QuickBooks® Online 2020 Update (4e)
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QBO Certified User Exam Practice Questions

1. What information, at a minimum, is required to create a new QuickBooks Online account? Select all that apply.
   a. Credit card number
   b. Company name
   c. Your email address
   d. Tax filing form
   e. Fiscal year of the business

LO 1.1

2. All new accounts setup for QuickBooks Online are required to have all of the following except which one?
   a. Company name
   b. Email address of user
   c. Sales tax identification number
   d. All of the above are required

LO 1.1

3. Which choice below identifies lists that can be imported into QuickBooks Online?
   a. Bank Transactions, Customers, Journals, and Vendors
   b. Bills, Chart of Accounts, Customers, and Vendors
   c. Chart of Accounts, Customers, Products and Services, and Journals
   d. Chart of Accounts, Customers, Products and Services, and Vendors
   e. Customers, Invoices, Journals and Products and Services

LO 1.2

4. Place the steps listed below in the correct order to describe the process of importing data into QuickBooks Online. Not all steps may be used.

    a. Click ⚙ [1]
    b. Review the data to be imported and click *Import* [6]
    c. Select *Accounting* from the Navigation Bar
    d. Browse and select the file with the data [4]
    e. Select the type of data you are importing [3]
    f. Select *Import data* [2]
    g. Review the mapping of the data to be imported to the corresponding fields in QBO [5]

LO 1.2

5. You would like to use account numbers in the chart of accounts created by QBO during the setup process. What is the first step to do this?
    a. Select *Accounting* from the Navigation bar and select *Chart of Accounts*
    b. Click on the ⚙ icon and select *Account and Settings*
    c. Click on the ⚙ icon and select *Chart of Accounts*
    d. Select *My Accountant* from the Navigation bar and ask your CPA to do this

LO 1.3

6. You would like to change the name of one of the general ledger accounts created by QBO during the setup process. What is the first step to do this?
    a. Select Accounting from the Navigation bar and select Chart of Accounts
    b. Click on the ⚙ icon and select *Account and Settings*
    c. Click on the + New icon and select *Chart of Accounts*
    d. Select *My Accountant* from the Navigation bar and ask your CPA to do this

LO 1.3

7. The person who creates the initial QBO account will be assigned what type of role in QBO?
    a. Report User
    b. Standard User
    c. Master Admin
    d. Company Admin
    e. Accountant User

LO 1.4

8. How would you add a user that can only enter time but do nothing else?

    a. Select *Account and Settings* from the ⚙ icon and then select *Add User* from the *Usage* tab. Add a *Reports Only* user.

    b. Select *Manage Users* from the ⚙ icon and select *Add User*. Add a *Company Admin* user.

    c. Select *Manage Users* from the ⚙ icon and select *Add User*. Add a *Time Tracking Only* user.

    d. Select *Account and Settings* from the ⚙ icon then select *Add User* from the *Usage* tab. Add a *Time Tracking Only* user.

LO 1.4

9. For each access point below identify the action that can be accomplished.

	Access Point	Action
a.	Navigation Bar	Edit a vendor mailing address
b.	⚙	Change the QBO company mailing address
c.	+ New	Enter a Bank Deposit

LO 1.5.1

10. Which icon below would be used to manage lists in QBO such as terms, categories and classes?

    a. + New

    b. ?

    c. ⚙

    d. 🔍

LO 1.5.1

11. An overview of your company that includes information such as the status of your income and expenses and your bank accounts can all be found on the _____.

    a. Home page

    b. Dashboard

    c. Balance sheet

    d. Profit and Loss statement

LO 1.5.2

12. You decide to your client's accounting work from a busy coffee shop instead of your office. You do not want to people to look over your shoulder at the information on your QBO dashboard. What is the best way to hide the dashboard information while at the coffee shop?
    a. Select 10 minutes on the *Sign me out if inactive for* option on *Account and Settings*
    b. Select *Private View* from *Account and Settings*
    c. Select *Hide Dashboard* from the ⚙ icon
    d. Toggle on the privacy switch on the *Dashboard*

LO 1.5.2

13. You are not sure about the journal entry created by QBO when an invoice was saved. You open the invoice and look at the options at the bottom of the screen. On the image below what should you select in order to open the transaction journal?

| Print or Preview | Make recurring | Customize | More | Save | Save and send ▼ |
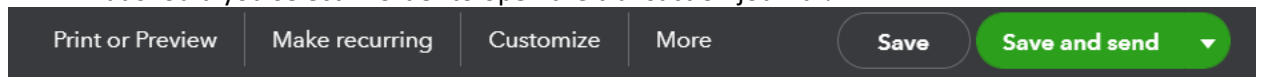
    a. Print or Preview
    b. Make recurring
    c. Customize
    d. More
    e. Save
    f. Save and send

LO 1.5.3

14. You are done entering a bill and need to run some reports. You are not ready to pay the bill yet. What option should you select when you are done with the bill?
    a. Save
    b. Save and close
    c. Save and schedule payment
    d. Cancel

LO 1.5.3

15. Your company sells the same products to both wholesale and retail customers. You would like to be able to track the profitability of each type of customer. Of the options below, which option provide you the best information for this type of tracking?
    a. Use a different income account for each invoice
    b. Track sales by location
    c. Track sales by class
    d. Use two different QBO companies

LO 2.1

16. Terms that are used on invoices _____ used on bills.
    a. **come from the same list of terms**
    b. come from a separate list of terms than those
    c. are stored in the customer center and cannot be
    d. are identified in the payment methods list and can be

LO 2.1

17. Julie Johnson is an employee of your company that you pay every two weeks. Julie has also started to purchase items from your company and you need to create an invoice for Julie. Select the option below that best describes how to manage Julie as both an employee and a customer.
    a. Since Julie Johnson is already setup as an employee, you do not need to create a new customer and can use Julie's employee information on the invoice.
    b. You will need to set up Julie as a new customer but you can use the same display name as her employee name because this information is stored on two different lists.
    c. You will need to set up Julie as a new vendor but you can use the same display name as her employee name because this information is stored on two different lists.
    d. **You will need to set up Julie as a new customer and use a display name that is different than her employee name.**

LO 2.2.1

18. You are entering a bill for a new vendor. You realize that the vendor is not set up in the vendor list. How do you add the new vendor? Select all that apply.
    a. **You can cancel out of the bill and go to the vendor center and add the new vendor. Once the vendor is added you can re-enter the bill**.
    b. You can open a second tab in QBO and select the ⊕ New icon to add the new Vendor.
    c. **You can quick add a vendor while on the new bill screen. You can choose to enter the details or just the name.**
    d. You must cancel out of the bill and go to the customer center and add the new customer first. Once the customer is added you can re-enter the bill.

LO2.2.2

19. Which of the following is true about adding a new account to the chart of accounts?
    a. You can only add balance sheet accounts to the chart of accounts after the initial setup of the account.
    b. Only your accountant can add new accounts to the chart of accounts.
    c. Each account in the chart of accounts must have an *account name*, *account number* and *account type*. The use of a *sub-account* and *detail type* is optional.
    d. **The options in the *detail type* field will change depending on what *account type* has been selected.**

LO 2.2.2

20. When making a customer or a vendor inactive, which of the following is not correct?
   a. **You can not make a customer or a vendor inactive if there is a balance on the account.**
   b. If a customer or a vendor has been made inactive, you can no longer select the customer or a vendor to use in future transactions.
   c. Making a customer or a vendor inactive does not delete or change past transactions, only prohibits new future transactions.
   d. It is possible to make a customer or a vendor active again.

LO 2.2.3

21. While reviewing your company's profit and loss statement you noticed the word "deleted" appeared next to insurance expense. See an excerpt for the profit and loss below. What is the reason for the word "deleted" to appear?

Craig's Design and Landscaping Services ✎

PROFIT AND LOSS
Year - to - Date

	TOTAL
Equipment Rental	112.00
Insurance (deleted)	241.23

   a. The Insurance account was supposed to be made inactive by the accountant and this is just a note to remind the accountant.
   b. Any balance sheet account that is made inactive will appear on the profit and loss statement until the end of the year.
   c. A profit and loss account other than Insurance was made inactive and all of the activity for the current year from that account was transferred into the Insurance account.
   d. **Any profit and loss account that is made inactive and has any activity for the current fiscal year will continue to be reported on the profit and loss statement until the end of the fiscal year with the word deleted next to it.**

LO 2.2.3

22. You want to update the payment terms on a customer record. Place the following steps in the correct order to explain how to make that change. Not all steps will be used.
   a. Select the new term to use for the customer [6]
   b. Select *New Transaction*
   c. Locate the correct customer [3]
   d. Select *Sales* from the navigation bar   [1]
   e. Select *Edit* on the customer details tab [4]
   f. Select the *Payment and billing* tab [5]
   g. Select *Save* [7]
   h. Select the *Customers tab* [2]
   i. Edit the billing address [Not used]

LO 2.2.4

23. Which of the following can be changed on a service item in the products and services list?
    a. Name
    b. Description
    c. Sales price/rate
    d. Income account
    e. All of the above can be changed on a service item in the products and services list.
LO 2.2.4

24. You have two accounts in your chart of accounts that are similar and you only need one of
    the accounts. Place the steps in order to merge the Bookkeeper account into the
    Accounting account.   Not all steps will be used

NAME	TYPE ▲	DETAIL TYPE	ACTION
Accounting	Expenses	Legal & Professional Fees	Run report ▼
Bookkeeper	Expenses	Legal & Professional Fees	Run report ▼

    a. Select *Yes* when presented with the confirmation message about merging two accounts
       [4]
    b. Select *Edit* from the *ACTION column* for the Accounting account. [Not used]
    c. Select *Edit* from the *ACTION column* for the Bookkeeper account. [1]
    d. Select Save and Close [3]
    e. Change the *name* on the Bookkeeper account to Accounting [2]
LO 2.2.5

25. Which of the following statements is correct about required information on transaction
    form?
    a. You must have a payee on an expense but you do not have to have a vendor on a bill.
    b. You must have a customer on a sales receipt but you do not have to have a customer on
       an invoice.
    c. You must have a customer on a credit memo but you do not have to have a vendor on a
       bill.
    **d. You must have a customer on an invoice but you do not have to have a customer on a
       sales receipt.**
    e. You are required to enter a customer for all sales type transactions.
LO 2.3

26. When creating a journal entry in QBO, what account(s) would also require you to enter
    data in the name filed on the journal form?   Select all that apply.
    a. Bank account
    b. Accounts Receivable
    c. Inventory Asset
    d. Accounts Payable
LO 2.3

27. When setting up an *Inventory item* compared to a *Service item* in the *Products and Services* area what additional financial account(s) do you need to identify for the inventory item? Assume the service item is not purchased from a third party. Select all that apply.
    a. Income account
    b. Expense account
    c. Sales tax category
    d. Inventory asset account

LO 3.1.1

28. Select all the ways that you can create a new *Inventory item* or a new *Service item*. There may be more than one answer.

    a. Select *Products and Services* from the ⚙ icon
    b. Select *+ Add new* while completing the *Item details* section of a *Bill*
    c. Select *Sales* from the Navigation bar and then the select *Products and Services* tab
    d. Select *+ Add new* while completing the *Item details* section of a *Sales Receipt*
    e. Select *Products and Services* from the ⊕ New icon

LO 3.1

29. Place the following steps in order to create a new customer, Jones and Company, with payment terms of N30. Not all steps will be used.
    a. Select *New customer* [3]
    b. Select *Save* [7]
    c. Select the *N30* term [6]
    d. Enter the Company name and Display name [4]
    e. Select *Payment and billing* tab [5]
    f. Select the *Customer* tab [2]
    g. Select *Preferred payment method* [Not used]
    h. Select *Sales* from the navigation bar [1]
    i. Select *Customer* from the ⚙ icon [Not used]

LO 3.2

30. Diego's Dress Designs has 3 store locations. Each location would like to receive their purchases at the individual stores, but the corporate office would like to receive all the bills, write consolidated checks for payments and be able to see all billing activity on one consolidated statement. Which scenario below would best accomplish this requirement?
    a. Create a new customer for each location. On each customer, enter the corporate office address as the billing address and the address of the individual store as the shipping address.
    b. Create new customers for each location and create a customer for the corporate office. On the corporate office customer identify that there are sub-accounts and select consolidated statement billing. For each store location, enter the corporate office address as the billing address and the address of the individual store as the shipping address.
    c. Create a new customer for each location. On each customer, enter the corporate office address as the shipping address and the address of the individual store as the billing address.
    d. **Create new customers for each location and create a customer for the corporate office. Identify each store location as a sub-customer. Select the corporate office customer as the parent and select Bill with parent. For each store location, enter the corporate office address as the billing address and the address of the individual store as the shipping address.**
    e. Create new customers for each location and create a customer for the corporate office. Identify each store location as a sub-customer. Select the corporate office customer as the parent and select Bill this customer. For each store location, enter the corporate office address as the billing address and the address of the individual store as the shipping address.
    LO 3.2

31. Damien Dobbs mailed in a check for $50 to pay for an open invoice. When you entered the check you accidentally selected the wrong customer, Dora Dice, who also had an open invoice for the same amount. It is now two weeks later. The check was deposited the day you received it. You want to delete the payment entered in error and re-enter it. How can this be accomplished?
    a. You must first remove the check from the deposit; then you can delete the payment recorded in error to Dora Dice. You will then enter a new payment for Damien Dobbs and create a new bank deposit transaction with today's date.
    b. You must first delete the payment from Dora Dice. Then you will enter a new payment for Damien Dobbs and a brand new bank deposit.
    c. **You must first remove the check from the deposit; then you can delete payment recorded in error to Dora Dice. You will then enter a new payment for Damien Dobbs and add the new payment to the bank deposit made on the original deposit two weeks ago.**
    d. You can open the payment recorded for Dora Dice and change the customer to Damien Dobbs and update the selection of the correct invoice.
    LO 3.1

32. You are a painter and just finished painting a house for a customer. The customer pays you with a check as you are leaving the customer's house. Why should you use a *Sales Receipt* instead of a *Bank Deposit*?
    a.   Bank deposits do not let you identify who the money was from.
    b.   Bank deposits do not let you identify what product or service was sold to the customer.
    c.   Bank deposits do not let you identify the proper income account to use to record the revenue.
    d.   Bank deposits do not let you identify the payment method from the customer.
    LO 3.3.1

33. On a *Bank deposit* form, which situation below best describes when you would use the "Add funds to this deposit" section?
    a.   When you have entered customer payments using Receive Payment but you do not want to deposit all of the customer payments in the bank.
    b.   When you have issued a refund to a customer.
    c.   When you have entered multiple types of payments using Receive Payment and those payments are in different forms such as checks, cash and credit cards.
    d.   When you have received money that is not customer related such as a dividend or royalty that you need to deposit in the bank.
    LO3.3.1

34. You are a painter and just finished painting Bill's Windsurf Shop. You make the following Journal entry to record the sale.

Journal date					Journal no.	
					1	

	#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	NAME	
⊞	1	Painting income		500.00		Bill's Windsurf Shop	🗑
⊞	2	Checking	500.00				🗑

What are benefits of recording this transactions as a Sales receipt instead of a journal?
    a.   Using a *Sales Receipt* is the only way to identify who the service was sold to.
    b.   By using a *Journal* the information about the sale will not appear on the *Sales by Product/service* report.
    c.   By using a *Journal* the information about the sale will not appear on the *Profit and Loss by Customer* report.
    d.   A *Sales Receipt* can only be used when a customer has not paid you.
    LO 3.3.2

35. Terms are used on which of the following customer transactions?
    a. **Invoice**
    b. Sales Receipt
    c. Credit memo
    d. Estimate
    e. Delayed charge

    LO 3.3.1

36. Place the following steps in order for selling a service to a customer on account.
    a. Receive the payment [2]
    b. Invoice the customer [1]
    c. Record a Bank deposit [3]

    LO 3.3.2

37. A *Sales Receipt* is essentially a combination of which two transactions? (Select two answers)
    a. Bank deposit
    b. **Invoice**
    c. Check
    d. **Receive payment**
    e. Estimate

    LO 3.3.2

38. For each transaction listed below, describe the impact to each of the following accounts in the chart of accounts. If there is no change to the account select "No Impact".

	Transaction Type	Income	Accounts Receivable	Undeposited Funds	Cash
a.	Estimate	No impact	No impact	No impact	No impact
b.	Invoice	Increase	Increase	No impact	No impact
c.	Receive Payment	No impact	Decrease	Increase	No impact
d.	Credit memo	Decrease	Decrease	No impact	No impact
e.	Bank Deposit	No impact	No impact	Decrease	Increase

    LO 3.3.3

39. You have received 10 checks in the mail from customers. You have recorded the payment for each of these checks in QBO against the appropriate customer invoice. Later that day you take all 10 checks to the bank and record the Bank Deposit. Describe how the Undeposited Funds and Checking Accounts are impacted by the steps described above.
    a. There would be 10 entries increasing the balance in the undeposited funds account, 10 entries decreasing the undeposited funds account and 10 entries increasing the checking account.
    b. **There would be 10 entries increasing the balance in the undeposited funds account, 10 entries decreasing the undeposited funds account and 1 entry increasing the checking account.**
    c. There would be 10 entries increasing the balance in the undeposited funds account, 1 entry decreasing the undeposited funds account and 1 entry increasing the checking account.
    d. There would be 1 entry increasing the balance in the undeposited funds account, 1 entry decreasing the undeposited funds account and 1 entry increasing the checking account.

LO 3.3.3

40. A billable expense _____.
    a. is required to have a markup.
    b. can only be tracked as income.
    c. **is a feature that must be activated in *Account and Settings*.**
    d. will automatically be added to the next *invoice* or *sales receipt* to the identified customer.
    e. can only be identified for transactions that are recorded in the *Category details* area of an expense form such as a *bill* or *check*.

LO 3.3.4

41. One of your employees incurred travel cost on behalf of a customer, Freeman Sporting Goods. The employee used the company credit card to pay for the hotel stay. As part of the agreement with Freeman Sporting Goods, your company can invoice the costs of travel to the customer with a 10% markup. You entered the hotel expense as identified in the image below; however, when you when to create the customer invoice this expense was not able to be added to the invoice. Why did this occur?

   a. The travel account in the chart of accounts was not identified as a billable expense account.
   b. When setting up Freeman Sporting Goods as a customer, they were not identified as billable in the payment and billing tab.
   c. Billable expenses must be manually added to each line of the invoice.
   d. The billable expense feature is not activated in the company account and settings.
   LO3.3.4

42. When billable time is entered by your employee, the rate that is used on the invoice to the customer is based on which of the following?
   a. The rate of the service identified on the service item
   b. The hourly rate of the employee
   c. The rate identified on the customer's payment and billing tab
   d. Billable time is not able to be charged to the customer
   LO3.3.4

43. Lucille's Luxury Cars owes your company money for consulting work that was done. After receiving your company's invoice, Lucille calls you to let you know that there is an error on the invoice. What is the best method to handle this situation?
   a. Create a *Credit memo* for the amount of the error. Send Lucille's Luxury Cars the credit memo. Apply the credit memo to the original invoice resulting in a reduction of the amount owed by Lucille's Luxury Cars by the amount of the credit memo.
   b. Create a *Refund receipt* for the amount of the error and send the refund check to Lucille's Luxury Cars. Tell Lucille to send you a payment for the amount of invoice less the amount of the refund.
   c. Create a *Delayed charge* for the amount of the error. Add the delayed charge to the original invoice thus resulting in a reduction of the amount owed to you by Lucille's Luxury Cars by the amount of the delayed charge.
   d. Edit the original invoice that was created to reflect the correct amount.
   LO 3.3.5

44. You invoiced your customer for 12 items that were sold to the customer. The customer returned 3 of the items and paid for only 9 items. What type of transaction should you create in QBO to record the items that were returned?
    a. **A credit memo**
    b. A refund receipt
    c. A vendor credit
    d. A sales receipt

LO 3.3.5

45. Match the description of the transaction with the appropriate transactions listed below.

	Transaction Description	Matching Transaction
a.	This is a non-posting transaction used to give customers an idea of what their potential costs would be. This can also be used to create future income.	Estimate
b.	This is used to record a sale where a customer is paying for the service or product at the time of the sale.	Sales receipt
c.	This is a non-posting transaction that can be used in the future to reduce the cost of a sale to a customer or identify a return of product.	Delayed credit
d.	This is a transaction that is used to record funds received from customers for open invoices.	Receive payment
		Delayed charge

LO 3.4

46. For the following transactions identify how the transaction will affect the accounts receivable balance of a customer.

	Transaction	Impact on customer's A/Re
a.	Create an estimate for a customer for future work.	No effect
b.	Convert an estimate to an invoice.	Increase
c.	Create a delayed charge for a customer.	No effect
d.	Add a delayed charge to an invoice.	Increase
e.	Create a credit memo.	Decrease

LO 3.4

47. What setting should be selected or activated so that you can use any *product* or *service* item on transactions such as *bills* or *purchase orders*?
    a. **On the *Expenses* tab of *Account and Settings*, select *Show Items table on expense and purchase forms*.**
    b. On the *Expenses* tab of *Account and Settings*, select *Track expenses and items by customer.*
    c. On the *Sales* tab of *Account and Settings*, select *Show Product/service column on sales forms.*
    d. **When creating a *service* or a *non-inventory item*, select *I purchase this product/service from a vendor.***
    e. When creating *an inventory item* select, *I purchase this product/service from a vendor.*

LO 4.1

48. When creating a new *service item* you select *I purchase this product/service from a vendor.* By selecting this choice _____.
    a. The *service* can be used on an *invoice* to a customer.
    b. The *service* can be used on a *purchase order* in the *Items Details* section.
    c. The *service* can be added to the *inventory asset account* when purchased.
    d. A matching *bill* will be created each time an *invoice* is created with this service.

    LO 4.1.

49. For each transaction listed below, describe the impact to each of the following accounts in the chart of accounts. If there is no change to the account select "No Impact".

	Transaction	Inventory Asset	Accounts Payable	Income	Cost of Goods Sold
a.	Create a new inventory product with no opening balance	No impact	No impact	No impact	No impact
b.	Purchase order for an inventory product	No impact	No impact	No impact	No impact
c.	Convert the full amount of purchase order to a Bill	Increase	Increase	No impact	No impact
d.	Pay a bill	No impact	Decrease	No impact	No impact
e.	Sell inventory to a customer	Decrease	No impact	Increase	Increase

    LO 4.1.1

50. Your company purchased 15 units of an inventory item from Super Suppliers. A bill was created from the purchase order. Later it is determined that one item is broken and it is returned to the vendor. Of the options below what is the best way to record this return to the vendor?
    a. Create a *credit memo* and use the *Item details* section to record a credit for 1 of the inventory items.
    b. Create a *vendor credit* and use the *Item details* section to record a credit for 1 of the inventory items.
    c. Create a *credit memo* and use the *Categories Detail* to expense the return to cost of goods sold.
    d. Create a *vendor credit* and use the *Categories Detail* area to record a credit for 1 of the inventory items.

    LO 4.1.1

51. Place the following steps in order to create a new vendor, Williams and Company, with payment terms of N30. Not all steps will be used.
    a. Select *New vendor* [3]
    b. Select *Save* [6]
    c. Select the *N30* term [5]
    d. Enter the C*ompany name* and *Display name* [4]
    e. Select the *Vendor tab* [2]
    f. Select *Expenses* from the navigation bar [1]
    g. Select *Vendor* from the ⚙ icon [Not used]

    LO 4.2

52. While reviewing the vendor list you find a 3 vendors that you no longer do business with and decide to make them inactive. Which of the following statement is correct?
   a. You can only make a vendor inactive if you do not owe them any money.
   b. Vendors will remain on the accounts payable aging after they have been made inactive.
   c. Once a vendor is made inactive, the historical activity with that vendor is deleted from QBO.
   d. **If a vendor with an open balance is activated, QBO will create a vendor credit to reduce the accounts payable balance and expense the amount due.**

LO 4.2

53. Below are the line items of a purchase order with the status of Open. Select all the ways that the status of this purchase order could be changed to closed.

   a. **You receive 5 more sprinkler pipes and create a new Bill that is linked to this purchase order.**
   b. **You call the vendor and cancel the remaining 5 Sprinkler Pipes and then select Closed on line 2 of the purchase order.**
   c. **You select the *Purchase Order status* dropdown menu and change the status to closed.**
   d. You select Close from the More menu at the bottom of the purchase order.

LO 4.3.1

54. Place the following steps in order to reflect the process of ordering an inventory item through to paying for the item. Not all steps will be used.
   a. *Save and send* the purchase order to the vendor [2]
   b. When the products that were ordered arrive select *Bill* from the ⊕ New icon [3]
   c. Select *Check* from the ⊕ New icon to pay for this purchase [Not used]
   d. Select *Purchase Order* from the ⊕ New icon [1]
   e. When the products that were ordered arrive select *Purchase Receipt* from the ⊕ New icon [Not used]
   f. Complete the details of the bill and *Save and close* the bill [5]
   g. Add the purchase order line items to the bill by selecting *Add now* from the sidebar [4]
   h. Select *Pay bills* from the ⊕ New icon and pay the bill for this purchase. [6]

LO 4.3.1

55. The phone bill is due and you would like to send a check to the phone company for payment. You can see that the bill is already entered into QBO. What transaction form should you use to pay the phone bill?
    a. Check
    b. Expense
    c. Credit card credit
    d. Pay bills
    e. Print checks
LO 4.3.2

56. For each transaction listed below, describe the impact to each of the following accounts in the chart of accounts. If there is no change to the account select "No Impact".

	Transaction Type	Accounts Payable	Checking Account
a.	Bill	Increase	No impact
b.	Check	No impact	Decrease
d.	Pay Bills	Decrease	Decrease
e.	Vendor Credit	Decrease	No impact
LO 4.3

57. Which statement below is correct related to paying bills?
    a. You can pay for only one bill using the *Pay Bills* option.
    b. The payment account used for paying bills is always the *checking account.*
    c. When paying by check, multiple bills from the same vendor will be combined and paid with one check.
    d. Vendor discounts cannot be used when paying a bill through the *Pay Bills* option.
LO4.3.2

58. Your CFO took out the checkbook and wrote a check for the rent payment. How would you enter this manually written check in QBO?
    a. You would select *Check* from the ⊕ New icon and enter the same information in QBO that was on the manually written check.
    b. You would select *Banking* from the navigation bar and select *Receipts* to upload an image of the check.
    c. You cannot record a handwritten check in QBO. All checks must be printed from QBO.
    d. You would select *Journal entry* from the ⊕ New icon and record a *journal entry* that debits the checking account and credits rent expense.
LO 4.3.3

59. Select all that are correct about printing checks from QBO.
    a. You can print a single check.
    b. Checks can only be used when selecting *Pay bills* from the ⊕ New icon.
    c. To print multiple checks at once, select *Print Later* while creating a check.
    d. All checks must be printed.
LO 4.3.3

60. What types of transactions can you use to record a purchase using a debit card? The debit card is linked to your checking account. Select all that apply.
    a. **Check**
    b. **Expense**
    c. Credit card credit
    d. **Bill payment**
    e. Debit memo

LO 4.3.4

61. You purchase $52.56 of gas from Chin's Gas and Oil. What would you select for the payment account if you are using your company's credit card to make this purchase?

    a. Checking
    b. Cash
    c. **Credit card liability account**
    d. Accounts payable

LO 4.3.4

62. What types of transaction types can you use to record the use of a wire transfer from your checking account to pay a vendor? Select all that apply.
    a. Bank transfer
    b. **Expense**
    c. **Check**
    d. Bank deposit

LO 4.3.5

63. You wrote check # 4567 to Best Insurance Company for $1,000 and mailed it to the vendor. The check was written for the wrong amount. What is difference between voiding the check and deleting the check?
   a. **Voided checks still appear on the check register with a $0, whereas deleted checks no longer appear in the check register.**
   b. When you delete a check a new journal entry is created to reverse the original entry. Voiding a check alters the original entry changing all amounts to $0.
   c. Deleting a check removes the check from the check register and the audit log. Voiding the check only removes the check from the check register.
   d. There is no difference between voiding and deleting a check.

LO 4.4

64. What report would let you know what bills are due to be paid soon?
   a. Balance sheet report
   b. Bill payment list report
   c. Accounts payable summary report
   d. **Account payable aging detail report**
   e. Transaction list by vendor report

LO 4.5

65. Which financial statement will identify the gross profit earned for a period of one month?
   a. Balance Sheet
   b. **Profit and Loss**
   c. Statement of Stockholders' Equity
   d. Cash flow statement

LO 5.1

66. The current ratio is used by banks when assessing the ability of a company to pay its debts. The current ratio is calculated as current assets divided by current liabilities. What report would the bank request in order to perform this calculation?
   a. **Balance Sheet**
   b. Profit and Loss
   c. Statement of Stockholders' Equity
   d. Cash flow statement

LO 5.1

67. Accounts receivable and accounts payable would appear on which type of report?
   a. **Accrual basis balance sheet**
   b. Cash basis balance sheet
   c. Accrual basis profit and loss
   d. Cash basis profit and loss

LO 5.2

68. What basis of accounting can reports be generated in? (Select all that apply)
    a. **Cash**
    b. Tax
    c. Depreciation
    d. **Accrual**
LO 5.2

69. Your accountant has completed all the year-end accounting work and submitted your final financial statements to the bank and other external agencies as required. What can you do to help prevent users of QBO from modifying transactions that have occurred in the past?
    a. Change user access to limit the dates they can enter transactions.
    b. Start a new QBO company for the new year.
    c. **Open *Account and Settings* and enter a *closing date* as of the end of completed year.**
    d. Archive all prior year transactions on a backup file and then delete them from the QBO company.
LO 5.3

70. After setting a closing date of 6/30/20x1 you selected the option to *allow changes after viewing a warning*. Which statement below is correct related to this option?
    a. No one can change a transaction that occurred before 6/30/20x1.
    b. No one can change a transaction that occurs after 6/30/20x1.
    c. **Anyone can change a transaction that occurred before 6/30/20x1 but will receive a warning before they can save it.**
    d. You must have the password entered when setting the closing date in order to change a transaction that occurred before 6/30/20x1.
LO 5.3

71. Which of the following is true about journal entries? Select all that apply
    a. **Debit amounts must equal credit amounts before you can save a journal entry.**
    b. You can only use balance sheet account types on a journal entry.
    c. **By selecting *Reverse* after saving a journal entry, QBO will create a duplicate journal entry dated the first day of the subsequent month with the debit and credit amounts reversed.**
    d. Journal entries can be added by selecting *Accounting* from the navigation bar and selecting *New Journal*.
LO 5.4

72. What information is not required on a journal entry?
    a. Date
    b. Journal no.
    c. **Description**
    d. A dollar amount in either the debit or credit field
    e. Account
LO 5.4

73. How can you see who created a specific transaction and any edits or changes to the transaction?
    a. Open the transaction you want to review and select *Transaction journal* from the *More* menu at the bottom.
    b. Open the ⚙ icon and select *Manage users*. Then select the person you think made the edits to review their activity.
    c. Open the transaction you want to review and select *Audit history* from the *More* menu at the bottom.
    d. Open the transaction and review the history of the listed at the bottom of the transaction screen.

    LO 5.5

74. Place the following steps in order for you to access the audit log and filter it for a specific user. You may not use all the steps.
    a. In the filter option, select the user that you want to review [3]
    b. Select *Account and settings* [Not used]
    c. Click on the ⚙ Icon [1]
    d. Select *Audit Log* [2]
    e. Click *Apply* [4]

LO 5.5

75. The areas of a report that you can customize include all of the following except:
    a. General (i.e. number format)
    b. Header/Footer
    c. Filter
    d. Rows / Columns
    e. All of the above can be customized

LO 6.1

76. Place these steps in order to customize the accounts receivable aging summary report to include only 3 specific customers. Not all steps will be used

    a. Click *Customize* [3]
    b. Click *Run report* [6]
    c. Select *Aging* and *3* periods [Not used]
    d. Open *Reports* from navigation bar[1]
    e. Select *Filter* [4]
    f. Drop-down on the customer filter and select the 3 customers [5]
    g. Locate and select the *Account Receivable Aging Summary* report [2]

LO 6.1

77. Before a report can be set to be automatically emailed every week from QBO, the report
_____.
   a. must be saved in a pdf format.
   b. must be exported to Excel
   c. must be on the screen of the user who wants to email it
   d. must be saved as a custom report.
LO 6.2

78. One way to have a report emailed from QBO is to select the ✉ icon on a standard
report.
   a. True
   b. False
LO 6.2

79. Where on this report would I click to collapse the rows?

   a. Add notes
   b. Export
   c. Gear icon
   d. Arrows
LO 6.3

80. On a balance sheet report or a profit and loss report what happens when a user clicks on
the arrow to the left of an account on the report?
   **a. The report will expand to show the details of sub-accounts and accounts or collapse to
   show a summarized version of parent accounts.**
   b. The report will open a transaction detail report for that account.
   c. The report will resort in alphabetical order.
   d. The report will export to Excel or email.
LO 6.3

81. Which of the following is not true about reports?
    a. Most reports can be printed or exported to a pdf format.
    b. You can email a report directly from the report screen in QBO.
    c. You can change the color and font of a report.
    d. You can add a note to bottom of a report.
    e. You can save report customizations for future use.

LO 6.4

82. Each transaction in QBO can be exported individually to Excel by using the *More* option at the bottom of the transaction screen.
    a. True
    b. False
LO 6.4

83. Your company uses locations to track the revenue and expenses by each store.   You just added a new store. How do you add this to new store to the location list?   Select all that apply.
    a. Select the ⚙ icon. Select *Advanced* and change the location label to store.
    b. Select the ⊕ New icon. Select *Invoice*. On the invoice in the Location field select *+Add New*.
    c. Select the ⚙ icon. Select *All lists*. Select the *Classes* list and select *New.*
    d. Select the ⚙ icon. Select *All lists*. Select the *Location* list and select *New*.
LO 7.1

84. Location tracking in QBO can be changed to which of the following titles?
    a. Department
    b. Division
    c. Store
    d. Territory
    e. All of the above are possible titles
LO 7.1

85. On an invoice which of the following may be assigned to each line of the invoice based on settings selected?
    a. Due date
    b. Class
    c. Location
    d. Memo
LO 7.1

86. All of the following forms allow a custom field except which one?
   a. Invoice
   b. Bill
   c. Purchase order
   d. Sales receipt
LO 7.2

87. How do you add a custom field to an invoice? (There may be more than one correct choice)
   a. **Select the ⚙ icon. Select *Account and settings*. Select the *Sales* tab. In the *custom fields* option enter the name of the custom field.**
   b. **Select the ⚙ icon. Select *Custom form styles*. Select *New style* and select *Invoice*. Edit the *Content* area of the form and select *+Custom Field* in the Header section.**
   c. **While creating an *Invoice*, click *Customize* from the bottom of the screen. Select *Edit Current*. In the customization screen click on the *Content* area and select *+Custom Field* in the Header section.**
   d. Select the ⚙ icon. Select All Lists and Select Custom Field list. Select *Add new*.
LO 7.2

88. Match each type of recurring transaction to its description.

	Description	Type of Recurring Transaction
a.	Transactions with a fixed schedule and amounts that don't change, such as rent payments, loan payments, and depreciation.	Scheduled
b.	Transactions with a fixed schedule that need to be edited before they are created, such as utility bills.	Reminder
c.	Saved with partial or complete data and without a schedule. Nothing happens to this type of template until you choose to use it.	Unscheduled

LO 7.3

89. A scheduled recurring transactions must have fixed end date.
   a. True
   b. False
LO 7.3

90. Recurring transactions can be used for all of the following types of transactions except which one?
   a. Journal
   b. Bill Payment
   c. Invoice
   d. Purchase Order
   e. Credit Memo
LO 7.3

91. All of the following forms can be customized in QBO except which one?
    a. Invoice
    b. Estimate
    c. Refund receipt
    d. Sales receipt

LO 7.4

92. Customized forms can be accessed by selecting *Custom forms* in the *Reports* area.
    a. True
    b. False

LO 7.4

93. How do you access the list of QBO keyboard shortcuts and your QBO Company ID?
    a. Ctrl – Alt- Delete
    b. Alt - ?
    c. Ctrl - ?
    d. Ctrl – Alt - ?

LO 7.5

94. All of the following are advantages of the smartphone app for QuickBooks Online except which one?
    a. Tracking miles from your phone GPS.
    b. Taking a picture of a receipt and attaching that to an expense.
    c. Creating invoices or estimates while on a job site.
    d. Entering bills from vendors.

LO 7.6.1

95. One benefit of using the mobile app for QBO is _____.
    a. that only users of iPhones can access the mobile app.
    b. that data entered on the mobile app automatically syncs up to online version of QBO.
    c. that you do not need a login to access the mobile app.
    d. that all the features of QBO are available via the app on your phone.

LO 7.6.1

96. Apps that can be installed and used with QBO can be located _____.
    a. by selecting the Apps from the left-hand navigation bar.
    b. by searching online and downloading apps from the internet.
    c. by going to the apple or android app store.
    d. you cannot use apps with QBO.

LO 7.6.2

97. QBO does not allow QBO to connect to any third-party apps.
    a. True
    b. False

LO 7.6.2

98. How can authorized users access a QBO company file?
    a. Each user should have QBO installed on their own laptop or desktop.
    b. They must be using a Windows based machine.
    c. Users can be access the software as long as no other user is currently signed in.
    d. As long as a user has a web browser and internet connection they can access the file.

LO 7.6.3

99. QBO must be backed up by the user _____.
    a. Every day
    b. Every week
    c. Every month
    d. Never. QBO is backed up by Intuit.

LO 7.6.4

100.   If the desktop computer you were using to work on QBO crashes, what happens to your data?
    a. Nothing will happen to the data since QBO is in the cloud.
    b. All data will be lost and you will have to restore from backup.
    c. All data will be corrupted and you have to start a new QBO file.
    d. You will need to reinstall QBO on your desktop and the restore the data from backup.

LO 7.6.4