**CHAPTER 1**

**QUICKBOOKS ONLINE TEST-DRIVE**

**INSTRUCTOR’S MANUAL AND KEY (IMK)**

**OBJECTIVES**

1. Start the sample company, Craig’s Design and Landscaping Services.
2. Tour QuickBooks Online (QBO).
3. Explore the User Interface.
4. Export the Chart of Accounts to Excel.
5. View recent transactions and reports.
6. Create an invoice, sales receipt, bill, and write check.
7. Complete Check Your Progress.
8. Use the Online Learning Center, [www.mhhe.com/qbo2e](http://www.mhhe.com/qbo2e), for additional resources.
9. Complete Exercises 1-1, 1-2, and 1-3.

**SYSTEM REQUIREMENTS**

To use QuickBooks Online (QBO), you need to sign in with a web browser. You can access QBO from any PC or Mac with an Internet connection.

Internet connection required (high-speed connection recommended)

**Supported Browsers**

* Google Chrome (updates automatically), Mozilla Firefox (updates automatically), Internet Explorer 10 or later, Safari 6.1 or later
* Also accessible via Chrome on Android and Safari on iOS
* QuickBooks Online mobile app works with the iPhone, iPad and Android phones and tablets, Surface tablet
* Not all features are available on mobile devices

**Other**

For exporting reports to Excel, Microsoft Excel 2003 or later. Adobe for saving PDF files. The free Adobe Reader is available at <https://get.adobe.com/reader/>.

**QBO Tips**

* Start an Internet browser. Type <https://qbo.intuit.com/redir/testdrive> in your browser’s address line.
* Each time your students start the sample company, Craig’s Design and Landscaping, security verification needs to be typed. The verification changes with each log in, and the sample company starts again.
* Each time the sample company is started, a new session begins. Data is not saved.
* In Chapter 1, students complete Check Your Progress assignments and compare their results with the answers shown. In subsequent chapters, students provide Check Your Progress answers.
* Before students start Exercise 1-1, the authors suggest they sign out of QBO. Then, students log into a new session of QBO *before* starting Exercise 1-1. Students complete Exercise 1-1’s transactions and continue with Exercise 1-2. Students should not log out until Exercises 1-1, 1-2, and 1-3 are completed.
* To compare your students Excel spreadsheets to the Excel reports at [www.mhhe.com/qbo2e](http://www.mhhe.com/qbo2e) > Instructor Edition > Excel Reports, use Microsoft Office’s Spreadsheet Compare. This information is included in the textbook’s Appendix A, Troubleshooting.

**Office Professional 2016**: “Compare two versions of a workbook by using Spreadsheet Compare” at <https://support.office.com/en-US/article/Compare-two-versions-of-a-workbook-by-using-Spreadsheet-Compare-0E1627FD-CE14-4C33-9AB1-8EA82C6A5A7E>.

“What can you do with Spreadsheet Inquire in Excel 2016 for Windows,” at <https://support.office.com/en-US/article/what-you-can-do-with-spreadsheet-inquire-in-excel-2016-for-windows-5444eb12-14a2-4d82-b527-45b9884f98cf>.

For **Office Professional 2013**, go to <https://technet.microsoft.com/en-us/library/dn205148.aspx>.

**ONLINE LEARNING CENTER (OLC):** [www.mhhe.com/qbo2e](http://www.mhhe.com/qbo2e)

The OLC includes additional Chapter 1 resources. Students go online to [www.mhhe.com/qbo2e](http://www.mhhe.com/qbo2e) > Student Edition > Chapter 1. The following links are included:

1. Narrated PowerPoints. Students listen to PowerPoints for each chapter. The Instructor PowerPoints include answers to the Going to the Net exercise and analysis questions.
2. Online Quizzes: The Online Quizzes include 10 multiple-choice questions, and 10 True or False questions. The quizzes are graded and can be emailed to the instructor.
3. Analysis Question: Students answer the analysis question, then email it to their instructor. The Analysis question is a Word file.
4. Going to the Net: Go online to compare QuickBooks Desktop to QuickBooks Online.
5. There are two videos for Chapter 1:

* [QuickBooks Online for iPad](http://www.youtube.com/watch?v=6Mw5iIV53C4)
* [Navigate in QuickBooks](http://quickbooks.intuit.com/tutorials/lessons/navigation/)

1. Glossary of terms: Words that are italicized and boldfaced are defined in the glossary. In the textbook, the Glossary is Appendix B.
2. Problem Solving: This is Exercise 1-3 in the textbook.

**INSTRUCTOR EDITION:** [www.mhhe.com/qbo2e](http://www.mhhe.com/qbo2e)

To access the password-protected Instructor Edition, contact your Learning Technology Representative at <https://shop.mheducation.com/store/paris/user/findltr.html>. The Instructor Edition includes the files exported to Excel, End of Chapter Solutions (files saved as PDFs), answers to Problem Solving (third exercise in each chapter), answers to Check Your Progress, answers to the Certification Multiple Choice questions, answers to the Going to the Net exercise, and answers to the analysis questions. The Instructor Edition also includes an Instructor’s Manual, Instructor PowerPoints, suggested Syllabi and a Test Bank. Choose a chapter to populate additional resources.

**ANSWERS GOING TO THE NET**

Answers to Going to the Net are included on the OLC’s Instructor Edition Link. They are also shown below.

Go online to [Move to QuickBooks Online](https://quickbooks.intuit.com/move-to-quickbooks-online/) > click Compare. Answer the following questions. (The URL is <https://quickbooks.intuit.com/move-to-quickbooks-online/>.)

Answer the following questions:

1. In terms of device access, compare QuickBooks Online (QBO) to QuickBooks Desktop (QBD).

With QBO, you can work from a PC, Mac, smartphones, or tablets at any time. QuickBooks Desktop does not offer any device access.



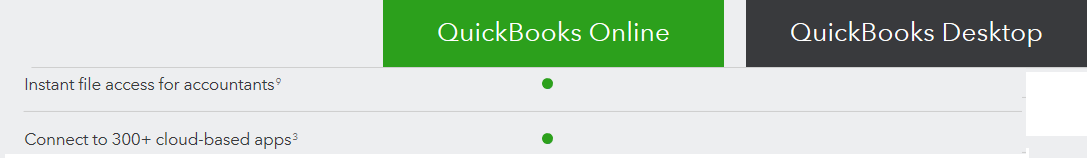
1. Explain support options.

QBO includes support at no additional cost. Support for desktop versions of QB is $89 for 90 days (as of this writing).



1. Explain instant file access and cloud-based apps.

QuickBooks Online includes instant file access for accountants and you can connect to 300+ cloud-based apps. QuickBooks desktop does not include these features.



**ANSWERS ANALYSIS QUESTIONS**

The Analysis question is included online at [www.mhhe.com/qbo2e](http://www.mhhe.com/qbo2e) > Student Edition > Analysis Questions. Students can download the Word file, then email their answers to the instructor.

1. Define the chart of accounts and its categories. How do accounting textbooks define the chart of accounts?

ANSWER:

The Chart of Accounts is a complete list of a business’s accounts and their balances. QBO includes the Account name, Type (for financial statement classification), the Detail Type (account subcategory), and Balance.

The chart of accounts includes two categories of accounts:

* ***Balance Sheet*** accounts: In QBO, these types of accounts reflect what you own and what you owe, like Bank, Credit Card, Assets, Liabilities, Accounts Receivable, Accounts Payable and Equity.
* ***Income and expense accounts***: These are categories for tracking how money flows in and out of your company.

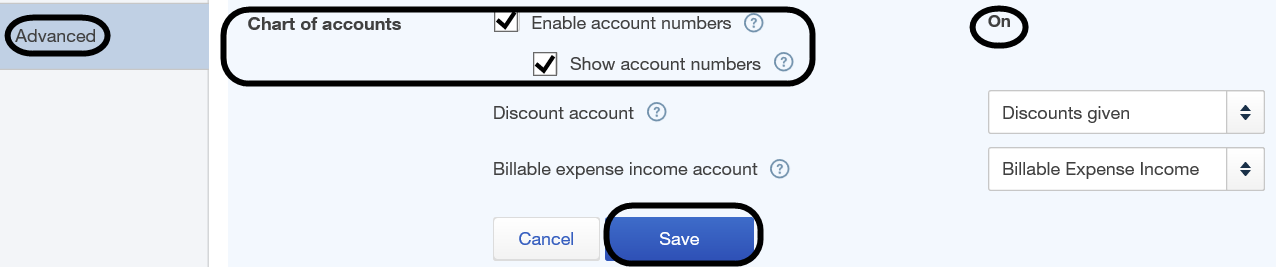
In accounting textbooks, the term Chart of Accountsis defined as a list of all the accounts used in the General Ledger. Accounts are used to classify transaction information for reporting purposes.

1. What do you select to add account numbers to the Chart of Accounts?

ANSWER:

Adding account numbers is a two-step process.

1. Go to  > Account and Settings (*or* Company Settings) > Advanced > in the Chart of accounts area, click on the pencil icon to Enable account numbers and Show account numbers > Save > Done.



1. After saving, then selecting <Done> on the Advanced Settings page, click  > Chart of Accounts > View Register > Edit > type the account number in the Number field.

1. What numbering system is used for the Chart of Accounts? Complete the following chart.

|  |  |
| --- | --- |
| **Numbers** | **Type** |
| 1000s | Assets |
| 2000s | Liabilities |
| 3000s | Equity |
| 4000s | Income |
| 5000s | Cost of Sales |
| 6000s | Expenses |

**MULTIPLE-CHOICE QUESTIONS**

The multiple-choice questions are online at [www.mhhe.com/qbo2e](http://www.mhhe.com/qbo2e) > Student Edition > Chapter 1 > Multiple Choice Quiz. Students answer the questions online, then email the graded quiz to their instructor.

1. The following Internet browsers can be used with QB Online:

a. Internet Explorer.

b. Firefox.

c. Google Chrome.

d. Safari.

**e. All of the above**.

2. To start QuickBooks Online, you need to:

a. Insert a software DVD into the drive.

b. Go to your hard drive to install software.

c. Insert a USB flash drive.

**d. Start your Internet browser.**

e. None of the above.

3. When you start QBO, you need to:

**a. Type a security verification.**

b. Select the back button.

c. Select Start to access the software.

d. Install the desktop software.

e. All of the above.

4. The central place for getting an overview of the company is called the:

a. Taskbar.

b. Tabs.

**c**. **Dashboard.**

d. Vendors page.

e. All of the above.

5. From the plus (+) sign, you can:

a. Create an invoice.

b. Create a sales receipt.

c. Enter a bill.

d. Write a check.

**e. All of the above.**

6. Use this icon to search transactions.

a. Gear.

**b. Magnifying-glass.**

c. Question mark.

d. Plus sign.

e. None of the above.

7. To navigate the QBO interface, select:

a. Customers.

b. Vendors.

c. Employees.

d. Reports.

**e. All of the above.**

8. A list of all the accounts used in the General Ledger is called a:

a. Balance Sheet.

b. Journal.

**c. Chart of Accounts.**

d. Trial Balance.

e. Profit and Loss Statement.

9. What Navigation bar selection do you use for the Balance Sheet?

a. Customers.

b. Vendors.

c. Banking.

d. Create menu.

**e. Reports.**

10. In which of the following areas, is the Chart of Accounts located?

**a. Settings.**

b. Customers.

c. Vendors.

d. Banking.

e. Apps.

**True or False:** The True or False questions are online at [www.mhhe.com/qbo2e](http://www.mhhe.com/qbo2e) > Student Edition > Chapter 1 > True or False Quiz. Students can email the questions and answers to their instructor.

1. The QuickBooks Online (QBO) sample company is Bellflower Landscaping.

**False, Craig’s Design and Landscaping Services.**

1. QBO can be used on Windows and Mac OS X operating systems.

**True.**

1. Since QBO is web-delivered, it is best to use DSL or a cable modem for access.

**True.**

1. Each time you log into the fictional company, the same security word is used.

**False. A unique security verification is used.**

1. A chart of accounts is a list of all the accounts used by a company showing identifying numbers assigned to each account.

**True**

1. The user interface is the link between a user and the software.

**True**.

1. In the company snapshot, the general ledger is shown.

**False, income and expense graphs are shown.**

1. One of the ways to add an invoice, click on the gear icon.

**False, click on the plus sign.**

1. Each time you start QBO’s sample company, a new session (or instance) of the company starts.

**True**

10. The Journal report shows every transaction during a period of time and includes debits and credits.

**True**

**Exercise 1-1**

Students complete 12 transactions. They should continue with Exercises 1-2 and 1-3 before signing out.

**Exercise 1-2**

In Exercise 1-2, students export the Journal, Transaction Detail by Account, and Trial Balance to Excel.

**Journal Report:** The Excel report shows the 12 transactions recorded in Exercise 1-1. Go online to [www.mhhe.com/qbo2e](http://www.mhhe.com/qbo2e) > Instructor Edition > Excel Reports. The Journal shows the date that students entered the transactions. The default date is This Month-to-date.

**Transaction Detail by Account**: The Excel report lists transactions subtotaled by each account on the chart of accounts. It is like the General Ledger without opening balances.

**Trial Balance:** The Excel report shows the Trial Balance after students record the 12 transactions in Exercise 1-1. The OLC’s Instructor Edition link includes the Excel Reports saved. Display the trial balance for the dates you used for the Exercise 1-1 transactions.

Exercise 1-2 includes the following Check Your Figures amounts:

**Check Your Figures:**

Checking 1,439.58

Accounts Receivable 6,965.72

Accounts Payable 2,895.61

Design Income 3,225.00

Advertising 324.86

**Exercise 1-3: Problem Solving**

Students can access Exercise 1-3 online at [www.mhhe.com/qbo2e](http://www.mhhe.com/qbo2e) > Student Edition > Chapter 1 > Problem Solving. The Problem Solving exercise is a Word file that could be turned in to the instructor. The questions and answers follow:

1. Display Craig’s Design and Landscaping Services Chart of Accounts.

Display the test drive’s chart of accounts: <https://qbo.intuit.com/redir/testdrive> > Gear > Chart of Accounts.

1. How do the View register accounts differ from the Run report accounts? Include information about financial statements in your answer.

The View register accounts show their Chart of Accounts balances. The View register accounts are also called permanent accounts and appear on the Balance Sheet. The Run report accounts do not show balances and are called temporary accounts. Temporary accounts appear on QBO’s Profit & Loss (also called the Income Statement). The Run report accounts are closed at the end of the year.

1. When through, sign out.

The Instructor Edition also includes the answers at [www.mhhe.com/qbo2e](http://www.mhhe.com/qbo2e) > Instructor Edition > Answers Problem Solving.

**FILES SAVED IN CHAPTER 1**

In Chapter 1, these files are exported to Excel. Instructors may want students to add their names to file names shown below.

|  |  |  |
| --- | --- | --- |
| Chapter/Exercise | Excel and PDF | Page No. |
| 1 | Chapter 1\_CofA\_sample company\_Student Name.xlsx | 22 |
|  | Chapter 1\_CofA\_sample company\_Student Name.pdf | 22-23 |
| 1-2 | Exercise 1-2\_Journal.xlsx | 48 |
|  | Exercise 1-2\_Journal.pdf | 48 |
|  | Exercise 1-2\_Transaction Detail by Account.xlsx | 49 |
|  | Exercise 1-2\_Transaction Detail by Acocunt.pdf | 49 |
|  | Exercise 1-2\_Trial Balance.xlsx | 49 |
|  | Exercise 1-2\_Trial Balance.pdf | 49 |