

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. Perform the year-end closing for a corporation.
2. Print a post-closing trial balance.

Problem 20-5 Journalizing and Posting Closing Entries

INSTRUCTIONS

Begin a Session

- Step 1** Restore the Problem 20-5.QBB file.

Work the Accounting Problem

- Step 2** Review the information in your textbook.
- Step 3** Perform the year-end procedures.
- Choose **Preferences** from the **Edit** menu.
 - Click on the **Accounting Preference** and then select the Company Preferences tab.
 - Click the **Set Date/Password** button.
 - In the Closing Date section enter **12/31/2015** in the *Closing Date*.
 - Type **2015** in the *Closing Date Password* field.
 - Press **Tab** and type **2015** in the *Confirm Password* field.
 - Click **OK**.
 - Click **NO** in the NoPassword Entered window.
 - Click **OK** in the Preferences window.

Prepare a Report and Proof Your Work

- Step 4** Print a Post-Closing Trial Balance. Type **01/01/2016** in both the *To* and *From* fields.

Analyze Your Work

- Step 5** Complete the Analyze activity.

End the Session

- Step 6** It is recommended that you back up your work for this session.

Once your books have been closed, can you reopen them, and if so, how? Explain your answer on a separate sheet of paper.



DO YOU HAVE A QUESTION?

Q. Are the steps to close a sole proprietorship any different from those to close a merchandising corporation?

A. The steps to close a merchandising corporation are the same as those to close a sole proprietorship. QuickBooks gives the appearance of closing the temporary accounts into the Retained Earnings account when in reality the accounts are still open.

Notes

It is recommended that you back up your data before performing the year-end closing.

Notes

Print the Trial Balance whenever you are instructed to print a post-closing trial balance. You can change the name of the report if you want to.