

Accounting 100 - Johnson

Mini Practice Set 1 – Using QuickBooks

**Log in to your computer using the generic log in.
In room BE 108, the user name and password will be "accounting". (If you are in another classroom, please ask the instructor for the user name and password.)**

If you prepared the JE's at home AS INSTRUCTED, then you should be able to complete the project in the allotted time frame. If you did not, or if you make multiple errors, you may find it necessary to attend a lab session to catch up and complete your work before it is due.

Why are we doing this?

The purpose of this assignment is two-fold. The completion of the Mini-Practice Set 1 on pages 192 - 193 of your text will assist you in the review of the materials covered in Chapters 1 – 6. Secondly, it will introduce you to the basics of a very popular software accounting package called QuickBooks. (This will be something you can add to your resume.)

What you need to Start!

You should have your text opened to the problem. You should have a pen or pencil. Most importantly, you should have a flash drive /USB with your name on it. You will need to download two files from my website as follows:

Downloading Instructions

- Locate my website using Firefox. My website address is: www.cerritos.edu/dljohnson
- Use the “Course Materials” Link.
- Choose your class • ACCT 100.
- Scroll Down until you see Mini Practice Set 1: Service Business Accounting Cycle. You want to download the “QuickBooks File” (Eli's Consulting Services, located after the chapter 6 handouts.)
- **RIGHT CLICK** (not left click like you are used to) on the file and a menu will come up.
- Choose “Save Link As” If you are using Firefox... Other browsers will say something similar and change the directory to the drive where your flash drive is located. (This is usually drive E or F.) Then press the Save button. The file will be saved on your flash drive.

- Next, download and save the Excel file (for the worksheet) by following the same directions. Right click and choose “Save Link As” and then save that file to your flash drive as well.
- After you have downloaded the files, close out the download, and then **get out of the internet.**

I have gone through all the set up procedures that are required in the QuickBooks program. I have also set up your chart of accounts for you. I have also entered the starting balances for you. You will need to customize the company, prepare journal entries, and print out the necessary reports. **DO NOT TOUCH OR ERASE ANY PREVIOUS OR EXISTING JOURNAL ENTRIES that are in the program. ONCE AGAIN, DO NOT DELETE THESE JOURNAL ENTRIES.** The beginning balances have been set up for you. If you change or delete these entries, you will not balance. The directions for these procedures are as follows:

Getting Started:

The start up procedures will be demonstrated in class. **IF YOU ARE LATE**, you must wait until the demonstration is over to seek help. These instructions may be updated since the as program updates continuously occur. From the Desktop, double click on the QuickBooks Premier Accounting Edition icon). You will be offered a choice of options by the program. Ignore any message that comes up asking you if you want to set up an external user. (If you must answer, then click NO.) Close out of any advertising gimmicks by QuickBooks. Exit out of any such windows.

Choose “Open or restore existing File”, then choose the first button that says “Open a company file.” Then click on "This PC" on left of screen to find your USB drive. Change the directory to be wherever your USB drive is located. In most cases, it's the “ E or F Drive” -- wherever your flash drive is located.) After the contents of the drive is displayed, double click on the Eli's Consulting Services file, and the QuickBooks program will open. (It may take a minute or two. Don't get impatient.) If the program asks you if you want to update your file, answer Yes. You will know the file has been opened when you see "Eli's Consulting Services" at the top of the Title Bar.

Customize Your Company (REQUIRED - NO POINTS IF YOU DO NOT DO THIS)

You now need to customize your company. Go to the **Company** menu item and choose “My Company.” Click the little pencil on the top right corner of the window. This will allow you to edit your company name. Put your last name in place of the name "Eli's" in "Eli's Consulting Services. For example, after completing this

step, my file name would read "Johnson's Consulting Services." This will insure your name is on your printouts. THIS IS A REQUIRED STEP!!! Do not skip over it.

Record Journal Entries

Now you are ready to record Journal Entries for the transaction. Go to Company Menu, then choose "Make General Journal Entries." You may get a message about assigning numbers to journal entries. Check the box that says "do not display message in the future" and click OK. Your first JE will probably start with trans 34 -- Don't worry about this. Leave it alone. The computer will assign JE numbers. Remember -- **do NOT DELETE any pre-existing journal entries that have been made for you.** For the regular journal entries, make sure the "Adjusting journal entry" box is **NOT CHECKED**. You will only check this on the last adjusting entries (prepaids, supplies usage, and depreciation.)

MAKE SURE YOU CHANGE THE DATE to match the textbook!!! Use the year 2020 ON ALL TRANSACTIONS! At the top of the problem it instructs you that ALL TRANSACTIONS occur during January 2020.

We will only be using the accounts given in the problem. Do not create any new accounts. All of these accounts have been entered into Quick Books. Use the drop down menus to pull up the correct account names. You may find the Chart of accounts helpful. It is listed in the text. Use the mouse or the tab keys to enter the proper amounts and to enter a brief description.

Warning: When you use either accounts receivable or accounts payable, you also need to choose a customer/vendor in the "name" column. If you do not, the computer will not accept your entry.

We will do the first JE together. FOLLOW DIRECTIONS. Change the date. Use the point and click technique demonstrated to choose the debit and credit accounts. Enter the amounts from the working paper that you did at home. A description including any relevant document numbers should be included with each journal entry. If you put the description for the journal entry in the MEMO column on the FIRST line of the journal entry, the computer will automatically copy your description to all lines of the journal entry. Press the "Save and New" button when you are done with the first entry. This will take you to another screen so that you can complete the next journal entry. **EACH JOURNAL ENTRY SHOULD BE COMPLETED ON A SEPARATE SCREEN!** Complete all subsequent regular journal entries from Jan 2 – Jan 31 in this manner. (Don't do the adjustments yet!)

Printing out a Journal

If you wish to view a copy of the journal, you can print one out now. To do this, go to Reports → Accountant & Taxes → Journal. **DON'T FORGET TO CHANGE THE DATES** from Jan 1, 2020 to Jan. 31, 2020. Click down below on the journal to review the contents. Click the Print button. When the print screen comes up, choose the option (in the bottom left hand corner) that says “fit report to one page wide.” (Click the mouse button to choose the box.) Make sure you choose the appropriate printer for your classroom. The room number included in the printer name will be a good indication that you have chosen a printer inside your classroom.

Review the journal for accuracy. Make any necessary changes.

Printing out a Trial Balance

Print out a trial balance. **DON'T FORGET TO CHANGE THE DATES.** Go to Reports → Accountants & Taxes → Trial Balance. The trial balance will be helpful to you when preparing your adjusting journal entries. (See a completed trial balance

with the correct balances in **Attachment A**. The years may be different. It is important that you correct any errors before proceeding on. **THIS IS THE TRIAL BALANCE BEFORE ADJUSTING ENTRIES ARE MADE.** IF there are errors on it, there will be errors on adjustments and financial statements, so **TAKE THE TIME TO COMPARE EACH LINE TO ATTACHMENT.** Find your errors, if any, and make corrections.)

MAKE SURE YOU CHECK EACH AND EVERY TOTAL AGAINST THE ANSWER BEFORE GOING ON!!!!

Prepare the Worksheet Using Excel.

You can minimize the QuickBooks Screen and go into the Excel Program. (Don't close out QuickBooks; just minimize it.) Open the Excel file that you downloaded on to your flash drive from the Internet. **PUT YOUR NAME ON THE WORKSHEET** in cell B-1. Use the information from requirement 5 of your text to complete the worksheet that I have set up for you. You can use the Excel program, just as we have done for Chapter 5 to simplify this task. Don't forget to save your worksheet. (After you have completed the worksheet, make sure you get the check figures for net income.) Save your work to your flash drive and print out the worksheet.

Prepare Adjusting Entries

After completing and balancing out the worksheet, you are ready to enter the Adjustments into QuickBooks. Don't forget that the **ONLY** way to get data into the accounting system is through the General Journal process. Get back into the

QuickBooks Program by restoring the Window. Enter your adjustments the same way you entered the other transactions. (Company: Make Journal Entries -- continue on with the JE's. Remember that you are making the JE's at the end of the month of January, so just continue them where you left off.) Make sure the "Adjusting Journal Entry" box is checked or clicked when you prepare these.) You may want to use the notation AJE in the memo box.

Print an updated Journal that will include the newly entered AJE's (Reports → Accountants & Taxes → Journal; CHANGE THE DATES, then print.) Also print out a trial balance which will include the adjustments. (This is called the adjusted trial balance.) You can compare your answers

to **Attachment B**.

Printing out a General Ledger

Print out a general ledger. Choose Reports → Accountants & Taxes → General Ledger, CHANGE THE DATES, and Print. This will show you all the detail making up the account balances. (Notice that you did not have to post anything. The computer did it all for you!!!!)

Printing out Financial Statements

Print out the Financial statements. Go to: Reports → Company & Financial → Profit and Loss Standard (The Income Statement). Do the same to print out the Balance Sheet. Choose "Balance Sheet Standard." REMEMBER TO CHANGE THE DATES! Use the first standard choice available on the menu. Check it against the check figures given out in class or posted on the web site. (No Statement of Owner's Equity is set up. None is required for you this time.) **YOU MUST PRINT OUT THE FINANCIAL STATEMENTS PRIOR TO CLOSING THE ACCOUNTS.**

Preparation of Closing Entries -

This is required if you wish to receive extra credit points.

Normally the closing process is not done in QuickBooks. However, since the purpose of this problem is to practice what we learned in class, you will prepare closing entries for a few extra points. Complete the journal entries exactly as you did before. (Select Company → Make General Journal Entries.) Based on the balances in the most recent trial balance, prepare closing entries in QuickBooks to perform the following:

- Close Revenues
- Close Expenses

You may want to check the balance in the income summary account before proceeding to the next entry. (Hint: the balance should be equal to your net income figure. To check it, look at either a trial balance or the general ledger)

- Close Income summary
- Close Drawing

Printing out finalized reports:

Once you are finished, you need to print out a final general journal, general ledger, and (post closing) trial balance. All of these reports should include the closing entries, if you chose to complete them. (The post closing trial balance will show all revenue, expense, income summary, and dividend accounts at a zero balance.

Close out the Program:

Go to File menu, then choose Close Company. You then need to exit the program. Go to File menu, then choose exit. BE PATIENT!!! The computer is saving the data to your disk. DO NOT PULL OUT your flash drive UNTIL THE GREEN LIGHT ON THE DRIVE GOES OUT AND YOU ARE COMPLETELY OUT OF QUICKBOOKS.

DO NOT TURN IN EVERYTHING! Turn in the following reports **in the following order:**

- 1) Profit and Loss (Income Statement)
- 2) Balance Sheet
- 3) Worksheet completed in Excel
- 4) Journal with all transactions, including the closing entries (if you did them)
- 5) General Ledger (after all transactions are recorded, including the closing entries, if you did them.)
- 6) Post Closing Trial Balance (after closing – the only accounts that should show up are Assets, Liabilities, and Capital.) If you did not complete the closing entries, then turn in the final trial balance (pre-closing) that you do have.