

Chapter

8

January Source Documents

Scenario: In this chapter, start by checking your Dashboard graphics. Then, verify your January 1, 20XY Trial Balance. The stop sign reminds you to make sure your debit and credit balances are correct. In Chapter 8, you analyze typical source documents used by businesses. Memos remind you to make customer payments and vendor payments, sales receipts show cash and credit card sales, bills are used for recording purchases on account, and invoices are used for sales on account. You also display reports and complete financial statements. To review what you will do in Chapter 8, read the objectives.

OBJECTIVES

1. Start QuickBooks Online and sign in to Student Name Sales and Service.
2. To check data, display Dashboard graphics and the January 1, 20XY Postclosing Trial Balance.
3. Analyze source documents.
4. Record vendor, customer, cash and credit card transactions, and sales tax.
5. Export reports to Excel and save as PDF files.
6. Complete Check Your Progress.
7. Review and complete the QuickBooks Resources and Activities.
8. Complete Exercises 8-1, 8-2, 8-3, and the Certification Q&A practice test.

In Chapter 8, January Source Documents, you complete January business transactions for Student Name Sales and Service. The company sells computers, data storage, network products, web servers, and webinars.

The source documents shown prompt transaction analysis for issuing checks for expenses, accounts payable (vendors), inventory, accounts receivable (customers), and cash and credit card sales. You also use the January 31 bank statement to reconcile Account 101 Checking.

GETTING STARTED

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



CHECK YOUR DATA

To make sure all entries are recorded through Exercise 7-2, display Dashboard graphics and the Postclosing Trial Balance (Figure 8-4).



Data Metrics and Visualization

Compare your Dashboard's graphics with the figures shown, then verify the January 1, 20XY Postclosing Trial Balance. *Observe Figure 8-1 shows current year amounts. Your amounts agree with Figure 7-6, EOY Profit and Loss. Drill-down on Profit and Loss; type the date range 10/1/20XX to 12/31/20XX.*



Figure 8-1: Profit and Loss and Expenses

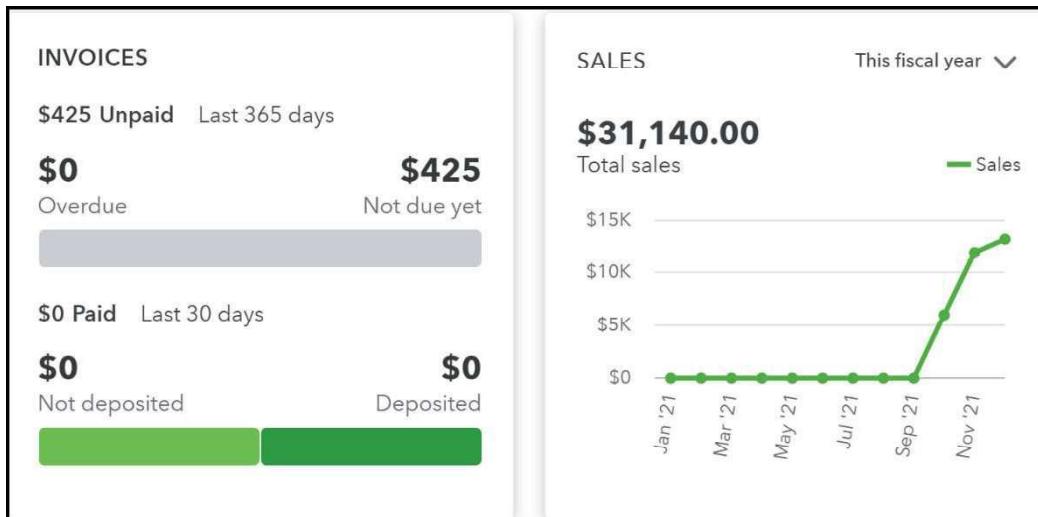


Figure 8-2: Invoices and Sales

Comment: Because QBO+ calculates Invoice due dates as of the system or current date, \$425 is shown as overdue. Invoice 1029 is dated 12/24/20XX and is due on 1/23/20XY. Your invoice is not *overdue*.

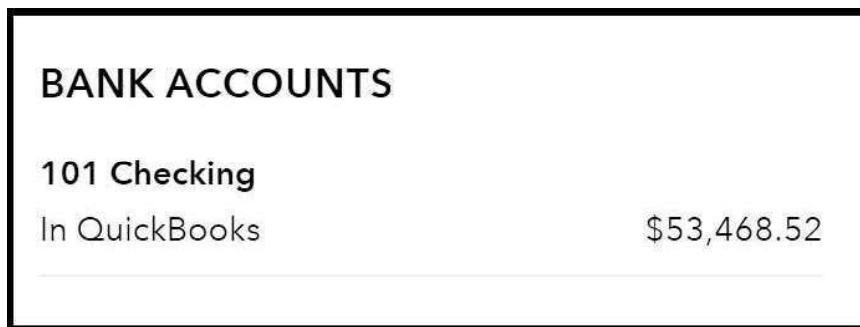


Figure 8-3: Bank Accounts

Display the 1/1/20XY to 1/1/20XY Trial Balance. This is the Postclosing Trial Balance in Chapter 7, Figure 7-18. Select Non-zero rows/columns before running the report.

Remember to use the next year. For example, if you recorded transactions for the fourth quarter of 2021, the year used in Chapters 8, 9, and 10 is 2022. The screen images show 2022 because the author recorded fourth quarter transactions in 2021.



Student Name Sales and Service		
Trial Balance		
As of January 1, 2022		
	DEBIT	CREDIT
101 Checking	53,468.52	
105 Accounts Receivable (A/R)	425.00	
115 Merchandise Inventory	9,870.00	
125 Prepaid Insurance	2,250.00	
135 Computer Equipment	10,000.00	
137 Accumulated Depreciation		800.00
201 Accounts Payable (A/P)		3,120.00
205 Loan Payable		5,000.00
301 Common Stock		60,000.00
318 Retained Earnings		7,093.52
TOTAL	\$76,013.52	\$76,013.52

Figure 8-4: Postclosing Trial Balance, January 1, 20XY

JANUARY SOURCE DOCUMENTS

After analyzing each source document, record the appropriate transaction. All transactions occurred during January of the year *after* fourth quarter transactions entered in Chapters 2 through 7.



For January's transactions, use the next year. If you recorded transactions for the fourth quarter of 2021, use 2022 as the year for each Chapter 8 source document. (Hint: Your year may differ from what is shown in the textbook.)



Student Name Sales and Service

Memo

Date: 1/2

Re: Vendor Payments

Student Name Sales and Service pays the following vendors:

Vendor ID	Bill #	Check No.	Amount
AmpleStore	AS42	1067	\$300.00
CloudZ Channel	CZ132	1068	\$800.00
Conf/Call	143CC	1069	\$90.00

REMITTANCE

Bill #	AS42
Customer ID	Student Name Sales and Service
Date	1/2/20XY
Amount Enclosed	\$300.00
	AmpleStore Inc. 200 West Concord Ave. Palo Alto, CA 94301 650-555-8527

REMITTANCE	
Bill #	CZ132
Customer ID	Student Name Sales and Service
Date	1/2
Amount Enclosed	\$800.00
	CloudZ Channel 110 Merit Street Menlo Park, CA 94025 650-555-3250

REMITTANCE	
Bill #	143CC
Customer ID	Student Name Sales and Service
Date	1/2
Amount Enclosed	\$90.00
	Conf/Call 700 North Prince Street Tempe, AZ 85008 480-555-2411

Transaction Register

Check No.		Description of Transaction	Debit (-)	Credit (+)	Balance
	1/3	<i>Balance</i>			\$52,278.52
1070	1/4	Cellular Service	\$82.13		\$52,196.39
1071	1/4	Chronicle News	\$100.00		\$52,096.39
1072	1/4	Western Telephone	\$76.19		\$52,020.20
1073	1/4	Office Suppliers	\$88.52		\$51,931.68
1074	1/4	Moss Advertising	\$125.00		\$51,806.68
1075	1/4	SPR Gas	\$90.14		\$51,716.54
1076	1/4	U.S. Post Office	\$47.00		\$51,669.54
1077	1/4	Vince Bartel	\$150.00		\$51,519.54
1078	1/4	Conlin Rentals (Paid rent for 3 months)	\$6,000.00		\$45,519.54



Student Name Sales and Service

Memo

Date: 1/4

Re: Credit Card Receipts

The bank sent verification of credit card receipts in the amount of \$3,713.50. Refer to the sales receipts on the next three pages for the products sold and credit cards used.

Checking Account Bank Statement		Checks	Credit Card	Amount
Date: January 4		1	American Express	\$318.30
List of Deposits:		2	MasterCard	\$1,273.20
Coin	Totals	3	Visa	\$2,122.00
Quarters:	\$	4		
Dimes:	\$	5		
Nickels:	\$	6		
Pennies	\$			
Total				
Cash	Totals			
\$1	\$			
\$5	\$			
\$10	\$			
\$20	\$			
\$50	\$			
\$100	\$			
Total	\$		Totals	\$3,713.50
Total Cash			Total Deposit	\$3,713.50

Hint: On the Sales Receipt page, select the appropriate credit card. Credit Card Sales are deposited to Account 101 Checking.



SALES RECEIPT

Student Name Sales and Service

Date: 1/4

RECEIPT # 1034

For: **CREDIT CARD**

Payment Method

Type

CREDIT CARD

American Express

Thank you for your business!



SALES RECEIPT

Student Name Sales and Service

Date: 1/4

RECEIPT # 1035

For: **CREDIT CARD**

Payment Method

Type

CREDIT CARD

MasterCard

Thank you for your business!



SALES RECEIPT

Student Name Sales and Service

Date: 1/4

RECEIPT # 1036

For: **CREDIT CARD**

Payment Method

Type

CREDIT CARD Visa

Thank you for your business!



Student Name Sales and Service

Memo

Date: 1/5

Re: Customer Payments

Student Name Sales and Service received the following customer payment.

Received payment from Springfield Unified School District
Invoice 1029, \$425, customer check 8447. (*Hint:* Use the Reference no. field for the check number.)

BILL #: CZ155	DATE: 1/8	Customer:		
CloudZ Channel 110 Merit Street Menlo Park, CA 94025 650-555-3250		Student Name Sales and Service		
Date	Quantity	Description	Unit Price	Amount
1/8	4	Web server	\$200.00	\$800.00
Remittance				
Bill #	CZ155			
Date	1/8			
Amount Due	\$800.00			
Thank you for your business! Make all checks payable to CloudZ Channel.				

Date: 1/8

BILL #: 210C2U

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



BILL TO:

Student Name
Sales and Service

Quantity	Description	Unit Price	Amount
3	Computers	\$500.00	\$1,500.00

Remittance

Bill #	210C2U
Date	1/8
Amount Due	\$1,500.00



Student Name Sales and Service

Memo

Date: 1/9

Re: Vendor Payments

Student Name Sales and Service pays the following vendors:

Vendor ID	Bill #	Check No.	Amount
AmpleStore Inc.	AS99	1079	\$180.00
Any Time Deployment	ATD460	1080	\$250.00
Computers 2 You	190C2U	1081	\$1,500.00

REMITTANCE

Bill #	AS99
Customer ID	Student Name Sales and Service
Date	1/9
Amount Enclosed	\$180.00
	AmpleStore Inc. 200 West Concord Ave. Palo Alto, CA 94301 650-555-8527

REMITTANCE	
Bill #	ATD460
Customer ID	Student Name Sales and Service
Date	1/9
Amount Enclosed	\$250.00
	Any Time Deployment 1189 W. Burnside Lexington, MA 02421 781-555-4671

REMITTANCE	
Bill #	190C2U
Customer ID	Student Name Sales and Service
Date	1/9
Amount Enclosed	\$1,500.00
	Computers 2 You 2006 East 14 Avenue Los Angeles, CA 90046 213-555-2300



Bill: AS144

AmpleStore Inc.

Bill To: Student Name Sales and
Service

Date	Quantity	Description	Unit Price	Amount
1/10	14	Data storage	\$15.00	\$210.00

Remittance

Bill #	AS144
Date	1/10
Amount Due	\$210.00

AmpleStore Inc. 200 West Concord Ave. Palo Alto, CA 94301

(650) 555-8527



Student Name Sales and Service

Memo

Date: 1/17

Re: Credit Card Receipts

The bank sent verification of credit card receipts in the amount of \$2,716.16. Refer to the sales receipts on the next three pages for the products sold and credit cards used.

Checking Account		Checks	Credit Card	Amount
Bank Statement				
Date: January 17		1	American Express	\$403.18
List of Deposits:		2	MasterCard	\$1,061.00
Coin	Totals	3	Visa	\$1,251.98
Quarters:	\$	4		
Dimes:	\$	5		
Nickels:	\$	6		
Pennies	\$			
Total				
Cash	Totals			
\$1	\$			
\$5	\$			
\$10	\$			
\$20	\$			
\$50	\$			
\$100	\$			
Total	\$		Totals	\$2,716.16
Total Cash			Total Deposit	\$2,716.16

Hint: Credit Card Sales are deposited to Account 101 Checking.



SALES RECEIPT

Student Name Sales and Service

Date: 1/17

RECEIPT # 1037

For: **CREDIT CARD**

Payment Method

Type

CREDIT CARD American Express

Thank you for your business!



SALES RECEIPT

Student Name Sales and Service

Date: 1/17

RECEIPT # 1038

For: **CREDIT CARD**

Payment Method

Type

CREDIT CARD

MasterCard

Thank you for your business!



SALES RECEIPT

Student Name Sales and Service

Date: 1/17

RECEIPT # 1039

For: **CREDIT CARD**

Payment Method

Type

CREDIT CARD

Visa

Thank you for your business!

Any Time Deployment

1189 W. Burnside

Lexington, MA 02421

(781) 555-4681

Bill Number: ATD510

Date: 1/18

Ship To:

Student Name Sales and Service



SHIPPED VIA	TERMS
UPS	Net 30

QTY	DESCRIPTION	UNIT PRICE	TOTAL
20	Network products	\$25.00	\$500.00
SUBTOTAL			\$500.00
TOTAL			\$500.00

BILL #: CZ333	DATE: 1/19			
CloudZ Channel	Customer: Student Name			
110 Merit Street	Sales and Service			
Menlo Park, CA 94025				
650-555-3250				
				
Date	Quantity	Description	Unit Price	Amount
1/19	4	Web server	\$200.00	\$800.00

Remittance

Bill #	CZ333
Date	1/19
Amount Due	\$800.00

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



Sales Invoice

TO: **SHIP**
 eBiz **TO: SAME**
800 W. Second Ave.
Wilmington, DE 19801
(302) 555-2000

Date	Invoice Number	Payment Terms	Due Date
1/23	1040	Net 30	2/22

Qty	Product	Description	Rate	Amount
6	Data storage	Data storage	\$30.00	\$180.00

Make all checks payable to Student Name Sales and Service

Thank you for your business!

Comment: If needed, uncheck the TAX field. You do not collect sales tax for eBiz which is located in Delaware where there is no state sales tax. Verify Balance due shows \$180.00.



Bill: 246CC

Conf/Call

**700 North Prince Street
Tempe, AZ 85008 USA
480-555-2411**

Bill to:

Student Name
Sales and Service

Unit

Date	Quantity	Description	Price	Amount
1/23	6	Webinars	\$45	\$270

Remittance

Bill #	246CC
Date	1/23
Amount Due	\$270

Make all checks payable to Conf/Call.

Thank you for your business!



Sales Invoice

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

SHIP
TO: SAME

Date	Invoice Number	Payment Terms	Due Date
1/23	1041	Net 30	2/22

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

Make all checks payable to Student Name Sales and Service

Thank you for your business!



Sales Invoice

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

Date	Invoice Number	Payment Terms	Due Date
1/23	1042	Net 30	2/22

Qty	Product	Description	Rate	Amount
3	Webinars	Webinars	\$90	\$270.00
		Sales Tax	6.10%	\$16.47
		Balance Due		\$286.47

Make all checks payable to Student Name Sales and Service

Thank you for your business!



Bill: AS352

AmpleStore Inc.

Bill to: Student Name
Sales and Service

Date	Quantity	Description	Price	Amount	Unit
1/23	12	Data storage	\$15.00	\$180.00	

Remittance

Bill #	AS352
Date	1/23
Amount Due	\$180.00

AmpleStore Inc. 200 West Concord Ave. Palo Alto, CA 94301

(650) 555-8527



Sales Invoice

TO: **WebPro** SHIP

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

Date	Invoice Number	Payment Terms	Due Date
1/25	1043	Net 30	2/24

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

Make all checks payable to Student Name Sales and Service

Thank you for your business!

Date:

1/30

BILL #: 422C2U

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



BILL TO:

Student Name
Sales and Service

Quantity	Description	Unit Price	Amount
3	Computers	\$500.00	\$1,500.00

Remittance

Bill #	422C2U
Date	1/30
Amount Due	\$1,500.00

Any Time Deployment

1189 W. Burnside

Lexington, MA 02421

(781) 555-4681

Bill Number: ATD592**Date: 1/30****Ship To:****Student Name Sales and****Service**

SHIPPED VIA	TERMS
UPS	Net 30

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

Remittance

Bill #	ATD592
Date	1/30
Amount Due	\$250.00



Sales Invoice

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

Date	Invoice Number	Payment Terms	Due Date
1/30	1044	Net 30	3/1

Qty	Product	Description	Rate	Amount
1	Web server	Web server	\$400.00	\$400.00
		Sales Tax	6.25%	\$25.00
		Balance Due		\$425.00

Make all checks payable to Student Name Sales and Service

Thank you for your business!



SALES RECEIPT

Student Name Sales and Service

Date: 1/30

RECEIPT # 1045

For: Cash Sales

Payment Method

Type

Check	14520
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Thank you for your business!



Student Name Sales and Service

Memo

Date: 1/30

Re: Vendor Payments

Student Name Sales and Service pays the following vendors:

Vendor ID	Bill #	Check No.	Amount
AmpleStore Inc.	AS144	1082	\$210.00
CloudZ Channel	CZ155	1083	\$800.00
Computers 2 You	210C2U	1084	\$1,500.00

REMITTANCE

Bill #	AS144
Customer ID	Student Name Sales and Service
Date	1/30
Amount Enclosed	\$210.00
	AmpleStore Inc. 200 West Concord Ave. Palo Alto, CA 94301 (650) 555-8527

REMITTANCE	
Bill #	CZ155
Customer ID	Student Name Sales and Service
Date	1/30
Amount Enclosed	\$800.00
	CloudZ Channel 110 Merit Street Menlo Park, CA 94025 (650) 555-3250

REMITTANCE	
Bill #	210C2U
Customer ID	Student Name Sales and Service
Date	1/30
Amount Enclosed	\$1,500.00
	Computers 2 You 2006 East 14 Avenue Los Angeles, CA 90046 213-555-2300

REPORTS

Display the following reports. The suggested date range is shown for each report.

1. Journal: 1/1/20XY thru 1/30/20XY. The journal report is shown in Figures 8-5 to 8-9.

Student Name Sales and Service										
Journal										
January 1-30, 2022										
DATE	TRANSACTION TYPE	NUM	ADJ	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT	
01/02/2022	Bill Payment (Check)	1067	No	AmpleStore Inc.		101	101 Checking		\$300.00	
			No			201	201 Accounts Payable (A/P)	\$300.00		\$300.00
01/02/2022	Bill Payment (Check)	1068	No	CloudZ Channel		101	101 Checking		\$800.00	
			No			201	201 Accounts Payable (A/P)	\$800.00		\$800.00
01/02/2022	Bill Payment (Check)	1069	No	Conf/Call		101	101 Checking			\$90.00
			No			201	201 Accounts Payable (A/P)	\$90.00		\$90.00
01/04/2022	Check	1070	No	Cellular Service		101	101 Checking			\$82.13
			No			633	633 Telephone Expense	\$82.13		\$82.13
01/04/2022	Check	1071	No	Chronicle News		101	101 Checking			\$100.00
			No			605	605 Dues & subscriptions	\$100.00		\$100.00
01/04/2022	Check	1072	No	Western Telephone		101	101 Checking			\$76.19
			No			633	633 Telephone Expense	\$76.19		\$76.19
01/04/2022	Check	1073	No	Office Suppliers		101	101 Checking			\$88.52
			No			621	621 Office Supplies & Software	\$88.52		\$88.52
01/04/2022	Check	1074	No	Moss Advertising		101	101 Checking			\$125.00
			No			601	601 Advertising & Marketing	\$125.00		\$125.00
01/04/2022	Check	1075	No	SPR Gas		101	101 Checking			\$90.14
			No			606	606 Utilities Expense	\$90.14		\$90.14
01/04/2022	Check	1076	No	U.S. Post Office		101	101 Checking			\$47.00
			No			627	627 Shipping and Delivery Expense	\$47.00		\$47.00
01/04/2022	Check	1077	No	Vince Bartel		101	101 Checking			\$150.00
			No			625	625 Repairs & Maintenance	\$150.00		\$150.00
01/04/2022	Check	1078	No	Conlin Rentals		101	101 Checking			\$6,000.00
			No			123	123 Prepaid Rent	\$6,000.00		\$6,000.00

Figure 8-5: Journal, page 1

Student Name Sales and Service									
Journal									
January 1-30, 2022									
DATE	TRANSACTION TYPE	NUM	ADJ	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT
01/04/2022	Sales Receipt	1034	No	Credit Card Sales		101	101 Checking	\$318.30	
			No		Data storage	401	401 Sales	\$300.00	
			No		Data storage	115	115 Merchandise Inventory	\$150.00	
			No		Data storage	501	501 Cost of Goods Sold	\$150.00	
			No			207	207 Arizona Department of Revenue Payable	\$16.80	
			No			207	207 Arizona Department of Revenue Payable	\$1.50	
			No			207	207 Arizona Department of Revenue Payable	\$468.30	\$468.30
01/04/2022	Sales Receipt	1035	No	Credit Card Sales		101	101 Checking	\$1,273.20	
			No		Web server	401	401 Sales	\$1,200.00	
			No		Web server	115	115 Merchandise Inventory	\$600.00	
			No		Web server	501	501 Cost of Goods Sold	\$800.00	
			No			207	207 Arizona Department of Revenue Payable	\$67.20	
			No			207	207 Arizona Department of Revenue Payable	\$4.00	
			No			207	207 Arizona Department of Revenue Payable	\$1,873.20	\$1,873.20
01/04/2022	Sales Receipt	1036	No	Credit Card Sales		101	101 Checking	\$2,122.00	
			No		Computers	401	401 Sales	\$2,000.00	
			No		Computers	115	115 Merchandise Inventory	\$1,000.00	
			No		Computers	501	501 Cost of Goods Sold	\$1,000.00	
			No			207	207 Arizona Department of Revenue Payable	\$112.00	
			No			207	207 Arizona Department of Revenue Payable	\$10.00	
			No			207	207 Arizona Department of Revenue Payable	\$3,122.00	\$3,122.00
01/05/2022	Payment	8447	No	Springfield Unified School District		101	101 Checking	\$425.00	
			No			105	105 Accounts Receivable (A/R)	\$425.00	
			No					\$425.00	\$425.00
01/08/2022	Bill	CZ155	No	CloudZ Channel		201	201 Accounts Payable (A/P)	\$800.00	
			No		Web server	115	115 Merchandise Inventory	\$800.00	
			No					\$800.00	\$800.00
01/08/2022	Bill	210C2U	No	Computers 2 You		201	201 Accounts Payable (A/P)	\$1,500.00	
			No		Computers	115	115 Merchandise Inventory	\$1,500.00	
			No					\$1,500.00	\$1,500.00
01/09/2022	Bill Payment (Check)	1079	No	AmpleStore Inc.		101	101 Checking	\$180.00	
			No			201	201 Accounts Payable (A/P)	\$180.00	
			No					\$180.00	\$180.00
01/09/2022	Bill Payment (Check)	1080	No	Any Time Deployment		101	101 Checking	\$250.00	
			No			201	201 Accounts Payable (A/P)	\$250.00	
			No					\$250.00	\$250.00
01/09/2022	Bill Payment (Check)	1081	No	Computers 2 You		101	101 Checking	\$1,500.00	
			No			201	201 Accounts Payable (A/P)	\$1,500.00	

Figure 8-6: Journal, page 2

Student Name Sales and Service											
Journal											
January 1-30, 2022											
DATE	TRANSACTION TYPE	NUM	ADJ.	NAME	MEMO/DESCRIPTION			ACCOUNT #	ACCOUNT	DEBIT	CREDIT
										\$1,500.00	\$1,500.00
01/10/2022	Bill	AS144	No	AmpleStore Inc.				201	201 Accounts Payable (A/P)		\$210.00
			No					115	115 Merchandise Inventory	\$210.00	\$210.00
01/17/2022	Sales Receipt	1037	No	Credit Card Sales				101	101 Checking	\$403.18	
			No					401	401 Sales		\$180.00
			No					115	115 Merchandise Inventory		\$90.00
			No					501	501 Cost of Goods Sold	\$90.00	
			No					401	401 Sales		\$200.00
			No					115	115 Merchandise Inventory		\$100.00
			No					501	501 Cost of Goods Sold	\$100.00	
			No					207	207 Arizona Department of Revenue Payable		\$21.28
			No					207	207 Arizona Department of Revenue Payable		\$1.90
			No							\$593.18	\$593.18
01/17/2022	Sales Receipt	1038	No	Credit Card Sales				101	101 Checking	\$1,061.00	
			No					401	401 Sales		\$200.00
			No					115	115 Merchandise Inventory		\$50.00
			No					501	501 Cost of Goods Sold	\$50.00	
			No					115	115 Merchandise Inventory		\$50.00
			No					501	501 Cost of Goods Sold	\$50.00	
			No					401	401 Sales		\$800.00
			No					115	115 Merchandise Inventory		\$400.00
			No					501	501 Cost of Goods Sold	\$400.00	
			No					207	207 Arizona Department of Revenue Payable		\$56.00
			No					207	207 Arizona Department of Revenue Payable		\$5.90
			No							\$1,561.00	\$1,561.00
01/17/2022	Sales Receipt	1039	No	Credit Card Sales				101	101 Checking	\$1,251.98	
			No					401	401 Sales		\$1,000.00
			No					115	115 Merchandise Inventory		\$500.00
			No					501	501 Cost of Goods Sold	\$500.00	
			No					401	401 Sales		\$180.00
			No					115	115 Merchandise Inventory		\$90.00
			No					501	501 Cost of Goods Sold	\$90.00	
			No					207	207 Arizona Department of Revenue Payable		\$66.08
			No					207	207 Arizona Department of Revenue Payable		\$5.90
			No							\$1,841.98	\$1,841.98
01/18/2022	Bill	ATD510	No	Any Time Deployment				201	201 Accounts Payable (A/P)		\$500.00
			No					115	115 Merchandise Inventory	\$500.00	\$500.00
01/19/2022	Bill	CZ333	No	CloudZ Channel				201	201 Accounts Payable (A/P)		\$800.00
			No					115	115 Merchandise Inventory		\$800.00

Figure 8-7: Journal, page 3

Student Name Sales and Service										
Journal										
January 1-30, 2022										
DATE	TRANSACTION TYPE	NUM	ADJ	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT	
								\$800.00	\$800.00	
01/23/2022	Invoice	1040	No	eBiz		105	105 Accounts Receivable (A/R)	\$180.00		
			No		Data storage	401	401 Sales	\$180.00		
			No		Data storage	115	115 Merchandise Inventory	\$45.00		
			No		Data storage	501	501 Cost of Goods Sold	\$45.00		
			No		Data storage	115	115 Merchandise Inventory	\$45.00		
			No		Data storage	501	501 Cost of Goods Sold	\$45.00		
01/23/2022	Bill	246CC	No	Conf/Call		201	201 Accounts Payable (A/P)	\$270.00		
			No		Webinars	115	115 Merchandise Inventory	\$270.00		
01/23/2022	Invoice	1041	No	Law Offices of Williamson, Gallagher & Katz		105	105 Accounts Receivable (A/R)	\$300.00		
			No		Network products	401	401 Sales	\$300.00		
			No		Network products	115	115 Merchandise Inventory	\$150.00		
			No		Network products	501	501 Cost of Goods Sold	\$150.00		
01/23/2022	Invoice	1042	No	Permanente Medical Service		105	105 Accounts Receivable (A/R)	\$286.47		
			No		Webinars	401	401 Sales	\$270.00		
			No		Webinars	115	115 Merchandise Inventory	\$135.00		
			No		Webinars	501	501 Cost of Goods Sold	\$135.00		
			No			207	207 Arizona Department of Revenue Payable	\$15.12		
			No			207	207 Arizona Department of Revenue Payable	\$1.35		
			No					\$421.47		
01/23/2022	Bill	AS352	No	AmpleStore Inc.		201	201 Accounts Payable (A/P)	\$180.00		
			No		Data storage	115	115 Merchandise Inventory	\$180.00		
01/25/2022	Invoice	1043	No	WebPro		105	105 Accounts Receivable (A/R)	\$424.40		
			No		Web server	401	401 Sales	\$400.00		
			No		Web server	115	115 Merchandise Inventory	\$200.00		
			No		Web server	501	501 Cost of Goods Sold	\$200.00		
			No			207	207 Arizona Department of Revenue Payable	\$22.40		
			No			207	207 Arizona Department of Revenue Payable	\$2.00		
			No					\$424.40		
01/30/2022	Bill	422C2U	No	Computers 2 You		201	201 Accounts Payable (A/P)	\$1,500.00		
			No		Computers	115	115 Merchandise Inventory	\$1,500.00		
01/30/2022	Bill	ATD592	No	Any Time Deployment		201	201 Accounts Payable (A/P)	\$250.00		
			No		Network products	115	115 Merchandise Inventory	\$250.00		
			No					\$250.00		

Figure 8-8: Journal, page 4

Student Name Sales and Service										
Journal										
January 1-30, 2022										
DATE	TRANSACTION TYPE	NUM	ADJ	NAME	MEMO/DESCRIPTION	ACCOUNT #	ACCOUNT	DEBIT	CREDIT	
								\$425.00		
01/30/2022	Invoice	1044	No	Springfield Unified School District		105	105 Accounts Receivable (A/R)		\$425.00	
			No		Web server	401	401 Sales		\$400.00	
			No		Web server	115	115 Merchandise Inventory		\$200.00	
			No		Web server	501	501 Cost of Goods Sold		\$200.00	
			No			208	208 Illinois Department of Revenue Payable		\$25.00	
			No						\$825.00	
01/30/2022	Sales Receipt	1045	No	Cash Sales		101	101 Checking		\$1,061.00	
			No		Computers	401	401 Sales		\$1,000.00	
			No		Computers	115	115 Merchandise Inventory		\$500.00	
			No		Computers	501	501 Cost of Goods Sold		\$500.00	
			No			207	207 Arizona Department of Revenue Payable		\$56.00	
			No			207	207 Arizona Department of Revenue Payable		\$5.00	
			No						\$1,561.00	
01/30/2022	Bill Payment (Check)	1082	No	AmpleStore Inc.		101	101 Checking		\$210.00	
			No		201	201 Accounts Payable (A/P)			\$210.00	
01/30/2022	Bill Payment (Check)	1083	No	CloudZ Channel		101	101 Checking		\$800.00	
			No		201	201 Accounts Payable (A/P)			\$800.00	
01/30/2022	Bill Payment (Check)	1084	No	Computers 2 You		101	101 Checking		\$1,500.00	
			No		201	201 Accounts Payable (A/P)			\$1,500.00	
			No						\$32,235.51	
				TOTAL						

Figure 8-9: Journal, page 5

Comment: Check the Journal report. If needed, drill down on a transaction to edit then save.

- Export the Journal to Excel and save as a PDF file. Use the file name **Chapter 8_Journal**.

2. Trial Balance: 1/1/20XY to 1/30/20XY

Student Name Sales and Service		
Trial Balance		
As of January 30, 2022		
	DEBIT	CREDIT
101 Checking	48,995.20	
105 Accounts Receivable (A/R)	1,615.87	
115 Merchandise Inventory	11,575.00	
123 Prepaid Rent	6,000.00	
125 Prepaid Insurance	2,250.00	
135 Computer Equipment	10,000.00	
137 Accumulated Depreciation		800.00
201 Accounts Payable (A/P)		3,500.00
205 Loan Payable		5,000.00
207 Arizona Department of Revenue Payable		471.53
208 Illinois Department of Revenue Payable		25.00
301 Common Stock		60,000.00
318 Retained Earnings		7,093.52
401 Sales		8,610.00
501 Cost of Goods Sold	4,305.00	
601 Advertising & Marketing	125.00	
605 Dues & subscriptions	100.00	
621 Office Supplies & Software	88.52	
625 Repairs & Maintenance	150.00	
627 Shipping and Delivery Expense	47.00	
633 Telephone Expense	158.32	
635 Utilities Expense	90.14	
TOTAL	\$85,500.05	\$85,500.05

Figure 8-10: January 30, 20XY Trial Balance

Comment: Transactions with balances are shown. (*Hint:* Select Non-zero columns and rows > Run report.) If a balance does not agree, check your Journal report (Figures 8-5 to 8-9) and make the needed corrections.

- Export the Trial Balance to Excel and save as a PDF file. Use the file name **Chapter 8_Trial Balance**.

3. Type and select **Accounts Receivable Aging Summary**: As of 1/30/20XY

Student Name Sales and Service						
A/R Aging Summary						
As of January 30, 2022						
	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
eBiz	180.00					\$180.00
Law Offices of Williamson, Gallagher & Katz	300.00					\$300.00
Permanente Medical Service	286.47					\$286.47
Springfield Unified School District	425.00					\$425.00
WebPro	424.40					\$424.40
TOTAL	\$1,615.87	\$0.00	\$0.00	\$0.00	\$0.00	\$1,615.87

Figure 8-11: AR Aging Summary

- Export the A/R Aging Summary to Excel and save as a PDF file. Use the file name **Chapter 8_AR Aging Summary**.

4. **Inventory Valuation Summary**: As of 1/30/20XY

Student Name Sales and Service				
Inventory Valuation Summary				
As of January 30, 2022				
	SKU	QTY	ASSET VALUE	CALC. AVG
Computers		13.00	6,500.00	500.00
Data storage		55.00	825.00	15.00
Network products		32.00	800.00	25.00
Web server		15.00	3,000.00	200.00
Webinars		10.00	450.00	45.00
TOTAL			\$11,575.00	

Figure 8-12: Inventory Valuation Summary

- Export to Excel and save as a PDF file. Use the file name **Chapter 8_Inventory Valuation Summary**.

5. Accounts Payable Aging Summary: As of 1/30/20XY

Student Name Sales and Service						
A/P Aging Summary						
As of January 30, 2022						
	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
AmpleStore Inc.	180.00					\$180.00
Any Time Deployment	750.00					\$750.00
CloudZ Channel	800.00					\$800.00
Computers 2 You	1,500.00					\$1,500.00
Conf/Call	270.00					\$270.00
TOTAL	\$3,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,500.00

Figure 8-13: AP Aging Summary

- Export to Excel and save as a PDF file. Use the file name **Chapter 8_AP Aging Summary**.

6. Profit and Loss from 1/1/20XY to 1/30/20XY

Student Name Sales and Service	
Profit and Loss	
January 1-30, 2022	
	TOTAL
Income	
401 Sales	8,610.00
Total Income	\$8,610.00
Cost of Goods Sold	
501 Cost of Goods Sold	4,305.00
Total Cost of Goods Sold	\$4,305.00
GROSS PROFIT	\$4,305.00
Expenses	
601 Advertising & Marketing	125.00
605 Dues & subscriptions	100.00
621 Office Supplies & Software	88.52
625 Repairs & Maintenance	150.00
627 Shipping and Delivery Expense	47.00
633 Telephone Expense	158.32
635 Utilities Expense	90.14
Total Expenses	\$758.98
NET OPERATING INCOME	\$3,546.02
NET INCOME	\$3,546.02
Accrual basis.	

Figure 8-14: Profit and Loss

- Export the Profit and Loss to Excel and save as a PDF file. Use the file name **Chapter 8_Profit and Loss**.

7. **Balance Sheet** from 1/1/20XY to 1/30/20XY. Non-zero amounts were selected.

Student Name Sales and Service	
Balance Sheet	
As of January 30, 2022	
	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
101 Checking	48,995.20
Total Bank Accounts	\$48,995.20
Accounts Receivable	
105 Accounts Receivable (A/R)	1,615.87
Total Accounts Receivable	\$1,615.87
Other Current Assets	
115 Merchandise Inventory	11,575.00
123 Prepaid Rent	6,000.00
125 Prepaid Insurance	2,250.00
Total Other Current Assets	\$19,825.00
Total Current Assets	\$70,436.07
Fixed Assets	
135 Computer Equipment	10,000.00
137 Accumulated Depreciation	-800.00
Total Fixed Assets	\$9,200.00
TOTAL ASSETS	\$79,636.07
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
201 Accounts Payable (A/P)	3,500.00
Total Accounts Payable	\$3,500.00
Other Current Liabilities	
205 Loan Payable	5,000.00
207 Arizona Department of Revenue Payable	471.53
208 Illinois Department of Revenue Payable	25.00
Total Other Current Liabilities	\$5,496.53
Total Current Liabilities	\$8,996.53
Total Liabilities	\$8,996.53
Equity	
301 Common Stock	60,000.00
318 Retained Earnings	7,093.52
Net Income	3,546.02
Total Equity	\$70,639.54
TOTAL LIABILITIES AND EQUITY	\$79,636.07
Accrual basis	

Figure 8-15: Balance Sheet

- Export the Balance Sheet to Excel and save as a PDF file. Use the file name **Chapter 8_Balance Sheet**.

Statement of Cash Flows from 1/1/20XY to 1/30/20XY

Student Name Sales and Service	
Statement of Cash Flows	
January 1-30, 2022	
OPERATING ACTIVITIES	TOTAL
Net Income	3,546.02
Adjustments to reconcile Net Income to Net Cash provided by operations:	
105 Accounts Receivable (A/R)	-1,190.87
115 Merchandise Inventory	-1,705.00
123 Prepaid Rent	-6,000.00
201 Accounts Payable (A/P)	380.00
207 Arizona Department of Revenue Payable	471.53
208 Illinois Department of Revenue Payable	25.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-8,019.34
Net cash provided by operating activities	\$ -4,473.32
NET CASH INCREASE FOR PERIOD	\$ -4,473.32
Cash at beginning of period	53,468.52
CASH AT END OF PERIOD	\$48,995.20

Figure 8-16: Statement of Cash Flows

- Export the Statement of Cash Flows to Excel and save as a PDF file. Use the file name **Chapter 8_Statement of Cash Flows**.

CHECK YOUR PROGRESS

Check Your Progress assignments are included within Connect and below.

1. What is the account balance from 1/1/20XY to 1/30/20XY in these accounts? Indicate whether these accounts have debit (dr.) or credit (cr.) balances.

Account 101 Checking _____

Account 105 Accounts Receivable _____

Account 115 Merchandise Inventory _____

Account 201 Accounts Payable _____

Account 207 Arizona Department of Revenue Payable _____

Account 208 Illinois Department of Revenue Payable _____

Net Income _____

Total Liabilities and Equity _____

2. What is the quantity, asset value, and average cost of computers?

3. What is the quantity, asset value, and average cost of data storage?

4. What is the quantity, asset value, and average cost of network products?

5. What is the quantity, asset value, and average cost of web servers?

6. What is the quantity, asset value, and average cost of webinars?

D
A
V
E

7. Where on the Dashboard is the 101 Checking account balance shown? What is the date of the balance?

SIGN OUT or *continue*.

QUICKBOOKS RESOURCES AND ACTIVITIES

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

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

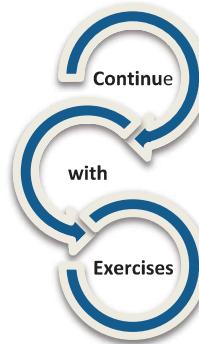
Additional Student Resources (ASR)

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

1. Narrated PowerPoints.
2. QBO Videos. The PowerPoints include links to the videos.
 - Reconcile your account: statements, records, and more.
 - How to Add Columns to Reports: Comparing Customers & Time Records.
 - Explore videos.
3. Text Updates.

Exercise 8-1: Follow the instructions below to complete Exercise 8-1:

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



Comment: The Dashboard's Bank Accounts shows a balance of \$48,995.20.

Drill-down on 101 Checking in QuickBooks > scroll down to 12/31/20XX. There is an R in the checkmark field for each payment and deposit reconciled. Two payments made on 12/31/20XX have not been reconciled—check 1065, Arizona Department of Revenue; and check 1066, Illinois Department of Revenue.

12/31/2021	SVCCHRG		Service Charge	\$20.00	R	\$53,468.52
12/31/2021	Check	603 Bank Charges & Fees		\$50.00		\$53,488.52
1065		Illinois Department of Revenue				
12/31/2021	Check	208 Illinois Department of Revenue Payable				\$53,538.52
1065		Arizona Department of Revenue		\$1,781.81		
12/31/2021	Check	207 Arizona Department of Revenue Payable				
1064		Conf/Call		\$225.00	R	\$55,320.33
12/30/2021	Bill Payment	201 Accounts Payable (A/P)				
1062		Cloud2 Channel		\$600.00	R	\$55,515.33
12/30/2021	Bill Payment	201 Accounts Payable (A/P)				
1062		Any Time Deployment		\$275.00	R	\$56,145.33
12/30/2021	Bill Payment	201 Accounts Payable (A/P)				
1061		AppleStore Inc		\$300.00	R	\$56,420.33
12/27/2021	Bill Payment	201 Accounts Payable (A/P)				
1033		Credit Card Sales				
		-Split-				
12/27/2021	Sales Receipt	Credit Card Sales		\$456.23	R	\$56,720.33
1032						
12/27/2021	Sales Receipt	401 Sales		\$159.15	R	\$56,264.10
1031		Credit Card Sales				
12/27/2021				\$1,220.15	R	\$56,104.95

Figure 8-17: R indicates reconciled

3. Click **Reconcile**. The bank statement is shown on the next two pages.

Statement of Account, Checking Account January 1 to January 31, 20XY Account No. 7731-2256		Student Name Sales and Service 2905 E. Skyline Dr, Tucson, AZ 85718	
REGULAR CHECKING			
Previous Balance	12/31/XX	\$ 55,300.33	
8 Deposits (+)		\$7,915.66	
20 checks (-)		\$14,220.79	
Other Deductions (-)		\$0.00	
Service Charge		\$20.00	
Ending Balance	1/31/XY	\$48,975.20	
DEPOSITS			
	1/5/XY	\$318.30	
	1/5/XY	\$1,273.20	
	1/5/XY	\$2,122.00	
	1/7/XY	\$425.00	
	1/17/XY	\$403.18	
	1/17/XY	\$1,061.00	
	1/17/XY	\$1,251.98	
	1/30/XY	\$1,061.00	
CHECKS (Asterisk * indicates break in check number sequence)			
	1/2/XY	1065	\$1,781.81
	1/2/XY	1066	\$50.00
	1/3/XY	1067	\$300.00
	1/3/XY	1068	\$800.00
	1/3/XY	1069	\$90.00
	1/10/XY	1070	\$82.13
	1/10/XY	1071	\$100.00
	1/10/XY	1072	\$76.19
<i>Continued</i>	1/10/XY	1073	\$88.52

	1/10/XY	1074	\$125.00	
	1/10/XY	1075	\$90.14	
	1/10/XY	1076	\$47.00	
	1/10/XY	1077	\$150.00	
	1/12/XY	1078	\$6,000.00	
	1/12/XY	1079	\$180.00	
	1/12/XY	1080	\$250.00	
	1/31/XY	1081	\$1,500.00	
	1/31/XY	1082	\$210.00	
	1/31/XY	1083	\$800.00	
	1/31/XY	1084	\$1,500.00	

4. On the Reconcile page > link to Summary > drill down on 101 Checking to go to the 01/31/20XY Reconciliation Report > highlight all the information in the report > right-click to copy. (*Hint:* Another way to go to the January 31 Reconciliation report: Select Reports > type and select Reconciliation Reports > drill down on the 01/31/20XY report.)
5. Open a blank Excel workbook > select Paste special  > adjust the column widths and reformat the report. Save as Excel and PDF files. Use the file name **Exercise 8-1_Reconciliation Report**.

Exercise 8-2: Follow the instructions below to complete Exercise 8-2:

1. Export to Excel and save as PDF files. Run reports from **1/1/20XY to 1/31/20XY** unless another date range is shown. (*Hint:* When the report needs an As of date, use 1/31/20XY).
 - Exercise 8-2_Journal (from 1/31/20XY to 1/31/20XY)
 - Exercise 8-2_Transaction Detail by Account
 - Exercise 8-2_General Ledger

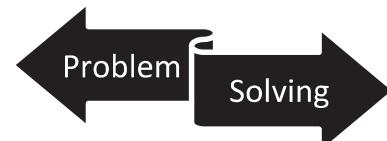
- Exercise 8-2_Customer Balance Summary (Custom > 1/31/XY)
- Exercise 8-2_Vendor Balance Summary (Customer > 1/31/XY)
- Exercise 8-2_Sales Tax Liability Report
- Exercise 8-2_Trial Balance
- Exercise 8-2_Profit and Loss
- Exercise 8-2_Balance Sheet
- Exercise 8-2_Statement of Cash Flows

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

- Account 101 Checking, \$48,975.20
- Account 105 Accounts Receivable, \$1,615.87
- Account 115 Merchandise Inventory, \$11,575.00
- Account 123 Prepaid Rent, \$6,000.00
- Account 201 Accounts Payable, \$3,500.00
- Account 401 Sales, \$8,610.00
- Account 501, Cost of Goods Sold, \$4,305.00
- Account 621 Office Supplies, \$88.52
- Total Liabilities and Equity, \$79,616.07
- Net Income, \$3,526.02
- Net cash increase (or decrease) for period, -\$4,493.32

Exercise 8-3: Problem Solving

Exercise 8-3 is available within Connect and includes:



Describe the difference between a Bill and Invoice.

Include an example, which QBO module is being used, and the account distribution for a bill and an invoice.

Certification Q&A Practice Test

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

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