



QuickBooks Online End User Certification Exam - Practice Test

Before you begin:

- Simply memorizing these sample questions and answers will NOT prepare you for the test. The test questions will be different. To prepare for the test, you should understand the workflows and concepts covered by these questions.
- Questions are grouped by "Objective Domain" (area of QuickBooks) and the number of questions in each domain is proportional to the number of questions in each domain on the test.

Good Luck!

QuickBooks Online Administration

1. Which of the following are features of QuickBooks Online Plus? (Choose 3.)
 - a. QuickBooks Online Plus includes up to 5 users.
 - b. QuickBooks Online Plus includes custom fields for vendor records.
 - c. QuickBooks Online Plus includes inventory tracking.
 - d. QuickBooks Online Plus includes project tracking.
 - e. QuickBooks Online Plus allows you to customize user access with roles.
2. For each statement select YES or NO to indicate whether or not it is included in the number of billable users.

YES	NO	Reports only user
YES	NO	Standard user
YES	NO	Primary Admin (Previously known as Master admin)
YES	NO	Time Tracking Only User



3. How do you transfer the primary admin (Previously known as master admin) rights to a new user?
 - a. You must contact QuickBooks Online support to make the transfer.
 - b. Login as the current primary admin, add the new user as an administrator. From the action drop-down, choose make primary admin.
 - c. You cannot transfer primary admin rights
 - d. Any user can be designated as the primary admin in the gear, account and settings, user setup.

4. For each statement about which actions you can take from the dashboard select TRUE or FALSE.

TRUE	FALSE	Review banking transactions
TRUE	FALSE	View customer open invoices
TRUE	FALSE	Add a new customer
TRUE	FALSE	Review expense totals for the previous month

5. Which of the following best describes the capability of the class and location features?
 - a. Classes allow you to view the profitability of your transactions by city, and locations allow you to view the profitability of departments within your business.
 - b. Classes track the profitability of a specific customer, and locations show a summary of your business' profitability.
 - c. Classes track the profitability of departments within your business, and locations track the profitability of your transactions by city.
 - d. Classes help you manage profitability for your entire business, and locations limit profitability to one address.



6. For each statement regarding projects select TRUE or FALSE.

TRUE FALSE Projects track job costs and income to show the profitability of each job.

TRUE FALSE Projects can only be used if you process payroll with QuickBooks Online payroll.

TRUE FALSE Projects are only available with QuickBooks Online Advanced.

TRUE FALSE You can track the status of each project (in progress, completed, or canceled).

7. Which of the following are TRUE about terms? (Choose all that apply.)

- a. You can assign terms to customers and vendors from the terms drop-down list in the edit window.
- b. Once you assign the terms to your customer or vendor they cannot be changed.
- c. New terms can only be added in the terms list by selecting the gear icon and all lists.
- d. If you do not assign terms to your customer, QuickBooks will use the default terms in settings.
- e. QuickBooks Online will calculate early payment discounts included as part of the terms.
- f. You can add or change terms on the transaction window in the terms drop-down list.

8. Which list(s) can you import in QuickBooks Online Plus through the import data screen? (select all that apply)

- a. Products and services
- b. Terms List
- c. Customer List
- d. Chart of Accounts
- e. Payment Method List



9. For each type of recurring transaction (Scheduled, Reminder, Unscheduled) match it with the description below.

Scheduled QuickBooks Online does not record the transaction, but it appears on the recurring transaction list to use at any time.

Reminder QuickBooks automatically records the transactions.

Unscheduled QuickBooks displays the transaction on your dashboard, where you can select it to access a list from which you can post the transaction.

10. Determine whether you can record each transaction as recurring by marking TRUE or FALSE.

TRUE FALSE Bills

TRUE FALSE Checks

TRUE FALSE Bill Payments

TRUE FALSE Credit Memos

TRUE FALSE Time Entries

11. For each statement about merging accounts in QuickBooks Online select TRUE or FALSE.

TRUE FALSE After merging, all the transactions from both accounts are recorded in the newly merged account.

TRUE FALSE You can only merge accounts of the same type.

TRUE FALSE After merging, you can simply undo the merge to split the accounts again.

TRUE FALSE To merge accounts, copy the display name of the customer/vendor you want to keep, and replace the display name on the entry you no longer want to see.



12. Which three statements about Journal Entries are TRUE? (Choose 3.)
- a. You cannot change the date and journal no. that QuickBooks Online automatically fills in for you.
 - b. You must specify at least two accounts in a journal entry.
 - c. The total debits must equal the total credits on the journal entry.
 - d. Use a journal entry to record the transaction when there is no built-in transaction window.

13. Identify the information that must be unique for customer and vendor records by selecting YES or NO for each statement.

YES	NO	Address
YES	NO	First Name/Last Name
YES	NO	Display Name
YES	NO	Company Name

14. Select all of the following that are TRUE of the display name field.
- a. Display name is used to track balances for each entry.
 - b. Display name is the only way to sort entries.
 - c. You can have the same display name in the customer and vendor list.
 - d. Display name must be unique.

15. For each statement regarding QuickBooks Online apps choose TRUE or FALSE.

TRUE	FALSE	You can only access the QuickBooks Online apps from apps.intuit.com.
TRUE	FALSE	You can use QuickBooks Online apps to track and integrate industry specific information.
TRUE	FALSE	You can only connect one QuickBooks Online app to your account at a time.
TRUE	FALSE	QuickBooks Online apps help save time by automating data entry.



Sales and Money In

16. Which of the following is NOT a reason that you would use products and services in QuickBooks Online?
- To generate a Sales by Product/Service Summary report to see your top selling items.
 - Products and services save time by auto-filling descriptions and prices on forms.
 - Products and services allow you to choose the account to point the dollars to on the financial statements.
 - Products allow you to set a reorder point to automatically order from your supplier.

17. For each statement regarding products and services, select TRUE or FALSE.

- | | | |
|------|-------|---------------------------------------------------------------------------------------------------|
| TRUE | FALSE | You must use products and services. |
| TRUE | FALSE | For each product and service, you enter an income account that is used for recording a sale. |
| TRUE | FALSE | QuickBooks Online Plus allows you to set up a maximum of 250 products and services. |
| TRUE | FALSE | Products and services allow you to use standardized descriptions across all customer sales forms. |

18. Match the types of items (Service, Inventory, Non-Inventory and Bundle) to the descriptions below.

- | | |
|---------------|----------------------------------------------------------------------------------|
| Service | Item type that allows you to track the quantity you buy, sell, and have on hand. |
| Inventory | Use this item type to track items you often sell together. |
| Non-Inventory | Items you buy and sell, but you do not track the quantity on hand. |
| Bundle | Item type used to track the work you perform for your customers. |



19. Which of the following are true regarding inventory? (Choose 3.)
- a. The initial quantity on hand field is required when setting up an inventory item.
 - b. You can adjust the quantity on hand.
 - c. Use the Open Purchase Order Detail report to see the inventory items that have been ordered and are waiting to be received.
 - d. You can use inventory in any version of QuickBooks Online.

20. You own a craft supply store and use QuickBooks Online to track your finances. You are setting up products and services. For each item you buy or sell, indicate whether it is Inventory or Non-Inventory.

Inventory	Non-Inventory	Bags you use at the checkout counter for your customers' purchases.
Inventory	Non-Inventory	Craft supplies you stock regularly.
Inventory	Non-Inventory	A custom frame your customer orders, but that you don't usually sell.

21. When you enter a customer _____ it reduces the current open balance and is applied to the invoice with a _____ transaction.
- a. Invoice, Payment
 - b. Credit Memo, Deposit
 - c. Invoice, Deposit
 - d. Credit Memo, Payment
22. To see the unpaid balances for each customer, grouped by days past due, you should generate which of the following reports?
- a. Accounts Receivable Aging Summary
 - b. Customer Balances Due
 - c. Customer Balance Summary
 - d. Open Invoices



23. Which of the following best describes 2% 10 Net 30 terms for a customer?
- a. Customer must pay 2% of the bill within 10 days and the remaining balance within 30 days.
 - b. Customer must pay within 10 days or will have to pay an additional 2% if they don't pay until 30 days.
 - c. Customer may take a 2% discount if they pay within 10 days, or the total amount is due within 30 days.
 - d. Customer may take a 2% discount if they pay it between 10 and 30 days.
24. For each statement about discounts, select TRUE or FALSE.
- | | | |
|------|-------|-------------------------------------------------------------------------|
| TRUE | FALSE | Discounts reduce the amount of the invoice or sales receipt. |
| TRUE | FALSE | Discount % must be manually calculated on the invoice or sales receipt. |
| TRUE | FALSE | Discounts can be set as a value or percentage. |
25. You can modify the wording of the email QuickBooks sends with which of the following transactions? (Select all that apply).
- a. Deposit
 - b. Receive Payment
 - c. Sales Receipt
 - d. Invoice
26. Which of the following statements about customer addresses are correct? (Select all that apply)
- a. Both a billing and shipping address are required.
 - b. The customer billing address is the address used for the credit card they use to pay you.
 - c. The billing and shipping address must be the same address.
 - d. The shipping address is where you ship the products they purchase.



27. For each of the following statements choose whether it applies to INVOICES, SALES RECEIPTS or BOTH.

Invoice	Sales Receipt	Both	A name is not required.
Invoice	Sales Receipt	Both	Use for when the customer pays later.
Invoice	Sales Receipt	Both	You can save, send, and attach the transaction to an email directly from QuickBooks Online.
Invoice	Sales Receipt	Both	Increases the Accounts Receivable balance.
Invoice	Sales Receipt	Both	Use when the customer pays at the time of sale.

28. Which of the following are TRUE of QuickBooks Payments?

- When a customer pays their invoice with a credit card or bank transfer with QuickBooks Payments, QuickBooks Online automatically records the payment transaction for you.
- When using QuickBooks Payments, you or your customer can enter the payment details.
- QuickBooks Online records the fees for the month in one transaction automatically, so you don't have to enter it manually.
- QuickBooks Payments accepts debit cards, credit cards, PayPal, cash and bank transfers.



29. For each statement related to customers and sales tax, select TRUE or FALSE.

- | | | |
|------|-------|----------------------------------------------------------------------------------------------------------|
| TRUE | FALSE | You can not override the amount of sales tax that QuickBooks Online calculates on a sales transaction. |
| TRUE | FALSE | You can mark a product or service as taxable or nontaxable on the sales transaction. |
| TRUE | FALSE | If you sell a taxable item to a nontaxable customer, QuickBooks Online will not calculate any sales tax. |
| TRUE | FALSE | The default tax status for all new customers is taxable. |

Vendors and Money Out

30. Which two statements are TRUE regarding billable expenses and items?
- a. Turn on billable costs in the expenses area in settings.
 - b. Use the billable check mark to identify expenses that you want to invoice your customer for.
 - c. Once you check the billable selection it can not be changed.
 - d. Billable costs are available in all QuickBooks Online versions.
31. You are using projects to track your expenses. You invoice your customer for the expenses related to the project. Which reports do you use to see the unbilled costs? (Choose 2.)
- a. Billable Costs Detail from the reports window.
 - b. Unbilled and Reimbursable Costs by Job from the reports window.
 - c. Unbilled Time and Expenses from the project tab.
 - d. Unbilled Time and the Unbilled Charges from the reports window.



32. For each statement related to 1099 workers, select TRUE or FALSE.

- | | | |
|------|-------|---------------------------------------------------------------------------------------|
| TRUE | FALSE | 1099 workers are independent contractors. |
| TRUE | FALSE | You must withhold income taxes for 1099 workers. |
| TRUE | FALSE | Companies usually provide health insurance and sick and vacation pay to 1099 workers. |
| TRUE | FALSE | 1099 workers determine how, when, and where they work to complete tasks. |
| TRUE | FALSE | 1099 workers are either full-time or part-time employees. |

33. You mailed a check to pay your monthly rent. The check was lost in the mail and was never cashed. What should you do with the check in QuickBooks?

- a. Change the amount of the check to zero.
- b. Delete the check.
- c. Make a journal entry to reverse the check.
- d. Void the check.

34. For each sentence, complete by choosing the correct option, VOID or DELETE.

- a. If you _____ a transaction it erases it completely from your books, the only place you will see it is on the Audit Log.
 - i. Void
 - ii. Delete
- b. If you _____ a transaction it zeros out the dollar amount, but the transaction remains so you can see it in your records.
 - i. Void
 - ii. Delete



35. For each statement about voiding or deleting a transaction, select TRUE or FALSE.

- | | | |
|------|-------|--------------------------------------------------------------------------------------------------------------------|
| TRUE | FALSE | Deleting a check notifies the bank to place a stop payment on the check. |
| TRUE | FALSE | Voiding a bill payment check does not void the associated bill. |
| TRUE | FALSE | Deleting a bill payment also deletes the associated bill. |
| TRUE | FALSE | Deleting a transaction removes it entirely from your books, including the Audit Log. |
| TRUE | FALSE | Voiding a transaction allows you to still see it in the customer or vendor record, but reduces the amount to zero. |

36. What best describes the process to use when a vendor issues you a credit memo for damaged products that you return.

- a. Enter a vendor credit using the original category/item in QuickBooks, and apply the vendor credit to the bill in the pay bills window.
- b. Hold on to the paper credit memo, and when you get the next bill, reduce the amount you record in QuickBooks by the amount of the vendor credit.
- c. Enter a bill with a negative amount using the original category/item in QuickBooks, and apply to the original Bill in the Pay Bills window.
- d. Enter a vendor credit using the vendor credits and refunds account, and apply the vendor credit in the pay bills window.

37. You are recording a credit card expense in QuickBooks. How does the expense transaction affect the accounts?

- a. It credits the credit card expense and credits the business expense account.
- b. It debits the expense account and credits the bank.
- c. It credits Accounts Payable and credits the expense account.
- d. It debits the expense accounts and credits the credit card payable account.



38. Complete the sentences by filling the blank with DEBIT or CREDIT.
- A bill _____ the expense account and _____ accounts payable.
 - An expense _____ the expense account and _____ the bank or credit card account.
 - A check _____ the bank account and _____ the expense account.

Bank Accounts, Transactions, and Receipts

39. Which types of accounts should you connect to QuickBooks Online? (Choose all that apply.)
- Business checking and money market
 - Personal credit card and business savings
 - PayPal and business credit card
 - Brokerage account and business checking
40. For each statement below select YES or NO to indicate whether or not it is a reason to connect your bank or credit card accounts to QuickBooks Online.
- | | | |
|-----|----|---------------------------------------------------------------------------------------------------------------------------|
| YES | NO | To reduce data entry errors. |
| YES | NO | Because the financial institution sends date and amount information for the transaction, you save time with manual entry. |
| YES | NO | To reduce the risk of fraudulent transactions with your bank and credit card accounts. |
| YES | NO | Because matched or added transactions show as pre-reconciled, you save time reconciling. |
41. A _____ helps save time by recognizing information about the transaction from a list of criteria so that QuickBooks can automatically categorize transactions for you. (Fill in the blank.)
- Bank note
 - Auto-categorize rule
 - Bank rule
 - Recurring bank transaction



42. You are downloading the transactions for both your checking account and credit card account. You made a payment on your credit card of \$750 from your checking account. You are reviewing the transactions in the banking area. What actions should you perform?
- View and match the transaction when reviewing both the checking and credit card account.
 - Match the transaction when you are reviewing the credit card account and exclude the transaction when reviewing the checking account.
 - Add the transaction when reviewing the credit card account and then categorize the payment when reviewing the checking account.
 - Add the transaction when reviewing the checking account and then match the transaction when you are reviewing the credit card account.
43. You are reviewing downloaded bank and credit card transactions. Choose TRUE or FALSE for each statement about the actions you can take.
- | | | |
|------|-------|--------------------------------------------------------------------------|
| TRUE | FALSE | "Add" records the transaction in your register. |
| TRUE | FALSE | "Match" records the transaction in your register. |
| TRUE | FALSE | "Split" allows you to choose more than one category for the transaction. |
| TRUE | FALSE | "View" shows you the transactions that are possible matches. |
44. For each statement about the tasks you can perform when reviewing transactions in the bank fees area, select TRUE or FALSE.
- | | | |
|------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRUE | FALSE | You paid a bill with your credit card, and the bill is unpaid in QuickBooks. On the downloaded transaction, you can select the unpaid bill, and QuickBooks will create the bill payment transaction. |
| TRUE | FALSE | You see two money-out transactions in the review area, one for \$15, and the other for \$25. You manually recorded one bill payment for \$40. You can match the two transactions in the banking center to the single transaction you recorded in QuickBooks. |



- | | | |
|------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRUE | FALSE | If you have open invoices in QuickBooks, and you are reviewing the money coming into the bank account, you can select the invoice and QuickBooks will record the payment. |
| TRUE | FALSE | You can send a message to your bank to enter a stop payment for a check. |
| TRUE | FALSE | You can match transactions in the banking area to a transaction that you reconciled in QuickBooks. |
| TRUE | FALSE | You can exclude transactions that you want to clear from the banking review area, but you do not want to record in QuickBooks. |

45. For the statements below about uploading receipts to QuickBooks in the receipts window, select TRUE or FALSE.

- | | | |
|------|-------|----------------------------------------------------------------------------|
| TRUE | FALSE | You can upload images of receipts from Google Drive. |
| TRUE | FALSE | You can scan receipts directly from your scanner into the receipts window. |
| TRUE | FALSE | You can upload images by texting images from your phone. |
| TRUE | FALSE | You can email an image directly to QuickBooks Online. |

46. You just uploaded a receipt to the receipts area. Which of the following actions can you NOT take from the receipts area?
- Create an expense from the receipt.
 - Match the receipt to an expense still in the review area of the banking center.
 - Match the receipt to an expense you categorized from the banking area.
 - Review the receipt to make corrections or add information.



47. You are downloading transactions from your company credit card. You categorized the transactions in the banking area, and have uploaded the image of the receipt to QuickBooks Online. What is the last step you need to do?
- a. Change the category in the transaction to receipt and QuickBooks Online will match it to the receipt automatically.
 - b. Create a new expense and use the attach option to link the receipt.
 - c. Enter a bill for the receipts.
 - d. Match the receipt to the transaction entered through the credit card download.
48. You need to upload receipts from your business purchases. Indicate whether each option is an available option by selecting TRUE or FALSE.
- | | | |
|------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRUE | FALSE | Enter the expense from the QuickBooks Online mobile app, and in the expense window, use the camera button to take a picture of the receipt. |
| TRUE | FALSE | Use your computer's webcam to take pictures of each receipt. |
| TRUE | FALSE | Email a PDF of each receipt to QuickBooks Online. |
| TRUE | FALSE | With your camera app, take a picture of the receipt on your smartphone and QuickBooks Online will automatically upload the receipts from your photo gallery. |



Basic Reports and Views

49. For each statement identify which statement it describes. (Profit and Loss, Balance Sheet, Statement of Cash Flows)

Profit & Loss	Balance Sheet	Statement of Cash Flows	Shows the money moving in and out of your business.
Profit & Loss	Balance Sheet	Statement of Cash Flows	Has three sections: assets, liabilities, and equity.
Profit & Loss	Balance Sheet	Statement of Cash Flows	Shows performance over a period of time.
Profit & Loss	Balance Sheet	Statement of Cash Flows	Has three sections: income, cost of goods sold, and expenses.
Profit & Loss	Balance Sheet	Statement of Cash Flows	Has three sections: operations, investments, and financing
Profit & Loss	Balance Sheet	Statement of Cash Flows	Shows financial position as a specific point in time.

50. How would you modify the report in order to show a separate column for each month?

- Change the report period to "Each Month This Year."
- Select "by month" from the compare another period menu.
- Change the display columns by field to "Months"
- Select customize, and change the columns option to "monthly."



51. To share a report, which methods can you use?
(Choose all that apply).
- a. Save as a PDF
 - b. Export to Excel
 - c. Export to Google Sheets
 - d. Email
52. If you want to review the income and expenses for a period of time, which report would you use in QuickBooks Online?
- a. Transaction List by Date report
 - b. Statement of Cash Flows
 - c. Balance Sheet
 - d. Profit and Loss
53. Which feature can you use to see segments of your business as columns on the Profit and Loss report?
- a. Segments
 - b. Classes
 - c. Accounts
 - d. Products and Services
54. You have a truck listed on your Balance Sheet as a fixed asset. Your accountant gave you a journal entry to record depreciation. Which account should you debit?
- a. Checking
 - b. Fixed Asset
 - c. Accumulated depreciation
 - d. Depreciation Expense
55. Match each report with the statement that best describes it. (Sales by Product/Service, Sales by Customer, Expense by Vendor)

Sales by
Product/Service

Allows you to see which of your products sells best.

Sales by
Customer

Shows each vendor and the total amount you spend with each.

Expenses by
Vendor

Displays who buys the most from you



56. You need a report that shows every money out transaction, but grouped so each vendor's transactions are listed together. Which report should you run?
- a. Transaction List by Vendor
 - b. Vendor Balance Detail
 - c. Expenses List
 - d. Expenses by Vendor
57. You need to find out which user entered a transaction and the date that it was entered into QuickBooks. Which feature allows you to see this information?
- a. Transactions Log
 - b. User Log
 - c. Audit Log
 - d. Transaction Information Log
58. Which three areas of a report can you modify?
- a. Watermark
 - b. Date range
 - c. Accounting method
 - d. Fonts
 - e. Number format



QUESTIONS WITH ANSWERS

QuickBooks Online Administration

1. Which of the following are features of QuickBooks Online Plus? (Choose 3.)
 - a. QuickBooks Online Plus includes up to 5 users.
 - b. QuickBooks Online Plus includes custom fields for vendor records.
 - c. QuickBooks Online Plus includes inventory tracking.
 - d. QuickBooks Online Plus includes project tracking.
 - e. QuickBooks Online Plus allows you to customize user access with roles.

Correct answers are A, C, and D. QuickBooks Online Plus allows you to have 5 users set up in your company file, and you can turn on both Inventory and Project tracking in the Account and Settings. While you can have custom fields in QuickBooks Online Plus, it is limited to transactions only. For custom fields for vendors, as well as customized user access with roles, you would need a QuickBooks Online Advanced subscription.

2. For each statement select YES or NO to indicate whether or not it is included in the number of billable users.

YES	NO	Reports only user
YES	NO	Standard user
YES	NO	Primary Admin (Previously known as master admin)
YES	NO	Time Tracking Only User

Correct answers are NO, YES, YES, and NO. Reports only and Time tracking only users are NOT included in the number of billable users; however, Standard and Admin users do count against your user limit.



3. How do you transfer the primary admin (Previously known as master admin) rights to a new user?
- a. You must contact QuickBooks Online support to make the transfer.
 - b. Login as the current primary admin, add the new user as an administrator. From the action drop-down, choose make primary admin.
 - c. You cannot transfer primary admin rights
 - d. Any user can be designated as the primary admin in the gear, account and settings, user setup.

Correct Answer is B. If you have a primary (previously master) admin that is handing off the primary admin role to another user, they must first set up that new user as an admin type user. The primary admin can then go into the action dropdown to make the new user the new primary admin.

4. For each statement about which actions you can take from the dashboard select TRUE or FALSE.

TRUE FALSE Review banking transactions

TRUE FALSE View customer open invoices

TRUE FALSE Add a new customer

TRUE FALSE Review expense totals for the previous month

Correct answers are TRUE, FALSE, TRUE, and TRUE. The QBO dashboard tabs allow you to perform many activities. On the Get Things Done tab you can add new customers and review bank accounts. It also includes shortcuts to add a variety of transactions like estimates, invoices, payments, and bills. On the Business Overview you can review profit and loss totals, expense amounts, and income and sales totals.



5. Which of the following best describes the capability of the class and location features?
- Classes allow you to view the profitability of your transactions by city, and locations allow you to view the profitability of departments within your business.
 - Classes track the profitability of a specific customer, and locations show a summary of your business' profitability.
 - Classes track the profitability of departments within your business, and locations track the profitability of your transactions by city.
 - Classes help you manage profitability for your entire business, and locations limit profitability to one address.

Correct answer is C. In the QuickBooks Online Plus and Advanced plans, you can use classes and locations to track information about your business. Classes can be any type of segment of your business, such as lines of business, departments, or whatever makes sense for your business. Classes allow you to run profit and loss reports to see the income and expense transactions separated out by the departments you set up on the Class List. Locations allow you to generate a profit and loss report to see the income and expenses related to a city, state, or division that you set up on the Locations List.

6. For each statement regarding projects select TRUE or FALSE.

- | | | |
|------|-------|----------------------------------------------------------------------------------|
| TRUE | FALSE | Projects track job costs and income to show the profitability of each job. |
| TRUE | FALSE | Projects can only be used if you process payroll with QuickBooks Online payroll. |
| TRUE | FALSE | Projects are only available with QuickBooks Online Advanced. |
| TRUE | FALSE | You can track the status of each project (in progress, completed, or canceled) |

Correct answers are TRUE, FALSE, FALSE, and TRUE. Projects are available with QuickBooks Online Plus and Advanced. You can track how far you are into a specific project by choosing the status. If you are using QBO Payroll you can use time tracking and allocate the employees wages and costs to the project. But if you do not use QBO Payroll, you can still assign hourly rates to account for the costs associated



with labor. When tracking projects you can run reports showing income and expenses to see the profitability of each job.

7. Which of the following are TRUE about terms? (Choose all that apply.)
- a. You can assign terms to customers and vendors from the terms drop-down list in the edit window.
 - b. Once you assign the terms to your customer or vendor they cannot be changed.
 - c. New terms can only be added in the terms list by selecting the gear icon and all lists.
 - d. If you do not assign terms to your customer, QuickBooks will use the default terms in settings.
 - e. QuickBooks Online will calculate early payment discounts included as part of the terms.
 - f. You can add or change terms on the transaction window in the terms drop-down list.

Correct answers are A, D, and F. The terms list in QBO is a shared list for both customer and vendor transactions. You can add terms directly to the list (select gear>all lists>terms list), or you can add new terms at the top of the dropdown in the terms field. If you don't assign specific terms to a customer, you can see the default terms for your company in the Account & Settings screen. You can always update the terms for a customer or vendor at any time, and even on specific transactions.

8. Which list(s) can you import in QuickBooks Online Plus through the import data screen? (select all that apply)
- a. Products and services
 - b. Terms List
 - c. Customer List
 - d. Chart of Accounts
 - e. Payment Method List

Correct answers are A, C, and D. You can import list information from Excel or Google Sheets to save time. When you select the gear icon, and import data you can import customers, vendors, accounts, and products and services. You can download a sample file to see how to best set up your spreadsheet to import the correct information.



9. For each type of recurring transaction (Scheduled, Reminder, Unscheduled) match it with the description below.

Scheduled	QuickBooks Online does not record the transaction, but it appears on the recurring transaction list to use at any time.
Reminder	QuickBooks automatically records the transactions.
Unscheduled	QuickBooks displays the transaction on your dashboard, where you can select it to access a list from which you can post the transaction.

Correct answers are Unscheduled, Scheduled, and Reminder. When you schedule a transaction as recurring, QuickBooks automatically enters the transaction for you as often as the time interval you specify. When you set it as a reminder, it will show up on your dashboard, where you can select it to take you to the reminder list to edit/enter the transaction. Unscheduled recurring transactions appear on the recurring transaction list and can be used as a template at any time.

10. Determine whether you can record each transaction as recurring by marking TRUE or FALSE.

TRUE	FALSE	Bills
TRUE	FALSE	Checks
TRUE	FALSE	Bill Payments
TRUE	FALSE	Credit Memos
TRUE	FALSE	Time Entries

Correct answers are TRUE, TRUE, FALSE, TRUE, and FALSE. Many transaction types can be set to recur in QuickBooks Online, such as bills, checks, expenses, and credit memos. However, you can not make any transactions that require certain decision-making variables recurring. These include bill payments, time entries, and customer payments. You can see the list of available transactions by selecting the gear icon > recurring transactions>new. The options available will be listed there.



11. For each statement about merging accounts in QuickBooks Online select TRUE or FALSE.

- | | | |
|------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRUE | FALSE | After merging, all the transactions from both accounts are recorded in the newly merged account. |
| TRUE | FALSE | You can only merge accounts of the same type. |
| TRUE | FALSE | After merging, you can simply undo the merge to split the accounts again. |
| TRUE | FALSE | To merge accounts, copy the display name of the customer/vendor you want to keep, and replace the display name on the entry you no longer want to see. |

Correct answers are TRUE, TRUE, FALSE, and TRUE. If you have duplicate entries on your lists, you can clean up the list by merging entries together. To successfully merge two list entries, the entries must be the same type. For example, customers can only merge with other customers. First, you can copy the name you want the merged entry to have, then edit the account that you want to merge. Copy the name over the existing entry name. And save. Once you merge the entries together, you can not undo the merge, and all the transactions associated with the two entries will be listed in the merged account.

12. Which three statements about journal entries are TRUE? (Choose 3.)

- You cannot change the date and journal no. that QuickBooks Online automatically fills in for you.
- You must specify at least two accounts in a journal entry.
- The total debits must equal the total credits on the journal entry.
- Use a journal entry to record the transaction when there is no built-in transaction window.

Correct answers are B, C, and D. Journal entries are used to record transactions if there is not a built-in form to record them. QuickBooks automatically enters the date and journal entry number, but you can change them to meet your needs. Then, you must enter at least two accounts, and at least one debit and one credit. In order to save the journal entry, the debits and credits must be equal.



13. Identify the information that must be unique for customer and vendor records by selecting YES or NO for each statement.

YES	NO	Address
YES	NO	First Name/Last Name
YES	NO	Display Name
YES	NO	Company Name

Correct answers are NO, NO, YES, and NO. When setting up entries on the customer and vendor lists, the only piece of information that must be unique is the display name.

14. Select all of the following that are TRUE of the display name field.
- a. Display name is used to track balances for each entry.
 - b. Display name is the only way to sort entries.
 - c. You can have the same display name in the customer and vendor list.
 - d. Display name must be unique.

Correct answers are A and D. The display name on both the customer and vendor lists are used to track balances for each entry, and are used as the default sorting. You can still choose to sort the lists by other information, such as the open balance. Each display name must be unique, including between the two lists.

15. For each statement regarding QuickBooks Online apps choose TRUE or FALSE.

TRUE	FALSE	You can only access the QuickBooks Online apps from apps.intuit.com.
TRUE	FALSE	You can use QuickBooks Online apps to track and integrate industry specific information.
TRUE	FALSE	You can only connect one QuickBooks Online app to your account at a time.
TRUE	FALSE	QuickBooks Online apps help save time by automating data entry.

Correct answers are FALSE, TRUE, FALSE, and TRUE. QuickBooks allows you to link 3rd party apps in order to save time by automating data entry or tracking industry



specific information. You can search for apps in the apps area of the navigation bar or at apps.intuit.com. There are 100's of apps that you can use and integrate with your account.

Sales and Money In

16. Which of the following is not a reason that you would use products and services in QuickBooks Online?
- To generate a Sales by Product/Service Summary report to see your top selling items.
 - Products and services save time by auto-filling descriptions and prices on forms.
 - Products and services allow you to choose the account to point the dollars to on the financial statements.
 - Products allow you to set a reorder point to automatically order from your supplier.

Correct answer is D. When setting up products and services in QuickBooks Online you choose the pointer account to direct the dollars from forms to the specific accounts on the chart of accounts. It saves time by filling in the descriptions and prices on the forms and allows you to generate reports such as the Sales by Product and Service. QuickBooks Online does not have the capability to set automatic reorder points for your products/services.

17. For each statement regarding products and services, select TRUE or FALSE.

- | | | |
|------|-------|---------------------------------------------------------------------------------------------------|
| TRUE | FALSE | You must use products and services. |
| TRUE | FALSE | For each product and service, you enter an income account that is used for recording a sale. |
| TRUE | FALSE | QuickBooks Online Plus allows you to set up a maximum of 250 products and services. |
| TRUE | FALSE | Products and services allow you to use standardized descriptions across all customer sales forms. |

Correct answers are FALSE, TRUE, FALSE, and TRUE. Products and services are not required; however, using products and services allow you to set up standardized



descriptions and rates to save time when entering transactions.

When used, the product and services direct dollars from the income forms (like sales receipts and invoices) to the income accounts you select when you set up the product or service. There is no limit on the number of products and services you can set up; however, it is recommended that you keep it under 10,000 active entries.

18. Match the types of items (Service, Inventory, Non-Inventory and Bundle) to the descriptions below.

Service	Item type that allows you to track the quantity you buy, sell, and have on hand.
Inventory	Use this item type to track items you often sell together.
Non-Inventory	Items you buy and sell, but you do not track the quantity on hand.
Bundle	Item type used to track the work you perform for your customers.

Correct answers are Inventory, Bundle, Non-Inventory, and Service.

19. Which of the following are TRUE regarding inventory? (Choose 3.)

- a. The initial quantity on hand field is required when setting up an inventory item.
- b. You can adjust the quantity on hand.
- c. Use the Open Purchase Order Detail report to see the inventory items that have been ordered and are waiting to be received.
- d. You can use inventory in any version of QuickBooks Online.

Correct answers are A, B, and C. Inventory is anything that you buy, sell, and track the quantity on hand for. Inventory is available with QuickBooks Online Plus and Advanced. When you set up an inventory item, you must specify the quantity on hand as the starting point (even if it is zero). As you record purchases that use the item, the quantity on hand increases. As you record sales, the quantity on hand decreases. When you take a physical count of inventory and determine that it doesn't match the number QuickBooks Online shows you have on hand, you enter an inventory adjustment to change the quantity. Because QuickBooks Online uses the FIFO inventory valuation method, you can only adjust the quantity, not the value.



20. You own a craft supply store and use QuickBooks Online to track your finances. You are setting up products and services. For each item you buy or sell, indicate whether it is Inventory or Non-Inventory.

Inventory	Non-Inventory	Bags you use at the checkout counter for your customers' purchases.
Inventory	Non-Inventory	Craft supplies you stock regularly.
Inventory	Non-Inventory	A custom frame your customer orders, but that you don't usually sell.

Correct answers are Non-Inventory, Inventory, and Non-Inventory. Inventory is used to track the quantity on hand for things that you buy and sell regularly. If you have something that you purchase as a special item for a customer, but you don't normally stock it, treat it as a non-inventory item in QuickBooks Online. If it is something that you buy and use, but you don't sell it to your customers, like the bags at the checkout counter, treat it as a non-inventory item.

21. When you enter a customer _____ it reduces the current open balance and is applied to the invoice with a _____ transaction.
- Invoice, Payment
 - Credit Memo, Deposit
 - Invoice, Deposit
 - Credit Memo, Payment

Correct answer is D. Entering a credit memo reduces the Accounts Receivable balance for the customer. If you have the automatically apply credits option selected in account and settings, QuickBooks Online creates a payment transaction to apply it to the invoice. If you do not have the setting turned on, you manually enter the payment transaction to apply the credit memo to the invoice.



22. To see the unpaid balances for each customer, grouped by days past due, you should generate which of the following reports?
- a. Accounts Receivable Aging Summary
 - b. Customer Balances Due
 - c. Customer Balance Summary
 - d. Open Invoices

Correct answer is A. Entering invoices increases the accounts receivable balance. The Accounts Receivable Aging Summary breaks down each customer's accounts receivable balance by how many days over due each amount is (current, 1-30, 31-60...)

23. Which of the following best describes 2% 10 Net 30 terms for a customer?
- a. Customer must pay 2% of the bill within 10 days and the remaining balance within 30 days.
 - b. Customer must pay within 10 days or will have to pay an additional 2% if they don't pay until 30 days.
 - c. Customer may take a 2% discount if they pay within 10 days, or the total amount is due within 30 days.
 - d. Customer may take a 2% discount if they pay it between 10 and 30 days.

Correct answer is C. The terms list identifies the length of time you allow your customers to pay. The terms 2% 10 Net 30 is an early payment discount. Using those terms indicates to your customer that they can take a 2% discount if they pay within 10 days, otherwise the whole amount is due in 30 days.

24. For each statement about discounts, select TRUE or FALSE.

- | | | |
|------|-------|-------------------------------------------------------------------------|
| TRUE | FALSE | Discounts reduce the amount of the invoice or sales receipt. |
| TRUE | FALSE | Discount % must be manually calculated on the invoice or sales receipt. |
| TRUE | FALSE | Discounts can be set as a value or percentage. |

Correct answers are TRUE, FALSE, and TRUE. You can add a discount field to your sales form when customizing the form styles. A discount can be entered as a dollar amount or a percentage which will be automatically calculated based on the



invoice/sales receipt amount. The discount you enter reduces the total amount of the invoice/sales receipt.

25. You can modify the wording of the email QuickBooks sends with which of the following transactions? (Select all that apply).
- a. Deposit
 - b. Receive Payment
 - c. Sales Receipt
 - d. Invoice

Correct answers are C and D. QuickBooks Online allows you to customize emails when you send information by email from QuickBooks. In the sales and messages area of account and settings, you can customize the email for invoices, estimates, sales receipts, credit memos, statements and refund receipts.

26. Which of the following statements about customer addresses are correct? (Select all that apply)
- a. Both a billing and shipping address are required.
 - b. The customer billing address is the address used for the credit card they use to pay you.
 - c. The billing and shipping address must be the same address.
 - d. The shipping address is where you ship the products they purchase.

Correct answers are B and D. Customers may have two different addresses, the billing and shipping addresses. By default, the shipping address is the same as billing, but you can change to a different address if needed. The billing address is for any invoicing or payment related activities, and the shipping address would be the location where you ship goods or provide services.



27. For each of the following statements choose whether it applies to INVOICES, SALES RECEIPTS, or BOTH.

Invoice	Sales Receipt	Both	A name is not required.
Invoice	Sales Receipt	Both	Use for when the customer pays later.
Invoice	Sales Receipt	Both	You can save, send, and attach the transaction to an email directly from QuickBooks Online.
Invoice	Sales Receipt	Both	Increases the Accounts Receivable balance.
Invoice	Sales Receipt	Both	Use when the customer pays at the time of sale.

Correct answers are Sales Receipt, Invoice, Both, Invoice, and Sales Receipt. Sales receipts and invoices are used to record income for your business. The invoice is used when the customer pays later, and the sales receipt is used to show the customer paid at the time of the sale. A name is required on the invoice in order to track the accounts receivable balance; however, a sales receipt does not require a name. You can supply both invoices and sales receipts to your customers by saving and emailing as a PDF directly from QuickBooks Online.

28. Which of the following are TRUE of QuickBooks Payments?

- When a customer pays their invoice with a credit card or bank transfer with QuickBooks Payments, QuickBooks Online automatically records the payment transaction for you.
- When using QuickBooks Payments, you or your customer can enter the payment details.
- QuickBooks Online records the fees for the month in one transaction automatically, so you don't have to enter it manually.
- QuickBooks Payments accepts debit cards, credit cards, PayPal, cash and bank transfers.

Correct answers are A and B. You can accept payments from debit cards, credit cards, and bank transfers through QuickBooks Payments. When your customer clicks the link to pay their invoice, QuickBooks automatically records the payment



transaction. Whether your customer enters the payment information, or you do, QuickBooks records the deposit transactions. The deposit transaction for the payment will include the fees for just that payment, they are not accounted for in a batch monthly.

29. For each statement related to customers and sales tax, select TRUE or FALSE.

- | | | |
|------|-------|----------------------------------------------------------------------------------------------------------|
| TRUE | FALSE | You can not override the amount of sales tax that QuickBooks Online calculates on a sales transaction. |
| TRUE | FALSE | You can mark a product or service as taxable or nontaxable on the sales transaction. |
| TRUE | FALSE | If you sell a taxable item to a nontaxable customer, QuickBooks Online will not calculate any sales tax. |
| TRUE | FALSE | The default tax status for all new customers is taxable. |

Correct answers are FALSE, TRUE, TRUE, and TRUE. QuickBooks Online can calculate sales tax on sales transactions like invoices, and sales receipts. New customers are automatically identified as taxable, but this can be changed in the customer record. Any nontaxable customers will not be charged sales tax, regardless of the taxable status of the item. When you enter the sale, you can change the tax status by checking or unchecking the box in the tax column.

Vendors and Money Out

30. Which two statements are TRUE regarding billable expenses and items?
- Turn on billable costs in the expenses area in settings.
 - Use the billable check mark to identify expenses that you want to invoice your customer for.
 - Once you check the billable selection it can not be changed.
 - Billable costs are available in all QuickBooks Online versions.

Correct answers are A and B. Billable costs are available for QuickBooks Online Plus and Advanced plan users. Once you turn on the billable costs in the expenses area of the account and settings window, you can check the billable box on purchase forms



to identify it as an expense that you want to invoice your customer for. If you change your mind, you can always reopen the form and uncheck the billable box for the line or item.

31. You are using projects to track your expenses. You invoice your customer for the expenses related to the project. Which reports do you use to see the unbilled costs? (Choose 2.)
- a. Billable Costs Detail from the Reports window.
 - b. Unbilled and Reimbursable Costs by Job from the Reports window.
 - c. Unbilled Time and Expenses from the Project tab.
 - d. Unbilled Time and the Unbilled Charges from the Reports window.

Correct answers are C and D. You can review the unbilled time and costs information in both Reports and Projects. Reports has two reports that show the amounts still waiting to be invoiced: the Unbilled Time and the Unbilled Charges reports. In the Projects section of the navigation bar you can find the Unbilled Time and Expenses report on the Project Reports tab for each project.

32. For each statement related to 1099 workers, select TRUE or FALSE.

- | | | |
|------|-------|---------------------------------------------------------------------------------------|
| TRUE | FALSE | 1099 workers are independent contractors. |
| TRUE | FALSE | You must withhold income taxes for 1099 workers. |
| TRUE | FALSE | Companies usually provide health insurance and sick and vacation pay to 1099 workers. |
| TRUE | FALSE | 1099 workers determine how, when, and where they work to complete tasks. |
| TRUE | FALSE | 1099 workers are either full-time or part-time employees. |

Correct answers are TRUE, FALSE, FALSE, TRUE, and FALSE. You provide a 1099 to independent contractors (also known as subcontractors or just contractors) at the end of the year. These are people who receive non-employee pay for providing services to your business. When paying 1099 contractors, you do not withhold employee payroll taxes, and they do not receive typical employee benefits like



vacation pay or insurance. The 1099 contractor determines how, when and where the work will be completed.

33. You mailed a check to pay your monthly rent. The check was lost in the mail and was never cashed. What should you do with the check in QuickBooks?
- a. Change the amount of the check to zero.
 - b. Delete the check.
 - c. Make a Journal Entry to reverse the check.
 - d. Void the check.

Correct answer is D. If you have a check to a vendor that will never be cashed, you should void the check in QuickBooks to show that it will never clear the bank and then reissue a new check for the vendor if needed. QuickBooks will change the amount to zero, give the check a Voided status, and add "Void" to the memo line as well. While you can technically change the amount of the check to zero yourself, that's not the best option, and doesn't utilize the more appropriate Void feature in QuickBooks.

34. For each sentence, complete by choosing the correct option, VOID or DELETE.
- a. If you _____ a transaction it erases it completely from your books, the only place you will see it is on the Audit Log.
 - i. Void
 - ii. Delete
 - b. If you _____ a transaction it zeros out the dollar amount, but the transaction remains so you can see it in your records.
 - i. Void
 - ii. Delete

Correct answers are A:DELETE and B:VOID. When a check is assigned a check number but will never be cashed, you should void the transaction. This allows you to see the check in the register and vendor information, but it shows with a zero dollar amount. If you have a duplicate transaction or an invalid transaction where no number has been assigned, that would be an appropriate time to delete the transaction. A deleted transaction will no longer show in your register or vendor information; however, you can see deleted transactions in the Audit Log under the gear.



35. For each statement about voiding or deleting a transaction, select TRUE or FALSE.

- | | | |
|------|-------|--------------------------------------------------------------------------------------------------------------------|
| TRUE | FALSE | Deleting a check notifies the bank to place a stop payment on the check. |
| TRUE | FALSE | Voiding a bill payment check does not void the associated bill. |
| TRUE | FALSE | Deleting a bill payment also deletes the associated bill. |
| TRUE | FALSE | Deleting a transaction removes it entirely from your books, including the Audit Log. |
| TRUE | FALSE | Voiding a transaction allows you to still see it in the customer or vendor record, but reduces the amount to zero. |

Correct answers are FALSE, TRUE, FALSE, FALSE, and TRUE. If you void a bill payment, QuickBooks does not void the associated bill. You still see the amount in Accounts Payable increase and the open bill in the vendor's account balance. If you need to reissue the check, you can open the Pay Bills window to issue a new payment. If it is not needed, enter a credit memo to offset the Accounts Payable balance.

36. What best describes the process to use when a vendor issues you a credit memo for damaged products that you return.

- Enter a vendor credit using the original category/item in QuickBooks, and apply the vendor credit to the bill in the pay bills window.
- Hold on to the paper credit memo, and when you get the next bill, reduce the amount you record in QuickBooks by the amount of the vendor credit.
- Enter a bill with a negative amount using the original category/item in QuickBooks, and apply to the original bill in the pay bills window.
- Enter a vendor credit using the Vendor Credits and Refunds account, and apply the vendor credit in the pay bills window.

Correct answer is A. Vendor credits reduce the balance that you owe your vendor. When you use the original category/item, it reduces the amount purchased. Once you enter a vendor credit, you use the pay bills window to apply the credit to the bill.



37. You are recording a credit card expense in QuickBooks. How does the expense transaction affect the accounts?
- a. It credits the credit card expense and credits the business expense account.
 - b. It debits the expense account and credits the bank.
 - c. It credits Accounts Payable and credits the expense account.
 - d. It debits the expense accounts and credits the credit card payable account.

Correct answer is D. When you use an expense transaction to record a credit card purchase, QuickBooks debits the expense account to increase the amount of the expense, and it credits the credit card payable account in order to increase the amount you owe the credit card company. You see the expense account in the expense section of the Profit and Loss report, and the credit card payable in the liability section of the Balance Sheet.

38. Complete the sentences by filling the blank with DEBITS or CREDITS.
- a. A bill _____ the expense account and _____ accounts payable.
 - b. An expense _____ the expense account and _____ the bank or credit card account.
 - c. A check _____ the bank account and _____ the expense account.

Correct answers are A:DEBITS and CREDITS, B:DEBITS and CREDITS, C: CREDITS and DEBITS. When entering a bill, expense or check, QuickBooks debits the expense account to increase the amount in the expense account. When entering a bill, expense, or check, QuickBooks credits the bank, credit card, and the accounts payable accounts. The credit will decrease the amount in the bank, but will increase the balance you owe on the credit card or what you owe in accounts payable.



Bank Accounts, Transactions, and Receipts

39. Which types of accounts should you connect to QuickBooks Online? (Choose all that apply.)
- a. Business checking and money market
 - b. Personal credit card and business savings
 - c. PayPal and business credit card
 - d. Brokerage account and business checking

Correct answers are A and C. You can connect and download transactions from many different types of accounts. Business checking, business savings, money market, credit card and PayPal accounts can all be downloaded. While you can connect a personal account, you generally should not. Brokerage and loan accounts cannot be connected.

40. For each statement below select YES or NO to indicate whether or not it is a reason to connect your bank or credit card accounts to QuickBooks Online.

YES	NO	To reduce data entry errors.
YES	NO	Because the financial institution sends date and amount information for the transaction, you save time with manual entry.
YES	NO	To reduce the risk of fraudulent transactions with your bank and credit card accounts.
YES	NO	Because matched or added transactions show as pre-reconciled, you save time reconciling.

Correct answers are YES, YES, NO, and YES. When you connect your bank and credit card accounts in QuickBooks it saves time by reducing the amount of time spent entering data. As well, after you add and match transactions, they are pre-reconciled to save time with reconciliation. You also reduce the possibility of data entry errors because the amount and date are supplied by the financial institution. However, the transactions that the financial institution sends are just information about what happens in your account. QuickBooks cannot control or monitor whether the transactions are fraudulent.



41. A _____ helps save time by recognizing information about the transaction from a list of criteria so that QuickBooks can automatically categorize transactions for you. (Fill in the blank.)
- a. Bank note
 - b. Auto-categorize rule
 - c. Bank rule
 - d. Recurring bank transaction

Correct answer is C. You can create bank rules to help QuickBooks recognize transactions in the future. This saves time, so you don't have to manually fill in the details on those transactions that happen again and again.

42. You are downloading the transactions for both your checking account and credit card account. You made a payment on your credit card of \$750 from your checking account. You are reviewing the transactions in the banking area. What actions should you perform?
- a. View and Match the transaction when reviewing both the checking and credit card account.
 - b. Match the transaction when you are reviewing the credit card account and exclude the transaction when reviewing the checking account.
 - c. Add the transaction when reviewing the credit card account and then categorize the payment when reviewing the checking account.
 - d. Add the transaction when reviewing the checking account, and then match the transaction when you are reviewing the credit card account.

Correct answer is D. When downloading for both the bank and credit card account, it appears as if QuickBooks wants you to add the payment from both accounts. Once you add the payment when reviewing the first account, you will see the payment as a match when reviewing the second account.



43. You are reviewing downloaded bank and credit card transactions. Choose TRUE or FALSE for each statement about the actions you can take.

- | | | |
|------|-------|--------------------------------------------------------------------------|
| TRUE | FALSE | "Add" records the transaction in your register. |
| TRUE | FALSE | "Match" records the transaction in your register. |
| TRUE | FALSE | "Split" allows you to choose more than one category for the transaction. |
| TRUE | FALSE | "View" shows you the transactions that are possible matches. |

Correct answers are TRUE, FALSE, TRUE, and TRUE. When reviewing your banking transactions, you have several actions available. If you choose to Add the transaction you are recording as a new transaction in your books. Plus, if you need to use more than one category, you can use the Split to choose the additional categories you need. Match is used when the transaction was entered into your QuickBooks already. This helps you avoid duplicate transactions. If there is more than one possible match, QuickBooks let's you View the transactions to choose the right one.



44. For each statement about the tasks you can perform when reviewing transactions in the bank fees area, select TRUE or FALSE.

- | | | |
|------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRUE | FALSE | You paid a bill with your credit card, and the bill is unpaid in QuickBooks. On the downloaded transaction, you can select the unpaid bill, and QuickBooks will create the bill payment transaction. |
| TRUE | FALSE | You see two money-out transactions in the review area, one for \$15, and the other for \$25. You manually recorded one bill payment for \$40. You can match the two transactions in the banking center to the single transaction you recorded in QuickBooks. |
| TRUE | FALSE | If you have open invoices in QuickBooks, and you are reviewing the money coming into the bank account, you can select the invoice and QuickBooks will record the payment. |
| TRUE | FALSE | You can send a message to your bank to enter a stop payment for a check. |
| TRUE | FALSE | You can match transactions in the banking area to a transaction that you reconciled in QuickBooks. |
| TRUE | FALSE | You can exclude transactions that you want to clear from the banking review area, but you do not want to record in QuickBooks. |

Correct answers are TRUE, FALSE, TRUE, FALSE, FALSE, and TRUE. In the banking area you are able to review transactions you download from the bank or credit card. Payments from customers for invoices, or payments to vendors for bills can both be matched to the appropriate open invoice or bill, respectively. While you can match a single transaction in the banking center to multiple transactions in QuickBooks (such as multiple customer payments to a single deposit), you cannot match a transaction in QuickBooks to multiple transactions in the same account in the banking center. Additionally, you cannot match to any transactions that are already reconciled, but if



you do not want to or can not match a transaction, you can exclude the transaction to clear it from the review area.

45. For the statements below about uploading receipts to QuickBooks in the receipts window, select TRUE or FALSE.

- | | | |
|------|-------|----------------------------------------------------------------------------|
| TRUE | FALSE | You can upload images of receipts from Google Drive. |
| TRUE | FALSE | You can scan receipts directly from your scanner into the receipts window. |
| TRUE | FALSE | You can upload images by texting images from your phone. |
| TRUE | FALSE | You can email an image directly to QuickBooks Online. |

Correct answers are TRUE, FALSE, FALSE, and TRUE. You can upload images as reference documents a few ways, directly into the browser from your computer, from Google Drive, or by emailing the file to QuickBooks.

46. You just uploaded a receipt to the receipts area. Which of the following actions can you NOT take from the receipts area?
- a. Create an expense from the receipt.
 - b. Match the receipt to an expense still in the review area of the banking.
 - c. Match the receipt to an expense you categorized from the banking area.
 - d. Review the receipt to make corrections or add information.

Correct answer is B. In order to match a receipt to a transaction, it must be first reviewed/added from the banking review.



47. You are downloading transactions from your company credit card. You categorized the transactions in the banking area, and have uploaded the image of the receipt to QuickBooks Online. What is the last step you need to do?
- Change the category in the transaction to receipt and QuickBooks Online will match it to the receipt automatically.
 - Create a new expense and use the attach option to link the receipt.
 - Enter a bill for the receipts.
 - Match the receipt to the transaction entered through the credit card download.

Correct answer is D. Once you have reviewed your banking transactions, you can then match the receipts to the transaction.

48. You need to upload receipts from your business purchases. Indicate whether each option is an available option by selecting TRUE or FALSE.

TRUE	FALSE	Enter the expense from the QuickBooks Online mobile app, and in the expense window, use the camera button to take a picture of the receipt.
TRUE	FALSE	Use your computer's webcam to take pictures of each receipt.
TRUE	FALSE	Email a PDF of each receipt to QuickBooks Online.
TRUE	FALSE	With your camera app, take a picture of the receipt on your smartphone and QuickBooks Online will automatically upload the receipts from your photo gallery.

Correct answers are TRUE, FALSE, TRUE, and FALSE. You can use the QuickBooks mobile app to enter expense transactions. When you choose the camera symbol, you can either take a picture or choose a picture from your gallery. If you have a PDF, you can email that to QuickBooks Online to attach it to transactions you have reviewed in the banking area or to create a new expense or bill.



Basic Reports and Views

49. For each statement identify which statement it describes. (Profit and Loss, Balance Sheet, Statement of Cash Flows)

Profit & Loss	Balance Sheet	Statement of Cash Flows	Shows the money moving in and out of your business.
Profit & Loss	Balance Sheet	Statement of Cash Flows	Has three sections: assets, liabilities, and equity.
Profit & Loss	Balance Sheet	Statement of Cash Flows	Shows performance over a period of time.
Profit & Loss	Balance Sheet	Statement of Cash Flows	Has three sections: income, cost of goods sold, and expenses.
Profit & Loss	Balance Sheet	Statement of Cash Flows	Has three sections: operations, investments, and financing
Profit & Loss	Balance Sheet	Statement of Cash Flows	Shows financial position as a specific point in time.

Correct answers are Statement of Cash Flows, Balance Sheet, Profit & Loss, Profit & Loss, Statement of Cash Flows, and Balance Sheet. A Profit & Loss report has three sections: income, cost of goods sold, and expenses. It shows your business performance over a period of time. A Balance Sheet has three sections: assets, liabilities, and equity. It shows the financial position at one point in time. The cash flow statement has three sections: operations, investments and financing. It shows the money going in and out of the business.



50. How would you modify the report in order to show a separate column for each month?

- Change the report period to "Each Month This Year."
- Select "by month" from the Compare another period menu.
- Change the Display columns by field to "Months"
- Select Customize, and change the columns option to "monthly."

Correct answer is C. You can use the Display columns by dropdown menu to show columns by week, month, or year.

51. To share a report, which methods can you use? (Choose all that apply).
- Save as a PDF
 - Export to Excel
 - Export to Google Sheets
 - Email

Correct answers are A, B, C, and D. QuickBooks makes it easy to share reports. You can share reports by saving it as PDF, exporting it to Excel, exporting it to Google Sheets, and emailing it directly from QuickBooks Online.

52. If you want to review the income and expenses for a period of time, which report would you use in QuickBooks Online?
- Transaction List by Date report
 - Statement of Cash Flows
 - Balance Sheet
 - Profit & Loss

Correct answer is D. The Profit & Loss report allows you to see the income and expenses for a period of time and shows you the net income for that period of time.



53. Which feature can you use to see segments of your business as columns on the Profit and Loss report?
- a. Segments
 - b. Classes
 - c. Accounts
 - d. Products and Services

Correct answer is B. With QuickBooks Online you can generate several different types of Profit & Loss reports such as a Profit & Loss by Class, Profit & Loss by Location, or a Profit & Loss by Customer.

54. You have a truck listed on your balance sheet as a fixed asset. Your accountant gave you a journal entry to record depreciation. Which account should you debit?
- a. Checking
 - b. Fixed Asset
 - c. Accumulated depreciation
 - d. Depreciation Expense

Correct answer is D. When you record journal entries for depreciation of assets, you debit the depreciation expense and credit the accumulated depreciation account.

55. Match each report with the statement that best describes it. (Sales by Product/Service, Sales by Customer, Expense by Vendor)

Sales by
Product/Service

Allows you to see which of your products sells best.

Sales by
Customer

Shows each vendor and the total amount you spend with each.

Expenses by
Vendor

Displays who buys the most from you

Correct answers are Sales by Product/Service, Expenses by Vendor, and Sales by Customer. The Sales by Product/Service report gives you the breakdown of the quantity and dollar amount of each item sold. The Expenses by Vendor report is a listing of the total expenses purchased from each vendor. The Sales by Customer



report shows you the amount sold to each customer, and allows you to see which customers purchase the most from you.

56. You need a report that shows every money out transaction, but grouped so each vendor's transactions are listed together. Which report should you run?
- a. Transaction List by Vendor
 - b. Vendor Balance Detail
 - c. Expenses List
 - d. Expenses by Vendor

Correct answer is A. You can generate many vendor reports in QuickBooks Online: the Vendor Balance Detail report show the open transactions on the vendor account, the Expenses by Vendor report shows the total amount spent on expenses for the vendors, and the Transaction List by Vendor report shows all money out transactions broken down by vendor, with a total for each vendor. The Expense List is not a report in QuickBooks Online.

57. You need to find out which user entered a transaction and the date that it was entered into QuickBooks. Which feature allows you to see this information?
- a. Transactions Log
 - b. User Log
 - c. Audit Log
 - d. Transaction Information Log

Correct answer is C. QuickBooks Online tracks all the actions taken in the company file. It tracks everything from transactions to settings that are changed to sign ins and sign outs. Use the Audit Log if you need to see who entered or changed a transasation and when that took place.

58. Which three areas of a report can you modify?
- a. Watermark
 - b. Date range
 - c. Accounting method
 - d. Fonts
 - e. Number format

Correct answers are B, C, and E. QuickBooks Online allows you to customize reports in a variety of ways to see the information in the layout and format you need. Some



of those customizing options include adjusting the date range on the report, changing the look of the number format, and adjusting the accounting method between cash and accrual. The watermark and fonts are not adjustable options within QuickBooks Online.