Computerized Accounting with QuickBooks Online 4th edition Williams Test Bank

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QuickBooks® Online 2020 Update (4e)
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Chapter 2 – Chapter Test Bank Questions

1. During the initial setup process, you did not select ***Pay Your Employees*** as a task you would be doing in your new QBO company. Six months later you hire your first employee. Since paying employees was not selected at the beginning you will never be able to process payroll in QBO.
    a. True
    b. False
    L01

2. You cannot convert a company that uses QuickBooks Desktop to QuickBooks Online.
    a. True
    b. False
    LO 2

3. Account numbers for accounts in your chart of accounts is automatically turned on during setup.
    a. True
    b. False
    LO 2

4. The advanced tab in Account and Settings is where you can select the tax form used by your company.
    a. True
    b. False
    LO 3

5. When importing data into QBO, one of the tasks is to map the columns of data on your Excel or CSV file to the corresponding field in QBO.
    a. True
    b. False
    LO 4

6. The retained earnings account is unique to QBO and is used as a tool for balancing entries as part of the company setup.
    a. True
    b. False
    LO 4

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7. When setting up a new company in QBO which of the following is helpful information you should know about the company?
    a. Does the company sell products, services or both?
    b. Does the company manufacture anything themselves?
    c. Do you have or plan to have multiple reporting entities like multiple stores?
    d. Does the company collect sales tax?
    e. All of these are good questions to consider when setting up a new company.
    LO 1

8. During the setup process for a new QBO company file, QuickBooks automatically creates which of the following?
    a. Basic chart of accounts
    b. Employees
    c. Vendors
    d. Tax return
    LO1

9. What is the standard default date format used by QBO?
    a. yyyy/MM/dd
    b. MM/dd/yyyy
    c. mmddyy
    d. mm-dd-yyyy
    LO1

10. During the setup process QBO automatically selects which method of accounting?
    a. Cash basis
    b. Modified cash basis
    c. Accrual
    d. Historical
    LO 1

11. Intuit requires a strong password with several characteristics when setting up your user account in QBO. Which of the following choices satisfies all the requirements?
    a. Qbst@r*1
    b. *qbst@r*
    c. QBrocks!
    d. Quickbooks
    LO 1

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12. After your QBO company is setup, where do you go to enable and show account numbers for accounts in your chart of accounts?
    a. *Accounting* on the navigation bar
    b. The ⚙ icon on the icon bar then select *Account and Settings* and go to the *Advanced* tab
    c. The + New sign on the navigation bar and select List
    d. The ⚙ icon on the icon bar and select *Chart of Accounts*
    LO 3

13. In the Account and Settings area for your company, which tab allows you to change the name and address for your company?
    a. Advanced
    b. Sales
    c. Expenses
    d. Company
    LO 3

14. In the Account and Settings area for your company, which tab allows you to manage automation such as "*Pre-fill forms with previously entered content*"?
    a. Advanced
    b. Sales
    c. Expenses
    d. Company
    LO 3

15. For each activity listed below, select the appropriate tab in the Account and Settings area where the action is located.

	Activity	**Tab**
a.	Update or change company name	Company
b.	Turn on custom transaction numbers	Sales
c.	Start using purchase orders	Expenses
d.	Turn on warnings for duplicate check numbers	Advanced

    LO 3

16. The pencil icon [✎] is used to do which of the following tasks in QBO?
    a. Import data
    b. Print a report
    c. Add a new user
    d. Edit company settings in Account and Settings on the gear icon.
    LO 3

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17. Choices about which QBO features are available in a company file are made through _____.
    a. Preferences
    b. Account and Settings
    c. Help
    d. Features
    LO 3

18. By default, users are automatically signed out of QBO after _____ of inactivity.
    a. 30 minutes
    b. one hour
    c. three hours
    d. None of the above answers are correct. There is no automatic sign out.
    LO 3

19. Which of the following functions are available in QBO?
    a. Tracking inventory
    b. Invoicing customers
    c. Paying bills
    d. All of the above functions are available in QBO.
    LO 1, 3

20. The process that is used to delete the chart of accounts is known as _____.
    a. Estimating
    b. Inactivating
    c. Purging
    d. Deleting
    LO 2, 4

21. The _____ is a list of asset, liability, equity, income, and expense accounts to which you assign your daily transactions.
    a. Chart of accounts
    b. Trial balance
    c. Balance sheet
    d. Income statement
    LO 4

22. Which file type(s) can be used to import data such as vendors or customers?
    a. CSV only
    b. Excel only
    c. CSV or Excel
    d. Word
    e. You cannot import data into QBO
    LO 4

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23. What type of data can be imported in to QBO?
    a. Customers
    b. Vendors
    c. Accounts
    d. Products and Services
    e. All of the above can be imported into QBO
    LO 4

24. Where is the *Import Data* command located in QBO?
    a. On the *Navigation* bar under *My Accountant*.
    b. On the *Advanced* tab in the *Account and Settings* area
    c. In the *Tools* column on the  icon menu (icon bar).
    d. On the *Dashboard* of your QBO Company.
    LO 4

25. Which of the following lists can be imported into QBO when a new company is set up? Select all that apply.
    a. Customer
    b. Terms
    c. Chart of accounts
    d. Journal entries
    LO 4

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General accounting questions

1. Under the _____ basis of accounting, revenues and expenses are recorded when they are earned, regardless of when the money is actually received or paid.
   - **a. Accrual**
   - b. Cash
   - c. Modified Cash
   - d. Cryptocurrency

2. Under the _____ basis of accounting, revenues and expenses are recorded when the money is actually received or paid.
   - a. Accrual
   - **b. Cash**
   - c. Modified Cash
   - d. Cryptocurrency

3. Account numbers are often used to help organize the chart of accounts. Asset type accounts typically start with a 1 and liability type accounts typically start with a 2. What number would the account numbers for equity type accounts start with?

   Answer: **3**

4. If a company purchases goods which it sells to customers on account, what accounts would you expect to see on the balance sheet or income statement of this company?
   - a. Inventory
   - b. Cash
   - c. Accounts Receivable
   - d. Cost of Goods Sold
   - e. **All of the above**

5. A _____ is an unincorporated business that is owned by one individual.
   - a. C-Corporation
   - b. Partnership
   - c. Trust
   - **d. Sole Proprietorship**

6. The balance sheet is a report that identifies the balances in which of the following accounts? (Select all that apply)
   - a. Cost of Goods Sold
   - **b. Long term debt**
   - **c. Cash**
   - **d. Common stock**
   - e. Sales

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