**Answers: QuickBooks Online Certification Multiple Choice Questions**

**Objective: QBO Setup and Chart of Accounts**

1. You are a click away from seeing your work with:
2. Restored backup files.
3. Reports exported to Excel.
4. Adobe Acrobat reports.
5. **Cloud access**.
6. All.

Difficulty: Medium

Page xvii

1. Sign into QuickBooks Online with the following Internet browsers:
2. Google Chrome or Mozilla Firefox.
3. Safari or Internet Explorer.
4. Android or iOs.
5. **All.**
6. None.

Difficulty: Easy

Page xx

1. QuickBooks Online is an example of:
2. Desktop software.
3. **Software as a service.**
4. Software installed on the hard drive.
5. A service company.
6. All.

Difficulty: Medium

Page 54

1. When setting up your company account, which of the following *cannot* be set up?
2. Company name.
3. **The Chart of Accounts.**
4. User ID and password.
5. Company address and zip code.
6. All.

Difficulty: Hard

Page 62-65

1. When setting up a company:
2. **Use a Valid email address and unique password.**
3. Use the *same* email and password that you already have with Intuit.
4. No email or password is needed.
5. Skip the Set Up Your Account page.
6. None.

Difficulty: Easy

Page 55

1. To see how long your account is active, make these selections:
2. Create menu > Recent transactions.
3. Help > Search for account.
4. **Gear > Account and Settings > Billing & Subscription.**
5. All.
6. None

Difficulty: Medium

Page 56-57

1. Setting up your company includes:
2. Changing the navigation bar.
3. **Default accounts.**
4. Updated settings.
5. Moving the dashboard.
6. All.

Difficulty: Hard

Page 77

1. Pop-ups may show \_\_\_\_\_\_\_\_­­­­­\_\_\_\_\_\_\_\_\_\_:
2. **Updated settings.**
3. Starting balances.
4. That the general ledger.
5. None.
6. All.

Difficulty: Hard

Page 56

1. These selections can be made from the Navigation bar, *except*:
2. **Company profile.**
3. Dashboard or Home page.
4. Sales and Expenses.
5. Accounting and Reports.
6. None.

Difficulty: Easy

Page 58

1. Use the magnifying glass icon for:
2. Help.
3. Settings menu.
4. Create.
5. **Recent transactions.**
6. All.

Difficulty: Medium

Page 59

1. Use the plus sign for:
2. Help.
3. Settings menu.
4. Viewing recent transactions.
5. **Adding transactions.**
6. All.

Difficulty: Easy

Page 57

1. How do you access the Settings Menu?
2. Go to Reports.
3. Click Accounting to go to the Chart of Accounts.
4. There is no settings menu.
5. **Use the gear icon.**
6. None.

Difficulty: Hard

Page 60

1. To configure a QuickBooks Online company the way you want, use this feature:
2. Communication with Intuit.
3. Type your company email address.
4. Manage users.
5. **Account and Settings.**
6. All.

Difficulty: Hard

Page 62

1. What icon is used to edit?
2. Magnifying glass.
3. **Pencil.**
4. Plus.
5. Minus.
6. All.

Difficulty: Easy

Page 63

1. To track inventory items, turn this Expense selection on:
2. Enable and use account numbers.
3. Make expenses and items billable.
4. **Show items table on expense and purchase forms.**
5. Accept payments through QuickBooks, emailed invoices and mobile payments.
6. All.

Difficulty: Medium

Page 64

1. A list of all the accounts used in the General Ledger is called a/an:
2. Income Statement.
3. Balance Sheet.
4. Statement of Cash Flows.
5. **Chart of Accounts**
6. None.

Difficulty: Easy

Page 68

1. If a Confirm your account information window appears, you need to establish a/an:
2. Address for your company.
3. State where your company resides.
4. Account list.
5. **Confirmation Code.**
6. All.

Difficulty: Hard

Page 83

1. When you set up a QuickBooks Online company, a/an \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is also set up:
2. **Default Chart of Accounts**.
3. Company location.
4. Owner’s investment.
5. App.
6. All.

Difficulty: Medium

Page 77

1. To add accounts to the Chart of Accounts page, select the following icon:
2. Edit.
3. **New**
4. Revise.
5. Category Type.
6. All.

Difficulty: Easy

Page 71

1. Add the following information for each account:
2. Category type
3. Detail type
4. Number
5. Description.
6. **All.**

Difficulty: Medium

Page 73

1. On the Chart of Accounts, the Category Type identifies the account for the:
2. Income Statement.
3. **Financial Statements.**
4. Transactions.
5. Search criteria.
6. None.

Difficulty: Hard

Page 76

1. What is the difference between View register and Run report?
2. There is no difference between view register and run report.
3. **View register are balance sheet accounts; Run report are profit and loss accounts.**
4. The Category Type identifies view register and run report classifications, along with the detail type.
5. The Name and Account number needs to be specified first.
6. All.

Difficulty: Hard

Page 78

1. The chart of accounts is also called the:
2. Balance Sheet.
3. Trial Balance.
4. Profit and Loss.
5. **Account List.**
6. None.

Difficulty: Easy

Page 78

1. When inventory is added, the following accounts are used:
2. Merchandise Inventory.
3. Sales.
4. Cost of Goods Sold.
5. **All.**
6. None.

Difficulty: Medium

Page 78

1. To share access rights within QuickBooks Online, use the following:
2. Sign in with another user’s ID and Password.
3. Invite Accountant.
4. Company Administrator.
5. **All.**
6. None.

Difficulty: Medium

Page 82

1. In order to sign in to another company account, a/an \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ needs to be emailed:
2. **Confirmation code.**
3. IP Address.
4. Browser information.
5. All.
6. None.

Difficulty: Hard

Page 83

1. Each account sign in is authenticated via a/an:
2. Company administrator.
3. User ID.
4. Password.
5. **IP Address.**
6. All.

Difficulty: Hard

Page 84

1. To Invite Accountant, do this:
2. **Gear > Manage Users**
3. Gear > Confirmation Code.
4. Plus sign > Manage Users.
5. Profile > Recent Transactions.
6. All.

Difficulty: Medium

Page 84

1. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ contains a list of all the changes that have been made to your company data and by whom.
2. Internal controller.
3. Chart of Accounts.
4. List of Recent Transactions.
5. **Audit Log.**
6. All.

Difficulty: Medium

Page 86

**Objective: Beginning Balances and Transaction Register**

1. The transaction register shows:
2. **Checking account activity.**
3. The chart of accounts.
4. The general ledger.
5. All the accounts.
6. None.

Difficulty: easy

Page 96

1. Use this selection to see the Account List:
2. Home or Dashboard.
3. Sales.
4. Expenses.
5. **Reports.**
6. None.

Difficulty: Easy

Page 99

1. A transaction which shows at least a debit and credit is called a/an:
2. Ledger.
3. **Journal entry.**
4. Account balance.
5. Special page.
6. All.

Difficulty: Easy

Page 98

1. All of the following represent specialized screens *except:*
2. **Category Type**.
3. Check.
4. Receive payment.
5. Bill.
6. Transfer.

Difficulty: Hard

Page 99

1. When entering a journal entry, what happens if the debits don’t equal the credits?
2. The difference is sent to an adjustment account, then you can save and post.
3. **QuickBooks will not allow you to save the transaction.**
4. You are asked what to do with the *unequal* amount.
5. Nothing happens.
6. All.

Difficulty: Hard

Page 99

1. To record transactions, do this:
2. **+ > select appropriate link.**
3. Sales > plus sign > Statement.
4. Gear > Dashboard > Journal entry.
5. Accounting > Sales > Invoice.
6. All.

Difficulty: Medium

Page 102

1. To add a payee for a check, do this:
2. **+ > Check > Type name > Add Payee > Save Vendor.**
3. + > Check > type description > choose account > type amount.
4. Gear > Check > Journal entry.
5. Dashboard > Check > Vendor > Save.
6. All.

Difficulty: Medium

Page 102

1. Each time a check is issued, the account distribution in the Journal is a:
2. **Debit to the appropriate expense account and a credit to the checking account.**
3. Debit to the appropriate liability account and a credit to the appropriate expense account.
4. Debit to an asset account and a credit to a liability account.
5. Debit to an accounts payable account and a credit to an accounts receivable account.
6. None.

Difficulty: Medium

Page 104

1. Sales Receipts are used for:
2. Accounts payable transactions.
3. **Cash sales.**
4. Accounts receivable transactions.
5. Invoices.
6. All.

Difficulty: Medium

Page 108

1. To enter a sales receipt, do this:
2. Gear > + > Sales Receipt.
3. **+ > Sales Receipt (in the Customers list).**
4. + > Sales Receipt (in the Vendors list).
5. Gear > Accounts and Settings.
6. None.

Difficulty: Easy

Page 108

1. Cash sales are categorized as:
2. Inventory Items.
3. **Non-inventory items.**
4. Asset accounts.
5. Expense accounts.
6. All.

Difficulty: Medium

Page 108

1. For Cash Sales, the Product/Service, Sales Information field shows:
2. Account 401 Sales.
3. Name, Cash Sales.
4. **I sell this product/service to my customers.**
5. I bought this product/service from my suppliers/vendors.
6. None.

Difficulty: Hard

Page 108

1. The account distribution for cash sales is:
2. Debit Sales; Credit Checking.
3. Debit Accounts Receivable; Credit Sales.
4. **Debit Checking; Credit Sales.**
5. Debit Accounts Payable; Credit Checking.
6. None.

Difficulty: Easy

Page 114

1. To transfer funds, do this:
2. Gear > Transfer.
3. **+ > Transfer.**
4. Gear > Profile > Account and Settings.
5. Expenses > Transfer.
6. None.

Difficulty: Easy

Page 115

1. To show your company’s financial information, use:
2. Recent transactions.
3. Sales Receipts.
4. Customer and vendor reports.
5. **Reports.**
6. All.

Difficulty: Medium

Page 120

1. To see a range of dates, use this feature:
2. **Customize reports.**
3. Edit the Chart of Accounts.
4. Edit the company Profile.
5. Refer to Account and Settings.
6. All.

Difficulty: Hard

Page 122

1. To see debit and credit balances for each account, use this report:
2. Balance Sheet
3. Profit and Loss.
4. Statement of Cash Flow.
5. **Trial Balance.**
6. All.

Difficulty: Easy

Page 123

1. To see the money you earned and the money you spent, display this report:
2. Balance Sheet.
3. **Profit and Loss.**
4. Statement of Cash Flow.
5. Trial Balance.
6. All.

Difficulty: Easy

Page 124

1. To see what your company owns, what your debits are, and what you have invested, display this report:
2. **Balance Sheet.**
3. Profit and Loss.
4. The company Trial Balance.
5. All.
6. None.

Difficulty: Easy

Page 125

1. A way to drill down to an original transaction is to go to:
2. Gear > Account and Settings.
3. **Magnifying glass icon > Recent Transactions.**
4. Search > Gear > Account and Settings.
5. Company profile.
6. All

Difficulty: Medium

Page 128

**Objective: Vendors and Inventory**

1. Your company purchases merchandise from:
2. Customers.
3. **Vendors.**
4. Accounts on the chart of accounts.
5. Income accounts.
6. None.

Difficulty: Medium

Page 148

1. The process of bringing the balance of the bank statement and the balance of the checking account into agreement is called:
2. Balancing the accounts.
3. Sales.
4. Vendors, suppliers, or clients.
5. **Bank reconciliation.**
6. All.

Difficulty: Easy

Page 145

1. To see the checking account register, do this:
2. **Accounting > Chart of Accounts > double-click checking.**
3. Dashboard > Gear > Account and Settings.
4. + > Single Time Activity.
5. Create > Estimate > Statement > Bank Deposit > Purchase Order.
6. None.

Difficulty: Easy

Page 145

1. When your checking account is reconciled, this page shows 0.00 as the difference:
2. Journal entry.
3. Invoice from customers.
4. Bank Deposits on the checking register.
5. **Reconcile – Checking page.**
6. None.

Difficulty: Hard

Page 145

1. The default for a QuickBooks Online company is:
2. Cash basis.
3. **Accrual basis.**
4. Batch posting.
5. Saving all transactions.
6. None.

Difficulty: Medium

Page 117

1. Counting income or expenses only when you actually receive or pay is called:
2. Accrual basis.
3. **Cash basis.**
4. Batch posting.
5. Savings.
6. None.

Difficulty: Medium

Page 117

1. When the company makes purchases on account from vendors, this is known as:
2. **Accounts payable transactions.**
3. Accounts receivable transactions.
4. Cash basis accounting.
5. Batch posting.
6. All.

Difficulty: Medium

Page 148

1. A product that is purchased from vendors for sale to customers is known as a/an:
2. Balance sheet account.
3. **Inventory item.**
4. Supplier.
5. Vendor.
6. All.

Difficulty: Medium

Page 156

1. What do you select to add vendors?
2. **Navigation bar > Expenses > Vendors > New vendor.**
3. Sales > Products and Services > New supplier.
4. Navigation bar > Dashboard > Expenses.
5. Navigation bar > Reports.
6. None.

Difficulty: Easy

Page 152

1. When an expense is voided, the following report shows the change:
2. Trial Balance.
3. Balance Sheet.
4. General ledger.
5. **Audit Log.**
6. All.

Difficulty: Medium

Page 156

1. Use \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to enter inventory item prices or rates:
2. Merchandise selection.
3. Account and settings.
4. Company profile.
5. **Products and services.**
6. All.

Difficulty: Medium

Page 156

1. QuickBooks Online updates purchases and sales, tracks cost of goods sold, stock levels, sales prices, and vendors. This is called:
2. Periodic inventory.
3. Products and inventory.
4. **Perpetual inventory**
5. Accrual basis.
6. All

Difficulty: Hard

Page 160

1. What accounts are affected when you purchase inventory on account?
2. **Debit Merchandise Inventory; Credit Accounts Payable/Vendor.**
3. Debit Accounts Receivable/customer and Cost of Goods Sold; Credit Sales and Merchandise Inventory.
4. Debit Accounts Payable/Vendor; Credit Merchandise Inventory.
5. Debit Cash; Credit Accounts Payable/vendor.
6. None.

Difficulty: Hard

Page 158

**Objective: Customers and Sales**

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are what customers owe your business.
2. Accounts payable.
3. **Accounts receivable.**
4. Sales.
5. Purchases.
6. None.

Difficulty: Easy

Page 208

1. What transaction should you enter if a customer returns a damaged product?
2. Debit memo.
3. **Credit memo.**
4. Invoice or Sales Receipt.
5. Check or Bill.
6. None.

Difficulty: Easy

Page 210

1. To see your customer transactions and refunds, do this:
2. **Navigation bar > Accounting > on the Chart of Accounts, double-click Accounts Receivable, A/R Register displays.**
3. Navigation bar > Accounting > Sales > double-click appropriate Invoice > Invoice number appears > edit as needed > Save.
4. Reports > Management Reports > All Reports > Company Snapshot.
5. Expenses > Export to Excel > Save as PDF report.
6. None.

Difficulty: Hard

Page 213

1. What report shows the balance for each customer?
2. A/P aging.
3. **A/R aging.**
4. Reports > Account List.
5. Reports > Balance Sheet.
6. All.

Difficulty: Medium

Page 213

1. What report shows the quantity, asset value and average cost?
2. A/P aging and customer balance detail.
3. A/R aging and vendor balance detail.
4. Account List.
5. **Inventory valuation summary.**
6. None.

Difficulty: Medium

Page 234

1. What report shows the balance I owe to each vendor?
2. **A/P aging.**
3. A/R aging.
4. Reports > Account List.
5. Reports > Balance Sheet.
6. All.

Difficulty: Medium

Page 235

1. To record a customer payment, do this:
2. Vendors page > Make payment.
3. Vendors page > Create bill.
4. **Customers page > Receive payment.**
5. None.

Difficulty: Easy

Page 214

1. For sales invoices, use these selections:
2. Expenses > Bill.
3. **+ > Invoice (Customers list)**
4. + > Check (Vendors list)
5. Reports > Journal.
6. None

Difficulty: Medium

Page 208

1. For vendor payments, use these selections:
2. Banking > Journal.
3. + > Invoice (Customer list).
4. + > Check (Vendors list)
5. **+ > Pay Bills.**
6. None

Difficulty: Medium

Page 274

1. For purchases from vendors on account, use these selections:
2. Dashboard > Pay Bills.
3. **+ > Bill.**
4. Sales > Banking.
5. Reports > Account List.
6. None.

Difficulty: Medium

Page 276

1. A period that a company or government uses for accounting purchases and preparing financial statements is called:
2. Monthly accounting.
3. Cash basis.
4. **Fiscal year.**
5. Adjusting entries.
6. None.

Difficulty: Medium

Page 316

1. The purpose of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is so that the Net Income balance is transferred to the equity account Retailed Earnings.
2. Adjusting entries.
3. Fiscal year.
4. Monthly accounting.
5. **Closing the books.**
6. All.

Difficulty: Hard

Page 317

1. On the Balance Sheet, the previous year’s Net Income amount appears as:
2. Checking.
3. Accounts Receivable.
4. Accounts Payable.
5. **Retained Earnings.**
6. None.

Difficulty: Hard

Page 317

1. Accounts that are closed at the end of the year are called:
2. Permanent accounts.
3. **Temporary accounts.**
4. Accrual basis.
5. Cash basis.
6. None.

Difficulty: Medium

Page 334

1. Asset, Liability, and Equity accounts shown on the balance sheet are called:
2. **Permanent accounts.**
3. Temporary accounts.
4. Accrual basis.
5. Cash basis.
6. None.

Difficulty: Medium

Page 335

1. QuickBooks Online organizes reports by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ within the accounting system:
2. Accrual basis.
3. Cash basis.
4. **Modules.**
5. User interface.
6. All.

Difficulty: Medium

Page 336

1. To customize a report, go to:
2. Reports > Profit & Loss > Balance Sheet > Summary Reports.
3. **Reports > display the report > select Rows/Columns, General, Lists, Numbers, Header/Footer > make preferred selections.**
4. Navigation Bar > Transaction > Chart of Accounts > go the appropriate register.
5. None.
6. All.

Difficulty: Easy

Page 339

1. This report *canno*t be exported to Excel:
2. Balance Sheet.
3. Profit and Loss.
4. Statement of Cash Flow.
5. **Reconcile report.**
6. All.

Difficulty: Medium

Page 340

1. A high-tech playground for QuickBooks experts is called:
2. Pro advisor.
3. Certified user.
4. **QuickBooks Labs.**
5. Point-of-sale apps.
6. All.

Difficulty: Easy

Page 536

1. Changes to the user interface, accounting features, and user functions are called:
2. **Updates.**
3. Apps.
4. QuickBooks Labs
5. Certified users.
6. All.

Difficulty: Medium

Page 547

**Objective: Basic accounting and User Interface**

1. Identify how QuickBooks Online uses Detail Types.
2. To track revenue and expense by office or business segment

QuickBooks uses Classes.

1. For financial ratios in the Analysis module.
2. To change the color of different financial statement sections.

**d. To identify where the account appears on the financial statements.**

e. All.

Difficulty:Hard

Page 73

1. The balance sheet shows the:
2. Income and Expense accounts.

**b. Accounting equation.**

c.Equity and Asset accounts involved in a transaction.

1. Cost of Goods Sold account and the Liabilities account that are part of every transaction.
2. None.

Difficulty:Medium

Page 177

1. What is the purpose of the Chart of Accounts?
2. It allows accountants to view accounting records remotely.

**b. It is how you classify accounts for financial statements.**

c. To see a graphical chart of income and expenses.

d. To categorize items.

e. All.

Difficulty:Hard

Page 17

1. If transactions have been changed, how do you check? What report should you run?
2. **Audit Log.**
3. User Entry Report.
4. Modified Transactions Report.
5. Balance Sheet.
6. None.

Difficulty:Medium

Page 86

1. When you run Financial Statement reports, what accounting basis can you use to view the report?
2. Cash Basis.
3. Accrual Basis.

c. You can switch the accounting basis.

**d. All**.

e. None.

Difficulty:Hard

Page 117

1. What are the main financial statements that you can run from Recommended Reports?
2. Profit and Loss.
3. Balance Sheet.
4. A/R Aging Summary
5. A/P Aging Summary.
6. **All.**

Difficulty:Hard

Page 176

1. What are the main sections of the Profit and Loss?
2. Income Expenses and Liabilities.

**b. Income, Cost of Goods Sold, and Expenses.**

1. Income, Assets, and Equity.
2. Assets, Liabilities, and Equity.
3. None.

Difficulty:Easy

Page 10

1. After you reconciled the checking account successfully, you notice that the beginning balance calculated by QuickBooks Online is different from the beginning balance on your bank statement. How can this happen?
2. It cannot happen.
3. Someone changed the beginning balance amount.

**c. Someone changed or deleted a cleared transaction.**

d. The bank transposed some numbers on a check or deposit.

e. None

Difficulty:Hard

Page 145

1. What is equity?
2. What your company owns.

**b. Assets minus liabilities.**

1. What you owe others.
2. Assets plus liabilities.
3. None.

Difficulty:Easy

Page 177

1. How do you add numbers to your chart of accounts?

**a. Gear > Account and Settings > Advanced > Edit chart of accounts > Enable and Show account numbers.**

1. You cannot change the chart of accounts.
2. Customize reports.
3. Go to the Checking account register > add accounts.
4. None.

Difficulty:Easy

Page 18

1. You need to enter the same transaction each month. How can you automate this process?

**a. While the transaction is on the screen, select Make recurring > Save.**

1. You cannot automate transactions.
2. When you select the same vendor, the account details are the same. Retype the entry > Save.
3. All.
4. None.

Difficulty:Hard

Page 102

1. When I go to a customer invoice, I notice there is a mistake. What is the best way to fix it?
2. Go to the A/R summary report and edit the invoice.
3. Go to the A/P summary report and edit the invoice.
4. Go to one of the inventory reports, and edit.
5. **Display the invoice. Make the correct entries > Save.**
6. None.

Difficulty:Medium

Page 128

1. What is the quickest way to see the history of invoices to a specific customer?
2. Go to the vendor page >display a vendor purchase > Select Audit History Audit.
3. **Go to Customers page > double-click the customer > select a transaction > More > Audit History.**
4. Gear > Audit Log.
5. None.
6. All.

Difficulty:Hard

Page 156

1. After allowing account numbers, how can you easily assign account numbers to the chart of accounts?
2. Select Accounting > Bank > go to one of the account registers.
3. You cannot edit the chart of accounts.
4. **Go to Accounting > Chart of Accounts > click on the pencil (edit icon) > add numbers to the chart of accounts.**
5. Go to the Apps icon > select a general ledger app.
6. None.

Difficulty:Easy

Page 18

1. What QuickBooks Online report shows cash generated by your business (operating activities), cash spent on your business (investments) and cash in or out from stock and dividends (financing).
2. Trial Balance.
3. Balance Sheet.
4. Profit and Loss.
5. **Statement of Cash Flows.**
6. All.

Difficulty:Medium

Page 177

1. What QuickBooks Online report lists transactions subtotaled by each account on the chart of accounts?
2. Chart of Accounts.
3. Balance Sheet.
4. **Transaction Detail by Account.**
5. Inventory Valuation Detail.
6. All.

Difficulty:Medium

Page 171

1. What QuickBooks Online report displays your income and expenses in year-over-year comparisons using pie charts and bar graphs?
2. Balance Sheet.
3. Profit and Loss.
4. Expenses by Vendor Summary.
5. **Company Snapshot.**
6. None.

Difficulty:Easy

Page 37

1. What selection allows you to give your professor access to your account?
2. Dashboard.
3. **Invite Accountant.**
4. Banking.
5. Apps.
6. All.

Difficulty:Easy

Page 83