

## Homework Assignment

### Project 6 – Basic Accounting

This Project’s Homework Assignment focuses on the Financial Statements and some of the elemental aspects of accounting including **Balance Sheets**, **Profit and Lost** reports, Cash vs Accrual accounting, **Journal Entries**, **Transactions** reports and the **General Ledger**.

Homework Assignments will only review materials you have already learned, but they may cover materials from earlier Projects along with current content.

Remember that you can always go back to earlier Projects if you need help.

Step	Directions / Question	Answer
1	Access the QBO Test Drive company at <a href="https://qbo.intuit.com/redir/testdrive">https://qbo.intuit.com/redir/testdrive</a>	
2	After opening the Test Drive company: <ul style="list-style-type: none"> <li>Extend the <i>Log Out</i> time to <b>3 hours</b></li> </ul>	
3	In the <b>Advanced</b> tab of <b>Account and Settings</b> , <i>Enable account numbers</i> in the <b>Chart of Accounts</b> after clicking Save and Done, make sure the <b>Chart of Accounts</b> show the account numbers.	
4	In the <b>Chart of Accounts</b> , locate the Fixed Asset titled <i>Truck</i> . Change the name of its <i>Depreciation</i> sub-account to add “Accumulated” at the beginning. (It should now read <i>Accumulated Depreciation</i> .)	
5	Enter a new Journal Entry with the following information: <ul style="list-style-type: none"> <li><b>Date:</b> Today’s date</li> <li><b>Journal no.:</b> 765</li> <li>Debit account <i>Depreciation</i> by \$145.12 (This is an <i>Other Expense</i> account)</li> <li>Credit account <i>Accumulated Depreciation</i> by the same amount</li> </ul> In the <b>Description</b> field for each line <b>AND</b> for <b>Memo</b> field for the <b>Journal Entry</b> , enter “ <i>Monthly depreciation</i> ”	
6	From the <b>Reports</b> page, select <b>Balance Sheet</b> and set the date range to <b>All Dates</b> and click <b>Run Report</b> . (Make sure report is showing <i>Accrual</i> basis for the <b>Accounting Method</b> .)  Either print or save the image to compare with the <i>Answer Sheet</i> provided at the end of the <i>Homework Assignment</i> .  Label it as: <b>Project 06 – Step 06 – Balance Sheet-Accrual</b>	

7	<p>Before closing that report, change the <b>Accounting Method</b> to <i>Cash</i> basis, and <b>Run Report</b>.</p> <p>Either print or save the image to compare with the <i>Answer Sheet</i> provided at the end of the <i>Homework Assignment</i>.</p> <p>Label it as: <b>Project 06 – Step 06 – Balance Sheet-Cash</b></p>
8	<p>What is the amount difference for <i>Total Assets</i> between the <i>Accrual</i> basis and the <i>Cash</i> basis reports?</p>
9	<p>From the <b>Reports</b> page, select <b>Profit and Loss</b> and set the date range to <b>All Dates</b> and click <b>Run Report</b>. (Make sure report is showing is <i>Accrual</i> basis for the <b>Accounting Method</b>.)</p> <p>Either print or save the image to compare with the <i>Answer Sheet</i> provided at the end of the <i>Homework Assignment</i>.</p> <p>Label it as: <b>Project 06 – Step 09 – Profit &amp; Loss-Accrual</b></p>
10	<p>Using the same report, change the <b>Accounting Method</b> to <i>Cash</i> basis, and <b>Run Report</b>.</p> <p>Either print or save the image to compare with the <i>Answer Sheet</i> provided at the end of the <i>Homework Assignment</i>.</p> <p>Label it as: <b>Project 06 – Step 10 – Profit &amp; Loss-Cash</b></p>
11	<p>What is the amount difference for <i>Net Income</i> between the <i>Accrual</i> basis and the <i>Cash</i> basis reports?</p>
12	<p>In the <b>Advanced</b> tab of <b>Account and Settings</b>, <i>Close the books</i> as of the last day of the year you are working in and require a Password to make changes. Set the password to “1234”</p>
13	<p>From the <b>Reports</b> page, SEARCH for a <b>Transaction Detail by Account</b> report. Set the date range to <b>Today</b> and click <b>Run Report</b>. (Make sure report is showing is <i>Accrual</i> basis for the <b>Accounting Method</b>.)</p> <p>Either print or save the image to compare with the <i>Answer Sheet</i> provided at the end of the <i>Homework Assignment</i>.</p> <p>Label it as: <b>Project 06 – Step 13 – Transaction Detail by Account</b></p>

14	<p>From the <b>Reports</b> page, prepare a <b>General Ledger</b> report and set the date range to <b>Today</b> and click <b>Run Report</b>. (Make sure report is showing is <i>Accrual</i> basis for the <b>Accounting Method</b>.)</p> <p>Either print or save the image to compare with the <i>Answer Sheet</i> provided at the end of the <i>Homework Assignment</i>.</p> <p>Label it as: <b>Project 06 – Step 14 – General Ledger</b></p>
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\* As of 04/10/2024

**IMPORTANT NOTE:** Because you are working with a “live” company Test Drive file, Intuit may change answers without notice. If you have questions or need assistance, reach out to the [bsnsAtlas.com](https://bsnsAtlas.com) team in our private Facebook group at:

[www.facebook.com/groups/bsnsAtlas](https://www.facebook.com/groups/bsnsAtlas)