

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 partner withdrawals.
2. Allocate profits and losses to the partners using different methods.

Problem 27-7 Sharing Losses Based on Capital Balances

INSTRUCTIONS

Begin a Session

- Step 1** Restore the Problem 27-7.QBB file.

Work the Accounting Problem

- Step 2** Review the information provided in your textbook.
Use 2015 as the year.
- Step 3** Record the entry to divide the loss between the two partners
using the **Make General Journal Entries** option.

Prepare a Report and Proof Your Work

- Step 4** Print a Journal report to proof your work.

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.

DO YOU HAVE A QUESTION?

Q. Does QuickBooks support partnerships?

A. Yes, QuickBooks does support the partnership form of business. When you create a new company, QuickBooks provides several choices for the form of business including corporation, S corporation, partnership, and a sole proprietorship. You would need to create the appropriate equity section for the business including capital and withdrawal accounts.

How does QuickBooks define a partnership? Explain your answer on a separate sheet of paper.

