

END-OF-CHAPTER QUESTIONS

TRUE/FALSE

ANSWER THE FOLLOWING QUESTIONS IN THE SPACE PROVIDED BEFORE THE QUESTION NUMBER. (Note: the question numbers do not refer to the chapter objectives.)

- _____ 7.01. The company credit card may be used to pay bills, pay expenses, or buy merchandise.
- _____ 7.02. You can make a bill payment directly from the bill.
- _____ 7.03. Inventory may be purchased and paid for without preparing a purchase order.
- _____ 7.04. To pay sales tax, you click the Plus icon and Checks and then write the check.
- _____ 7.05. A Purchase Order may never be closed manually.
- _____ 7.06. The Purchase Discounts account is used for a discount on payments of expenses or bills that are not for merchandise.
- _____ 7.07. To view a list of Open Purchase Orders, you prepare a Vendor List report.
- _____ 7.08. The total amount of a purchase order shows as an amount due in the vendor's register.
- _____ 7.09. QuickBooks Online automatically calculates and inserts the 2% discount when paying for purchases from vendors.
- _____ 7.10. A Vendor Credit increases the amount you owe a vendor.

MULTIPLE CHOICE

WRITE THE LETTER OF THE CORRECT ANSWER IN THE SPACE PROVIDED BEFORE THE QUESTION NUMBER.

- _____ 7.11. Where do you record the 2% discount for early payment of a bill?
 - A. Enter it on the bill
 - B. Prepare a Vendor Credit
 - C. Change the amount of the bill payment check
 - D. Any of the above
- _____ 7.12. The ___ report tells you the quantity, total asset value, and average cost for inventory items.
 - A. Transaction List by Vendor
 - B. Inventory Valuation Summary
 - C. Inventory Cost Analysis
 - D. Unpaid Bills

- ____ 7.13. A(n) ____ is prepared to order merchandise.
- A. Purchase Order
 - B. Bill
 - C. Inventory List report
 - D. Expense
- ____ 7.14. To use a check to pay for a bill that has not been recorded, you access ____ in the Vendors column.
- A. Pay Bills
 - B. Bills
 - C. Check
 - D. Accounts Payable
- ____ 7.15. With Terms of 2% 10 Net 30 what is the discount amount for a purchase of \$500?
- A. 10¢
 - B. \$1.00
 - C. \$10.00
 - D. \$100.00
- ____ 7.16. When you create a new item for a product you sell, it is classified as a(n) ____ item.
- A. Service
 - B. Non-inventory
 - C. Inventory
 - D. Product
- ____ 7.17. To pay for small expenses using cash, you use the ____ account.
- A. Cash
 - B. Transfer
 - C. Petty Cash
 - D. Undeposited Funds
- ____ 7.18. To take a discount on merchandise ordered, you use the ____ Discount account.
- A. Sales
 - B. Purchase
 - C. Inventory
 - D. Merchandise
- ____ 7.19. Which report shows every transaction recorded in Debit/Credit format?
- A. Trial Balance
 - B. Journal
 - C. Transaction List by Vendor
 - D. Expenses List
- ____ 7.20. If you purchase inventory items and pay for them at the same time, you record the purchase on a(n) ____ form(s).
- A. Expense
 - B. Purchase Order and Bill
 - C. Bill
 - D. Vendor

FILL-IN

IN THE SPACE PROVIDED, WRITE THE ANSWER THAT MOST APPROPRIATELY COMPLETES THE SENTENCE.

- 7.21. If you only receive part of the merchandise ordered, you prepare a(n) _____ of the original purchase order for the missing amount.
- 7.22. To view the bills paid by check and credit card you prepare the _____ report.
- 7.23. A fast way to find your latest Purchase Orders is to click the _____ in a blank Purchase Order.
- 7.24. The names of the three discounts used in the text are _____, _____, and _____ Discounts.
- 7.25. When you return something that was paid for by credit card, you prepare a(n) _____.

COMPUTER ASSIGNMENT

REFER TO PRINTOUTS OR USE QUICKBOOKS ONLINE AND YOUR NAME'S BEACH BARKERS TO LOOK UP OR ENTER INFORMATION, AND THEN WRITE THE ANSWERS TO THE FOLLOWING EXERCISES IN THE SPACE PROVIDED

- 7.26. Prepare your Custom Unpaid Bills report. What are the terms shown for Pet Supplies Unlimited? _____
- 7.27. What account was used for the early payment discount taken for the payment to Quality Insurance? _____
- 7.28. What did you use to pay for the windshield wiper blades purchase from Moore Auto Repair on February 22, 2017? _____
- 7.29. Refer to your Check Detail report to answer which vendor was paid with Check 27? _____
- 7.30. Where do you prepare the Sales Tax Liability report? _____
- 7.31. What was the discount for the early payment of the bill to The Literary Dog on February 26, 2017? _____
- 7.32. Prepare your Custom Open Purchase Order List by Vendor. Which vendor has an open purchase order? _____
- 7.33. Prepare your Custom Profit and Loss report. What was the total amount of rent for February? _____

7.34. In the Journal refer to the 02/24/17 transaction for Happy Wags. What are the three accounts used for the Bill?

7.35. What was the amount of discount taken for the bill payment check to Happy Wags on February 24, 2017?

CHAPTER 7 CHECKLIST

The checklist below shows all of the business forms printed during training. Check each one that you printed, exported, and/or submitted.

☐ 1-Inv Val Sum Ch 7	☐ 17-Sales Tax Liability Ch 7
☐ 2-Prod-Svd List Ch 7	☐ 18-Ck 23 State Board of Equalization
☐ 3-PO 1001 The Literary Dog	☐ 19-PO 1007 Happy Wags
☐ 4-PO 1002 Pawsitively Elegant	☐ 20-PO 1008 Pet Supplies Unlimited
☐ 5-PO 1003 All About Dogs Supplies	☐ 21-Cks 24-27
☐ 6-PO 1004 Bark City Toys	☐ 22-Ck 28 Supplies Unlimited
☐ 7-PO 1005 Canine Supplies	☐ 23-PO 1009 Bark City Toys
☐ 8-Open PO List Ch 7	☐ 24-PO 1010 Happy Wags
☐ 9-PO 1003 All About Dogs Corrected	☐ 25-Ck 29 Happy Wags
☐ 10-PO 1006 Canine Supplies	☐ 26-Inv Val Sum Ch 7
☐ 11-PO 1005 Canine Supplies Corrected	☐ 27-Bill Pmt List Ch 7
☐ 12-Purch by Prod-Svc Detail Ch 7	☐ 28-Vend Bal Sum Ch 7
☐ 13-Unpaid Bills Ch 7	☐ 29-Ck Detail Ch 7
☐ 14-Ck 19 Canine Supplies	☐ 30-Journal Ch 7
☐ 15-Ck 20 Pawsitively Elegant	☐ 31-Trial Bal Ch 7
☐ 16-Cks 21-22	