

Chapter 1 Test Bank: QuickBooks Online Test-drive

Computer Accounting with QuickBooks Online: A Cloud-Based Approach

MULTIPLE CHOICE

1. The Test Drive company is also known as:
 - a. Craig's Design and Landscaping Services.
 - b. The sample company.
 - c. Populated company data used in Chapter 1.
 - d. A way to practice using the QuickBooks Online (QBO) user interface.
 - e. All.

Answer: e (All)

Difficulty: easy

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2. The link between the user and the software is called the:
 - a. Chart of Accounts.
 - b. General Ledger.
 - c. Navigation bar.
 - d. User interface.
 - e. All.

Answer: d (User interface)

Difficulty: Medium

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3. To create transactions, use this icon:
 - a. Clock.
 - b. Gear.
 - c. Plus.
 - d. Magnifying-glass.
 - e. All.

Answer: c (Plus)

Difficulty: Medium

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4. To go to the Settings menu, use this icon:
 - a. Clock
 - b. Gear.
 - c. Plus.
 - d. Magnifying-glass.
 - e. All.

Answer: b (Gear)

Difficulty: Medium

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5. To see recent transactions, use this icon:
- Clock.
 - Gear.
 - Plus.
 - Magnifying-glass.
 - None.

Answer: a (Clock)

Difficulty: Hard

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6. QuickBooks Online updates:
- Automatically.
 - Never.
 - Every time you sign in and sign off.
 - At the end of the quarter.
 - All.

Answer: a (Automatically)

Difficulty: Hard

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7. When you sign out of the test drive, your data is:
- Saved.
 - Not saved.
 - Exports to Excel.
 - Saved as PDF file.
 - All.

Answer: b (Not saved)

Difficulty: Medium

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8. A complete list of a business's accounts and their balances is called:
- Balance Sheet
 - Income and expense accounts
 - Trial Balance
 - Chart of Accounts
 - None

Answer: d (Chart of Accounts)

Difficulty: Hard

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9. Accounts are used to classify transaction information for:
- a. Additional detail.
 - b. Trial Balance.
 - c. Reporting purposes.
 - d. Cost of Sales.
 - e. All.

Answer: c (Reporting purposes)

Difficulty: Hard

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10. This report shows unpaid invoices for the current period:
- a. A/P Aging Summary.
 - b. Balance Sheet.
 - c. Profit and Loss.
 - d. A/R Aging Summary.
 - e. All.

Answer: d (A/R Aging Summary)

Difficulty: Hard

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TRUE/FALSE

11. A Chart of Accounts is a list of the company snapshot accounts.
Answer: False. (The Chart of Accounts is a list of all the accounts used in the General Ledger.)
12. Liability accounts usually start with the number 3000.
Answer: False (Liability accounts start with the number 2000)
13. Subcategories for account classification are shown within the Type column on the Chart of Accounts.
Answer: False (The Detail Type field assigns the account into a subcategory.)
14. The balance sheet lists what you own (assets), what your debts are (liabilities), and what you've invested (equity).
Answer: True
15. The QBO home page is the central place for getting an overview of the company and key activities.
Answer: True
16. Another name for the Profit and Loss report is the Income Statement.
Answer: True
17. To access customers, vendors, transactions, and reports, use the Settings Menu.
Answer: False (Use the Navigation Bar to access customers, vendors, transactions, and reports)
18. Business processes are a collection of related, structured activities that produce a specific service or product.
Answer: True
19. You can only use a mouse to move around QBO.
Answer: False (You can use a mouse as well as keyboard shortcuts)
20. The cloud stores data on web servers instead of your computer.
Answer: True