Computer Accounting with QuickBooks 2019 19th edition Kay Test Bank

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Computer Accounting with QuickBooks 2019, 19e **(Kay)**
Chapter 2 QuickBooks Chart of Accounts

1) How do you access the screen to add a user and password?
A) Company Menu > Set Up Users and Passwords > Set Up Users
B) Edit Menu > Preferences > Employees
C) Employees > Employee Center
D) Company Menu > Company Information

Answer: A
Difficulty: 2 Medium
Learning Objective: 02-09 QuickBooks Password Protection
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

2) What does the Chart of Accounts list?
A) Assets, liabilities and owner's equity accounts
B) Income and expense accounts
C) Owner's contributions
D) All of the choices are correct

Answer: D
Difficulty: 1 Easy
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

3) Which account below is not an Expense account?
A) Utilities
B) Rent
C) Accounts Payable
D) Advertising

Answer: C
Difficulty: 1 Easy
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

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4) What are assets?
A) Net worth of a company
B) Resources that a company owns with future benefit
C) Amounts paid to owners
D) Amounts owed to others and are future obligations

Answer: B
Difficulty: 1 Easy
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

5) The Income Statement:
A) Lists the accounts and account numbers
B) Lists a company's assets
C) Summarizes the results of a company's operations, listing income and expenses
D) Summarizes what a company owns and what it owes

Answer: C
Difficulty: 1 Easy
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

6) Which of the following is a temporary account?
A) Inventory
B) Advertising Expense
C) Accounts Payable
D) Accounts Receivable

Answer: B
Difficulty: 1 Easy
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
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7) An example of a non-posting account is _____.
A) Employee Expense Account
B) Purchase Orders Account
C) Inventory Account
D) Accounts Payable Account

Answer: B
Difficulty: 1 Easy
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

8) To add a new account to the Chart of Accounts:
A) From the Chart of Accounts window, select Account > New
B) From the Company menu, select New Account
C) From the Home Page, select Account > New
D) From the Lists Menu, select New > Account

Answer: A
Difficulty: 2 Medium
Learning Objective: 02-05 Add New Accounts
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

9) What is the purpose of a non-posting account?
A) To calculate income.
B) To track information necessary for the accounting system.
C) To calculate expenses.
D) To identify owner's equity.

Answer: B
Difficulty: 2 Medium
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
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Gradable: automatic

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10) Which of the following is considered a permanent account?
A) Income Statement accounts
B) Balance Sheet accounts
C) All the choices are correct
D) None of the choices are correct

Answer: B
Difficulty: 2 Medium
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

11) A company's office furniture is classified as what account type:
A) Expense
B) Owner's Equity
C) Fixed Asset
D) Retained Earnings

Answer: C
Difficulty: 1 Easy
Learning Objective: 02-11 Accounting Essentials: Chart of Accounts
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

12) Which of the following is not considered an income account in QuickBooks?
A) Sales
B) Rent Expense
C) Interest Revenue
D) Gain on sale

Answer: B
Difficulty: 1 Easy
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
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13) To re-sort the Chart of Accounts, first display the Chart of Accounts window, then:
A) Click on the Company heading bar
B) Click File > Sort
C) Click Account > Re-sort List
D) Right click > Sort by Name

Answer: C
Difficulty: 2 Medium
Learning Objective: 02-04 Display Chart of Accounts (COA)
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

14) Balance Sheet accounts are also called:
A) Permanent accounts
B) Temporary accounts
C) Equity accounts
D) None of the choices are correct

Answer: A
Difficulty: 1 Easy
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

15) Income Statement accounts are also called:
A) Equity accounts
B) Permanent accounts
C) Temporary accounts
D) None of the choices are correct

Answer: C
Difficulty: 1 Easy
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
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16) Non-posting accounts:
A) Track information required for the accounting system
B) Do not appear on the Balance Sheet
C) Do not appear on the Income Statement
D) All of the choices are correct

Answer: D
Difficulty: 2 Medium
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

17) The different types of business ownership are:
A) Sole proprietorship
B) Partnership
C) Corporation
D) All of the choices are correct

Answer: D
Difficulty: 1 Easy
Learning Objective: 02-11 Accounting Essentials: Chart of Accounts
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

18) Which of the following is an asset?
A) Mortgage Payable
B) Accounts Payable
C) Inventory
D) Unearned Revenue

Answer: C
Difficulty: 1 Easy
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
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19) Which of the following is a liability?
A) Accounts Receivable
B) An amount a company owes
C) A resource a company owns
D) Dividends

Answer: B
Difficulty: 1 Easy
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

20) Which of the following increases owner's equity?
A) Dividends
B) Business losses
C) Business expenses
D) Business profits

Answer: D
Difficulty: 2 Medium
Learning Objective: 02-03 Customizing Chart of Accounts (COA)
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: automatic

21) Briefly explain the difference between a permanent and a temporary account.

Answer: Temporary accounts (revenues, expenses, and withdrawals or dividends) hold information for a particular accounting period. They are closed to zero at the end of the period. Permanent accounts retain their balances throughout the operation of the company.
Difficulty: 2 Medium
Learning Objective: 02-11 Accounting Essentials: Chart of Accounts
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: manual

22) Briefly explain the purpose and benefits of using a password for QuickBooks access.

Answer: Passwords are important to help restrict access to accounting information stored in QuickBooks. Passwords can help keep people out of the system completely or only out of certain areas. Companies can protect themselves from unnecessary risk with passwords by protecting sensitive information and using them as an internal control.
Difficulty: 2 Medium
Learning Objective: 02-09 QuickBooks Password Protection
Accessibility: Keyboard Navigation; Screen Reader Compatible
Gradable: manual

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23) Briefly explain the purpose of account numbers as used in a Chart of Accounts. List three advantages of using account numbers.

Answer: Account numbers serve the purpose of uniquely identifying specific accounts. Each account is assigned a unique number for the Chart of Accounts. Advantages of using account numbers for a Chart of Accounts include:

1. Each account can be uniquely identified, avoiding duplicate, repetitive accounts that have slightly differently spellings.
2. When entering transactions, accounts numbers can be used to save time.
3. Account numbers can be used as a coding system so the account number also identifies the type of account.

Difficulty: 2 Medium
Learning Objective: 02-04 Display Chart of Accounts (COA)
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