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. Record and post a general journal entry.
2. Print a Journal report.
3. Edit a general journal entry.
4. Print a General Ledger report.

Problem 6-4   Recording General Journal Transactions

Review the accounts and the transactions listed in your textbook for Wilderness Rentals. You will record these transactions using the **Make General Journal Entries** option in the *Company* menu.

INSTRUCTIONS

Begin a Session

Step 1   Launch the **QuickBooks® Pro 2015** software.
Step 2   Restore the Problem 6-4.QBB file.

Work the Accounting Problem

The instructions in this section explain how to enter and post general journal transactions using QuickBooks.

Step 3   Review the transactions for Wilderness Rentals shown in your textbook.
Step 4   Enter the transaction for January 1.

> ***January 1, Wrote Check 310 for the part-time secretary's salary, $270.***

> *To enter the general journal transaction*:

> - Select **Make General Journal Entries** from the *Company* menu to display the General Journal Entry window.
> - Type **01/01/15** or select the date using the **Calendar** button. Press the **Tab** key to record the transaction date in the *Date* field.


DO YOU HAVE A QUESTION ?

Q. *Are the steps to enter a general journal transaction using QuickBooks similar to the steps that you follow for a manual system?*

A. Yes, the steps you follow to manually record a general journal transaction are very similar to those used in QuickBooks. For both systems, you must enter a transaction date, source document reference, account numbers, descriptions, and debit or credit amounts. The QuickBooks data entry window even looks like a manual journal.

Notes

When you are entering transactions, QuickBooks automatically fills in the date of the last transaction as the date of a new transaction. Make sure to manually change the date.
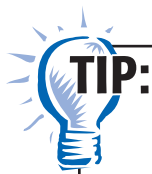
TIP: You can save time by entering the two-digit value for the month, for the day, and for the year in the *Date* field (e.g., **010215**). QuickBooks will automatically show the full date.

- Type **Check 310** in the *Entry No.* field and then press **Tab** to move to the next field.

    Every time you type or enter information into a field, you must press **Tab** to record the information. You can also use this key to move from field to field. Press **Shift+Tab** to move backwards.

- Type **520,** the account number for **Salaries Expense,** in the first *GL Account* field, and press **Tab** to record it.

    As you type, QuickBooks displays the first general ledger account that matches the first character entered, and will continue displaying accounts until it has found the first account that matches what you have entered. If you do not know the account number, you can click the down arrow and scroll through the list of accounts until you locate the desired account.

- Type **270** in the *Debit* field to record the debit to **Salaries Expense.**
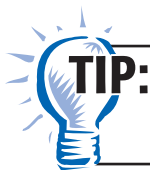
TIP: If you enter the amount 270 without a decimal point, the program will automatically format the amount as $270.00.

- Press **Tab** twice to move to the *Memo* field.
- Type **Part-time secretary's salary** for the description, and press **Tab** twice to move to the *Account* field on the next line.
- Type **101** in the *Account* field to specify **Cash in Bank,** and press **Tab** twice.
- Type **270** as the amount in the *Credit* field and press **Tab.**
- Type **Part-time secretary's salary** for the description in the *Memo* field.
- Verify that the entire entry has been recorded.
- Proof the information you just recorded. Check the account numbers, descriptions, and amounts. If you notice a mistake, move to that field and make the correction.
- Click **Save & Close** to post the transaction and exit the window, or **Save & New** to post the transaction and remain in the window. Click **Clear** if you need to erase the entire transaction without posting it.

    When you post a general journal transaction, QuickBooks automatically updates the general ledger accounts.

Notes

You do not have to enter information in the Name *field. It is used to link a transaction to a specific customer or vendor.*

Step 5 Enter the remaining transactions for the month.

IMPORTANT: If you notice a mistake after you have posted an entry, make a note to correct the entry after you have recorded all of the transactions. Instructions to edit a general journal entry are given in the next section.

For each transaction:

—Type the date. Use the year 2015.
—Type the source document reference.
—Type the number of the account debited.
—Type the amount of the debit.

—Type a description.
—Type the number of the account credited.
—Type the amount of the credit.
—Type a description.
—Proof your work.
—Save the entry. (If the Tracking Fixed Assets on Journal Entries
   window appears, click **OK.**)

> **TIP:** When entering a transaction involving a customer or vendor, you will need to select either the **Accounts Receivable** or **Accounts Payable** account, and then select the name of the customer or vendor in the *Name* field.

Step 6   Close the Make General Journal Entries window using the Close window button on the top right corner of your screen, if your window is still open.

Prepare a Report and Proof Your Work

After you enter the transactions, the next step is to print a report and proof your work. This section explains how to print a Journal report. You will also learn how to edit a general journal entry.

Step 7   Print a Journal report.

To print a Journal report:

- Select **Accountant & Taxes** from the *Reports* menu.
- Select **Journal**.
- If the "Collapsing and Expanding Transactions" dialog box appears, press the OK button.
- Press **Tab** and type **01/01/15** in the From field.
- Press **Tab** and type **01/31/15** in the *To* field.
- Press **Tab** to display the report.
- Review the report and then click **Print** to print the report.
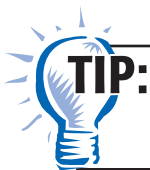
> **TIP:** To reduce the width of the printed report, you can select the **Fit report to** option in the Print Reports Settings window.

Step 8   Proof the information shown on the report.

Find the beginning balance (Deposit) entry for $20,000 on the Journal report. This entry was included as part of the problem set file for Wilderness Rentals, to record the owner's initial investment. As you complete other problems using QuickBooks, you may notice other entries listed as Deposit transaction types. These entries are used to establish the beginning balances for various general ledger accounts, but will not affect your work.

QuickBooks Guide

Step 9 If there are any corrections needed, follow these instructions to edit or delete a transaction.

- Select **Make General Journal Entries** from the *Company* menu.
- Click the left or right arrow buttons on the ribbon to move backward or forward in the window to display the transaction that you want to edit or delete.
- To edit a transaction, simply make the necessary changes to the date, entry no., account numbers, descriptions, or amounts. Click **Save & Close** to save the changes.
- To delete a transaction, click the **Delete** button on the ribbon. When the Delete Transaction warning box appears, click **OK**.
- Select another entry to edit, or close the Make General Journal Entries window if you are finished making changes.

Step 10 Print a revised Journal report if you changed or deleted any of the transactions.

Analyze Your Work

Step 11 Select **Accountant & Taxes** from the *Reports* menu. Select **General Ledger** from the *Accountant & Taxes* submenu. If the "Collapsing and Expanding Transactions" dialog box appears, press the **OK** button.

Step 12 Click the **Customize Report** button.

Step 13 Type **01/01/15** in the *From* field and **01/31/15** in *To* field.

Step 14 In the Columns section, scroll down and select *Debit* and *Credit*. Click **OK.**

Step 15 Locate the **Cash in Bank** account on the General Ledger report. How much cash was deducted from the **Cash in Bank** account in January?

Step 16 Click the Close window button to close the report. When prompted to memorize the report, click **No.**

End the Session

Step 17 It is recommended that you back up your work for this session.

On a separate sheet of paper, answer the following questions: How do you enter a beginning balance for a general ledger account? Why would a company need to enter beginning balances?

Mastering QuickBooks
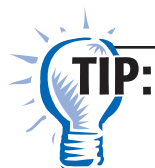
TIP: Search QuickBooks Help to learn how to enter beginning balances.