QuickBooks® Guide
Step-by-Step Instructions

What You'll Learn Using QuickBooks

When you have completed this chapter, you will be able to use QuickBooks to:

1. Restore a QuickBooks Backup file.
2. Print a Chart of Accounts report.
3. Enter a new general ledger account.
4. Record a beginning balance for a general ledger account.
5. Explain the purpose of the account type setting.
6. Back up a QuickBooks file.

Problem 5-5   Analyzing Transactions into Debit and Credit Parts

Follow the instructions provided below to add new general ledger accounts for Kits & Pups Grooming. You will also learn how to enter the beginning balance for an account.

INSTRUCTIONS

Begin a Session

Step 1   Launch the **QuickBooks® Pro 2015** software.

Step 2   Restore the Problem 5-5.QBB file by following the steps below.

- From the *File* menu, select **Open or Restore Company.** You can also click on the **Open or restore an existing company** button in the No Company Open window if you do not have another company file open. The Open or Restore Company window will be displayed.
- Click the Restore a backup copy radio button and then click **Next**.
- Click the Local backup radio button and then click **Next**.
- Navigate to and select the QuickBooks backup file that you want to open.
- Click **Open**.
- Click **Next**.
- In the Save Company File as window, accept the file name already selected for you by QuickBooks and click **Save**.
    The message "Your data has been restored successfully" will appear. Click **OK**.

Work the Accounting Problem

Step 3   Review the information in your textbook.

Step 4   Add the **Advertising Expense** general ledger account.

To add a new account:

- Choose **Chart of Accounts** from the *Lists* menu. The Chart of Accounts window appears.
- Click the Account pull-down menu in the bottom left corner of the Chart of Accounts window.
- Choose **New**.

DO YOU HAVE A QUESTION ?

Q. *Are there any differences between a manual system and a computerized system when you set up a chart of accounts?*

A. When you set up a chart of accounts using QuickBooks, you must enter an account number and a title for each general ledger account just as you would in a manual system. Using a computerized system such as QuickBooks, however, you must categorize each account by assigning an account type (e.g., Bank, Accounts Receivable, Income, Expense, etc.)

QuickBooks Guide

- In the Add New Account: Choose Account Type window, under Account Type choose **Expense** radio button. Click Continue.

     The account type identifies the account category (e.g. Bank, Account Receivable, Expense, etc). QuickBooks uses this information to group accounts for financial reports and to determine which accounts are permanent and which are temporary when it closes an accounting period.
- On the Add New Account window, type **501** in the *Number* field.

> **TIP:** Press **Tab** to move to the next field in a data entry window and press **Shift + Tab** to move to the previous field.

- Press **Tab** and type **Advertising Expense** in the *Name* field.
- Click **Save & New** to enter the next account or **Save & Close** to close the New Account window.

Step 5   Add the remaining expense accounts shown below for Kits & Pups Grooming.

Account No.	Name	Type
505	Equipment Repair Expense	Expense
510	Maintenance Expense	Expense
520	Rent Expense	Expense
530	Utilities Expense	Expense

Note: To edit an account description or opening balance, select the account to edit. Click the Account pull-down menu and choose **Edit Account.** Enter the correct information and click **Save & Close.**

Step 6   Type the opening balances for **Cash in Bank** ($15,000) and **Abe Shultz, Capital** ($15,000).

To enter opening balances:

- Select the **Cash in Bank** account.
- Click the Account pull-down menu in the bottom left corner of the Chart of Accounts window.
- Choose Edit Account.
- Click **Change Opening Balance** and write 15000 in the first Deposit field.
- Click **Record**.
- Click **Yes** in the Transaction Reconciled dialog box.
- Click **Yes** in the Past Transactions dialog box.
- Click the Close window button to close the Cash in Bank window.
- Click **Save & Close** to exit the Edit Account window.
- Click "the Close window button" in the Chart of Accounts window.

DO YOU HAVE A QUESTION?

Q. *When you add a new account or enter a transaction using the QuickBooks software, is it necessary to manually save your work?*

A. Some applications, such as a word processor or a spreadsheet program, require that you choose to save your work (for instance, by choosing the **Save** option from the *File* menu, or by clicking the **Save** button on a toolbar). QuickBooks does not require you to manually choose to save your work. It automatically updates the company files for you. However, you must always be sure to back up your data when you exit QuickBooks.

Prepare a Report and Proof Your Work

Step 7   Print a Chart of Accounts report.

To print a Chart of Accounts report:

- The Chart of Accounts window must be open. If it is not, select **Chart of Accounts** from the *Lists* menu.
- Choose **Print List** from the Account pull-down menu.
- When the List Reports window appears, click **OK**.
- When the Print List window appears, click **Print**.

Step 8   Review the information shown on the report.

Step 9   If you notice an error, select **Chart of Accounts** from the *Lists* menu to edit/delete a general ledger account.

Analyze Your Work

Step 10   Complete the Analyze activity manually.

End the Session

Step 11   Before you back up your work, it is a common practice to close all open windows by clicking the Close window button in the top right-hand corner of the window.

Step 12   To back up your work, follow these steps.

- Choose **Create Copy** from the *File* menu.
- Click the Backup copy radio button and click **Next**.
- Click the Local Backup radio button and click **Next**.
- Click the Save it now radio button and click **Next**.
- Navigate to where you want to save your backup, verify that the file name is correct and click **Save**.
- If a QuickBooks Change Location dialog box appears, click **Use this Location**.
- When you receive the message from QuickBooks that your data has been backed up successfully, click **OK**.

Identify at least one income, one expense, and one equity account.

Mastering QuickBooks