

Purchases / Money Out

#	Question	Answer A	Answer B	Answer C	Answer D
1	One of your Vendors decides to change your Terms with them from Net 10 to Net 30 for all future Bills (but not the ones already issued.) Which action must you complete to support this change?	Check the Terms list and see if Net 30 is there. If not, add it.	Open each unpaid Bill for the vendor and change the terms to Net 30	Edit that Vendor's record to change the Terms to Net 30	In the Account and Settings area, set the Preferred Invoice Terms to Net 30
2	Which statement(s) describe(s) the difference between recording expenses on checks and as credit card expenses? Select all that are correct.	A Check increases Accounts Payable and decreases the expense account	A Credit Card Expense increases the expense account and decreases the Credit Card Payable	A Credit Card Expense increases the Credit Card Receivable and increases the expense account	A Check decreases Accounts Payable and decreases the expense account
3	In QBO, which items should you mark as Billable ?	Expenses you've paid for but for which your Customer should reimburse you	Products and services you sell to a Customer who is also a Vendor	All products you sell to a Customer	All services you provide to a Customer
4	Which of the following statements about Unbilled Expenses in QBO is true?	The Unbilled Costs by Job report displays the unbilled expenses	If you clear the Billable check box for a cost, it is no longer a business expense	You can change the billable status of a cost by selecting or clearing the Billable check box on a check	When recording a check with a Billable cost, all items purchased with that Check must be marked as Billable
5	Your landscaping company receives a defective fountain pump in its last order from a Vendor. The Vendor issues you a Vendor Credit . What is the effect of the Vendor Credit when you record it in QBO?	The Accounts Payable balance decreases and the expense or COGS account increases	The Accounts Payable balance increases and the expense or COGS account decreases	The Accounts Payable balance decreases and the expense or COGS account decreases	None of these
6	Which TWO statements describe the difference between recording expenses on Checks and as Credit Card Expenses ?	A Check increases the expense account balance and decreases the bank account balance	A Credit Card Expense increases the expense account balance and increases the Credit Card Payable balance	A Check increases the expense account balance and increases the Accounts Payable balance	A Credit Card Expense increases the Credit Card Payable and decreases the expense account
7	Which of the following statements is NOT true concerning Billable Expenses ?	They can be marked up automatically	They must be tracked as income only	They are a feature that must be turned on	They can be added to Invoices or Sales Receipts after recording the original purchase

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8	Which of the following is NOT a "money out" transaction?	Check	Credit Memo	Expense	Pay Bills
9	Which of the following transaction types does not affect Accounts Receivables?	Invoice	Receive Payment	Check	Credit Memo
10	Which statement below is correct related to using the Pay Bills function in QBO?	You can pay for only one bill at a time to a specific Vendor	The payment account used for paying bills must be the checking account.	Multiple Bills from the same Vendor will be combined and paid with one Check .	Vendor Discounts cannot be used when paying a Bill when using this function.
11	When recording a purchase of items using a credit card, what account goes in the Payment Account field?	Accounts Payable	Checking	The specific credit card liability account	The specific expense account
12	When creating a Purchase Order , only Inventory Items can be used.	TRUE	FALSE		
13	When entering a Bill for a purchase that was created using a Purchase Order , QBO will remind you that the Open Purchase Order is in the system.	TRUE	FALSE		
14	Recording wire transfer payments can be done directly in the register for the bank account where the amount was paid from.	TRUE	FALSE		
15	You're having a good time and learning a lot in this course.	TRUE			

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://www.bsnsAtlas.com) team in our private Facebook group at:

www.facebook.com/groups/bsnsAtlasBookkeepingBasics

Project 1 Quiz Answers:

1. A, C
2. B
3. A
4. C

5. C
6. A, B
7. B
8. B

9. C
10. C
11. C
12. FALSE

13. TRUE
14. TRUE
15. LOL!