

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.)

- _____ 8.01. In QuickBooks Online Plus you cannot record an adjustment to the quantity of inventory.
- _____ 8.02. If you transfer Net Income into Capital, on the Balance Sheet it will show as a negative in Retained Earnings and a positive in Net Income until the following year.
- _____ 8.03. If you record the wrong date for an inventory starting value, you correct the date on the Inventory Starting Value #START form.
- _____ 8.04. An owner's withdrawal decreases cash and equity.
- _____ 8.05. You may prepare a budget for locations.
- _____ 8.06. An inventory starting value transaction is recorded when you prepare a purchase order for an inventory item.
- _____ 8.07. An adjusting entry for depreciation reduces the book value of fixed assets.
- _____ 8.08. After reconciling a credit card account, you may select the option to write a payment check now.
- _____ 8.09. When you have a budget, you cannot purchase office supplies if it is over the budgeted amount.
- _____ 8.10. When reconciling an account, if the statement amount is correct and your amount does not match it, you change the amount in your original transaction prior to completing the reconciliation.

MULTIPLE CHOICE

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

- _____ 8.11. To enter your initial budget figures, you may ____.
 - A. Copy a previous budget
 - B. Record the amounts individually
 - C. Copy amounts from This Fiscal Year or Last Fiscal Year
 - D. Any of the above

- _____ 8.12. The ____ report compares your budgeted income and expenses to the actual amounts.
- A. Budget vs Actuals
 - B. Profit and Loss
 - C. Budget Overview
 - D. Comprehensive Budget
- _____ 8.13. If the adjusting entry to transfer Net Income and Retained Earnings into the owner's capital account is made prior to the end of the year, the Balance Sheet shows ____.
- A. Retained Earnings
 - B. Net Income
 - C. Both Net Income and Retained Earnings
 - D. None of the above because the Net Income and Retained Earnings have been transferred into Capital
- _____ 8.14. You record adjusting entries for prepaid expenses and depreciation when using ____-basis accounting.
- A. Cash
 - B. Accrual
 - C. Budget
 - D. GAAP Fundamental
- _____ 8.15. You may access the Inventory Quantity Adjustment form by ____ and clicking ____.
- A. Clicking the Plus icon, Inventory Qty Adjustment in the Other column
 - B. Opening the item in the Products and Services List, Quantity
 - C. Clicking the drop-down list arrow in the item's Action column in the Products and Services List, Adjust Quantity
 - D. All of the above
- _____ 8.16. To see the Inventory Starting Value transaction, you prepare the ____ report.
- A. Inventory Starting Value
 - B. Inventory Valuation Summary
 - C. Inventory Valuation Detail
 - D. Any of the above
- _____ 8.17. If you create a budget with locations, prior entries are classified as ____.
- A. Prior to Budget
 - B. Not Specified
 - C. Unknown
 - D. Unbudgeted
- _____ 8.18. After editing an invoice in a closed period, you record the change in income by editing the adjusting entry ____.
- A. For the Closing Date
 - B. For transferring Net Income and Retained Earnings into the Capital account
 - C. Both A and B
 - D. You do not edit anything, you record another adjusting entry

- _____ 8.19. If inventory was damaged you adjust the ____.
- A. Inventory Starting Value
 - B. Item in a Journal Entry
 - C. Quantity
 - D. Budget
- _____ 8.20. Opening Balances for Inventory Items that were added without preparing a purchase order or bill are entered into ____.
- A. Opening Balance Equity
 - B. Inventory Assets
 - C. Your Name, Investment
 - D. Both A and B

FILL-IN

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

- 8.21. The Account Category Type for Inventory Shrinkage is _____.
- 8.22. In QuickBooks Online Plus you may create a budget that tracks amounts in _____ and _____ accounts.
- 8.23. To correct an error in an inventory item's opening balance, you record an adjustment to the _____.
- 8.24. You may reconcile all _____, _____, and _____ accounts.
- 8.25. In Your Name's Beach Barkers, the entry to transfer Net Income to Capital is made by debiting _____ and crediting _____.

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

- 8.26. When you edited Invoice 1044 to Sandi Egkan in the Additional Transactions section, did income increase or decrease? _____
- 8.27. Prepare an Inventory Valuation Summary report to determine the value of Collars after the Quantity Adjustment. What is the quantity on February 28, 2017? _____
What is the value? _____
- 8.28. On what screen do you enter the closing date? _____
- 8.29. What was the total amount of owner withdrawals for February? _____

- 8.30. What is the amount of Total Assets in the Balance Sheet for 2017 prepared after all closing entries and adjustments? (Printed Document 11) _____
- 8.31. What was the amount of the adjusting entry for Cleaning Supplies in February? _____
- 8.32. What was the amount of Depreciation Expense recorded in the compound adjusting entry for Office Equipment and Vehicles? _____
- 8.33. Refer to your Visa Reconciliation report ending February 28, 2017. What is the total amount of Charges and Cash Advances Cleared? _____
- 8.34. Prepare a Journal report for February 27-28, 2017. What is the total of the Journal? _____
- 8.35. Refer to or prepare the Budget vs Actuals report for the end of the chapter. What was the budgeted amount for Total Net Income for February 2017? _____
What was the actual amount for Total Net Income for February 2017? _____

CHAPTER 8 CHECKLIST

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

_____ 1-Inventory Val Sum Ch 8	_____ 9-Inv 1044 S Egkan Corrected
_____ 2-Inventory Val Detail Ch 8	_____ 10-P&L Ch 8
_____ 3-Ck 30	_____ 11-Bal Sheet 2017 Ch 8
_____ 4-Budget Overview Ch 8	_____ 12-Bal Sheet 2018 Ch 8
_____ 5-Ck Reconcil Ch 8	_____ 13-Feb Budget vs Actuals Ch 8
_____ 6-Ck 31	_____ 14-Journal Ch 8
_____ 7-Ck 32 Beach Bank	_____ 15-Trial Bal Ch 8
_____ 8-Visa Reconcil Rpt Ch 8	