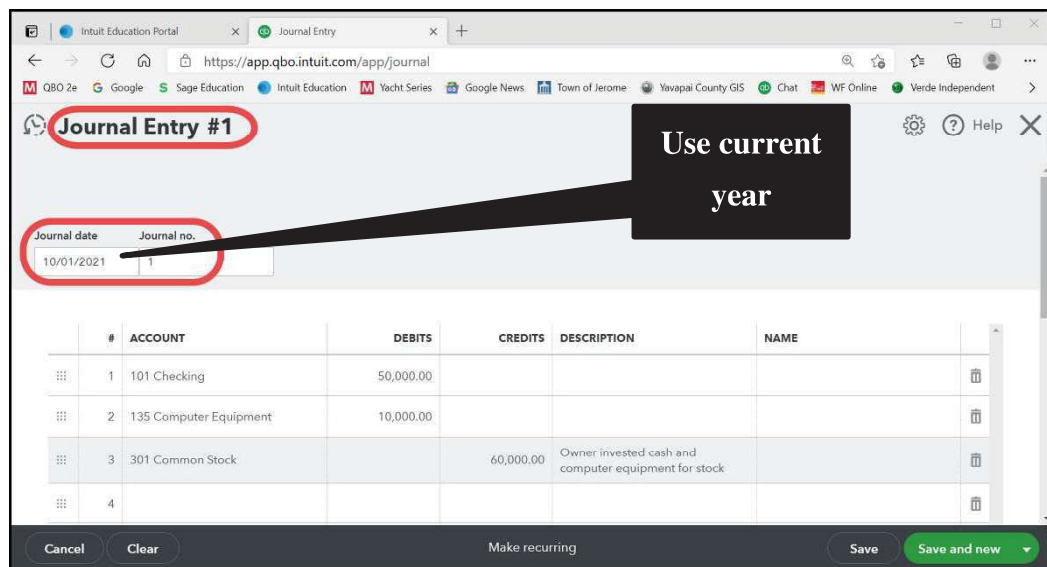



Figure 3-3: Journal Entry #1

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.



1. 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		50,000.00
105	Accounts Receivable (A/R)	Accounts receivable (A/R)	Accounts Receivable (A/R)		0.00
115	Merchandise Inventory	Other Current Assets	Inventory		0.00
123	Prepaid Rent	Other Current Assets	Prepaid Expenses		0.00
125	Prepaid Insurance	Other Current Assets	Prepaid Expenses		0.00
130	Uncategorized Asset	Other Current Assets	Other Current Assets		0.00
133	Undeposited Funds	Other Current Assets	Undeposited Funds		0.00
	Inventory Asset	Other Current Assets	Inventory		0.00
135	Computer Equipment	Fixed Assets	Machinery & Equipment		10,000.00
137	Accumulated Depreciation	Fixed Assets	Accumulated Depreciation		0.00
201	Accounts Payable (A/P)	Accounts payable (A/P)	Accounts Payable (A/P)		0.00
205	Loan Payable	Other Current Liabilities	Loan Payable		0.00
301	Common Stock	Equity	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.

2. 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.

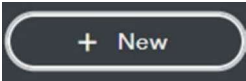
Within Chapter 3, you enter October 1-17, 20XX transactions. In Exercise 3-1, you enter transactions for October 19 through October 30.

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	Balance			\$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.

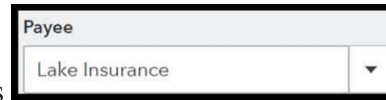
- Go to the Create menu. Click  > select Check (in Vendors list). (*Hint:* For purposes of verifying check numbers and Transaction Register balances, the Check page is used.)

Complete these fields on the Check page:

Choose a payee: Type **Lake Insurance**, click  >

Press Tab > Type is Vendor > 

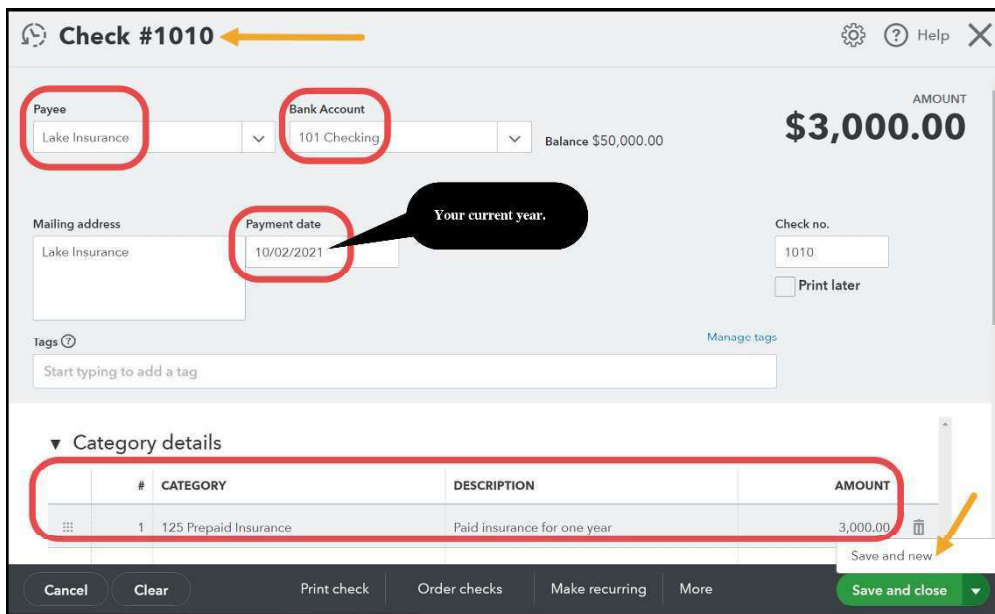
After clicking <Save>, the Payee field shows



A screenshot of a software interface showing a dropdown menu for the 'Payee' field. The selected option is 'Lake Insurance'.

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.



A screenshot of the 'Check #1010' form in QuickBooks Online. The form includes fields for Payee (Lake Insurance), Bank Account (101 Checking), Mailing address (Lake Insurance), Payment date (10/02/2021), Check no. (1010), and Amount (\$3,000.00). A red box highlights the 'Category details' section, which shows a table with one entry: 125 Prepaid Insurance, Paid insurance for one year, 3,000.00. A yellow arrow points to the 'Save and close' button at the bottom right.

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

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.

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	U.S. Post Office (627 Shipping and Delivery Expense)	\$47.00		\$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.


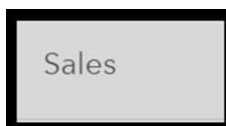
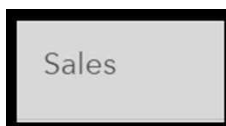
1. If the Check page is shown, click <X> next to ? Help to close it. Select Gear 
 - > Account and settings > Company. In the Company type field, select
 - > Tax form down-arrow > Small business corporation, two or more owners (Form 1120S) > click <Save>. The Industry field can be left blank.



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	
	Preferred delivery method	Print later	
	Shipping	On	
	Custom fields		
	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 price rules BETA	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.



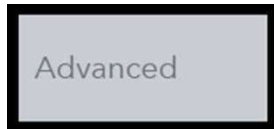
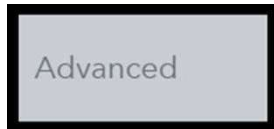
Bills and expenses	Show Items table on expense and purchase forms	On	
	Show Tags field on expense and purchase forms	On	
	Track expenses and items by customer	On	
	Make expenses and items billable	Off	
	Default bill payment terms	Net 30	
Purchase orders	Use purchase orders	On	

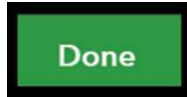
Figure 3-9: Bills and expenses and Purchase orders

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



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



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.

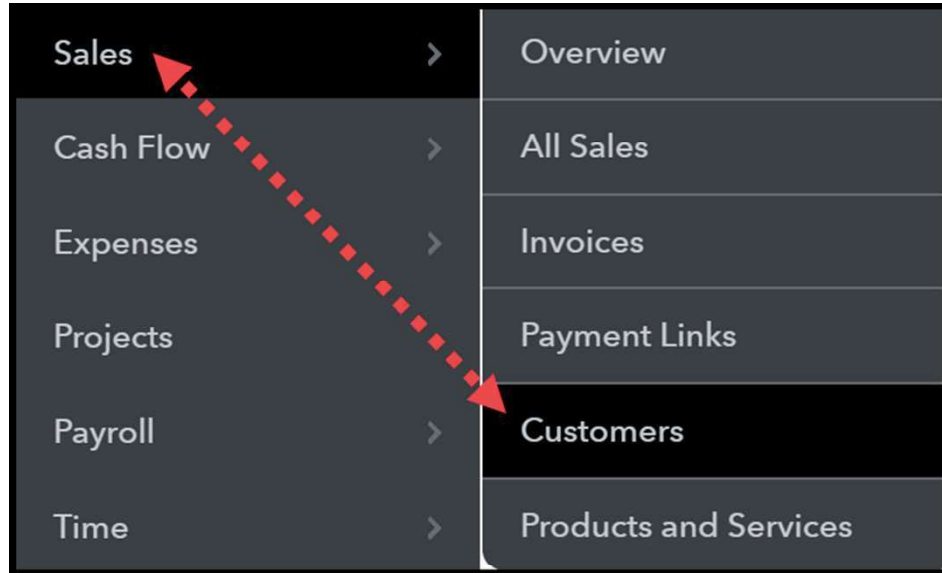
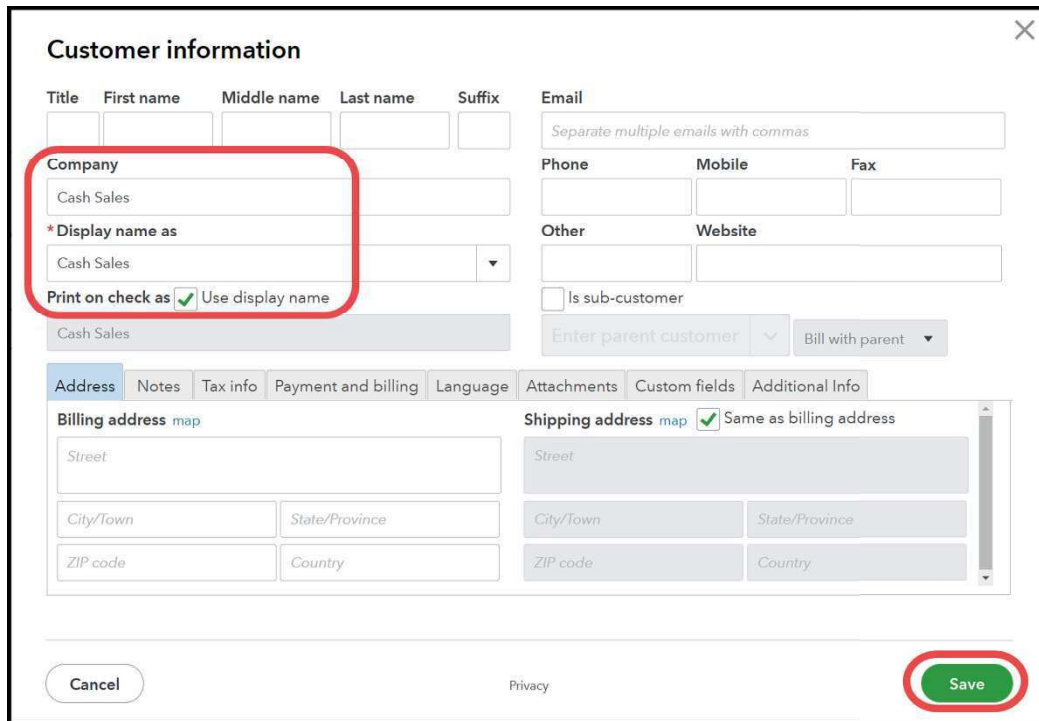


Figure 3-10: Sales > Customers

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.



The image shows a 'Customer information' form with a red box highlighting the 'Company' section. The 'Company' section includes fields for 'Company' (Cash Sales), '*Display name as' (Cash Sales), and 'Print on check as' (checked 'Use display name'). The 'Save' button is also circled in red.

Customer information

Title First name Middle name Last name Suffix Email
Cash Sales
Separate multiple emails with commas

Company
Cash Sales
*Display name as
Cash Sales
Print on check as ☒ Use display name
Cash Sales

Phone Mobile Fax
Other Website
Is sub-customer
Enter parent customer Bill with parent

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

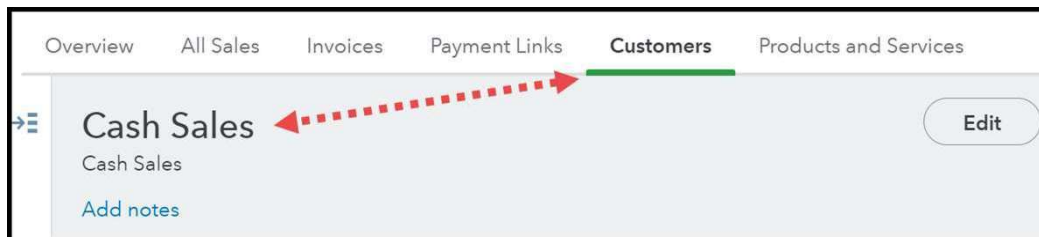
Billing address map Shipping address map ☒ Same as billing address

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.



The image shows the 'Customers' tab in a software interface. The 'Cash Sales' customer is listed, and a red dashed arrow points from the 'Cash Sales' text to the 'Customers' tab. The 'Edit' button is visible.

Overview All Sales Invoices Payment Links **Customers** Products and Services

Cash Sales
Cash Sales
Add notes Edit

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.

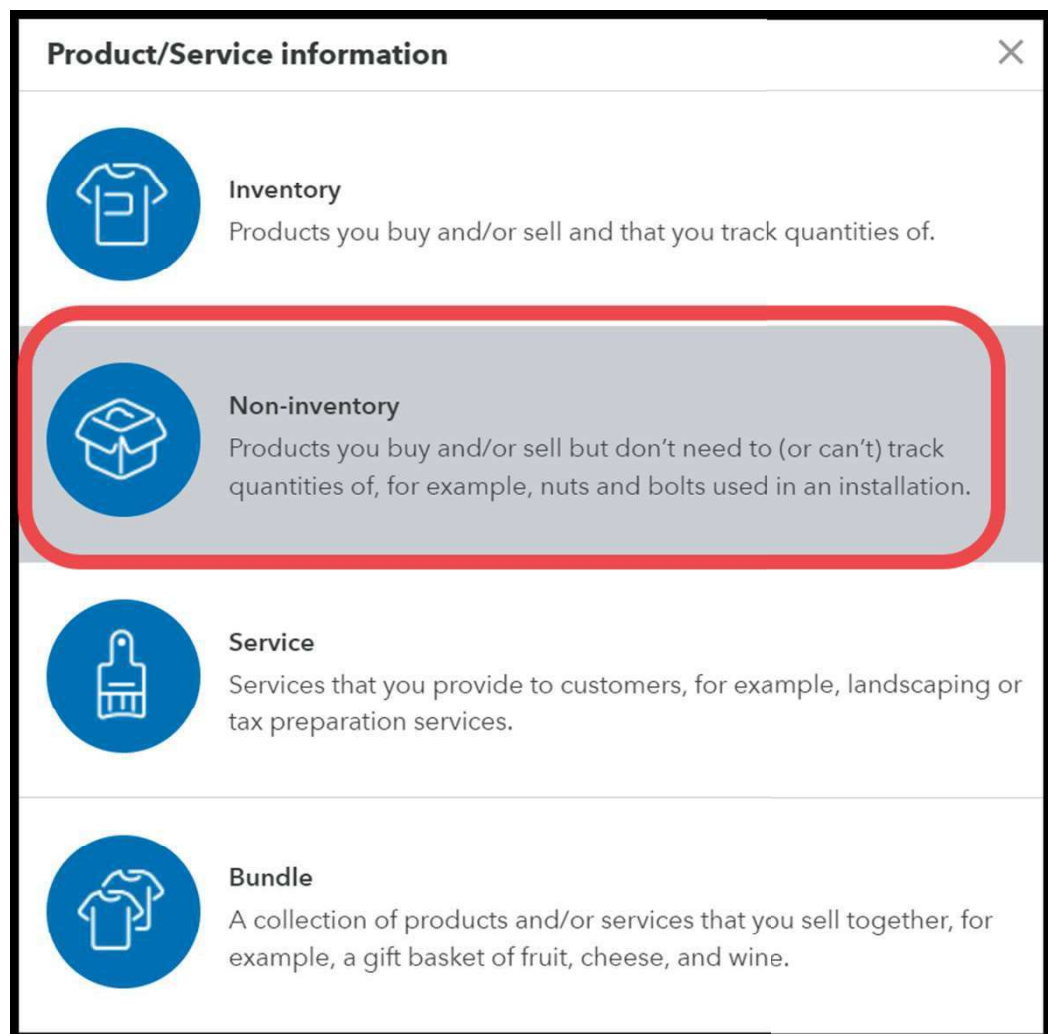


Figure 3-13: Product/Service Information

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
Choose a category

Description
☒ I sell this product/service to my customers.
Description on sales forms

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.

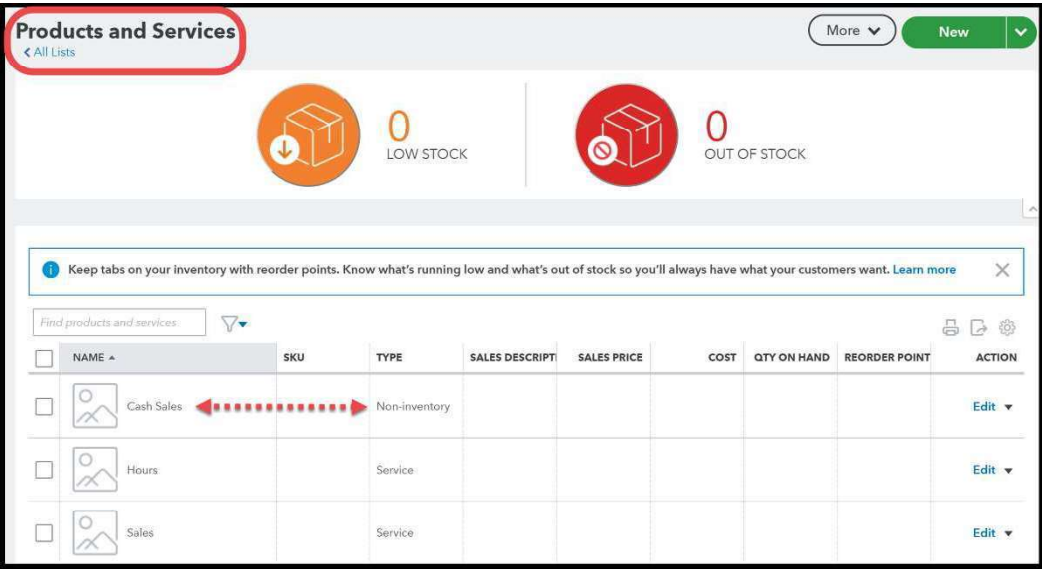


Figure 3-15: Products and Services

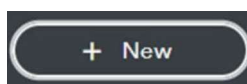
Cash Sales

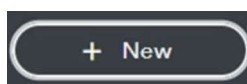
The transaction for cash sales is:

Date	Description of Transaction
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

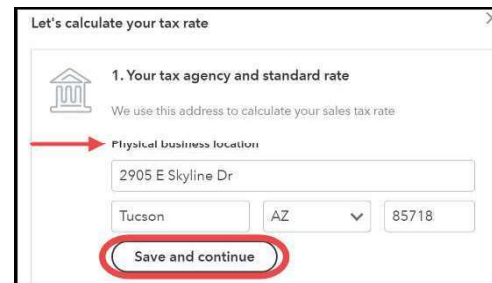
Billing address: Cash Sales completed automatically
 Sales Receipt date: Type **10/16/XXXX** (use current year)
 Sales Receipt no. 1001 completed automatically
 Payment method: Select Check
 Deposit to: 101 Checking automatically selected
 PRODUCT/SERVICE: Select Cash Sales.
 DESCRIPTION: Type **Cash 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.

- a. 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

- b. Click
- 1) Your tax agency and standard rate page appears showing your company's address, city, state and zip > Save and continue.



- 2) 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

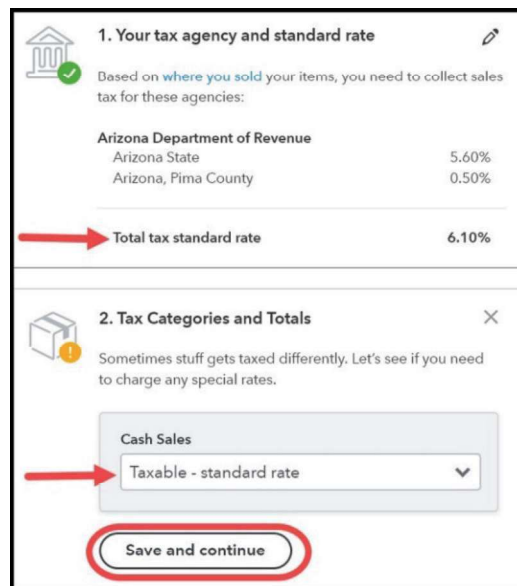


Figure 3-18: Tax agency and standard rate

- 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 (circled in red)

Email: Email (Separate emails with a comma)

Cc/Bcc

AMOUNT: **\$2,652.50** (indicated by a red arrow)

Sales Receipt date: 10/16/2021 (circled in red)

Billing address: Cash Sales

Shipping to: [Empty field]

Payment method: Check (circled in red)

Reference no.: [Empty field]

Deposit to: 101 Checking (circled in red)

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	Cash Sales		1	2,500	2,500.00	✓ (checked, indicated by a red arrow)

Subtotal: \$2,500.00

Taxable subtotal: \$2,500.00

Select tax rate: Based on location (indicated by a red arrow) → **\$152.50**

Save and new, Save and close, Save, 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.

Account

Account Type: Other Current Liabilities

*Name: Arizona Department of Revenue Payable

*Detail Type: Sales Tax Payable

Number: 207

Description:

Use **Sales Tax Payable** to track the sales tax you have collected, but not yet remitted to the IRS.

☐ Is sub-account

Enter parent account

Balance: 152.50

Cancel Save and Close

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
TOTAL							\$2,652.50	\$2,652.50

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.

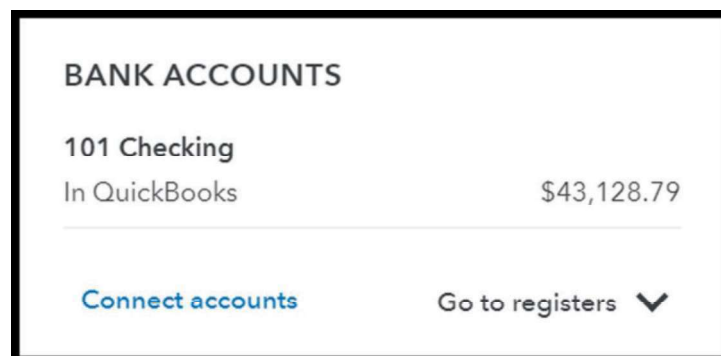


Figure 3-22: Checking account balance

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.

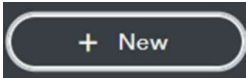
Date *Description of Transaction*

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.

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		\$2,652.50	\$43,128.79
	10/17	First Trust Bank (Loan Payable)		\$5,000.00	\$48,128.79

The steps that follow show how to record a transfer.

- 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)

The screenshot shows the 'Transfer' window in QuickBooks. On the left, there are three sections: 'Transfer Funds From' with a dropdown menu showing '205 Loan Payable', 'Transfer Funds To' with a dropdown menu showing '101 Checking', and 'Transfer Amount' with a text box containing '5,000.00'. Below these is a 'Memo' field with the text 'First Trust Bank'. On the right, there are two balance boxes: 'Balance' for '205 Loan Payable' showing '\$0.00' and 'Balance' for '101 Checking' showing '\$43,128.79'. Below the balance boxes is a 'Date' field with '10/17/2021'. At the bottom left are 'Cancel' and 'Clear' buttons. At the bottom center is a 'Make recurring' checkbox. At the bottom right are 'Save and close Ctrl+Alt+D' and 'Save and new' buttons. Red circles highlight the 'Transfer Funds From' dropdown, the 'Transfer Amount' text box, and the 'Date' field. A red arrow points to the 'Save and close' button.

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	
							\$5,000.00	\$5,000.00
TOTAL							\$5,000.00	\$5,000.00

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.

**D
A
V
E**

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

Data metrics

Aalysis

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.

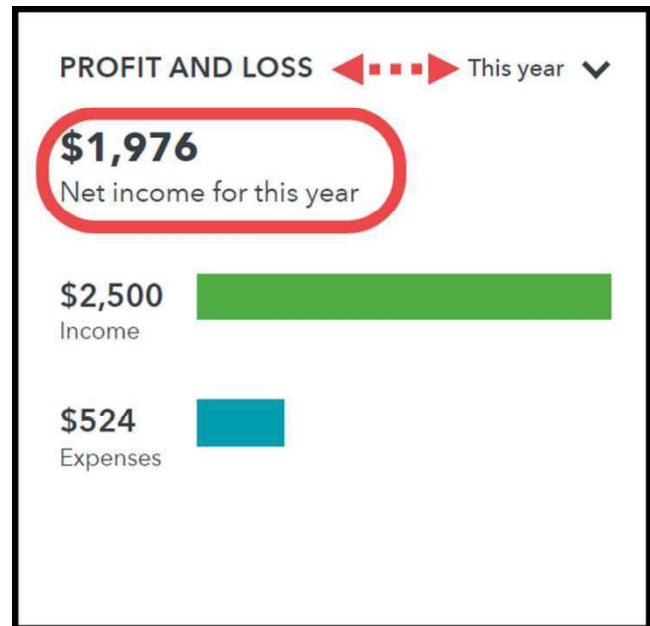


Figure 3-25: Profit and Loss > This year

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.

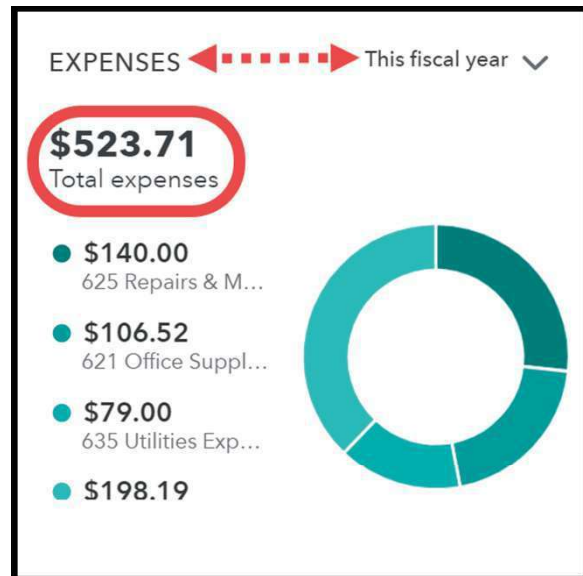


Figure 3-26: Expenses > This fiscal year

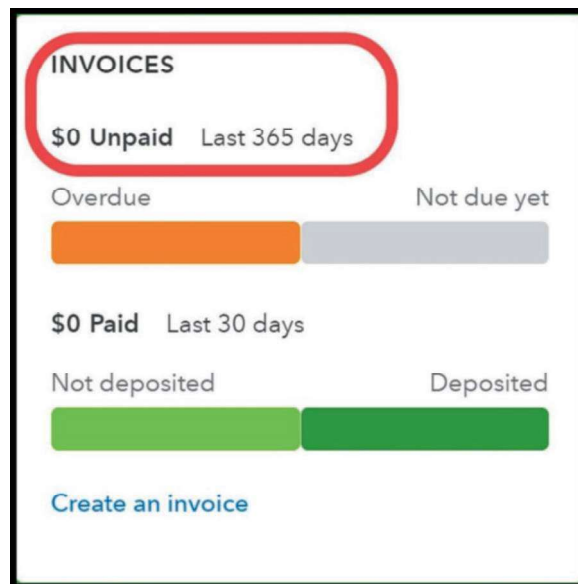


Figure 3-27: Invoices

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.

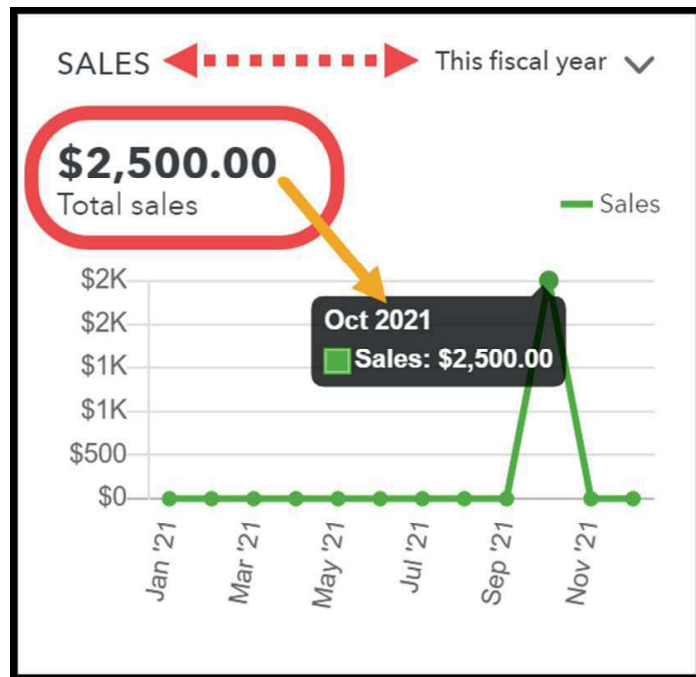


Figure 3-28: Sales

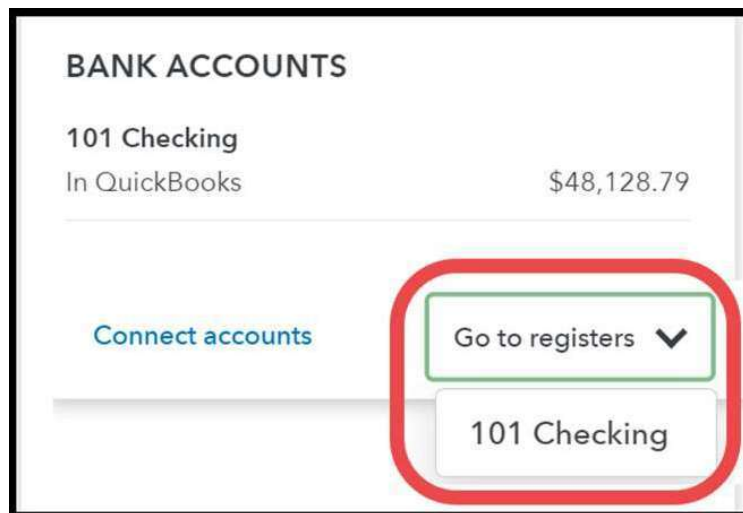


Figure 3-29: Bank Accounts

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.

1. Click . 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.*)

Report period			
Custom		10/01/2021	to 10/17/2021

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	\$60,000.00	
					135	135 Computer Equipment	\$10,000.00	
				Owner invested cash and computer equipment for stock	301	301 Common Stock		\$60,000.00
							\$60,000.00	\$60,000.00
10/02/2021	Check	1010	Lake Insurance		101	101 Checking		\$3,000.00
				Paid insurance for one year	125	125 Prepaid Insurance	\$3,000.00	
							\$3,000.00	\$3,000.00
10/03/2021	Check	1011	U.S. Post Office		101	101 Checking		\$47.00
				Shipping and delivery	627	627 Shipping and Delivery Expense	\$47.00	
							\$47.00	\$47.00
10/03/2021	Check	1012	Chronicle News		101	101 Checking		\$75.00
				Subscription	605	605 Dues & subscriptions	\$75.00	
							\$75.00	\$75.00
10/04/2021	Check	1013	SPR Gas		101	101 Checking		\$79.00
				Paid monthly bill	635	635 Utilities Expense	\$79.00	
							\$79.00	\$79.00
10/05/2021	Check	1014	Conlin Rentals		101	101 Checking		\$6,000.00
				Paid rent for 3 months	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		101	101 Checking		\$106.52
				Bought office supplies	621	621 Office Supplies & Software	\$106.52	
							\$106.52	\$106.52
10/12/2021	Check	1016	Western Telephone		101	101 Checking		\$76.19
				Paid monthly bill	633	633 Telephone Expense	\$76.19	
							\$76.19	\$76.19
10/15/2021	Check	1017	Vince Bartel		101	101 Checking		\$140.00
				Repair and maintenance	625	625 Repairs & Maintenance	\$140.00	
							\$140.00	\$140.00
10/16/2021	Sales Receipt	1001	Cash Sales		101	101 Checking	\$2,652.50	
				Cash sales	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
TOTAL							\$77,176.21	\$77,176.21

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

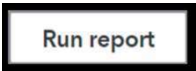
In the NUM column, observe that the Cash sales transaction on 10/16 automatically added 1001. *Hint:* If edits are needed, you can drill down on the transaction to go to the entry, then Save.

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	
TOTAL	\$67,652.50	\$67,652.50

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 > 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
Total Income	\$2,500.00
GROSS PROFIT	\$2,500.00
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
Total Expenses	\$523.71
NET INCOME	\$1,976.29

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**

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

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: [Field] | Co/Boc: [Field] | Amount: **\$2,652.50**

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

Shipping to: [Field] | Ship via: [Field] | Shipping date: [Field] | Tracking no.: [Field] | Location of sale: [Field]

Tags: [Field] | Manage tags: [Field]

Payment method: Check | Reference no.: [Field] | Deposit to: 101 Checking

Skip this step and have payments auto-reconcile next time

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	Cash Sales		1	2,500	2,500.00	✓
2						

Add lines | Clear all lines

Message displayed on sales receipt: [Field]

Message displayed on statement: [Field]

Select tax rate: Based on location | Tax amount: \$152.50

Shipping: [Field] | 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
	 View more

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.

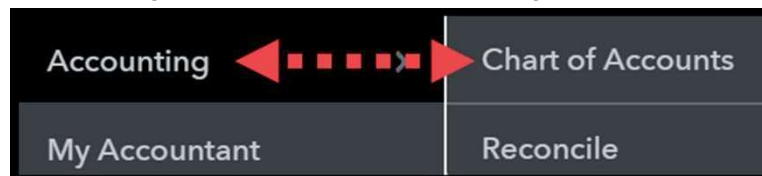


Figure 3-40: Accounting > Chart of Accounts

- 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.

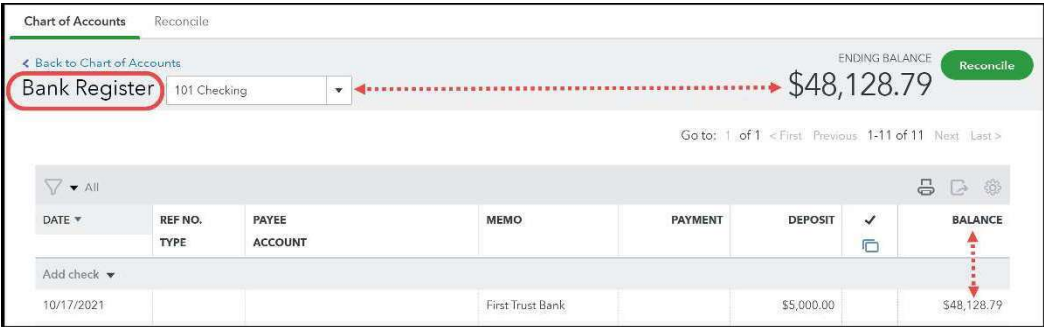


Figure 3-41: Bank Register

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? _____

**D
A
V
E**

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.

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).

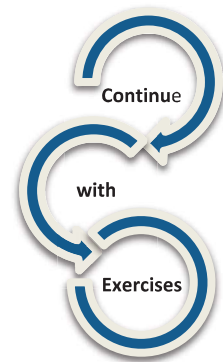
Additional Student Resources (ASR)

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.




Bank accounts	
101 Checking	
In QuickBooks	\$48,128.79

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.

Beginning Balances and October Transaction Register **141**

Ck. No.	Date	Description of Transaction	Payment	Deposit	Balance
	10/17	Balance			\$48,128.29
1018	10/19	Office Suppliers ¹	\$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 ²	10/30	Village Restaurant ³ (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.

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

²Debit card used so there is no check number.

³Add 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:

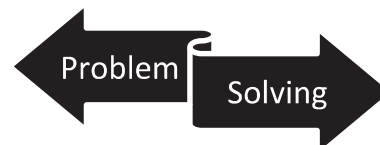
- 1) When the PDF file displays, right-click > select Save as > go to the location where you want to save the file > type the file name.
- 2) If exporting to Excel is not working, exit Excel and try again. *Or*, sign out and sign back in.

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:



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**

Data Analysis	October 30	October 17	Difference
Profit and Loss			
Expenses			
Sales			
Bank Accounts			

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.

CHAPTER 3 INDEX

Account and settings	109
Account list	105
Account list or chart of accounts	101
Accrual basis accounting	128
Add customer	112
Add non-inventory product/service	114
Add sales tax	117
Additional student resources	139
Audit log	134
Balance sheet	133
Bank accounts	121, 126
Cash basis accounting	128
Cash sales	116
Certification Q&A practice test	144
Chart of accounts	100, 101, 102
Check	106
Check your data: account list or chart of accounts	100
Check your progress	137
Check figures	143
Comment	105, 106, 124
Connect	139
Dashboard > Business overview	124
DAVE	124, 138, 144
Edit the chart of accounts	120
Editing a transaction	135
Expense account distribution	109
Expenses	125
Exercise 3-1	140

Exercise 3-2	142
Exercise 3-3	143
FYI.....	102, 111
Getting started	100
Invoices.....	125
Journal	128
Journal entry	103
Objectives	99
October transaction register.....	106
Profit and loss	124, 131
QuickBooks Resources and Activities	139
Recent transactions	135
Registers	136
Reports.....	128
Sales.....	126
Sales receipt.....	111
Sales tax.....	117
Sales receipt account distribution.....	121
Scenario	99
Sign out.....	139
Source document	100
Specialized screens	103
Transaction register	100, 106
Transfer.....	122
Transfer account distribution.....	123
Trial balance	130
Troubleshooting.....	130, 143
