QuickBooks Premier
2012

Level 1

Courseware 1748-1

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:

- explain what QuickBooks is

- explain the QuickBooks screen components

- use the mouse and keyboard for choosing commands and making selections

- understand the Chart of Accounts, how it works, differentiate between different account types, and print 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

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.

Using the Exercise File in Each Lesson

For each lesson in this courseware you'll restore a copy of the exercise file The *Music Barn Ltd – 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.

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 *1748 Student Data* folder.

5. Select *The Music Barn Ltd.QBB* file and then click **Open**.

6. In the Open or Restore Company window, click **Next**.

7. Navigate to your *1748 Student Data* folder.

8. In the **File name** field of the Save Company File as window, type: The Music Barn Ltd - Your Name lesson 1 and then click **Save**.

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

Overview
What is QuickBooks?

QuickBooks is a product of Intuit Canada. QuickBooks Premier is an integrated accounting package suitable for most small to medium-sized businesses needing such accounting modules as the General Ledger, Accounts Payable, Accounts Receivable, Canadian Payroll, and Inventory accounting.

QuickBooks Editions

QuickBooks provides several editions, all of which perform the basic tasks required for small-business bookkeeping. It is wise to evaluate just what you need QuickBooks to do for your business before you decide which edition to purchase. The following is a sample list of the editions available in QuickBooks 2012:

- Premier Edition (General Business)
- Accountant Edition
- Contractor Edition
- Manufacturing & Wholesale Edition
- Non-profit Edition
- Professional Services Edition
- Retail Edition
- QuickBooks Pro
- QuickBooks Easy Start

This courseware assumes that you have and use QuickBooks Premier. For the remainder of this courseware, this product will be referred to as just QuickBooks.

QuickBooks is a popular program because it includes a variety of important and user-friendly features:

- When you are working in the program, windows and data entry screens resemble their actual paper counterparts—for example, the Create Invoices screen resembles a paper invoice.
- The program is easy to learn, providing you with icons, menus and toolbars, as well as keyboard-activated commands.
- Transactions are easy to enter, correct, and delete. You can use this product without fully understanding strict, traditional accounting procedures.
- You can customize the program to your needs, with such options as interest on overdue receivable accounts.
- Payroll entry is quick and straightforward, eliminating the need for manual tax table searching if you are using current payroll tables. (Additional fees apply.)
- You can track profitability by job or customer in order to determine the most profitable areas of your business.
- You can keep accurate track of your inventory, including inventory turnover and minimum inventory levels.
- You can print invoices, cheques, and statements.
- You can print professional reports and graphs without wasting time designing and formatting.
- In one easy report, you can track Goods and Services/Harmonized Tax charged and paid on transactions processed using the Payables and Receivables modules.
- The program offers extensive help and on-line accounting advice, with assistance available from local certified consultants.

Looking at the QuickBooks Screen

When you open QuickBooks and either open or restore a data file, the following QuickBooks Learning Centre screen may appear.
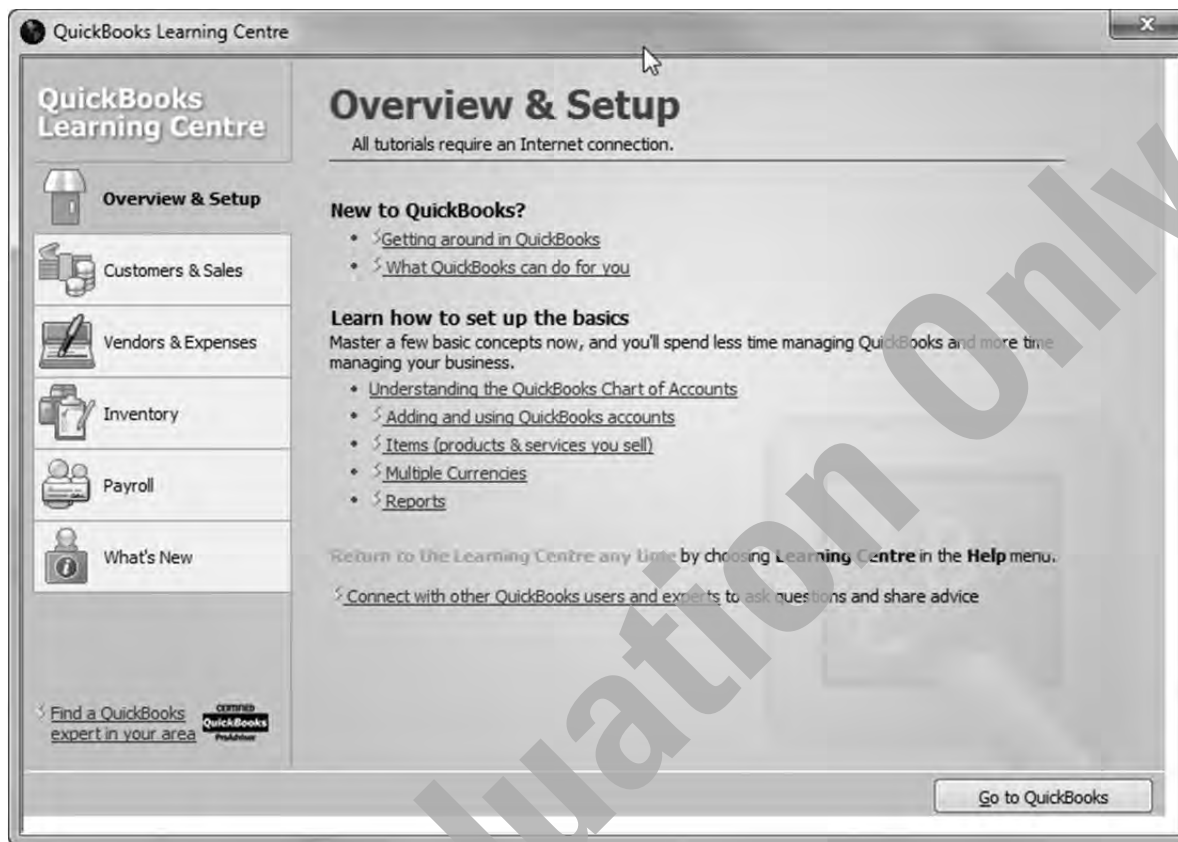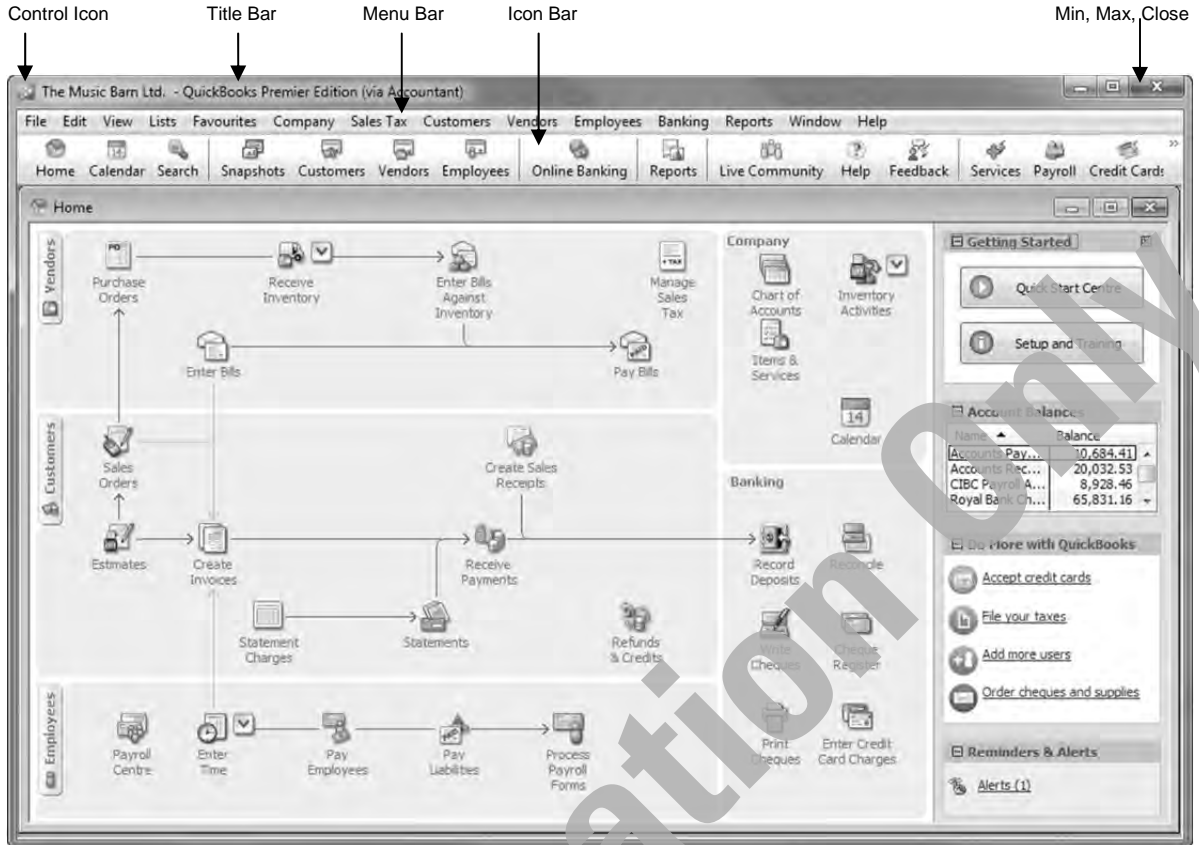

This screen gives quick access to the following areas, each of which contain links to tutorials covering relevant topics:

Overview and Setup	Getting around in QuickBooks and some basic concepts.
Customers and Sales	The Customer Centre, transactions, customising and tracking.
Vendors & Expenses	The Vendor Centre, expenses, sales tax.
Inventory	Inventory basics, and managing inventory.
Payroll	The Payroll Centre, paying employees, paying taxes and liabilities.
What's New	Upgrading and What's new in 2012.

This screen can be accessed by clicking Help on the menu bar, and selecting Learning Centre from the drop-down menu.

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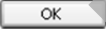

Control Icon	Located in the top left corner, this displays the **Control Menu** box to select such options as **Move**, **Size**, **Maximize**, **Minimize**, and **Close**. These are standard Windows options available on most Control Menus.
Title Bar	Located at the top of a window, the title bar displays the name of the currently active company data file, e.g., The Music Barn Ltd., followed by the name of the selected application (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 (i.e., **File**, **Edit**, **View**, etc.) which, when displayed, contain different sets of commands to activate features or options.
Icon Bar	Located below the menu bar, these buttons are used as a shortcut icon to the relative window. For instance, clicking on the Customer Centre icon will open the Customer Centre window. Place the mouse pointer over the icon to display the icon's function.
Home Page	This window displays sections for the various company areas such as Vendors, Customers, etc., each of which contain icons for features used in each area.
Vendors	Contains icons for transactions such as: Purchase Orders, Enter Bills & 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, Enter Daily Sales, 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 Build Assemblies & Adjust Quantity/Value on Hand), and Calendar.
Banking	Contains icons for Record Deposits, Write Cheques, Print Cheques, Reconcile Accounts, Cheque Register, and Enter Credit Card Charges.
Getting Started	This section contains icons for the Quick Start Centre, and Setup and Training, as well as quick access to Account Balances, Do More with QuickBooks, and Reminders and Alerts.

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 ⌋. When you are on that command, the check box will appear similar to ▢.

- To enter text in a text box, either click in the appropriate text box 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 either by clicking the appropriate tab, or press (Ctrl)+(PgDn) to move forward to the next tab or (Ctrl)+(PgUp) to move to the previous tab. Notice that the active tab has a thick line at the top of the tab and a dotted marquee around the tab name.

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 many 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).

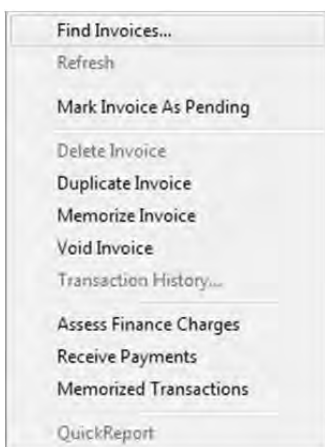To access a command on a menu, use one of the following methods:

- Click the command in the menu.
- Press the underlined character for the menu command.
- 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.

> 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.

Find Invoices...
Refresh
Mark Invoice As Pending
Delete Invoice
Duplicate Invoice
Memorize Invoice
Void Invoice
Transaction History...
Assess Finance Charges
Receive Payments
Memorized Transactions
QuickReport

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, it will change colour and 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.

The Icon bar appears as follows:

Home Calendar Search | Snapshots Customers Vendors Employees | Online Banking | Reports Live Community Help Feedback | Services Payroll Credit Cards

Learn the Skill

1 If necessary, start QuickBooks and open *The Music Barn Ltd - Your Name* company file. (If necessary, see page ii in the Preface for detailed instructions on downloading the required data files).

2 Move the mouse to point to each of the icons in the Icon bar, 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 Window 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 Window 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 Window List.

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

The Enter Bills window is now shown, and it appears at the top of the Open Window 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 **View**, **Open Window List** from the menu bar to close the Open Window List.

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 list of 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 10000 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

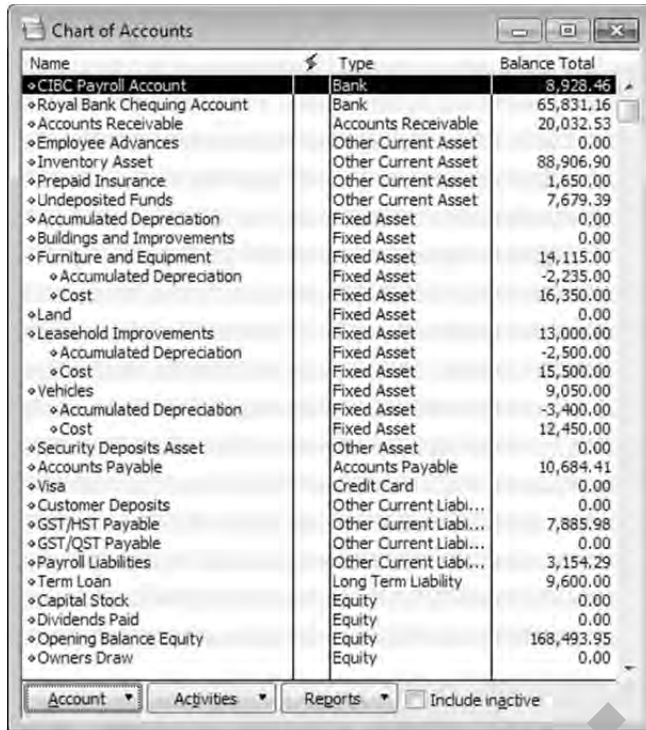*In this exercise, you will learn to access the Chart of Accounts window.*

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

> You can also use one of the following to display the Chart of Accounts:
> - Select **Lists, Chart of Accounts** in the menu bar.
> - Press Ctrl+A on the keyboard.

The Chart of Accounts window will be displayed.

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.

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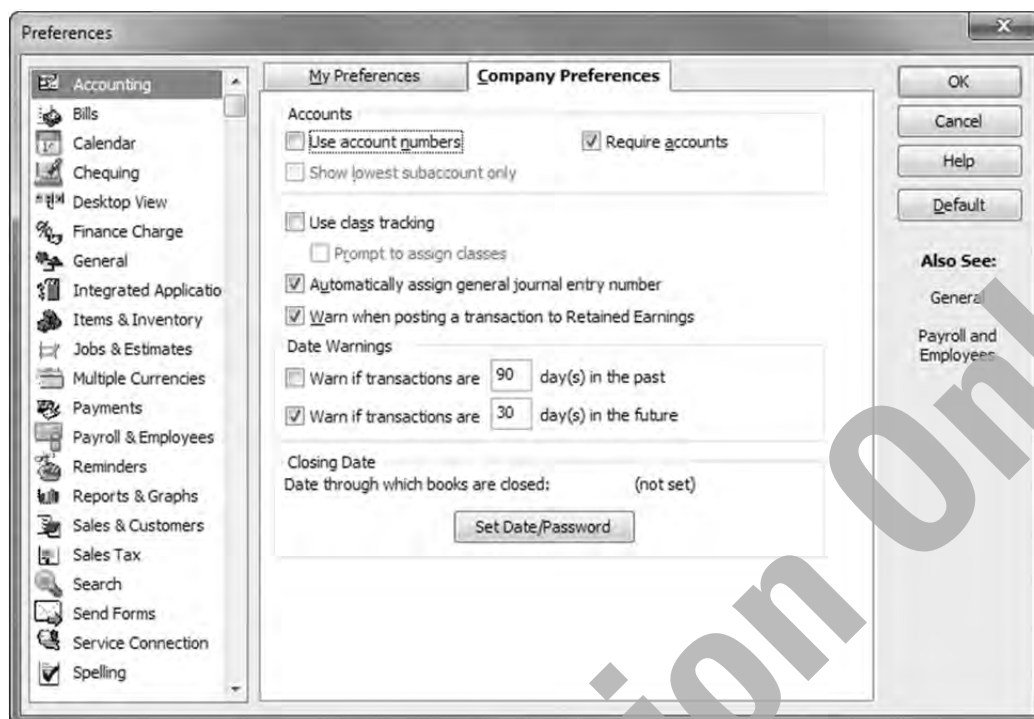
7 Select the **Use account numbers** check box, and click **OK**.

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.

Account Type

The design of the Chart of Accounts is a very important aspect of QuickBooks because you not only want to track financial information at a level of detail to help you determine your financial state of affairs quickly, but also be able to format the financial statements (Balance Sheet and Income Statement) presentation, as desired. Consider the following partial sample Balance Sheet:

City Computer Inc.
Balance Sheet

February 29, 2012

Assets	
Bank Account	$7,000.00
Float	200.00
Petty Cash	50.00
Accounts Receivable	2,630.00
Advances Receivable	0.00
Prepaid Expense	1,200.00
Furniture & Fixtures	5,600.00
Accum. Depreciation - Furniture/Fixtures	(1,425.00)
Total Assets	**$15,255.00**

While this Balance Sheet is correct, it does not display the accounts in an easy-to-read format. All the company's assets are grouped together (current and fixed assets), and it is not that easy to determine the total cash in this business. It is also difficult to determine the net value of the fixed assets (Furniture/Fixtures and Accum. Depreciation – Furniture/Fixtures).

However, you cannot simply decide to keep the number of accounts to a minimum because doing so will eliminate the details, such as the following:

City Computer Inc.
Balance Sheet

February 29, 2012

Assets	
Current Assets	$11,080.00
Fixed Assets	4,175.00
Total Assets	**$15,255.00**

To overcome this problem, you can make use of the Subaccount option in QuickBooks so that you can have both sufficient detail and also the ability to see a bird's eye view of the financial state. For example, you may want to track all of your cash in three accounts: float (cash on hand to conduct daily business), petty cash (to pay minor expenses), and bank account. These three accounts can be designated as subaccounts of another account named as Cash, which just simply includes all transactions from these three accounts as its own, including the final balance. The Cash account is a summary account of the three subaccounts.

The account type is also used to designate how the accounts are grouped together on the balance sheet or income statement. For example, accounts of types such as Bank, Accounts Receivable, and Other Current Asset are grouped together under Current Assets.

By using subaccounts and account types, the partial balance sheet will now look like this:

<div align="center">

City Computer Inc.
Balance Sheet
February 29, 2012
</div>

Assets	
Current Assets	
Cash	
Bank Account	$7,000.00
Float	200.00
Petty Cash	50.00
Total Cash	$7,250.00
Receivable	
Accounts Receivable	2,630.00
Advances Receivable	0.00
Total Receivable	2,630.00
Prepaid Expense	1,200.00
Total Current Assets	**$11,080.00**
Fixed Assets	
Furniture/Fixtures	
Furniture & Fixtures	5,600.00
Accum. Depreciation - Furniture/Fixtures	(1,425.00)
Total Furniture/Fixtures	$4,175.00
Total Fixed Assets	**$4,175.00**
Total Assets	**$15,255.00**

Learn the Skill

In this exercise, you will learn to check the validity of the Chart of Accounts, and to change the way the information in the Accounts window is displayed.

1   Click **Lists** in the menu bar, then **Chart of Accounts** to display the Chart of Accounts.

2   Click **Account** at the bottom of the window. Select **Flat View** from the pop-up menu.

3 Click **Account** at the bottom of the window. Select **Hierarchical View** from the pop-up menu.

4 Click **Reports** at the bottom of the window. Select **Reports on All Accounts**, **Balance Sheet**, **Standard** from the pop-up menu.

The Balance Sheet report is displayed.

5 In the **Dates** drop-down list select **Custom**, and in the **As of** box, select **Feb 29, 2012**. If necessary, click **Refresh**.

6 Use the scroll bar to view the entire report. Close the Balance Sheet and, if a window appears asking if you wish to memorize the report settings, click **No**.

7 Close the Chart of Accounts window.

General Ledger Accounts
Creating GL Accounts

From the Chart of Accounts window, you can create more General Ledger accounts as you need them.
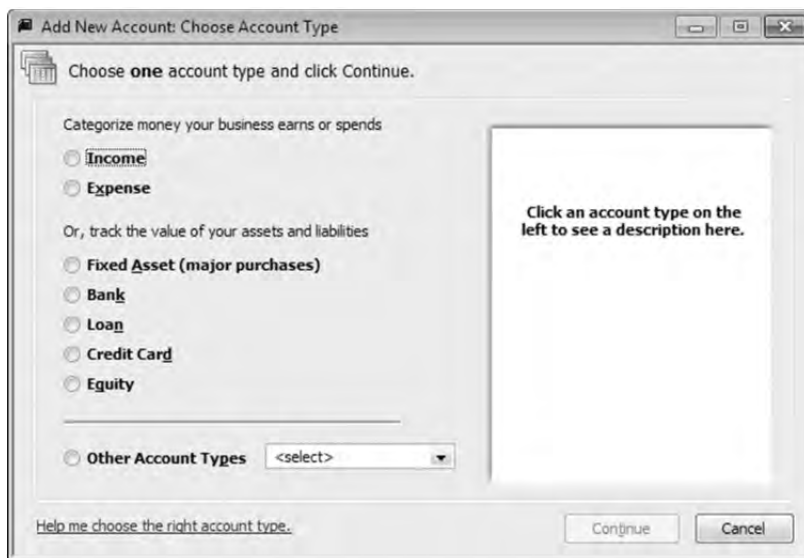
Learn the Skill

*In this exercise, you will create General Ledger accounts using the **File, Create** feature.*

1 From the **Lists** menu, select **Chart of Accounts**.

2 Click **Account** at the bottom of the window, and select **New** from the pop-up menu.
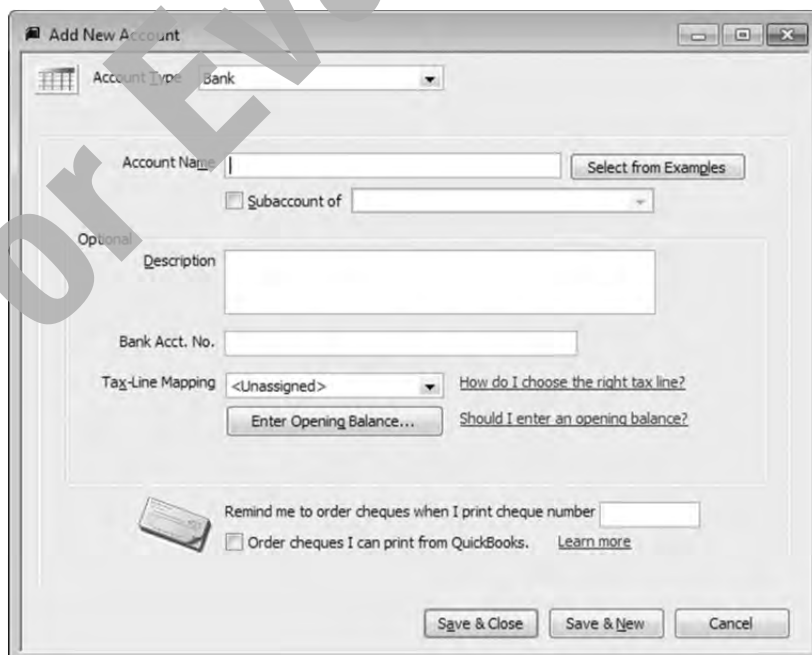
The Add New Account: Choose Account Type window opens.

> You can also right-click in the Chart of Accounts window and select **New** in the shortcut menu, or press Ctrl + N to display the Add New Account window.

Income	Categorizes money earned from normal business operations.
Expense	Categorizes money spent in the normal course of business operations.
Fixed Asset	Tracks the value of significant items that have a useful life of more than one year.
Bank	Create one account for each cash account needed.
Loan	Tracks the principal owed on loans or lines of credit.
Credit Card	Create one for each credit card your business uses.
Equity	Tracks money invested in or taken from company by owners or investors.
Other Account Types	Select an account type from the list that includes: accounts receivable, current assets, other assets, accounts payable, current and/or long term liabilities, cost of goods sold, other income, other expenses.

3 Click to select **Bank**, and then click **Continue**.

The Add New Account window appears:

Account Type	This field is automatically completed from the previous window choice. There is an option to change here by clicking the down arrow beside the field and choosing from the options provided. The **Account Type** field serves two functions in your account setup. First, it identifies the various types of accounts. Second, it will categorize them in the correct sections of your Financial Statements.
	The accounts are also sorted in alphabetic order within each **Type**.
Account Name	Name of the account (maximum 31 characters).
Subaccount of	Identifies whether the account being created is part of a group of accounts. If the account is part of a group, you are required to provide the Parent Account (the main account).
Description	This is an optional field to expand on the name of the account.
Bank Acct. No.	The Company Bank Account number. This is also an optional field.
Tax-Line Mapping	If you plan to export your tax information to income tax preparation software such as Intuit's QuickTax or ProFile you can choose the correct tax line from the options offered in the drop-down menu. Otherwise, in general, you should not use tax-line mapping.
Enter Opening Balance	The historical account balance from your previous accounting system, if applicable.

4 In the **Account Name** field, type: BMO Chequing.

> As with other standard Windows applications, you can use the ⌈Tab⌋ key or the mouse to move between fields.

5 Enter the following data for the remaining fields in the dialog box:

Description	Bank of Montreal Chequing
Bank Acct. No.	40987

Do not enter an opening balance. Do not use the Tax-Line Mapping option.

Your screen will be similar to the following:

At this point, you have two choices in saving your information:

- **Save & Close** will save the new account and close the Chart of Accounts window.

- **Save & New** will save the account and provides the opportunity to input a new ledger account.

6   Click **Save & New**.

> At any time in the process, you can cancel the creation of an account by clicking **Cancel** or pressing Esc.

7   Use the method outlined previously to create the following new account:

Account Type	Bank
Account Name	Cash
Description	Cash Summary

8   Click **Save & Close**.

9   When the Set Up Online Services window appears, click **No**. Remain in the Chart of Accounts window and proceed with the next exercise.

Modifying GL Accounts

Within the Chart of Accounts window, you can access, modify, and delete previously entered General Ledger accounts.

Learn the Skill

In this exercise, you will find and modify General Ledger accounts.

1   Right-click the Royal Bank Chequing account and select **Edit Account** to display the Edit Account window.

> You can also select the account in the Chart of Accounts window, then click **Account** and select **Edit Account** in the pop-up menu or press Ctrl + E to display the Edit Account window.

2   Enter the following data into the Edit Account window:

Subaccount of	Yes
	Cash
Description	Royal Bank Chequing Account
Bank Acct. No.	115449313

The completed window should appear similar to the following:
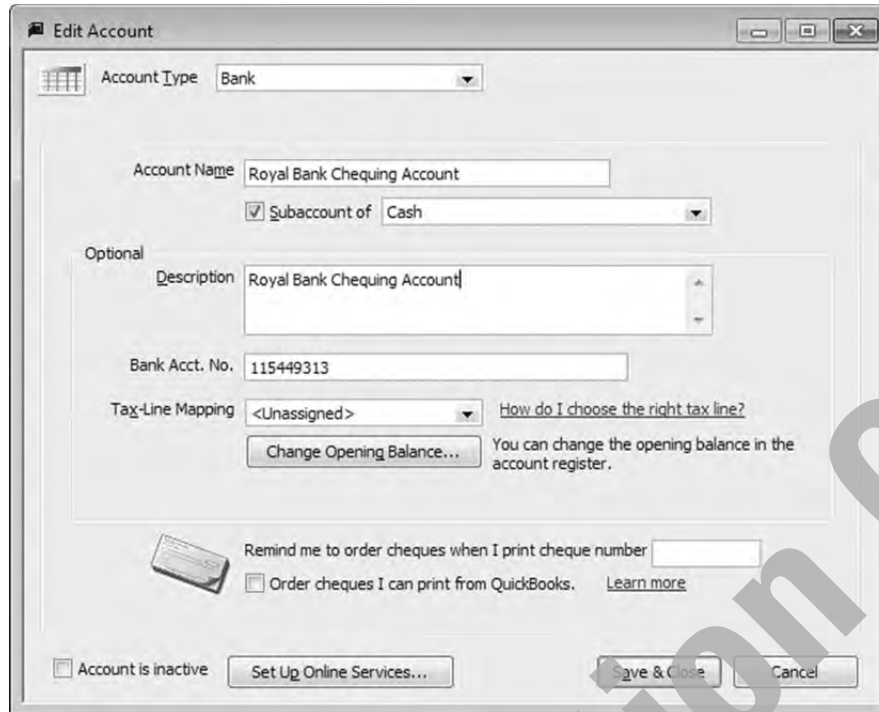
3   Click **Save & Close** to save the changes.

Change the other two bank accounts to subaccounts of Cash.

4   Right-click on the BMO Chequing Account and select **Edit Account** from the shortcut menu.

5   Make the following changes in the Edit Account window:

Subaccount of   Yes

Cash

6   Click **Save & Close** and repeat steps 4 through 6 for the CIBC Payroll Account.

Learn the Skill

Use the methods outlined previously to set up and modify the following accounts:

1   From the Chart of Accounts window, click **Account**, select **New** and complete as follows:

|	
Account Type	Expense
Account Name	Trade Publications
Subaccount	Dues & Subscriptions
Description	Subscriptions to trade magazines
Sales Tax Code	H

2   Click **Save & Close**.

3   In the Chart of Accounts window, select **Membership Dues**, right-click and select **Edit Account**. Complete as follows:

Subaccount   Dues & Subscriptions

4   Click **Save & Close**.

The Chart of Accounts window should now appear similar to the following:
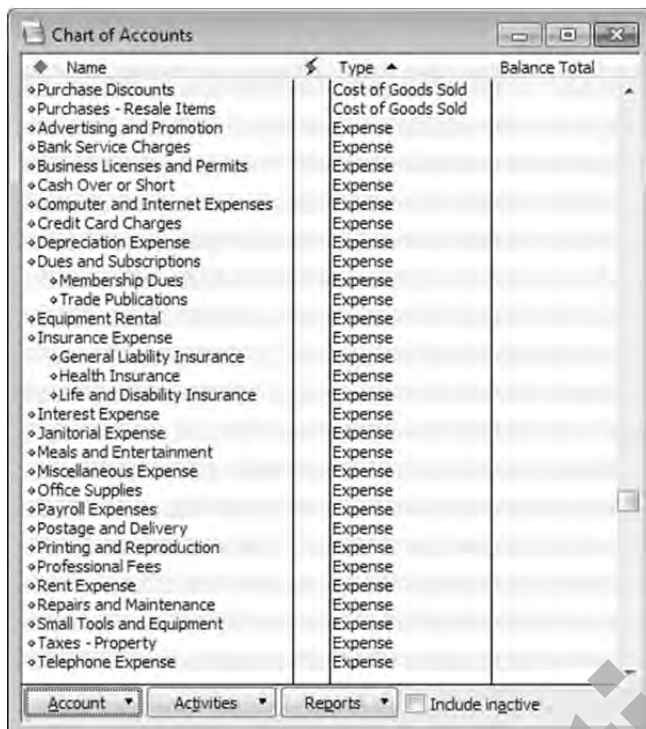
5 Leave the Chart of Accounts window open for the next exercise.

Deleting or Removing GL Accounts

You can delete or remove an existing General Ledger account if it does not have a current balance or a transaction history and it does not have subaccounts under it. This feature is useful if you had created a General Ledger account in error, or circumstances had turned out that the account was never needed.
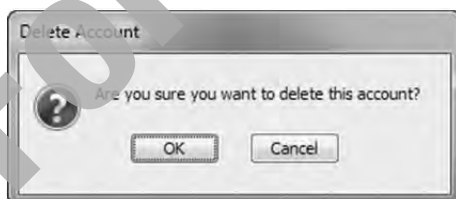
If transactions have been recorded against it in the past, you should simply make it inactive if it is no longer needed.

Learn the Skill

In this exercise you will learn how to delete an account.

1 Select the **Union Dues** account in the Chart of Accounts window.

**2** Click the **Account** button and select **Delete Account** from the pop-up menu.

3 Select **OK** to confirm this action.

4 Close the Chart of Accounts window.

QuickBooks Preferences

Through preferences, you can customize QuickBooks to suit the needs of your business and your personal style of working. For most Preference categories, there are two options, My Preferences, and Company Preferences. To access QuickBooks Preferences, select **Edit**, **Preferences** from the menu bar.

The Preferences dialog box will be displayed.
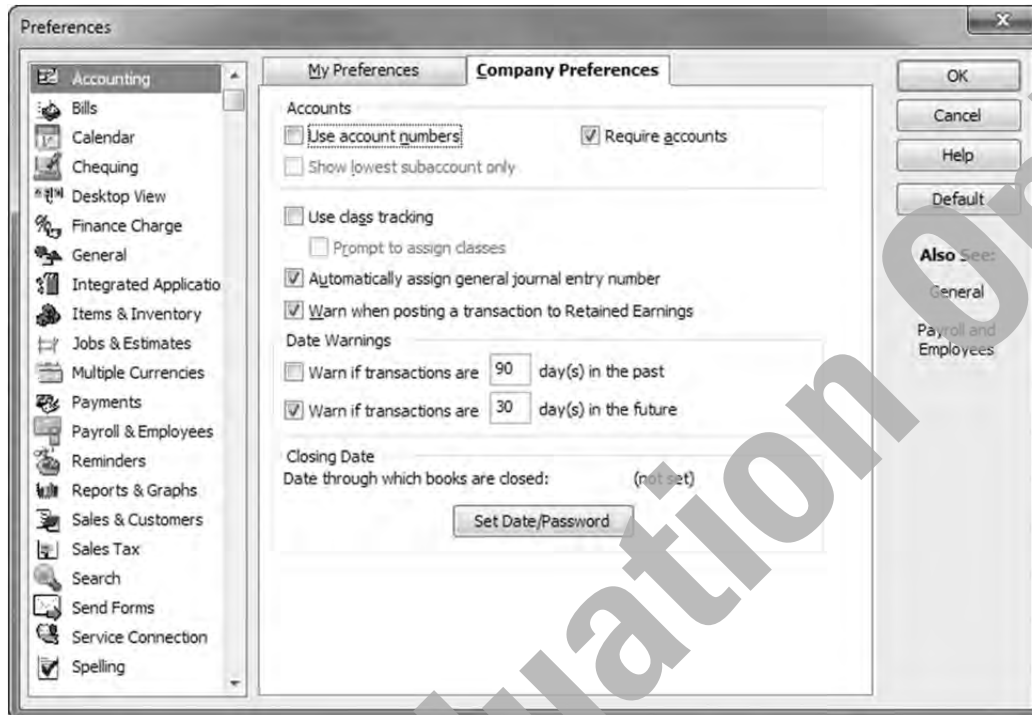
On the left side of the Preferences dialog box is a listing of the various categories. Clicking on each category opens windows where you can choose a variety of functions relevant to each feature. The following overview provides a brief introduction to the options available, many of which will not be discussed further until the Level 2 course.

> **NOTE:** The settings entered on the My Preferences tab only affect your QuickBooks sessions, not those of other users. Settings on the Company Preferences tab affect all users, and only the **QuickBooks Administrator** can enter changes on this tab.

Accounting	This category deals with such items as Accounts, Account numbers, Class Tracking, General Journal Entry Numbers, and date Warnings.
Bills	The Company Preferences tab allows settings for Entering and Paying Bills, such as due dates, warnings regarding duplicate bill numbers, and using credits and or discounts.
Calendar	The QuickBooks Calendar is a quick way to view transactions and tasks you've entered into QuickBooks.
Chequing	The My Preferences tab allows settings for default bank chequing accounts, and settings for deposit entries. The Company Preferences tab allows settings for defaults on cheques, and chequing accounts for Pay Cheques, and Pay Liabilities.
Desktop View	This category allows you to customize your view of the QuickBooks desktop to reflect how you move around QuickBooks, find features, and switch between windows.
Finance Charge	Settings for charges relative to overdue Customer accounts.

General	Tabs in this category allow settings for a wide variety of features for entering data, moving around dialog boxes, information recall, default dates, and time formats.
Integrated Applications	Settings for managing applications that interact with the company file. You can integrate key QuickBooks data with a variety of QuickBooks compatible software solutions. Sales, customer, and other financial data can be shared between QuickBooks and certain QuickBooks-compatible software.
Items & Inventory	Settings for Purchase Orders and Inventory, as well as Units of Measure.
Jobs & Estimates	Settings for Job status, Estimates, and Progress Invoicing.
Multiple Currencies	Settings for use of more than one currency.
Payments	Settings for how payments are applied, and how the funds are deposited.
Payroll & Employees	Settings for payroll and employees.
Reminders	Use the Reminders list to track all the QuickBooks tasks you need to do. It shows you all of the things that are due (such as bills) or that you need to act on (such as To Do notes). You can choose which tasks to be reminded of, and how and when you'll see the reminder.
	Alerts are important messages about QuickBooks or your business that appear in your Reminders list. For example, you might receive an alert that there is an update to QuickBooks that you need to download.
Reports & Graphs	Settings for a variety of defaults for reports and graphs.
Sales & Customers	Settings for Sales Forms, Price Levels, Sales Orders, and Templates.
Sales Tax	Settings for Customer and Vendor Tax Codes, Display Taxes, and Assigning Tax code defaults.
Search	Settings for search preferences.
Send Forms	Settings for sending by email, including content defaults.
Service Connection	Settings for internet connections.
Spelling	Settings for spelling defaults.
Time & Expenses	The Company Preferences tab allows settings for Time Tracking, and Invoicing Options.

Learn the Skill

In this exercise you will learn how to modify the following preferences.

1   Select **Edit, Preferences** from the menu bar to open the Preferences window.

2   Select **Accounting** from the list, and under Company Preferences click to turn off the date warnings.

3   Select **Chequing** from the list, and click **Yes** in the Save Changes warning.

4   In Chequing, Company preferences, select **CIBC Payroll** account for Create Pay cheques, and **Royal Bank Chequing** for Pay Payroll Liabilities.

5   In Desktop View, under My Preferences, change the colour scheme to one of your choice, click **OK**.

6   View the screen, observe the difference, and then change the scheme back to the default.

7   In Desktop View, under Company Preferences, in the Customers section, click in the field beside **Statements and Statement Charges** to deselect it.

8   Click **OK**, and **OK** again in the warning screen.

9   Click **Home** on the Icon bar to open the Home page again, and view the changes. (The icons for Statements and Statement Charges are no longer displayed.)

10   Follow the instructions in step 7 to turn on the icons again. Click **OK** and **OK** again, and click **Home**.

Both icons should once again be displayed.

Company Information

This function will allow you to see all the important information for the company you are working on.

Learn the Skill

In this exercise you will modify the company information so each student's work can be identified when printed.

1   Select **Company**, **Company Information** from the menu bar.

2   Change the company name to include your name by adding your own name to the end of *The Music Barn Ltd.* (for example: The Music Barn Ltd. – Jane Black)

3   When done, click **OK**.

4   Click **Continue anyway** in the Invalid Business Number warning.

Printing the Chart of Accounts

In order to ensure that you have entered the Chart of Accounts correctly, you should print a hard copy of it. First, you must display the Chart of Accounts on the screen.

Learn the Skill

*In this exercise you will learn how to print a list report.*

1 Select **Reports**, **List**, **Account Listing** from the menu bar.

The Account Listing window is displayed. This is one of the pre-built reports that QuickBooks supplies as part of the software package. You can modify the format and content of the report to suit your individual needs as well.

2 Once QuickBooks displays the report, you can maximize the window and move around the report using the vertical scroll bar on the right.

3 Select **P**rint at the top of the Account Listing window.

The Print Reports dialog box is displayed. This dialog box allows you to change your printer and page settings for your report.
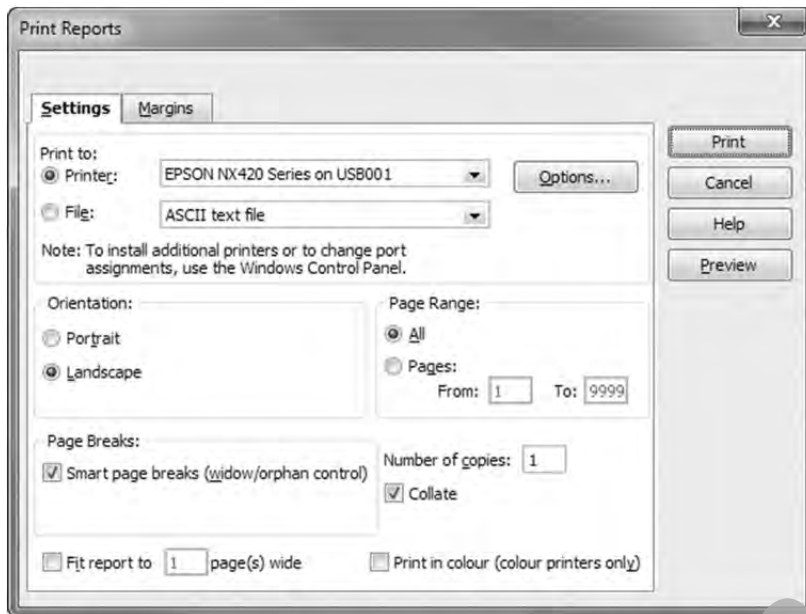
You can also get to the Print Reports dialog box by selecting **File**, **Print Report** from the menu bar. Review the Print Reports window to choose which orientation you wish. Usually, portrait is the preferred option, but a preview before printing will show which will work best for your purposes.

4 Click **Preview** to view the report before it is printed.

5 Click **Next page** to go to the last page of the report.

6 Click **Zoom In** to magnify the page, then click **Zoom Out**.

7 Click **Close** to close the Preview window.

8 Click **Print** in the Print Reports dialog box to print the report.

9 Close the Account Listing window. If necessary, click **No** if asked to memorize the report settings.

Now display and print the Chart of Accounts.

10 Display the Chart of Accounts window by clicking **Chart of Accounts** in the Company section of the Home page.

11 Select **File**, **Print List** from the menu bar. If a List Reports warning screen is displayed, click **Do Not Display this message in the future**, and then **OK**.

12 In the Print Lists dialog box, click **Preview**.

13 Click **Close**.

14 In the Print Lists dialog box, click **Print**.

15 Close the Chart of Accounts window.

Using Dates in QuickBooks

QuickBooks uses an 8-digit date format for its operations. The format used is dictated by the settings in the Region and Language settings in the Windows operating system. For the purpose of this courseware, the mm/dd/yyyy format is used.

The following are acceptable ways of keying in the date January 31, 2012 (with Windows set in mm/dd/yyyy format):

Format	Examples
MM/DD/YY	01/31/12
MM/DD/YYYY	01/31/2012
MMDDYY	013112
M/D/Y	1/31/12

You can also use the pop-up calendar by clicking the 🖩 icon at the right of any date field.

Using the icon ensures an accurate date entry format. When you use the 🖩 icon to select a date, use the arrows at the left and right of the current month to move to another month. Then click on the day you want to use in the date field.

As dates are used to calculate discounts, due dates and interest charges, absolute accuracy is required when inputting date data into any computerized bookkeeping program.

General Journal Transactions

Creating Journal Transactions

Within QuickBooks, you should always select the appropriate document for a particular type of transaction. For example, you would choose the **Create Invoice** icon when you are entering a sale and the **Pay Bills** icon when you want to enter a payment to one of your vendors.

The General Journal is slightly different—you will use it for miscellaneous transactions that are not handled by any of the other transactions. Note that you must enter all purchases and sales either into the Create Invoices or the Enter Bills transaction windows, rather than the General Journal. This is because QuickBooks does not automatically track the GST/HST entered within the General Journal. If you enter purchases and sales into the appropriate transaction windows, then QuickBooks can keep accurate records of the GST/HST you have charged and paid, and create accurate Customer and Vendor records.

The types of transactions that might be entered in the General Journal include:

- loan interest
- depreciation transactions
- accruals
- General Ledger adjustments
- transfers from one bank to another
- owner's loans and changes to the capital structure of the business

Learn the Skill

In this exercise you will learn how to create General Journal Entries.

1   Select **Company**, **Make General Journal Entries** from the menu bar.

2   In the **Date** field, type: 3/1/12 (March 1, 2012) as the date for this General Journal entry and press [Tab] twice. This will bypass the automatic Entry No.

3   In the **Account** field, click the drop-down button and select **BMO Chequing** and press [Tab].

4   Type: 8500 as the **Debit** and press [Tab] twice.

> QuickBooks assumes that you are working with dollar amounts, so that if 8500 is keyed in, the program recognizes it as $8,500.00. You only need to key in a decimal point if there is a cent amount, e.g., $10.50, should be entered as 10.5 or 10.50.
>
> If you wanted to enter a credit for this account, you would press [Tab] without any entry in order to move to the **Credit** column.

5   In the **Memo** field, type: Investment from Owner as a descriptive comment for this transaction and press [Tab] twice to jump to the **Account** field on the next line.

QuickBooks now defaults to an $8,500.00 credit in order to try to balance this entry.

6   For this second Account, select **Royal Bank Chequing Account** and press [Tab] twice.

7   Press [Delete] to remove the Credit amount and then press [Shift]+[Tab] to move back to the **Debit** field.

8   Type: 1500 as the **Debit** and press [Tab] four times to jump to the next line.

9   For the next Account, select **Opening Balance Equity** and press [Tab] to accept the default 10,000.00 Credit amount.

Your entry should be similar to the following:
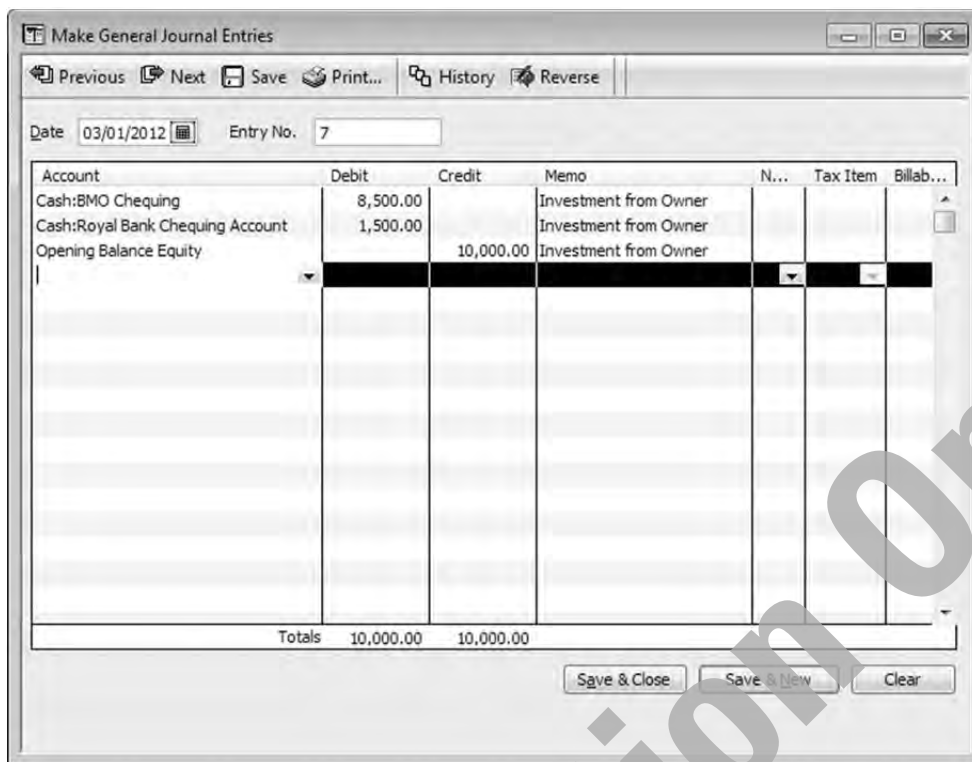
10 Click **Save & New**.

11 Input the following General Journal entry:

Date	3/01/2012 (March 1, 2012)		
Account	**Debit**	**Credit**	**Memo**
Royal Bank Chequing	3000		Transfer of funds
BMO Chequing		3000	
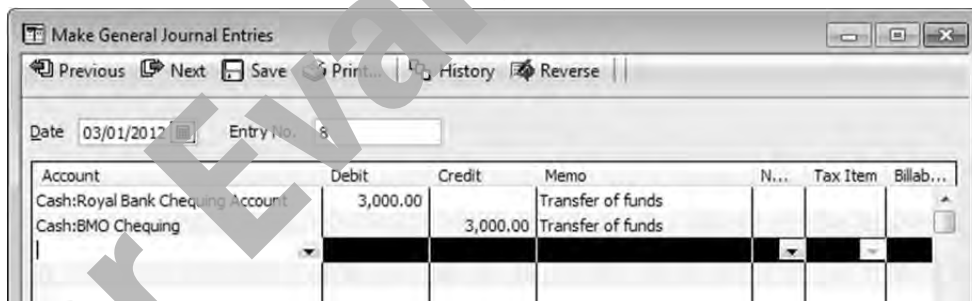
13 Click **Save & New**.

14 Input the following General Journal entry:

Date	3/01/12 (March 1, 2012)		
Account	**Debit**	**Credit**	**Memo**
Petty Cash **<Add New>**			
Account Type: **Bank**, subaccount of **Cash**			
	300.00		Establish Petty Cash
BMO Chequing		300.00	
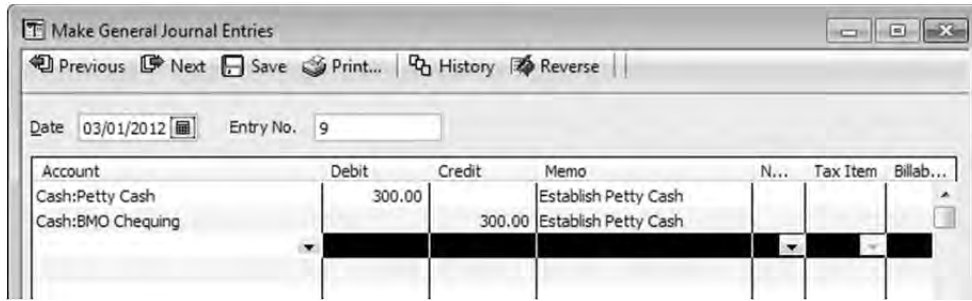
15 Click **Save & New** to keep the General Journal window open for the next exercise.

Creating Memorized Journal Transactions

When an entry is a standard entry that recurs on a regular basis, you can save time by creating a memorized transaction. This function lets you instruct QuickBooks to make a copy of the transaction for future use so that you will not have to rethink the bookkeeping entries or re-enter most of the information.

Learn the Skill

In this exercise you will learn how to memorize a General Journal transaction.

1 Enter the following General Journal transaction, but do not save.

Date	3/12/12 (March 12, 2012)	
Term Loan	850.00	Loan payment
BMO Chequing		850.00

2 Select **Edit**, **Memorize General Journal** from the menu bar.

3 Enter the following values or options into the Memorize Transaction dialog box:

Name	Term loan payment
How Often	Monthly
Next Date	4/12/12 (April 12, 2012)

The completed dialog box should appear similar to the following:
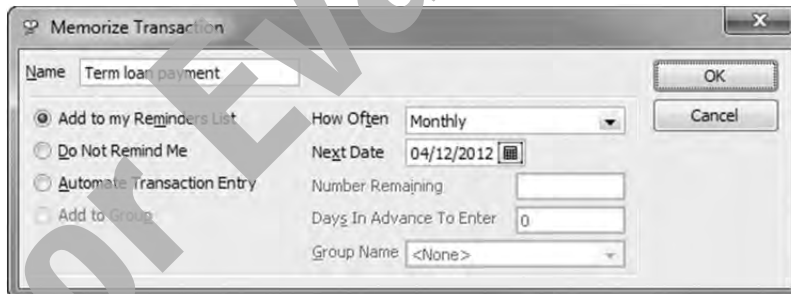
4 Click **OK** to return to the General Journal window.

5 Click the **Save & Close** button in the General Journal window.

Recalling Memorized Journal Transactions

You have created a recurring transaction for the monthly loan payment. Now you can reuse this transaction without having to re-enter any of the information, with QuickBooks inserting the next due date for you.

Learn the Skill

In this exercise you will recall and post a memorized transaction.

1 Click **Lists** on the menu bar and then select **Memorized Transaction List**.

Memorized Transaction List						
Transaction Name	Type	Source Account	Amount	Frequ...	Auto	Next Date
◇ LRS Property Man...	Cheque	Cash:Royal Bank ...	2,240.00	Monthly		03/01/2012
◇ Term loan payment	General ...	Term Loan	850.00	Monthly		04/12/2012
Memorized Transaction ▼	Enter Transaction					
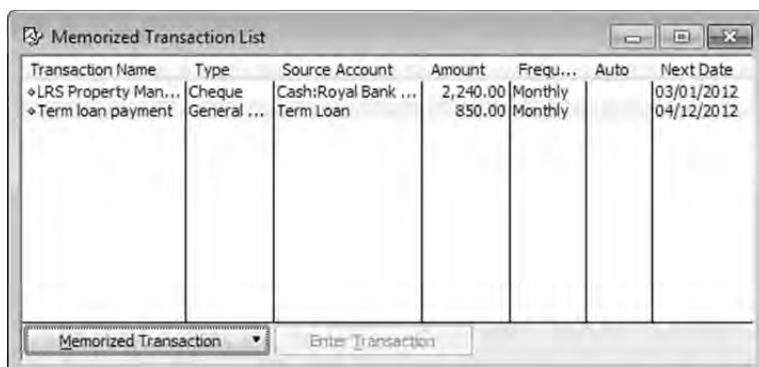
The Memorized Transaction List window displays the memorized transactions, including the new one just entered, along with such information as the frequency and the next due date.

2 If necessary, click **LRS Property Management** to highlight it, and click **Enter Transaction**.

QuickBooks now creates a new transaction, using the memorized transaction data. QuickBooks has also automatically adjusted the transaction date to March 1, 2012 for this new transaction.

3 Accept the date of **03/01/2012** and click the check box to select the **To be printed** option. Adjust the memo to read: March rent.

4 Click **Save & Close** to save this entry then **close** the Memorized Transaction List.

Now create another General Journal transaction, but this one will be automatically processed by QuickBooks.

5 Select **Company**, **Make General Journal Entries** from the menu bar.

6 Enter the following General Journal transaction, but do not save.

Date	03/01/12 (March 1, 2012)		
Account	Debit	Credit	Memo
Insurance Expense:			
General Liability . . .	150.00		Monthly portion of annual premium
Prepaid Insurance		150.00	

7 Select **Edit**, **Memorize General Journal** from the menu bar.

8 Enter the following values/options into the Memorize Transaction dialog box:

Name	Monthly Insurance cost
Automate Transaction Entry	On
How Often	Monthly
Next Date	04/01/2012 (April 1, 2012)
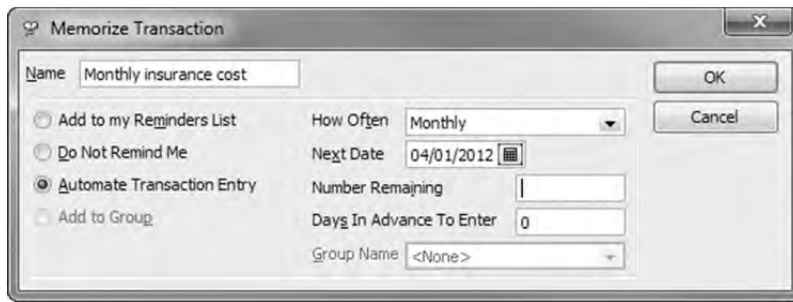
9   Click **OK** to save this memorized transaction.

10   Save the General Journal transaction by clicking **Save & New**.

11   Close the Make General Journal Entries window.

12   Select **Lists**, **Memorized Transaction List** from the menu bar.

The list now includes the additional memorized transaction. Notice the settings in the Frequency and Auto columns for each of the transactions that you had selected.

13   Close the Memorized Transaction List window.

When you close down QuickBooks and start it up again later, you will see a message box similar to the following. This is displayed because QuickBooks compares the current system date to the dates set for the automated transaction(s) entered. You can then choose to process them or defer them. The number of entries to be made will depend on the current computer date when you open QuickBooks.

If you choose not to enter the Memorized Transactions, the following screen will be displayed.

Adjusting Previously Posted General Journal Entries

Journal entries that have already been posted may be easily adjusted if errors are found later.

Learn the Skill

In this exercise you will learn how to adjust a previously posted journal entry.

The journal entry for the petty cash entry posted on March 1, 2012 was subsequently found to be incorrect. The amount should have been taken from the Royal Bank Chequing Account, not the BMO Chequing Account.

1   Click **Edit** on the menu bar, then **Find**. If necessary, select the **Simple** tab.

Assume that you do not remember any details about the transaction except that you know it was recorded in the General Journal, and the amount was entered as $300.00.

> You should avoid this situation of not having details of recorded transactions. For example, you should have recorded (as a minimum) the transaction entry number, date of entry, amount, and your initials (or whoever entered the data) on the source document—the accountant's memo as an example. These documents are required to be stored in any case for audit reasons.

2   Click **Transaction Type**, and select **Journal**.

3   In the **Amount** field type: 300.00.

4   Click **Find** to search for all transactions that meet these criteria.

The Find window should appear similar to the following:

5   Select anywhere on the journal entry number 9 (dated March 1) row, and click **Go To**.

The General Journal transaction is now displayed.

6   Change the bank account from BMO Chequing to **Royal Bank Chequing Account** then click **Save & Close**.

A message box appears to inform you that: You have changed the transaction. Do you want to record your changes?

7   Click **Yes** to close the message box.

Use this same procedure if an entry was originally posted with an incorrect date. Recall the original transaction, amend the date instead of the amount, and save the transaction again.

8   Close the Find window.

Reversing General Journal Entries

To remove a General Journal entry that has already been saved, you can either void or delete it. You should always choose to void a transaction because this action will simply change the amount values to zero but otherwise leave the transaction in the records.

If you need to completely remove the transaction from the records, you can choose to delete it. However, the transaction number will not be re-used, and an audit of your records will reveal that a transaction has been deleted.

Learn the Skill

In this exercise you will reverse a previously posted General Journal entry.

You have renegotiated a loan with the bank. You would like to void the loan payment that was generated on March 12, 2012.

1   Click **Edit** on the menu bar, then **Find**.

2   Click the **Transaction Type** drop-down button, and select **Journal**.

3   Select the first **Date** field, and select **March 12, 2012**.

4   Click **Find** to search for all transactions that meet these criteria.

5   Select the **Loan payment** that is displayed (Journal entry number 10) and click **Go To**.

6   Right-click anywhere in the Make General Journal Entries window, and select **Void General Journal**.

You can also void the transaction by selecting **Edit**, **Void General Journal** from the menu bar.

7   Click **Save & Close**.

8   Click **Yes** to close the changed transaction message box.

9   Close the Find window.

10   We still have a memorized transaction for the voided loan payment, which will have to be deleted. Click **Lists**, **Memorized Transaction List** on the menu bar.

Transaction Name	Type	Source Account	Amount	Freq...	Auto	Next Date
◇LRS Property Ma...	Cheque	Cash:Royal Bank...	2,240.00	Monthly		04/01/2012
◇Monthly insuranc...	General ...	Insurance Expen...	150.00	Monthly	✓	04/01/2012
◇Term loan payment	General	Term Loan	850.00	Monthly		04/12/2012

Find...
Refresh
New Group
Edit Memorized Transaction
Delete Memorized Transaction
Customize Columns...
Enter Transaction: Term loan payment

11   Right click on the **Term loan payment** and select **Delete Memorized Transaction**.

Delete Memorized Transaction

Are you sure you want to delete this memorized transaction?

OK   Cancel

12   Click **OK** in the Delete Memorized Transaction window.
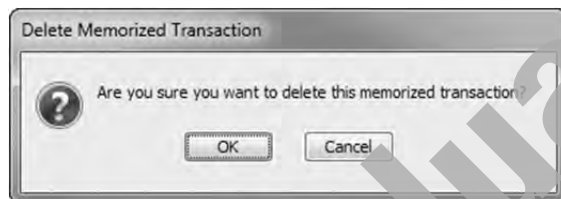
13   Close the Memorized Transaction List window.

General Journal Report

Learn the Skill

In this exercise, you will learn how to generate a general journal report, review the entries that have been posted, and check that QuickBooks has made the necessary adjustments for the correction shown above.

1   Select **Reports**, **Accountant & Taxes**, **Journal** from the menu bar.

The Journal report is immediately generated and displayed on screen. By default, it chooses the current month for the report. For this exercise, the report dates must be changed to March 2012 because the transactions were entered for those dates.

2   At the top of the Journal report window, in the **Dates** field, select **Custom**, change the **From** date to **March 1, 2012** and the **To** date to **March 31, 2012**.

3   Click **Refresh** to display the data.

4   Click **Print** at the top of the Journal report window to print the report.

5   If necessary, click **OK** if any message box is displayed.

6   In the Print Reports dialog box, click **Print**.
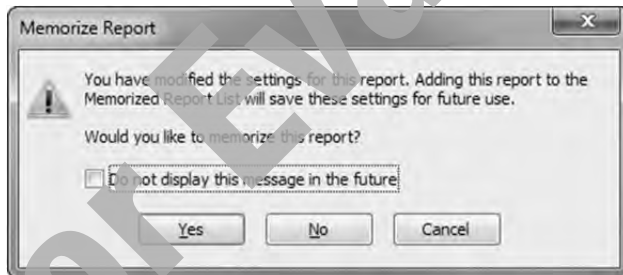
7   Compare with the following report:

| Dates | Custom | | | From | 03/01/2012 | To | 03/31/2012 | Sort By | Default | |

8:40 AM
08/28/12

The Music Barn Ltd. - Your Name

Journal

March 2012

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
191	General Journal	03/01/2012	7		Investment f...	BMO Chequing	8,500.00	
					Investment f...	Royal Bank Chequ...	1,500.00	
					Investment f...	Opening Balance E....		10,000.00
							10,000.00	10,000.00
192	General Journal	03/01/2012	8		Transfer of ...	Royal Bank Chequ...	3,000.00	
					Transfer of ...	BMO Chequing		3,000.00
							3,000.00	3,000.00
193	General Journal	03/01/2012	9		Establish Pe...	Petty Cash	300.00	
					Establish Pe...	Royal Bank Chequ...		300.00
							300.00	300.00
194	General Journal	03/12/2012	10		VOID: Loan ...	Term Loan	0.00	
					Loan payment	BMO Chequing	0.00	
							0.00	0.00
195	Cheque	03/01/2012		LRS Property Man...		Royal Bank Chequ...		2,240.00
				LRS Property Man...	March rent	Rent Expense	2,000.00	
				Receiver General	HST (BC) on...	GST/HST Payable	240.00	
							2,240.00	2,240.00
196	General Journal	03/01/2012	11		Monthly port...	General Liability In...	150.00	
					Monthly port...	Prepaid Insurance		150.00
							150.00	150.00
TOTAL							**15,690.00**	**15,690.00**

Look at Journal entry 9 which shows the adjusted Petty Cash entry (change of bank account) and Journal entry 10 which was the voided loan payment.

8   Close the Journal report window.

The following message box may display because you had made a change to one of the report selection criteria.

Memorize Report

You have modified the settings for this report. Adding this report to the Memorized Report List will save these settings for future use.

Would you like to memorize this report?

☐ Do not display this message in the future

[Yes]   [No]   [Cancel]

9   If necessary, click to select the check box and click **No** to close this message box.

Backing Up QuickBooks Data Files

Backups should be done every time you complete a work session where you have made any changes of any sort to the QuickBooks data. The importance of backups cannot be over-emphasized. Hard disk drives do crash and data files do become corrupted. Imagine having to re-enter a whole year's work because a backup wasn't done—it has happened!

Using QuickBooks Backup allows you to stay with the original file as opposed to using **Create Copy**, which saves the data as a new file. QuickBooks contains a feature to schedule regular backups. For more information, search *back up* in the Help index, and select the topic **Schedule Backups**.
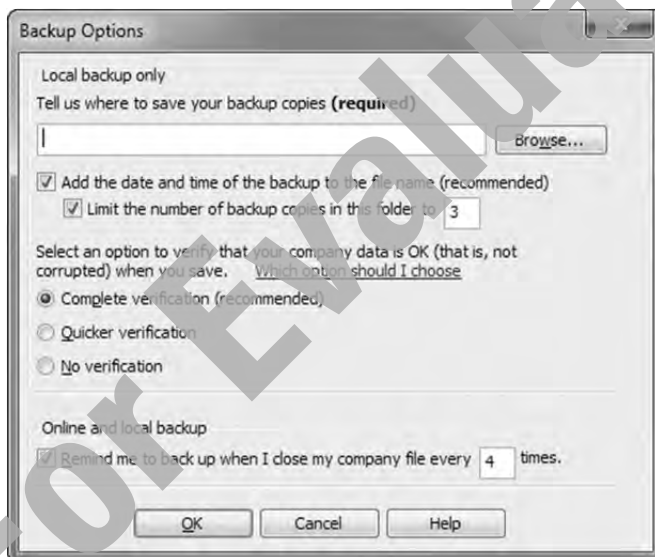
Learn the Skill

In this exercise you will learn to create a Backup copy of the data file.

1   Click **File** from the menu bar, and then select **Create Backup**.
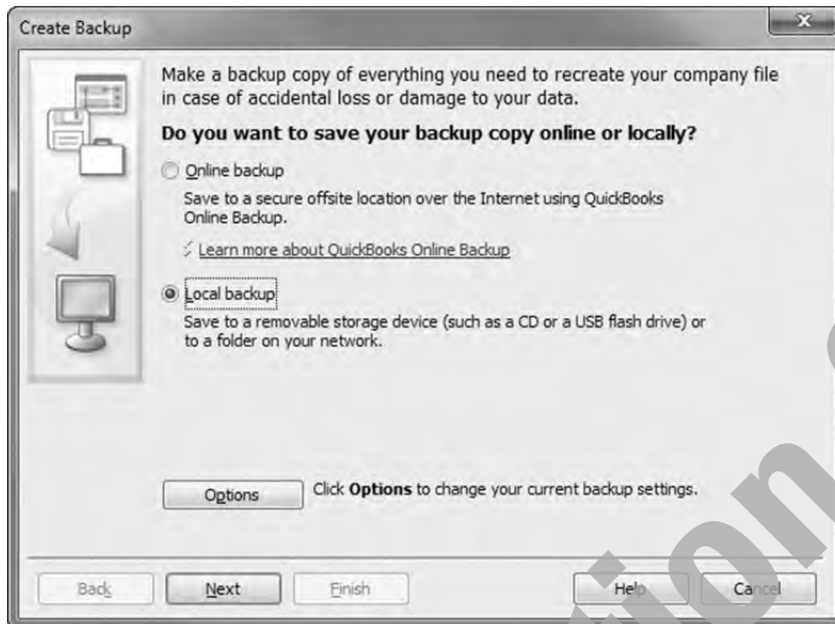
2   Since this is the first time you will be backing up the data file, select the **Options** button to specify the location for the backup.

3   Click the Browse button to choose the location, and review this screen to ensure you have selected the appropriate options. Enter the location for backup, ensure the check boxes for date and time and number limits are selected, and select the **Complete verification** option button. You may set the number of backup files you prefer. You may also select to have the program remind you about backing up the file every so often.

> It is recommended that you add the date of the backup to the filename. This allows you to keep multiple versions of the backup file on the same disk—if you encounter problems with your most recent backup, then you can select an older backup version.

4   Click **OK** to proceed. If you are backing up to the C: drive, the next warning message will appear. To continue to use the C: drive click **Use this Location**.
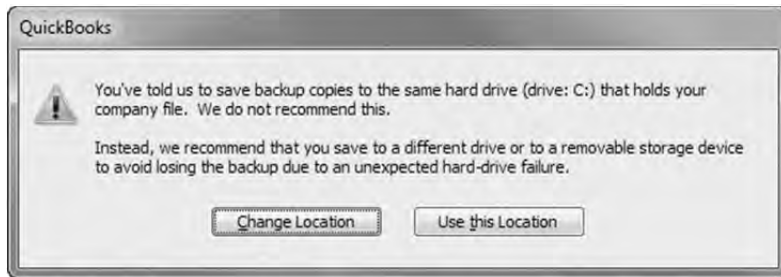

5   If available insert a USB flash drive into the computer, click **Change Location** and select that drive as the backup destination for your file, if not use the C: drive.

> With today's new technology, a backup is best done using a portable hard drive, DVD disc, CD disc or USB flash drive, and stored away from the company's location. Although no storage media are guaranteed to preserve their contents for a very long period of time, these types are fairly reliable. This exercise uses the C: drive here for demonstration purposes only.

6   In the Create Backup window, click **Next**.
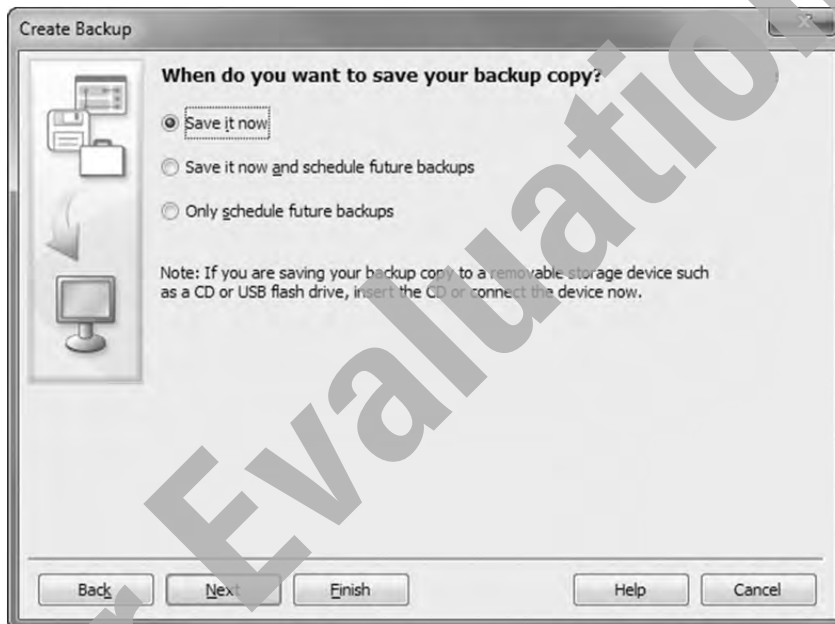
7   Select **Save it now**, and then **Next**

8   In the Save Backup Copy window, if necessary select the desired location, and in the File name field type:
The Music Barn Ltd – Your name lesson 1.

9   Click **Save** to save and close the window.

The following message confirming the backup and the relevant information regarding the location and the name of the file will appear.

10   Click **OK** to acknowledge that the backup is complete.

> Backup files are compressed before they are copied, thus taking less space on your disk. If you wish to use your backup file for any reason, select **File**, **Open or Restore Company** or **Restore Previous Local Backup** from the menu bar.

Lesson Summary

In this lesson, you learned about the basic functions and features of QuickBooks Premier. In particular, you learned how to:

☑   explain what QuickBooks is

☑   explain the basic components of QuickBooks

☑   use the mouse and keyboard for choosing commands and making selections

☑   understand the Chart of Accounts, how it works, differentiate between different account types, and print the Chart of Accounts

☑   create, modify, find, edit and delete 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

Practice the Skill

The following additional exercises cover many of the items covered in Lesson 1. They are included in this lesson as extra practice and may be completed by the students in class or on their own. Your instructor has access to the Answer Key for these exercises.

1.   Create the following new account:

Type	Expense
Name	Insurance
Subaccount	Yes
	Vehicle Expense
Description	Annual insurance premium for vehicle

2.   Create and process the following memorized transaction:

Date	March 5, 2012		
Account	Owners Draw	Debit:	500.00
Account	Royal Bank Chequing	Credit:	500.00
Name	Owner's Draw		
Automatically	Weekly		
Next Date	March 12, 2012		

3. Delete the following Accounts:
    Printing and Reproduction
    Uniforms

4. Create the following General Journal entry:

Date	March 5, 2012		
Account	CIBC Payroll Account	Debit:	500.00
Account	Royal Bank Chequing	Credit:	500.00
Memo	Transfer of funds		

5. Backup the data file as: The Music Barn - Your Name Lesson 1 Practice.

Review Questions

1. Name five items that can be found on the Lists menu.

2. Where is a good location to save a backup copy of your QuickBooks company data?

3. Which menu option would you access to change your company's address or name?

4. List the different ways you can access a command within QuickBooks.

5. Why would you want to create a backup copy of your company data?

6. How do you open an existing set of data files?

7. What are the two different ways of creating accounts in QuickBooks?

8. What conditions need to exist before you can delete an account in QuickBooks?

9. The General Journal is used to input bookkeeping transactions that do not obviously fit into one of the other modules.
    a. True   b. False

10. Once you have posted a General Journal entry, the only way to adjust it is to void the original entry, and then create a new transaction.
    a. True   b. False

11. What report is used to print the General Journal transactions posted between specific dates?