

QuickBooks Guide

Step-by-Step Instructions

Problem 10-8 Completing End-of-Period Activities

INSTRUCTIONS

Begin a Session

Step 1 Restore Problem 10-8.QBB file.

Work the Accounting Problem

Step 2 Print a Trial Balance for December 2015.

Step 3 Print the financial statements for December 2015.

Step 4 Perform the closing process.

To close the Withdrawal account:

- Choose **Make General Journal Entries** from the **Company** menu.
- Type **12/31/2015** in the *Date* field.
- Press **Tab** and type **Closing** in the *Entry No.* field.
- Press **Tab** and enter the capital account in the *Account* field.
- Press **Tab** and type 4,000 in the Debit column.
- Press **Tab** twice and type **Close Withdrawals** in the Memo column as the description of the transaction.
- Tab to the next line and enter the withdrawals account.
- Press **Tab** twice and type 4,000 in the Credit column.
- Press **Tab** and type **Close Withdrawals** in the Memo column as the description of the transaction.
- Save the transaction.

To set a closing date:

- Choose **Preferences** from the **Edit** menu.
- Select the **Accounting** preference option and choose the Company Preferences tab.
- Click **Set Date/Password**.
- In the Closing Date section of window, type **12/31/2015** in the *Closing Date* field.
- Type **2015** in the *Closing Date Password* field and press **Tab**.
- Type **2015** in the *Confirm Password* field.
- Click **OK** in the Set Closing Date and Password window.
- Click **OK** in the Preferences window.
- Click **No** in the No Password Entered window.

Step 5 Print a Post-Closing Trial Balance using 01/01/2016 as the date for the report.

Analyze Your Work

Step 6 Complete the Analyze activity.

End the Session

Step 7 It is recommended that you back up your work for this session.



Notes
You need to close the withdrawal account manually, since otherwise, QuickBooks will automatically transfer the remaining temporary account balances into retained earnings.

DO YOU HAVE A QUESTION?

Q. Can you undo the closing process?

A. Yes, you can remove the closing date and users who have access can change items within the closed period. You can also make changes to transactions if you know the password for the closed period.



Notes
In the closing process, QuickBooks will zero out the balances of the Expense and Income accounts and transfer them to an equity account named **Retained Earnings**. As your **Retained Earnings** are increased, your **Net Income** is decreased by the same amount.

How do you export a Post-Closing Trial Balance report from QuickBooks to a Microsoft Excel worksheet? On a separate sheet of paper, explain your answer.

Mastering QuickBooks



FAQs

What if you notice a mistake after you close the fiscal year?

You can correct a mistake in a fiscal year that has been closed by first locating the entry to be changed. After the necessary changes have been made, you can save the entry. Since closing the fiscal year allows you to apply a password to protect the data, QuickBooks will prompt you for the password before it saves the changes to the transaction.

Can you undo the closing process?

Yes. Display the **Preferences** option from the **Edit** menu. Select the **Accounting** preference option. Display the Password window and delete both the password and the confirm password entries. Click **OK**. Next, delete the closing date and click **OK**. If you manually closed the withdrawals account you will need to delete or void the entry. This will undo the closing process.

How do you print a post-closing trial balance, since QuickBooks does not include this report?

QuickBooks does not include a standard report called Post-Closing Trial Balance, but the Trial Balance provides the same information. The only difference from the Modify Reports is the title of the report, which you can change using the **Customize Reports** button. Select the Header/Footer tab and then change the report title.