

Basic Accounting

#	Question	Answer A	Answer B	Answer C	Answer D
1	A Balance Sheet shows...	Assets, Liabilities, and Equity at specific point in time	Income and Expenses during a specific time period	Assets, Liabilities, and Equity only over a specific date range	Income and Expenses during at a specific time point in time
2	A Profit and Loss report shows...	Assets, Liabilities, and Equity at specific point in time	Income and Expenses during a specific time period	Assets, Liabilities, and Equity only over a specific date range	Income and Expenses during at a specific time point in time
3	Which financial statement provides information about the current financial health of a business	Balance Sheet	Profit and Loss Report	Journal Entry	Transaction Reports
4	Why would a company use account numbers in a Chart of Accounts ? (Select any that apply.)	To reduce possible confusion on which account should be used	To indicate if the account is an Asset, Liability, Income, Expense, etc.	To document who authorized new accounts to be used	To force QBO to list the accounts alphabetically
5	Your accountant has completed all the year-end accounting work and submitted your final financial statements to the bank and other external agencies as required. What can you do to help prevent the users from modifying transactions that have occurred in the past?	Change user access to limit the dates they can enter transactions.	Start a new QBO company for the new year.	Open Account and Settings and enter a closing date as of the end of completed year.	Archive all prior year transactions on a backup file and then delete them from the QBO company.
6	Which of the following is NOT true about a QBO Journal Entry ?	Debit amounts must equal credit amounts before you can save a Journal Entry.	By selecting Reverse after saving, QBO will create a duplicate journal entry with the same accounts but with debit and credit amounts reversed.	You can only use Balance Sheet account types on a Journal Entry .	Only the Master Administrator has access to create a Journal Entry
7	After setting a Closing Date of 6/30/20xx, you select the option to "Allow changes after viewing a warning". Which statement is correct?	No one can change a transaction that occurred before 7/1/20xx.	No one can change a transaction that occurs after 6/30/20xx.	Anyone can change a transaction that occurred before 6/30/20xx but will receive a warning before they can save it.	You must have the password entered when setting the closing date in order to change a transaction that occurred before 6/30/20xx.

#	Question	Answer A	Answer B	Answer C	Answer D
8	Which statement below describes accounting on an Accrual Basis ?	Recording revenue when it is earned, even if the payment is not collected from the customer yet.	Recording revenue only once the payment is collected from the customer.	Recording an expense when a check is written to pay a bill for services received in a prior month.	Recording payroll expense when paid to employees.
9	Which of the following types of accounts will require a Display Name to be entered when recording a Journal Entry ?	Bank account	Cost of Goods Sold account	Accounts Receivable account	Other Expense account
10	Which types of accounts are listed on a Balance Sheet ? (Select any that apply.)	Income	Other Income	Assets	Equity
11	When creating a Journal Entry , after the amount has been entered in the debit field, QBO will automatically enter the balance in the credit field.	TRUE	FALSE		
12	Ledger Reports may only be prepared based on fiscal years.	TRUE	FALSE		
13	There is a mandatory system for assigning numbers to Chart of Accounts , if you choose to use numbers	TRUE	FALSE		
14	Other Income and Other Expense accounts will appear on Profit and Loss reports without having to be specifically added.	TRUE	FALSE		
15	A Balance Sheet will illustrate that the Fundamental Accounting Equation is in balance.	TRUE	FALSE		

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:

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|---------|------|-----------|-----------|
| 1. A | 5. C | 9. C | 13. FALSE |
| 2. B | 6. C | 10. C, D | 14. TRUE |
| 3. A | 7. C | 11. TRUE | 15. TRUE |
| 4. A, B | 8. A | 12. FALSE | |