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CCI Learning

QuickBooks

Premier 2015
Level 1

Courseware 1701-1

MasterTrak Accounting Series

Lesson 1: Introduction

Lesson Objectives

The objective of this lesson is to introduce you to the basic operation of QuickBooks Premier. Upon successful completion of this lesson, you should know how to:

- ☐ manage QuickBooks files
- ☐ open and restore QuickBooks files
- ☐ explain the QuickBooks screen components
- ☐ understand the Chart of Accounts
- ☐ create, modify, find, edit and delete general ledger (GL) accounts
- ☐ work with QuickBooks Preferences
- ☐ find and amend the company information
- ☐ input dates into QuickBooks
- ☐ input, adjust, and delete General Journal transactions
- ☐ create, recall and delete memorized transactions
- ☐ produce a General Journal report
- ☐ back up company data files

Using the Exercise File in Each Lesson

For each lesson in this courseware you'll restore a copy of the exercise file *Berron's Music Emporium Inc. – Your Name.qbb* and use that file to complete the lesson. The qbb file that you copy into the directory on your hard disk is a QuickBooks backup copy. This means that at the start of each lesson, you'll be restoring a new lesson file. This also means that entries done in a previous lesson will not show in a later one. This will not affect the results of each lesson.

This manual has been developed using QuickBooks Premier 2015. Please note that if you are using a different edition your screen may look slightly different from those displayed in this courseware. The Tax Tables used are those as of June 30, 2015. If you are using different Tax Tables, your results will be slightly different from those displayed in this manual. The Sales Tax is based on the current taxes in British Columbia – GST 5% and PST 7%.

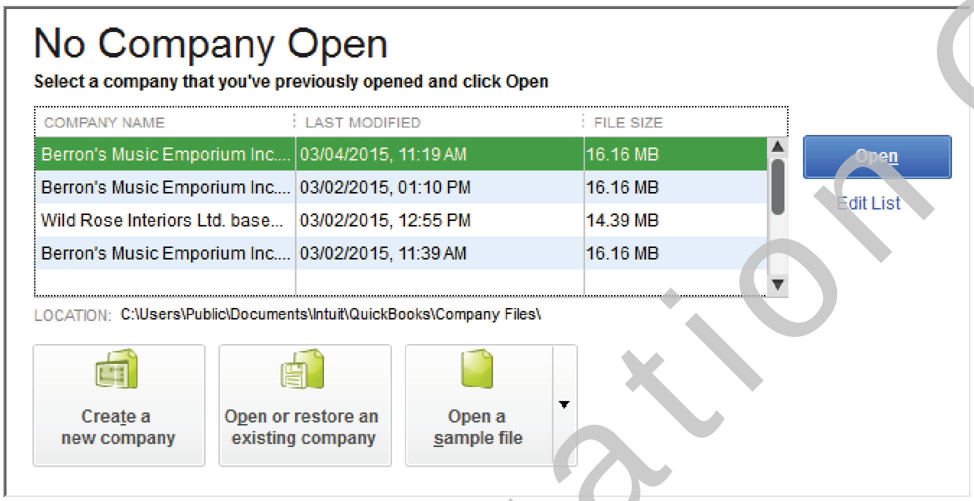
Managing QuickBooks Files

Understanding some basic file management tasks will allow you to work more effectively in the QuickBooks environment. This section will show you how to start the program, open and restore files, and understand the basic types of files.

Starting QuickBooks

There is always more than one way to do things on a computer, and starting QuickBooks is no exception. Ask your instructor the preferred method of starting QuickBooks in the computer lab where you are working. There may be a shortcut on the desktop, or you may have to go through the All Programs menu which can be accessed by the Start button.

QuickBooks has the ability to remember which data file was used most recently. If you do not close the data file before closing QuickBooks, the program will automatically open that data file when it is started. Closing the opened company file will then result in the **No Company Open** window as shown below. You may then choose from the options offered.

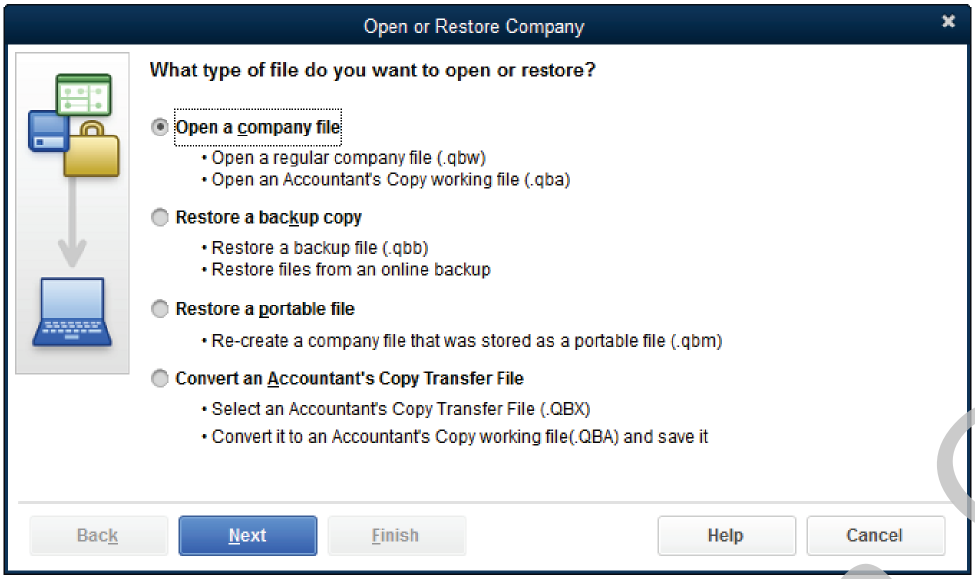


This screen offers four options:

Select a previously opened company file	Opens a company that you've previously opened.
Create a new company	This will begin the process of creating a new data file.
Open or restore an existing company	This will begin the process of opening or restoring a company file.
Open a sample file	This will open a sample company to provide an opportunity to explore QuickBooks.

Opening and Restoring QuickBooks Files

The command to open or restore a company file can be accessed from the **File** menu as well as the **No Company Open** window. This command will display the following window, which allows you to choose which type of file to open.



To Open a company file proceed as follows:

1. Choose **File**, **Open or Restore Company** from the menu bar.
2. Choose **Open a company file**, click **Next**.
3. Navigate to the file location, select the desired file, and click **Open**.

OR

1. Choose **File**, **Open Previous Company**.
2. Select the desired file from the drop-down list by clicking it.

To Restore a company file proceed as follows:

1. Choose **File**, **Open or Restore Company** from the menu bar.
2. Choose **Restore a backup copy**, click **Next**.
3. Choose **Local backup**, click **Next**.
4. Navigate to the file location, click **Next**.
5. Locate the backup file you wish to restore, and then click **Open**.
6. Click **Next**, choose the location to save the restored file, and then click **Save**.

Note: A similar procedure would be followed to restore a portable file.

To Start This Lesson

Before proceeding to the following steps, make sure the student data file has been properly saved to your hard disk. See *Working with the Data Files* in the Preface to this manual.

It is recommended that you make a copy of the exercise file and store it in a safe place in case the original becomes damaged.

Restoring the Exercise File

1. From the **File** menu in QuickBooks, choose **Open or Restore Company**.

   QuickBooks displays the Open or Restore Company window.

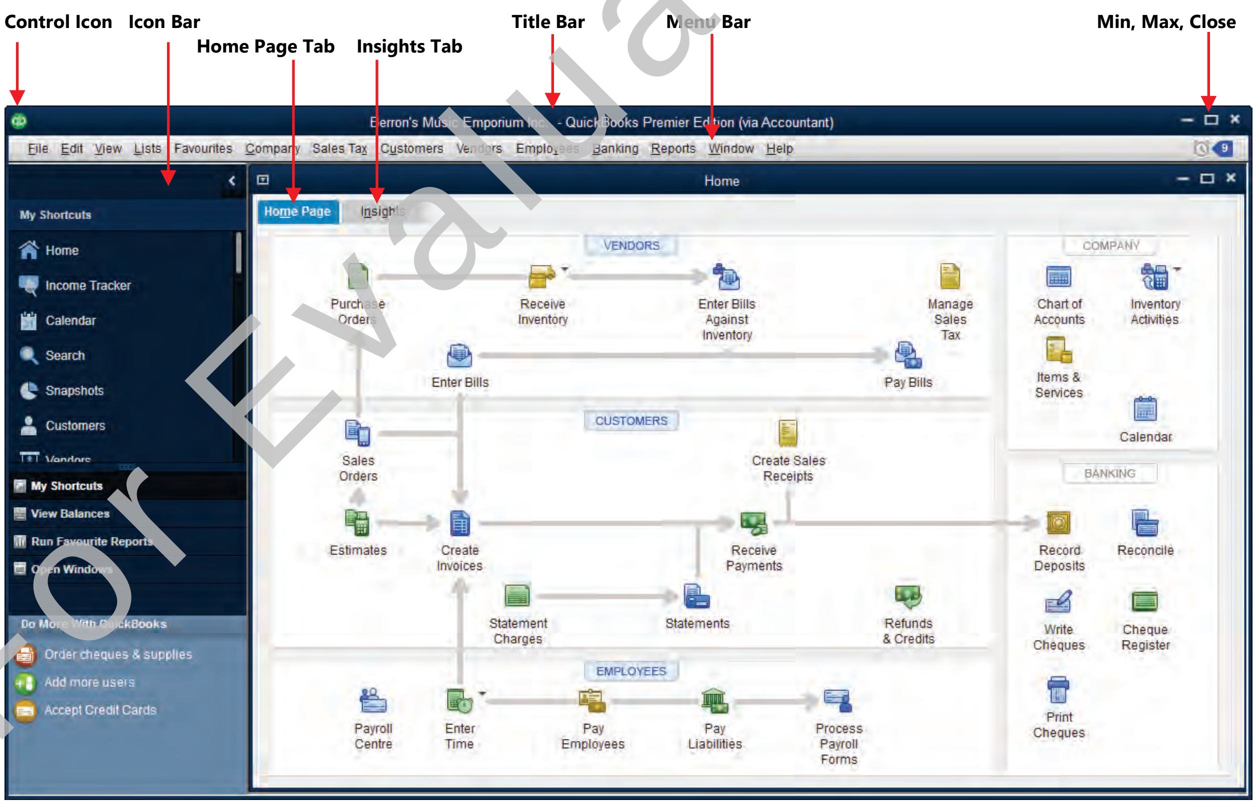
2. Select **Restore a backup copy** and click **Next**.
3. Select **Local backup** and click **Next**.
4. In the Open Backup Copy window navigate to your *1701 Student Files* folder.
5. Select *Berron's Music Emporium Inc. - Student.QBB* file and then click **Open**.
6. In the Open or Restore Company window, click **Next**.
7. Navigate to your *1701 Student Files* folder.
8. In the **File name** field of the Save Company File as window, type: `Berron's Music Emporium Inc. - Your Name lesson 1` and then click **Save**.

   If the Have a Question window opens, click the **Close** button, click **Do not show this again** to activate the check box and then click **OK**.

9. Click **OK** when you see the message that the file has been successfully restored.

Looking at the QuickBooks Screen

When you open a company data file in QuickBooks, you will see a screen similar to the following:



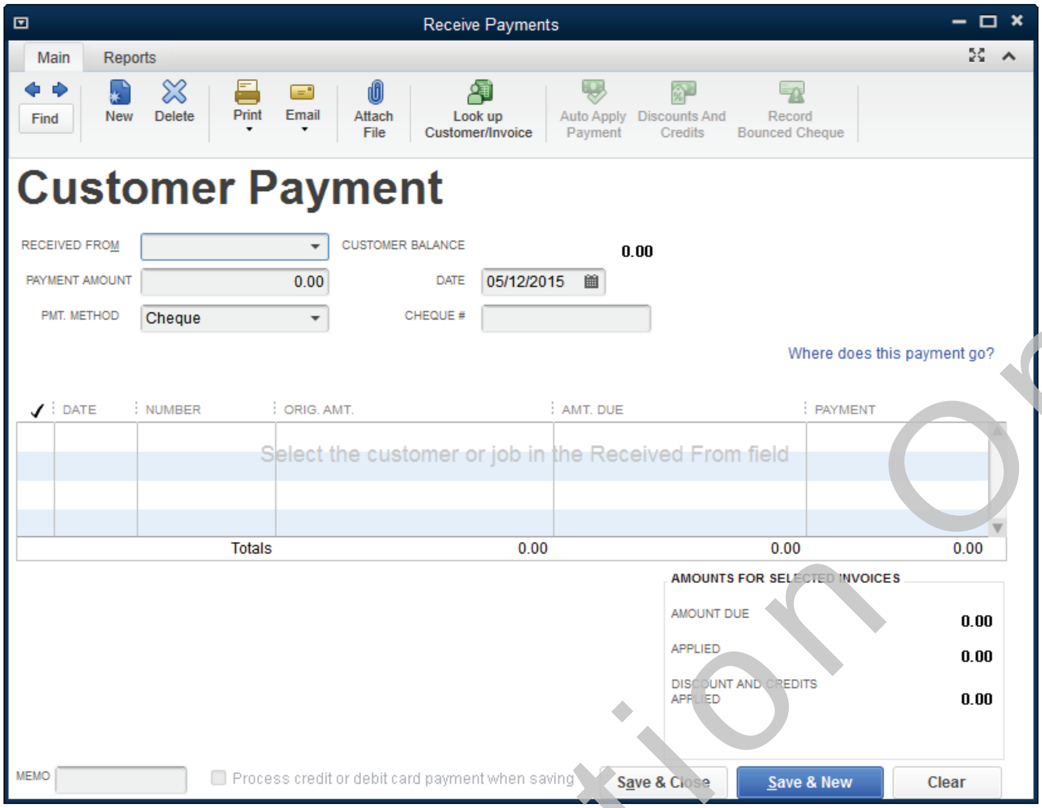
Control Icon	Located in the top left corner, this displays the Control Menu to select such options as **Move**, **Size**, **Maximize**, **Minimize**, and **Close**. These are standard Windows options available on most Control Menus.
Icon Bar	The location of this bar can be adjusted by clicking on "View" on the menu bar and choosing either Top or Hide. Using the left Icon bar is recommended as it offers more power and versatility. The Icon bar contains shortcuts to the tasks and reports you use most.
Title Bar	Located at the top of a window, the title bar displays the name of the currently active company data file, e.g., Berron's Music Emporium Inc., followed by the name of the selected application, in this case QuickBooks Premier Edition.
Minimize, Maximize/ Restore or Close Buttons	Located in the top right corner of a window, these buttons control a window's display size. Use the **(Minimize)** button to minimize the QuickBooks window to the taskbar, **(Maximize)** to the screen, **(Restore Down)** to the original window size, or **(Close)** the program completely.
Menu Bar	Located below the title bar, this bar provides access to the main menu commands such as **File**, **Edit**, **View** and so on which, when displayed, contain different sets of commands to activate features or options.
Home Page Tab	This window displays sections for the various company areas such as Vendors, Customers, for example, each of which contain icons for features used in each area.
Vendors	Contains icons for transactions such as: Purchase Orders, Enter Bills and Vendor Credits, Receive Inventory, Enter Bills Against Inventory, Pay Bills, Manage Sales Tax.
Customers	Contains icons for transactions such as: Sales Orders, Estimates, Create Invoices, Create Sales Receipts, Receive Payments, Statements, Refunds & Credits.
Employees	Contains icons for Payroll Centre, Enter Time, Pay Employees, Pay Liabilities, Process Payroll Forms.
Company	Contains icons for Chart of Accounts, Items & Services, Inventory Activities (which includes Inventory Centre, Build Assemblies, Adjust Quantity/Value on Hand), and Calendar.
Banking	Contains icons for Record Deposits, Write Cheques, Print Cheques, Reconcile, and Cheque Register.

Insights Tab

This window displays three panes, Profit & Loss with various reports, Income and Expenses. It can be used to view how the business is doing at a glance. To move between panes, click the left or right arrow. When a company file is set up, only the QuickBooks Administrator has access to Home page Insights. This tab provides similar information to that in the Company Snapshot; however, that window provides many more report options for management information. We will explore the Insights tab in greater detail in Level 2 of this course.

Moving Around Dialog Boxes

A *dialog box* is a window that appears when QuickBooks offers additional options or requires more information from you before carrying out a command. You can use either the mouse or keyboard to access the commands available in a dialog box.



- When there is a check box beside an option, you can select or clear the option by clicking the check box or pressing the Spacebar. A cleared check box will appear similar to .
- To enter text in a text field, either click in the appropriate text field or use the appropriate keyboard method to move to that field and then type the text.
- To select items from a drop-down list, click the left mouse button on the drop-down arrow next to the option. This will display a list of available items to choose from.
- To increase or decrease amounts with an increment button, move to that command and either click the up or down arrow button or press the ↑ or ↓ keys. An increment button is sometimes referred to as a spin button. When you are on a command with increment buttons, the corresponding direction button will highlight ( ).
- You can also select certain features by clicking the appropriate option button. Option buttons are always found in groups and only one option button from a group can be selected at any one time ( ). As you move to that option, it will appear similar to . Either click the option button or the command name to select it. Depending on the placement of the option command, you may not be able to access that command using the keyboard methods.
- You can also select a date by clicking the calendar button next to a field. By default, the days of the current month will be displayed in a calendar format, and the entered date (today's date if a date has not been selected) will be marked. You can scroll forward to future months, or back to previous months.
- To choose a command button, click the button of your choice, or press Tab until at the command button and then press Enter. When a command button is selected, it will appear as OK and you can press Enter to activate all options selected in the dialog box. Alternatively, be sure to select Cancel or close the dialog box if you do not want to activate any options selected in the dialog box.

- To move to a command in the dialog box, you can either move the mouse cursor overtop of the command, or press Alt and the underlined character to move directly to the command. Alternatively, you can also press Tab to move from field to field.

When a dialog box contains tabs, move to the appropriate tab by clicking on the desired tab, Using the QuickBooks Menus.

The QuickBooks menus not only display the menu choice, but additionally provide an icon for reference and a keyboard shortcut beside some of the menu commands. An ellipsis (...) at the end of a menu option indicates a dialog box will appear when you select this command.

Use the following methods to access a menu:

- Click the menu command.
- Press Alt or F10 to move to the menu bar and highlight the first menu command (e.g., File).

To access a command on a menu, use one of the following methods:

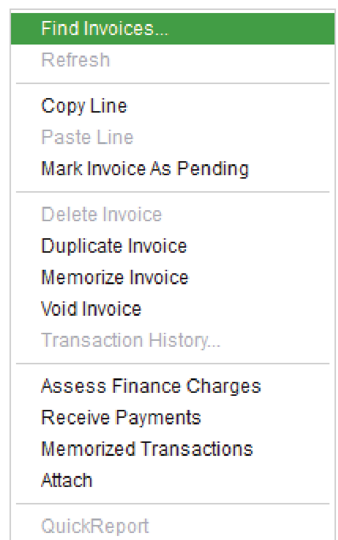
- Click the command in the menu.
- Press the ↓ arrow to move to the menu command to use and then press Enter.

If a menu is displayed and you no longer need it, use one of the following methods to close the menu:

- Click in a blank area away from the menu.
- Press Esc to close the menu, and then press Esc once more to deselect the menu bar.

> **Note:** Any menu item in black on the menu bar means that particular item is active; a menu item in grey indicates the feature is unavailable at this time.

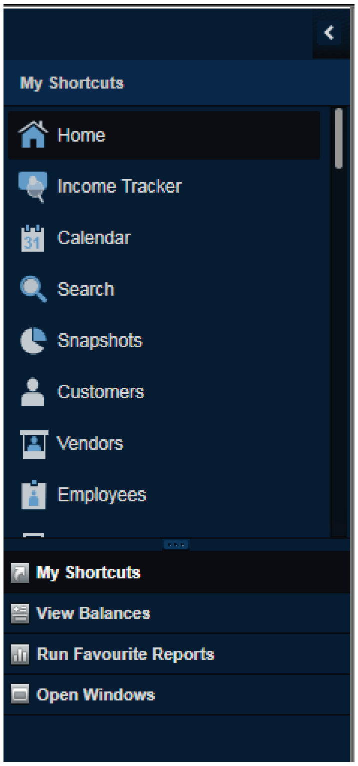
A feature provided in QuickBooks is the shortcut menu which can be accessed by pointing at an area of the active window, then pressing the right mouse button once. A different shortcut menu may be displayed, depending on what the mouse cursor is pointing at.



Using the QuickBooks Icon Bar

The Icon bar contains buttons you can access using the mouse. These buttons provide shortcuts for accessing many QuickBooks features. When you place the mouse cursor over a button in the Icon bar, a ScreenTip appears to identify the purpose of the button. Many of the menu items appear as buttons on the Icon bar to enable you to use QuickBooks more quickly and efficiently. To choose a button on the Icon bar, click it with the left mouse button.

There are four sections on the icon bar:



My Shortcuts: Click any icon in this section to open the feature, place the mouse pointer over the icon to display the icon's function. To add, edit, or remove icons from the My Shortcuts section, scroll to the bottom of the section and click "Customize Shortcuts"

View Balances: This section shows balances in your most important accounts.

Run Favourite Reports: This section displays the reports you marked as favourite.

Open Windows: This section displays the list of open windows.

Use the mouse to select the desired section.

Learn the Skill

In this lesson you will explore the QuickBooks program. (If necessary, see page ii in the Preface for detailed instructions on downloading the required data files).

1 If necessary, start QuickBooks and open *Berron's Music Emporium Inc. - Your Name* company file.

2 Select the My Shortcuts section of the Icon bar, and move the mouse to point to each of the icons and read the descriptions that appear.

3 Click **Customers** in the Icon bar.

The Customer Centre window is displayed.

4 Click **Vendors** in the Icon bar.

The Vendor Centre window is displayed.

5 Select **View** from the menu bar and then click **Open Window List** from the menu.

6 Click **Customer Centre** in the Open Windows list.

The Customer Centre window is redisplayed.

7 Select **Vendors**, **Enter Bills** from the menu bar.

The Enter Bills window is displayed in the main window, and is now added to the Open Windows List.

8 Select **Customers**, **Customer Centre** from the menu bar.

The menu bar is another way of selecting or opening a window.

9 Select **Customers**, **Create Sales Orders** from the menu bar.

The Create Sales Orders window is displayed in the main window, and is added to the Open Windows List.

10 Select **Enter Bills** in the Open Windows List.

The Enter Bills window is now shown, and it appears at the top of the Open Windows List.

11 Click × **(Close)** at the top right corner of the Enter Bills window to close it. If necessary, click **No** in the Recording Transaction window.

12 Close the Create Sales Orders window. If necessary, click **No** in the Recording Transaction window.

13 Close the Customer Centre and Vendor Centre windows.

14 Select **My Shortcuts** to close the Open Windows List.

15 Select **View Balances** to view some account balances, and then select **My Shortcuts**.

The Chart of Accounts

How the Chart of Accounts Works

Before making entries within QuickBooks, you must first define a Chart of Accounts for your company. This Chart of Accounts works using five main account groups. These are:

Balance Sheet			Income Statement	
o Assets	o Liabilities	o Equity	o Revenue	o Expense

The Chart of Accounts will contain accounts such as bank accounts, accounts receivable and payable, inventory accounts, equity accounts, revenue, and expense accounts. Your Chart of Accounts can be simple or complex but each account must be identified as one of the QuickBooks Account Types. This table will help describe what each QuickBooks Account Type is and how it relates to financial statements:

QuickBooks Account Type	Account Group	Shows in Financial Statement	Example
Bank	Asset	Balance Sheet	Bank Chequing Account
Accounts Receivable	Asset	Balance Sheet	Accounts Receivable
Other Current Asset	Asset	Balance Sheet	Inventory
Fixed Asset	Asset	Balance Sheet	Equipment
Other Asset	Asset	Balance Sheet	Goodwill
Accounts Payable	Liability	Balance Sheet	Accounts Payable
Credit Card	Liability	Balance Sheet	Credit Card Payable
Other Current Liability	Liability	Balance Sheet	Sales Tax Payable
Long Term Liability	Liability	Balance Sheet	Mortgage Payable
Equity	Equity	Balance Sheet	Owner's Equity
Income	Revenue	Income Statement	Sales Revenue
Cost of Goods Sold	Expense	Income Statement	Cost of Goods Sold
Expense	Expense	Income Statement	Utilities Expense
Other Income	Revenue	Income Statement	Interest Revenue
Other Expense	Expense	Income Statement	Interest Expense

Most Charts of Accounts use account numbers to uniquely identify each account and to identify the account type. In QuickBooks, you can turn this feature on or off; however, most accountants prefer to have the accounts numbered. If you do turn it on, you must follow the numbering convention shown below.

For **Balance Sheet** accounts:

- For **Asset** accounts, assign account numbers from 10,000-19,999.
- For **Liability** accounts, assign account numbers from 20,000-29,999.
- For **Equity** accounts, assign account numbers from 30,000-39,999.

For **Income Statement** accounts:

- For **Revenue** accounts, assign account numbers from 40,000-49,999.
- For **Cost of Goods Sold** and related accounts, assign account numbers from 50,000-59,999.
- For **Expense** accounts, assign account numbers from 60,000-69,999.

Within QuickBooks, it is possible to assign account numbers in the 70,000 and 80,000 ranges. However, it is standard practice to keep account numbers within the ranges listed above.

If you do use account numbers, you should also adhere to the following recommended general ledger account structure:

- Leave plenty of room between account numbers to allow for future growth. For example, if you number accounts without any spaces or gaps between the numbers you assign them, you may have a problem should you later want to add an account within a particular range. Remember that you have 10,000 account spaces for each type of account (Assets, Liabilities, Equity, Revenue, and Expenses).
- Place accounts in the order of liquidity. For example, when you are entering the current asset accounts, place your petty cash and bank account before your accounts receivable and inventory. This is a standard practice, so that external readers of your financial statements can easily determine the "liquidity" of your balance sheet accounts (that is, the relative ease with which you could convert them into cash). Do the same for the liabilities—you should place them in order of timing of payment. For example, you will pay your accounts payable before you make your current bank loan payment; therefore, you should list the accounts payable first. The Chart of Accounts has already been set up for you for the exercises in this courseware. We are going to make a few minor changes and additions to the Chart of Accounts.

> Most business enterprises consult and are guided by the advice of an accountant when creating a Chart of Accounts. The accountant will normally provide a suggested Chart of Accounts, as well as a recommended format and layout for the Balance Sheet and Income Statement. This is important, as it will determine the Account Type (see below) to be allocated in QuickBooks.

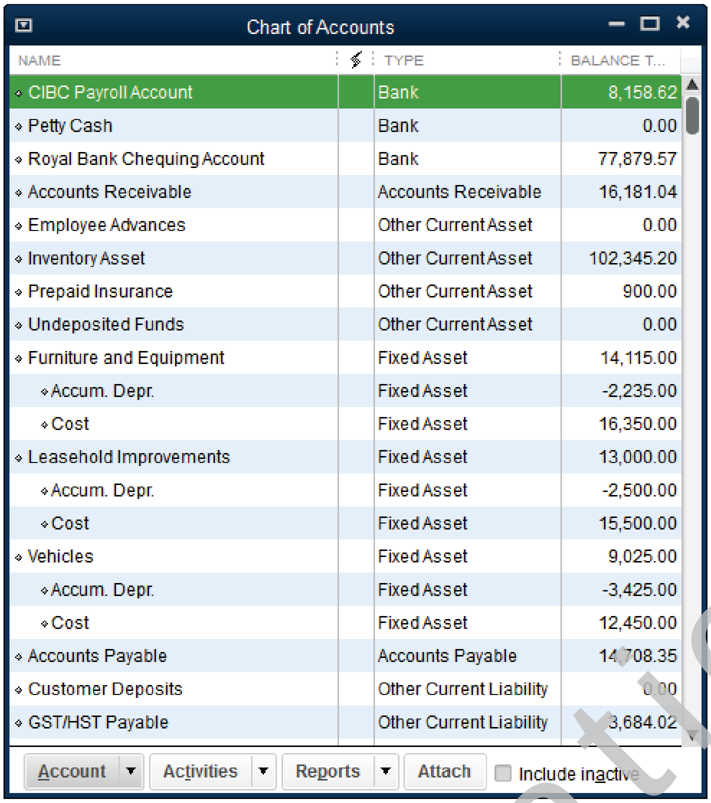
Learn the Skill

In this exercise, you will learn to access the Chart of Accounts window.

1 On the Home page, in the Company section, click **Chart of Accounts** to open the Chart of Accounts window.

> To display the Chart of Accounts you can also select **Lists**, **Chart of Accounts** in the menu bar, or press Ctrl+A on the keyboard.

The Chart of Accounts window will be displayed as follows:



The Accounts window displays the General Ledger accounts that have already been created. It contains the following headings and tabs:

Name	Name of the account.
Type	The type or group of accounts: Bank, Accounts Receivable, Other Current Assets, Fixed Assets, etc.
Balance Total	Current balance in the account.
Account	Where you would create, edit, delete, and make accounts inactive.
Activities	Where you can process transactions such as writing cheques, making deposits, transferring funds and processing journal entries, etc.
Reports	Where you can access reports such as QuickReport, income tax preparation list, account listing and financial reports.
Attach	This allows you to attach documents from Outlook, desktop, or folders to a particular account.

> Additional columns can be added to the display view, by clicking **View** in the menu bar, and selecting **Customize Columns**. A window is displayed which allows additional columns to be displayed in the Chart of Accounts window.

2 Double-click any account with a **Balance** value that is not **0.00** (zero) or blank.

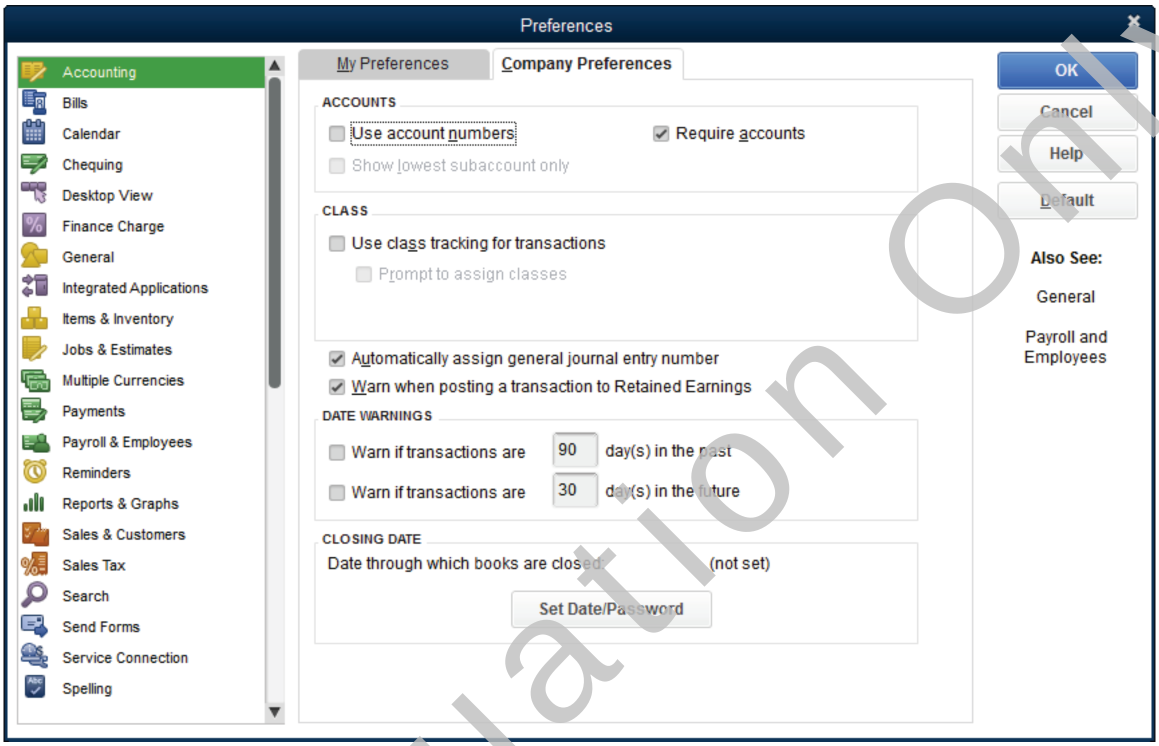
A new window, the account register, opens showing the detailed transactions in that account.

3 Close the account register.

4 Select **Edit**, **Preferences** in the menu bar.

5 If necessary, select **Accounting** in the list at the left side.

6 If necessary, select the **Company Preferences** tab.



7 Select the **Use account numbers** check box, and click **OK**.

The account numbers will now be displayed for accounts with account numbers. The remaining accounts will not show an account number because these numbers have not been previously entered. Now turn off the account number display again.

8 Select **Edit**, **Preferences** in the menu bar.

9 Clear the **Use account numbers** check box and click **OK**.

Change the sort sequence of the Chart of Accounts.

10 Click the **Name** title bar to sort all of the accounts in alphabetical sequence by name.

11 Click the **Name** title bar again to re-sort all of the accounts into descending sequence.

12 Click the **Balance Total** title bar to sort the accounts in ascending order based on the account balance.

13 Click the **Type** title bar to re-sort the accounts by their type. This is the default setting and is recommended.

14 Close the Chart of Accounts window.