Student Guide for Peachtree Complete

for use with

Fundamental Financial Accounting Concepts, 5e
Thomas P. Edmonds, Cindy D. Edmonds,
Francis M. McNair, Philip R. Olds, Nancy W. Schneider

Carol Yacht, M.A.

Boston   Burr Ridge, IL   Dubuque, IA   Madison, WI   New York   San Francisco   St. Louis
Bangkok   Bogotá   Caracas   Kuala Lumpur   Lisbon   London   Madrid   Mexico City
Milan   Montreal   New Delhi   Santiago   Seoul   Singapore   Sydney   Taipei   Toronto

About the Author:

Carol Yacht is a textbook author and accounting educator. Carol contributes regularly to professional journals and is the author of Peachtree, QuickBooks, and Excel textbooks. In 1978, Carol started using accounting software in her classes at institutions including Yavapai College; West Los Angeles Community College; California State University, Los Angeles; and Beverly Hills High School. Carol is an officer of the American Accounting Association's Two-Year College Section. She worked for IBM Corporation as an education instruction specialist, and served on the Computer Education Task Force for the National Business Education Association. Carol is a frequent speaker at state, regional, and national conventions; technical school consortium meetings; and Department of Education conferences. She earned her AS degree from Temple University, BS degree from the University of New Mexico, and MA degree from California State University, Los Angeles.

Table of Contents

Peachtree Problem Templates and Backup File Names

Chapter	Peachtree Problem Templates – PTB extensions	Backup File Names – PTB extensions
4	Problem 4-27A	P04-27A
	Problem 4-28A.Paradise Vacations	P04-28A.Financial Statements.PV
		P04-28A.Closing.PV
	Problem 4-29A.Pacific Machining	P04-29A.Financial Statements 2004.PM
		P04-29A Closing 2004.PM
		P04-29A Financial Statements 2005.PM
		P04-29A.Closing 2005.PM
5	Problem 5-25A.C Eaton Company	P05-25A.Financial Statements.CEC
		P05-25A.Closing.CEC
	Problem 5-28A.Reeves Hardware	P05-28A.RH
8	Problem 8-17A.Bishop Supply Company	P08-17A.BSC
	Problem 8-22A.Una Corp	P08-22A.Financial Statements 2006.UC
		P08-22A.Closing 2006.UC
		P08-22A.Financial Statements 2007.UC
		P08-22A.Closing 2007.UC
10	Problem 10-28A.Martin Co	P10-28A.2005.MC
		P10-28A.2006.MC
11	Problem 11-19A.Lane Corporation	P11-19A.2006.LC
		P11-19A.2007.LC
	Problem 11-20A.Midwest Corp	P11-20A.MC

Chapter 4

The Double-Entry Accounting System

In Chapter 8 of *Fundamental Financial Accounting Concepts, 5e*, there are three Peachtree Complete Accounting problems.

1. Problem 4-27A: Recording Adjusting Entries in General Journal Format.
2. Problem 4-28A Paradise Vacations: One Complete Accounting Cycle.
3. Problem 4-29A Pacific Machining: Two Complete Accounting Cycles.

The instructions assume that Peachtree Complete Accounting 2005 is installed and that you are using the Peachtree Problem Templates for the *first time*. Here is what you will learn how to do with Chapter 8's Peachtree activities.

- Use Peachtree's Restore Wizard to start a new company.
- Restore three Peachtree Problem Templates from Carol Yacht's General Ledger (CYGL) & Peachtree Complete 2005 CD-ROM, *or* from a hard-drive location.
- Identify Peachtree's program and data path.
- Enter transactions in the general journal; post to the general ledger; print the trial balance, income statement, statement of changes in stockholders' equity, balance sheet, and statement of cash flows.
- Complete the Problem 4-27A, Problem 4-28A, and Problem 4-29A.

Read Me: Year-End

Some of the problems completed in Chapter 4 involve transactions over a two-year period. You may encounter a Peachtree Accounting window that tells you that Peachtree has detected that you are approaching the end of your second open payroll tax year or open fiscal year. In answer to the question Would you like to use the Year-End Wizard now?, click No . You are returned to the company's menu bar.
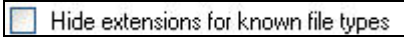

GETTING STARTED: PROBLEM 4-27A

Use the following instructions to start Peachtree and restore problem data. In this book the problem data is called the Peachtree Problem Templates. For purposes of this book, **templates** are defined as prestored data files that end in a .ptb extension. Files with .ptb

---

extensions can be used with Peachtree Complete Accounting 2005.
The files illustrated in this book show the appropriate Peachtree file extension (.ptb).
Depending on how the Windows defaults are set up, you may or may *not* see file extensions.
In order to see file extensions, follow these steps. (These steps are consistent with Windows
XP).

1. Go to Windows Explorer. (*Hint:* Start; All Programs, Accessories, Windows Explorer.)
2. From the Windows Explorer menu bar, select Tools; Folder Options, select the View
   tab. If necessary, scroll down the screen. Uncheck Hide extensions for known file
   types. ☐ Hide extensions for known file types
3. Click ⬛ OK ⬛ .
4. Close Windows Explorer.

Instructions:

1. Start Peachtree.
2. If the software is installed, there is a desktop icon for Peachtree Complete Accounting.
   Double-click on the Peachtree Complete icon.
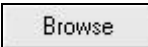
   If Peachtree is *not* installed, refer to the *Getting Started Guide* that is included with Carol
   Yacht's General Ledger & Peachtree Complete 2005 CD-ROM. You can also start
   Peachtree by clicking Start, All Programs, Peachtree Complete Accounting Educational
   Version 2005. Then, select Peachtree Complete Accounting Educational Version 2005.
   (These instructions are consistent with Windows XP. If you are using a different
   version of Windows, your steps will differ.)

3. The startup window appears.
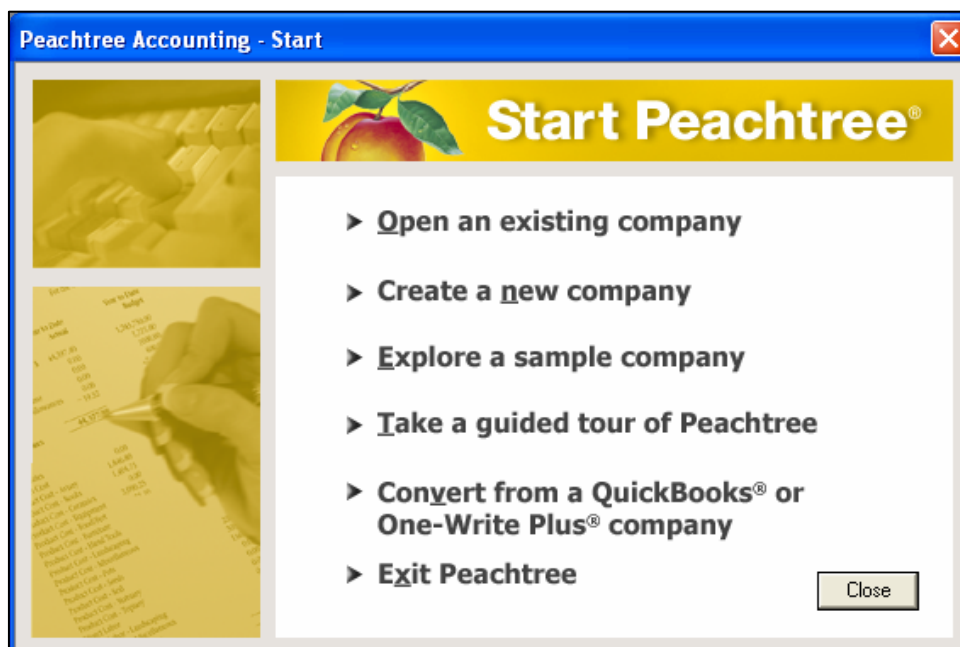
4. Click [Close]. There are three menu bar options: File; Options; and Help.
5. Click File; Restore. The Restore Wizard - Select Backup File window appears. Observe that the Location field shows where Peachtree is stored on your computer. The default location is C:\Program Files\Peachtree\Company. Your Location field may differ. The location field shown below represents Peachtree's default program and data path when the program is installed on drive C. Compare your Select Backup File window with the one shown below.
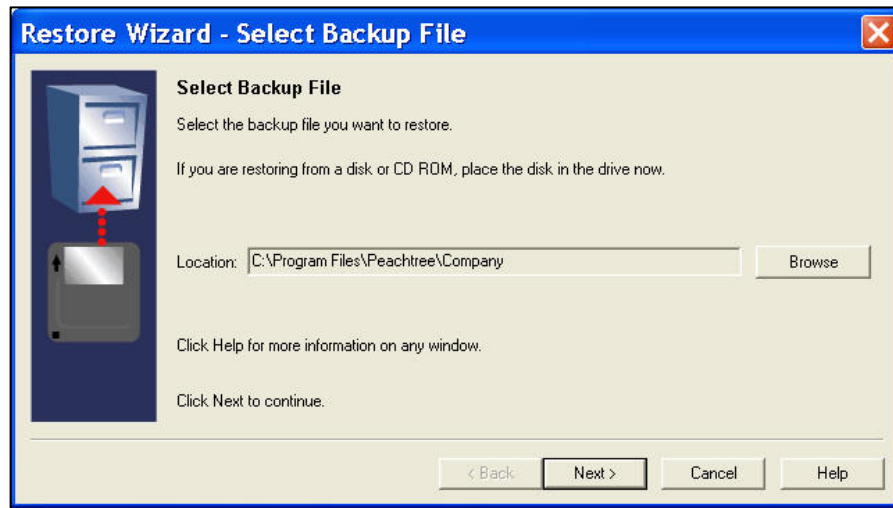
6. Click [Browse]. The Open Backup File window appears. In the Look in field, select the location of the Problem 4-27A.ptb file. If you are opening files from the CYGL & Peachtree CD, select your CD drive letter and the Peachtree Problem Templates folder. Click on Problem 4-27A.ptb to select it.
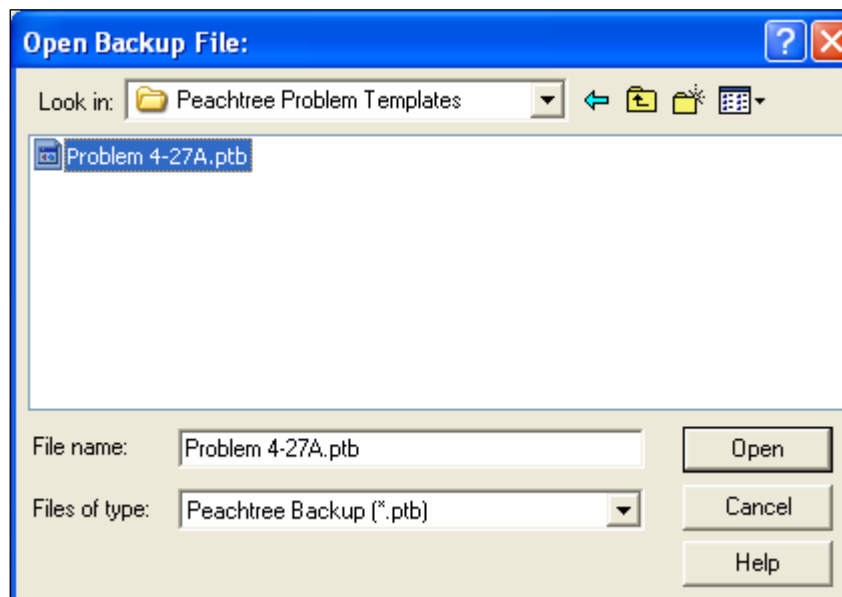
7. Make sure the Problem 4-27A.ptb file is selected. Click [Open].
8. The Select Backup File window appears. Make sure the Location field shows the correct path for the Problem 4-27A.ptb file; for example, X:\Peachtree Problem Templates\Problem 4-27A.ptb. (Substitute the correct drive letter for X.) The Select Backup File window shows the location as drive E because that is the drive letter of the author's CD drive.
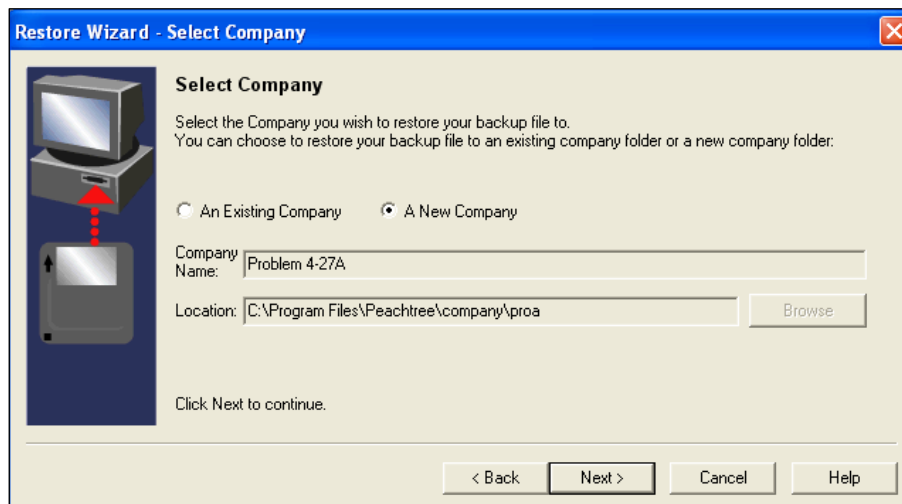
Restore Wizard - Select Backup File

Select Backup File

Select the backup file you want to restore.

If you are restoring from a disk or CD ROM, place the disk in the drive now.

Location: E:\Peachtree Problem Templates\Problem 4-27A.ptb   [Browse]

Click Help for more information on any window.

Click Next to continue.

[< Back] [Next >] [Cancel] [Help]
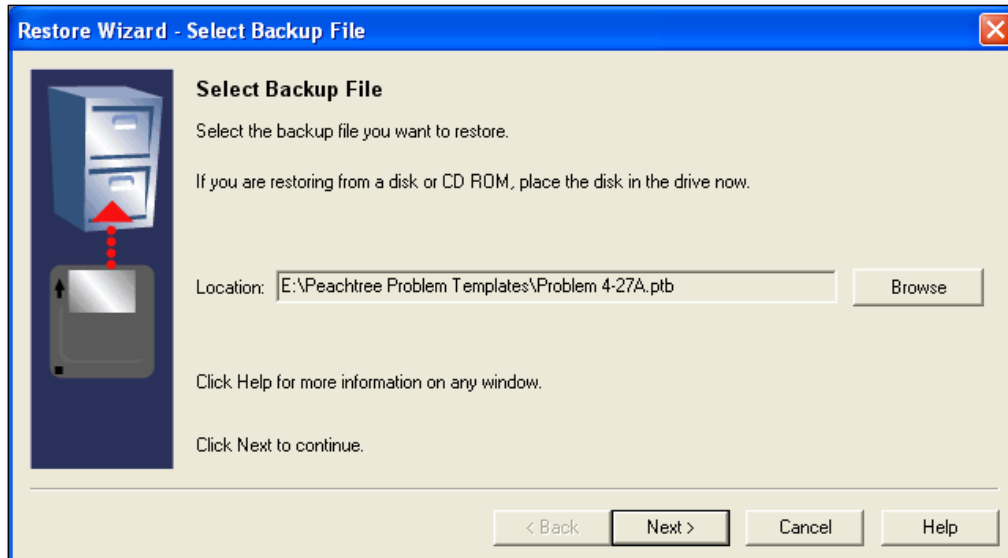
9. Click [Next >]. The Select Company window appears. Click on the radio button next to *A New Company*. Compare your Select Company window to the one shown below. The Location field shown in this book indicates the default location where drive C is used to install Peachtree. Your Location field may differ. *Make sure that the Location field ends in* **proa**. Read the information that follows on page 9.

Restore Wizard - Select Company

Select Company

Select the Company you wish to restore your backup file to.
You can choose to restore your backup file to an existing company folder or a new company folder.

○ An Existing Company   ● A New Company

Company Name: Problem 4-27A

Location: C:\Program Files\Peachtree\company\proa   [Browse]

Click Next to continue.

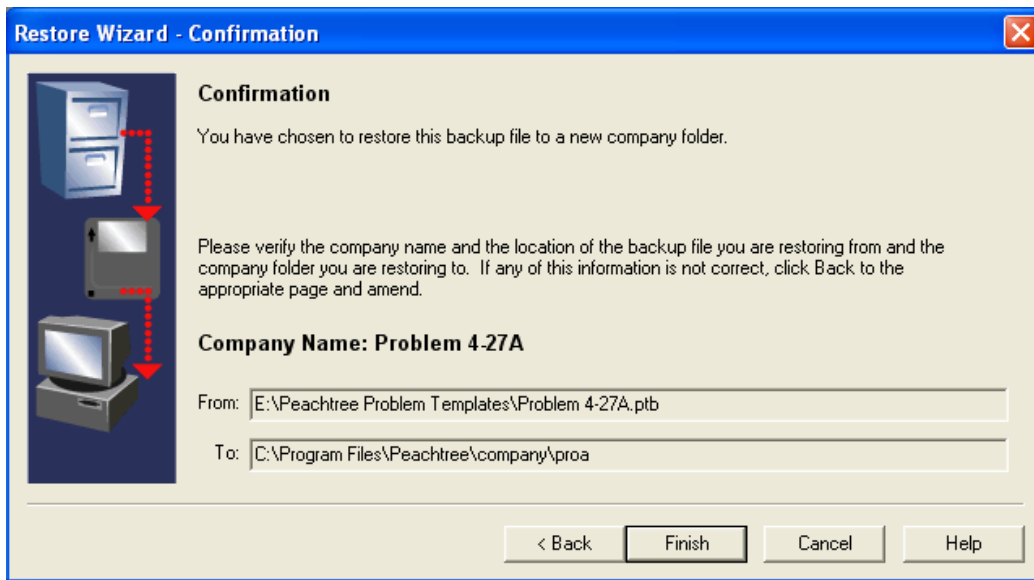[< Back] [Next >] [Cancel] [Help]

When you select *A New Company* to restore, a company folder is set up in Peachtree; and the company name is shortened. The shortened company name is added to Peachtree's program and data path. If the company has *never been restored* to the computer you are using, the shortened name is "proa."

If Problem 4-27A is already set up on your computer, Peachtree changes the shortened name of the company and creates a different company name folder. For example, the company's shortened name shows "prob." Notice that the last letter of the shortened name is changed. This means that Problem 4-27A was already restored. If this is the case, select *An Existing Company*, then click **[Browse]**. Double-click Problem 4-27A. An Existing Company is selected and your Location field shows the shortened company name **proa**. Continue with step 10.

10. Click **[Next >]**. The Restore Options window appears.

11. Make sure that the box next to Company Data is *checked*. Click **[Next >]**.

12. The Confirmation window appears. Check the From and To fields to make sure they are correct. In the illustration below the From field indicates drive E for the Peachtree Problem Templates folder. Your drive letter may differ. The To field indicates the default program and data path for Peachtree when it has been installed on drive C. Your drive letter and path may differ. Compare your Confirmation window with the one shown below.

Restore Wizard - Confirmation

Confirmation

You have chosen to restore this backup file to a new company folder.

Please verify the company name and the location of the backup file you are restoring from and the company folder you are restoring to. If any of this information is not correct, click Back to the appropriate page and amend.

Company Name: Problem 4-27A

From: E:\Peachtree Problem Templates\Problem 4-27A.ptb

To: C:\Program Files\Peachtree\company\proa

[< Back] [Finish] [Cancel] [Help]

13. Click **[Finish]**. When the Restore Company scale is 100% complete, your data is restored and the Peachtree Accounting: Problem 4-27A menu bar appears.

14. If necessary, remove the CYGL & Peachtree CD.

Company Maintenance Information

Before you start recording transactions for Problem 4-27A, you should look at the company information included on the Problem 4-27A.ptb file. Follow these steps to look at company information.

1. The Problem 4-27A menu bar should be displayed. From the menu bar, click on Maintain; Company Information. The Maintain Company Information window appears. Compare your Maintain Company Information window to the one shown on the next page.

Observe that the Company Name field shows Problem 4-27A. The Directory field shows the location on the hard drive where the company data is stored – c:\Program Files\Peachtree\company\proa. When a company is set up in Peachtree, the company name is shortened. The shortened company name is added to Peachtree's program and data path. If you are working in a computer lab, Peachtree's location may differ from the one shown above.

Other important fields on this window include the Form of Business which is Corporation for Problem 4-27A; the Posting Method which is Real-time; and the Accounting Method which is Accrual. Real-time posting means that each time you save a transaction in Peachtree it is also posted to the general ledger. Accrual accounting is Peachtree's default accounting method.

2. Check with your instructor to see if he or she would like to have your name on printouts. If this is the case, add your first and last name to the Company Name field. Then click [OK].

Problem 4-27A Chart of Accounts

Problem 4-27A in Chapter 8 of *Fundamental Financial Accounting Concepts, 5e* includes general journal transactions. The data that you restored from the Carol Yacht's General Ledger & Peachtree CD-ROM contains a chart of accounts for Chapter 8's Problem 4-27A. Use the steps on the next page to display the Problem 4-27A chart of accounts.

Instructions:

1. From the menu bar, select Reports; General Ledger.

2. The Select a Report window appears. Select Chart of Accounts, then click [Preview].

3. The Chart of Accounts Filter window appears. Click [OK]. Problem 4-27A chart of accounts appears. You will use these accounts to record general journal entries.

Problem 4-27A
Chart of Accounts
As of Apr 30, 2005

Filter Criteria includes: Report order is by ID. Report is printed with Accounts having Zero Amounts and in Detail Format.

Account ID	Account Description	Active?	Account Type
101	Cash	Yes	Cash
103	Certificate of Deposit	Yes	Cash
108	Interest Receivable	Yes	Other Current Assets
110	Supplies	Yes	Other Current Assets
112	Prepaid Insurance	Yes	Other Current Assets
114	Prepaid Rent	Yes	Other Current Assets
151	Equipment	Yes	Fixed Assets
153	Accumulated Depreciation	Yes	Accumulated Depreciation
201	Accounts Payable	Yes	Accounts Payable
205	Notes Payable	Yes	Other Current Liabilities
207	Unearned Revenue	Yes	Other Current Liabilities
209	Interest Payable	Yes	Other Current Liabilities
307	Common Stock	Yes	Equity-doesn't close
318	Retained Earnings	Yes	Equity-Retained Earnings
403	Service Revenue	Yes	Income
405	Interest Revenue	Yes	Income
607	Depreciation Expense	Yes	Expenses
609	Insurance Expense	Yes	Expenses
611	Interest Expense	Yes	Expenses
613	Rent Expense	Yes	Expenses
615	Supplies Expense	Yes	Expenses

Read Me: Peachtree's Chart of Accounts

Notice Peachtree's chart of accounts includes an Account ID column that shows the account numbers. The Account Description column shows the account name. All the accounts are active. The Account Type column classifies the general ledger accounts for Peachtree's financial statements. There is also an account called Retained Earnings (Account No. 318). Peachtree *must* have a retained earnings account in order to post to the general ledger.

4. Click [Close] two times to return to the menu bar.

Peachtree's General Journal

Peachtree provides two ways to journalize and post general journal entries. You can use the Tasks menu, then select General Journal Entry or you can use Peachtree's Navigation Aid General Ledger selection. (Note: To turn the Navigation Aid on, from the menu bar, select Options. If a check mark is next to View Navigation Aid, it is turned on. To turn it off, you click on View Navigation Aid to remove the check mark.) In this book, you will use menu bar selection: Tasks; General Journal Entry.

The transactions for Problem 4-27A are shown in the textbook. The instructions that follow show you how to journalize and post the transactions shown in the textbook). After following these steps for the first journal entry, you should journalize and post the remaining transactions. These transactions are shown in the textbook as a. through g.

Before you start recording general journal entries, make sure the global settings are correct. Follow these steps.

1. From the menu bar, select Options, Global.
2. The Accounting tab is selected. Make sure the radio button next to Manual is selected and that 2 appears in the Number of decimal places field
3. Make sure there are *no* check marks next to the three boxes in the Hide General Ledger Accounts area. If necessary, click on the check mark to uncheck it.
4. Click on the box next to Recalculate cash balance automatically in Receipts, Payments, and Payroll Entry. Compare your Maintain Global Options window to the one shown below.

5. Click on the General tab. In the Line Item Entry Display area, the radio button next to 2 Line should be selected. Compare your General tab to the one shown below. Make any needed changes.

---

6. Click [OK].

Instructions:

Date　　　　**Transaction**

October 1　　Paid $9,600 cash in advance on October 1 for a one-year lease on office space.

1. From the menu bar, select Tasks; General Journal Entry.
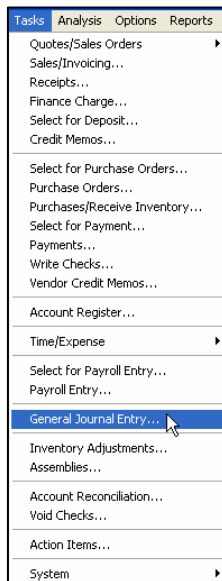
2. The General Journal Entry window appears. Your cursor is in the Date field. If necessary, type **10/1/05** and press <Enter> three times. (*Hint:* Use 2005 as the year for general journal entry transactions.)

3. Your cursor is in the GL Account field. Observe that the GL Account field has a magnifying glass icon [icon]. Click [icon] and a chart of accounts list appears. Since you are going to debit Prepaid Rent, double click on Account No. 114, Prepaid Rent. The word Prepaid Rent appears below 114. (If it does *not*, refer to the global option settings for Line Item Entry Display on page 14.) Your cursor is in the Description field.
4. Type **Prepaid Rent** as the Description and press <Enter>.
5. Your cursor is in the Debit column. Type **9600** in the Debit column. (If 96.00 displays instead of 9,600.00, refer to the global option settings for Decimal Entry on page 13.

    Make the appropriate changes, then click ⟨ OK ⟩. Type **9600** again in the Debit column. Your entry should appear as 9,600.00.) Press <Enter> three times.
6. Your cursor is in the GL Account field. Click [icon] and double-click Account No. 101, Cash. Type **Cash** in the Description column. Press <Enter> two times to go to the Credit Column.
7. Type **9600** as the credit; press <Enter>. Observe that the Out of Balance column shows 0.00. This means your debits equal your credits. Compare your General Journal Entry window to the one shown below.

Posting to the General Ledger

After each transaction is recorded you need to post to the general ledger. Notice that there is a Save ⬛ icon on the General Journal Entry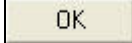 window. After each transaction is entered on the General Journal Entry window, you select ⬛ to post to the general ledger.

Instructions:

1. The General Journal Entry window shown on the previous page should be displayed. Click ⬛.
2. Your General Journal Entry window is ready for the next transaction. Using the a. through g. transactions shown in the textbook, journalize and post each transaction. To change the <u>D</u>ate field, type the appropriate day of the month; *or* click the calendar icon ⬛, then select the appropriate month and day. For the description column, type the name of the account. *Remember to click* ⬛ *after each transaction to post to the general ledger.*

3. After completing the general journal transactions, click ⬛ to return to the menu bar.

Printing the General Journal

Instructions:

1. From the menu bar, select Reports; General Ledger.
2. Click General Journal in the Report Lis<u>t</u> to select it.

3. Click ⬛. The General Journal Fi<u>l</u>ter window appears. The From field shows April 1, 2005. Type **12/31/05** in the To field.
4. Click ⬛. Click ⬛ again and your general journal starts to print. *Or*, click ⬛, then make the selections to display the report. (*Hint:* The General Journal report For the Period From Apr 1, 2005 to Dec 31, 2005 is shown. In Peachtree, the entries are shown in chronological order. In other words, the April through October entries are listed before the 12/31/05 adjusting entries.)
5. Close the General Journal and Select a Report windows. You are returned to the menu bar.
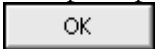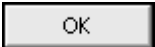
Backing Up Peachtree

Before you end your work *or leave the computer lab*, remember to back up your data. When you back up data in Peachtree, you are saving to that point in the data. Peachtree's back up files are identified with the extension .ptb. .PTB extensions are added automatically to Peachtree back up files. This is the *same* extension as the Peachtree Problem Templates on the CYGL & Peachtree Complete 2005 CD.

The instructions that follow show you how to back up data to a floppy disk in drive A. You may also back up to the hard drive, network location, or other media. If necessary, substitute drive A for the location of your back up.

Instructions:

1. If you are backing up to a floppy disk, put a floppy disk in drive A.
2. From the menu bar, select File; Back Up. The Back Up Company window appears.
3. Click [Back Up].
4. Click on the down-arrow in the Save in field. Select drive A or other location for your back up.
5. Type **P04-27A** in the File name field. (Use a zero.)
6. Click [Save].
7. When the window prompts that This company backup will require approximately .47MG, click [OK].
8. When the window prompts you to insert the first disk, click [OK]. (This window will appear if you are backing up to a floppy disk.) When the Back Up Company scale is 100% complete, you have successfully backed up your data. You are returned to the menu bar.
9. Click File; Exit to exit Peachtree.

Restoring Your Back Up File

Once you back up, you can use Peachtree's Restore Wizard utility to start where you left off the last time you used Peachtree. Peachtree's Restore utility allows you to retrieve information that was previously saved or backed up. Remember, you have two choices when you restore: 1) Restore *An Existing Company*; or 2) Restore *A New Company*.

When you start Peachtree, if Problem 4-27A is listed as one of the companies, then you should restore *An Existing Company*. Restoring An Existing Company is Peachtree's default. If you are using a computer that does *not* have Problem 4-27A listed, then you should restore *A New Company*. Once you restore your back up file, you will be able to start where you left off the last time you used Peachtree. The instructions that follow assume that Problem 4-27A is already set up and is shown on the Company Name list.

Instructions:

1. Start Peachtree. On the startup window, select <u>O</u>pen an Existing Company.
2. Double-click Problem 4-27A. The menu bar for Problem 4-27A appears.
3. If you backed up to a floppy disk in drive A, put your back up disk in drive A. (*Hint:* The instructions in this book assume you backed up to drive A. You may back up to another location.)
4. From the Problem 4-27A menu bar, click on File; Restore. The Restore Wizard – Select Backup File window appears.
5. Click [Browse]. In the Look in field, select the location of your backup file. If you are restoring files from drive A, select that drive letter–3½ Floppy (A:)–or, select the appropriate drive where your back up file resides.
6. Select the P04-27A.ptb file. This is the back up file that you made on page 17. Click [Open].
7. Make sure the Location field shows the correct path for the P04-27A.ptb file. If you are restoring from drive A, the Location field shows A:\P04-27A.ptb. Click [Next >].
8. The Select Company window appears. Accept the default for An Existing Company. The Company name field shows Problem 4-27A and the Location field shows C:\Program Files\Peachtree\Company\proa. Click [Next >].
9. Make sure that a check mark is next to Company Data. Click [Next >].
10. The Confirmation window appears. Click [Finish]. Your backup data starts to restore. When the scale is 100% complete, the backup data is restored; and you are ready to start where you left off the last time you worked on Problem 4-27A.

Complete your work on Problem 4-27A. When through, back up using the file name P04-27A.ptb. Exit Peachtree.

You have completed the work for Problem 4-27A. *Remember, always back up before you exit Peachtree or shut off your computer.*

GETTING STARTED: PROBLEM 4-28A

Read the information for Problem 4-28A in *Fundamental Financial Accounting Concepts, 5e.* Follow the instructions below to restore the Peachtree Problem Template for Problem 4-28A.Paradise Vacations.ptb.

Instructions:

1. Start Peachtree. At the startup window, click [Close].
2. Put the CYGL & Peachtree CD in your CD drive.

3. From the menu bar, select File; Restore.
4. Click [Browse]. In the Look in field, select the location of the backup file. Since you are restoring files from the CYGL & Peachtree CD, select that drive letter.
5. Open the Peachtree Problem Templates folder. Then, select Problem 4-28A.Paradise Vacations.ptb file; click [Open].
6. The Select Backup File window appears. Make sure the Location field shows the correct path for the Problem 4-28A.Paradise Vacations.ptb file; for example, X:\Peachtree Problem Templates\Problem 4-28A.Paradise Vacations.ptb. (Substitute X for your drive letter.) Click [Next >].
7. The Select Company window appears. Click on the radio button next to A New Company. The Select Company window appears. On the Select Company window, the Company Name field shows Paradise Vacations. The Location field shows C:\Program Files\Peachtree\Company**parvacat**. If your Location field shows a different subdirectory; for example, "parvacat," select An Existing Company, then [Browse]. Double-click Paradise Vacations. The Company Name field shows Paracise Vacations. The Location field shows C:\Program Files\Peachtree\Company**parvacat**.
8. Click [Next >]. The Restore Options window appears.
9. Make sure that the box next to Company Data is *checked*. Click [Next >].
10. The Confirmation window appears. Check the From and To fields to make sure they are correct. The From field should show the CD drive location; and To field shows Peachtree's program and data path. Click [Finish]. When the Restore Company scale is 100% complete, your data is restored and the Peachtree Accounting: Paradise Vacations menu bar appears.
11. Remove the CYGL & Peachtree CD.

Company Maintenance Information

Before you start recording transactions for {aradose Vacations, you should look at the company information included on the Problem 4-28A.Paradise Vacations.ptb file. Follow these steps to look at company information.

1. The Paradise Vacations menu bar should be displayed. From the menu bar, click on Maintain; Company Information. The Maintain Company Information window appears.
2. If you want your name to appear on Peachtree printouts, add your name to the Company Name field. Click [OK].

Paradise Vacations Chart of Accounts

Before journalizing and posting general journal entries, you should display the Chart of Accounts. Follow these instructions to do that.

Instructions:

1. From the menu bar, select Reports; General Ledger, Chart of Accounts.

2. Click [Preview]; then [OK]. The Paradise Vacations chart of accounts appears.

Paradise Vacations
Chart of Accounts
As of Dec 31, 2005

Filter Criteria includes: Report order is by ID. Report is printed with Accounts having Zero Amounts and in Detail Format.

Account ID	Account Description	Active?	Account Type
101	Cash	Yes	Cash
106	Accounts Receivable	Yes	Accounts Receivable
110	Supplies	Yes	Other Current Assets
114	Prepaid Rent	Yes	Other Current Assets
201	Accounts Payable	Yes	Accounts Payable
207	Salaries Payable	Yes	Other Current Liabilities
307	Common Stock	Yes	Equity-doesn't close
317	Dividends	Yes	Equity-gets closed
318	Retained Earnings	Yes	Equity-Retained Earnings
403	Service Revenue	Yes	Income
611	Operating Expenses	Yes	Expenses
613	Rent Expense	Yes	Expenses
614	Salaries Expense	Yes	Expenses
615	Supplies Expense	Yes	Expenses

3. Remember, Peachtree must have a Retained Earnings account (Account No. 318) set up in order to post to the general ledger. When you are through looking at the chart of accounts, close the windows to return to the menu bar.

Completing Problem 4-28A

Journalize and post the transactions shown in the textbook. For purposes of completing these transactions in Peachtree, use December 1-8 for the transactions identified as 1 through 8 in the textbook. Use December 31, 2005 for the adjusting entries identified as 9 through 11 in the textbook.

Required:

1. Read the information in the textbook for Problem 4-28A.
2. Journalize and post the transactions identified as 1 through 8 in the textbook. (Use December 1-8, 2005 as the dates for these transactions.)
3. Journalize and post the adjusting entries. (The adjusting entries are identified as transactions 9 through 11 in the textbook.)
4. Print the trial balance. (*Hint:* See the steps on pages 21 and 22 for printing the trial balance.)

5. Print the income statement, statement of changes in financial position; balance sheet, and statement of cash flow. (See the steps on page 22 for printing an income statement. Peachtree's financial statements differ in the following ways from the financial statements shown in the textbook or completed manually in the *Working Papers*.

   a. Peachtree's income statement shows a current month and year to date column. Percentage of revenue is also shown, along with a Cost of Sales section.
   b. Use Peachtree's statement of changes in financial position for the textbook's statement of changes in stockholders' equity. Peachtree's statement of changes in financial position has more detail than a manually completed statement of changes in stockholders' equity.
   c. Peachtree does *not* have a Statement of Changes in Stockholders' equity.
   d. Peachtree's balance sheet includes a Capital section which details Common Stock, minus dividends, plus net income. The Total capital is similar to the amount shown on the Statement of Changes in Stockholders' Equity.
   e. Peachtree's statement of cash flow includes more detail than a manually completed one. There is both a current month and year to date column on Peachtree's statement of cash flow.
6. Back up your data. The suggested file name is **P04-28A.Financial Statements.PV**.
7. Journalize and post the closing entries.
8. Print the general journal.
9. Print the trial balance.
10. Print the general ledger. (From the Reports menu, select General Ledger; General Ledger.)
11. Back up your data. The suggested file name is **P04-28A.Closing.PV**.

Printing the General Ledger

Instructions:

Use the general ledger for the T-accounts. Refer to Required step b. in the text

1. From the Report List, select General Ledger. *Or,* from the menu bar, select Reports; General Ledger, General Ledger.
2. Click [Print] (or [Preview]) and make the selections to print or display the general ledger. (Use Peachtree's General Ledger report for the T-accounts required in step b. in the textbook.)

Printing the Trial Balance

Follow these steps to print a trial balance. In Peachtree, this is called the General Ledger Trial Balance.

1. From the menu bar, select Reports; General Ledger.

2. In the Report List, select General Ledger Trial Balance. Then, select [Print] or [Preview]. Make selections to print or display your trial balance.

Printing the Income Statement

Instructions:

1. From the Report Area, select Financial Statements. *Or,* from the menu bar, select Reports; Financial Statements.
2. In the Report List, click on <Standard> Income Statement to highlight it.
3. Click [Print] (or [Preview]) and make the selections to print the balance sheet.
4. The <Standard> Income Stmnt Options window appears. Uncheck the Show Zero Amounts boxes. Make the selection to print or display.
5. Close the Income Statement and Select a Report windows to return to the menu bar. (*Hint:* You can also select Window; Close All to close all opened windows.)

GETTING STARTED: PROBLEM 4-29A

Read the information for Problem 4-29A in *Fundamental Financial Accounting Concepts, 5e.* Follow the instructions below to restore the Peachtree Problem Template for Problem 4-29A.Pacific Machining.ptb.

Instructions:

1. Start Peachtree. At the startup window, click [Close].
2. Put the CYGL & Peachtree CD in your CD drive.
3. From the menu bar, select File; Restore.
4. Click [Browse]. In the Look in field, select the location of the backup file. Since you are restoring files from the CYGL & Peachtree CD, select that drive letter.
5. Open the Peachtree Problem Templates folder. Then, select Problem 4-29A.Pacific Machining.ptb file; click [Open].
6. The Select Backup File window appears. Make sure the Location field shows the correct path for the Problem 4-29A.Pacific Machining.ptb file; for example, X:\Peachtree Problem Templates\ Problem 4-29A.Pacific Machining.ptb. (Substitute X for your drive letter.) Click [Next >].
7. The Select Company window appears. Click on the radio button next to A New Company. The Select Company window appears. On the Select Company window, the Company Name field shows Pacific Machining. The Location field shows C:\Program Files\Peachtree\Company**pacmachi**. If your Location field shows a different

subdirectory; for example, "pacmachj," select An Existing Company, then [Browse]. Double-click Pacific Machining. The Company Name field shows Pacific Machining. The Location field shows C:\Program Files\Peachtree\Company**pacmachi**.

8. Click [Next >]. The Restore Options window appears.

9. Make sure that the box next to Company Data is *checked*. Click [Next >].

10. The Confirmation window appears. Check the From and To fields to make sure they are correct. The From field should show the CD drive location; and To field shows Peachtree's program and data path. Click [Finish]. When the Restore Company scale is 100% complete, your data is restored and the Peachtree Accounting: Pacific Machining menu bar appears.

11. Remove the CYGL & Peachtree CD.

Company Maintenance Information

Before you start recording transactions for Pacific Machining., you should look at the company information included on the Problem 4-29A.Pacific Machining.ptb file. Follow these steps to look at company information.

1. The Pacific Machining menu bar should be displayed. From the menu bar, click on Maintain; Company Information. The Maintain Company Information window appears.

2. If you want your name to appear on Peachtree printouts, add your name to the Company Name field. Click [OK].

Pacific Machining Chart of Accounts

Before journalizing and posting general journal entries, you should display the Chart of Accounts. Follow these instructions to do that.

Instructions:

1. From the menu bar, select Reports; General Ledger, Chart of Accounts.

2. Click [Preview]; then [OK]. The Pacific Machining chart of accounts appears.

```
                                                        Pacific Machining
                                                        Chart of Accounts
                                                        As of Dec 31, 2004
Filter Criteria includes: Report order is by ID. Report is printed with Accounts having Zero Amounts and in Detail Format.

Account ID    Account Description      Active?    Account Type

101           Cash                     Yes        Cash
106           Accounts Receivable      Yes        Accounts Receivable
114           Prepaid Rent             Yes        Other Current Assets
130           Land                     Yes        Fixed Assets
201           Accounts Payable         Yes        Accounts Payable
207           Salaries Payable         Yes        Other Current Liabilities
209           Unearned Revenue         Yes        Other Current Liabilities
211           Notes Payable            Yes        Other Current Liabilities
213           Interest Payable         Yes        Other Current Liabilities
307           Common Stock             Yes        Equity-doesn't close
317           Dividends                Yes        Equity-gets closed
318           Retained Earnings        Yes        Equity-Retained Earnings
403           Service Revenue          Yes        Income
609           Interest Expense         Yes        Expenses
611           Operating Expenses       Yes        Expenses
613           Rent Expense             Yes        Expenses
614           Salaries Expense         Yes        Expenses
```

3. When you are through looking at the chart of accounts, close the windows to return to the menu bar.

Completing Problem 4-29A

Journalize and post the transactions shown in the textbook. For purposes of completing these transactions in Peachtree, use December 1 to 8, 2004 for the transactions identified as 1 through 8; 2004 events. For the adjusting entries, use December 31. For detailed steps in journalizing and posting transactions, refer to Peachtree's General Journal, pages 13-16.

Required:

1. Read the information in the textbook for Problem 4-29A.
2. Journalize and post the transactions. (Use December 1-8, 2004 as the dates for transactions identified as 1 through 8, 2004 events.)
3. Journalize and post the adjusting entries. (Date the adjusting entries December 31, 2004.)
4. Print the Trial Balance.
5. Print the income statement, statement of changes in financial position, balance sheet, and statement of cash flow.
6. Back up your data. The suggested files name is **P04-29A.Financial Statements 2004.PM**
7. Journalize and post the closing entries. (Date the closing entries December 31, 2004.)
8. Print the December 31, 2004 general journal.
9. Print the general ledger.

10. Print an after-closing trial balance.

11. Back up your data. The suggested file name is **P04-29A.Closing 2004.PM**. If necessary, refer to the detailed steps for backing up on page 17.

Change the Accounting Period

After completing the transactions for 2004, you need to change the accounting period. Follow these steps to do that.

1. From the Tasks menu, select System; Change Accounting Period.

2. Click on Period 13, Jan 01, 2005 to Jan 31, 2005.
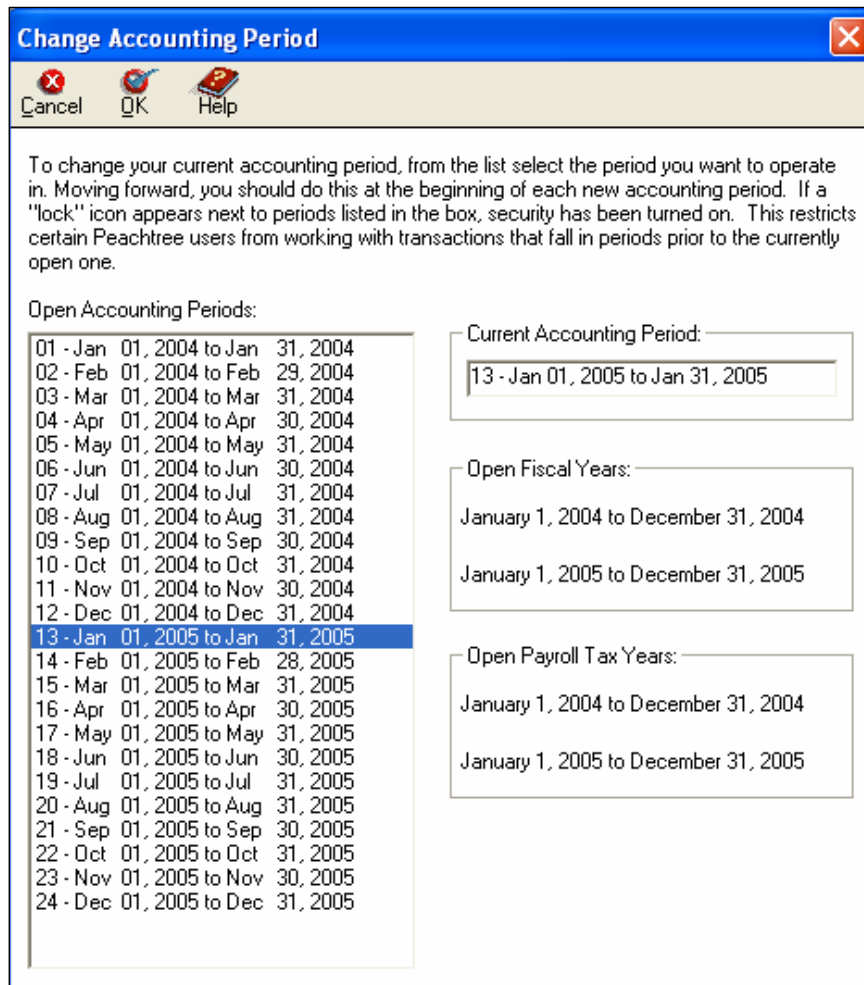
3. Click [OK]. Observe that the period shown on the taskbar is Period 13 - 1/1/05 to 1/31/05.

Required

1. Journalize and post the transactions listed as Events for 2005 in the textbook. (Use January 1-11, 2005 as the dates for transactions identified as 1 through 11.)
2. Journalize and post the adjusting entries. (*Hint:* Date the adjusting entries December 31, 2005.)
3. Print the December 31, 2005 trial balance.
4. Print the December 31, 2005 income statement and balance sheet.
5. Complete the statement of changes in stockholders' equity and statement of cash flow on a blank piece of paper or in the *Working Papers*. (Once you changed accounting periods, Peachtree's statement of changes in financial position and statement of cash flow was updated.)
6. Back up your data. The suggested file name is **P04-29A.Financial Statements 2005.PM**.
7. Journalize and post the closing entries. (*Hint:* Date the closing entries December 31, 2005.)
8. Print the January 1 through December 31, 2005 general journal.
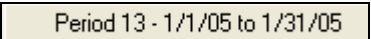9. Print the January 1 through December 31, 2005 general ledger.
10. Print the December 31, 2005 after-closing trial balance.
11. Back up your data. The suggested file name is **P04-29A.Closing 2005.PM**. If necessary, refer to the detailed steps for backing up on page 17.

You have completed work for Chapter 4: The Double-Entry Accounting System. Remember to back up before you exit Peachtree or leave the computer lab.

Chapter

5

Accounting for Merchandising Businesses

In Chapter 5 of *Fundamental Financial Accounting Concepts, 5e*, there are two Peachtree Complete Accounting problems.

1. Problem 5-25A C. Eaton Company: Comprehensive Cycle Problem—Perpetual System

2. Problem 5-28A Reeves Hardware: Comprehensive Problem—Periodic System

The instructions assume that you are using the Peachtree Problem Templates for the *first time*. Here is what you will learn how to do with Chapter 5's Peachtree activities.
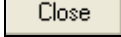
- Use Peachtree's Restore Wizard utility to start a new company.
- Restore two Peachtree Problem Templates from Carol Yacht's General Ledger & Peachtree Complete 2005 CD-ROM.
- Identify Peachtree's program and data path.
- Journalize and post journal entries.
- Change accounting period.
- Print the general journal and general ledger.
- Print financial statements.
- Complete Problem 5-25A and Problem 5-28A.
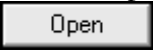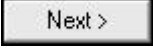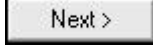
GETTING STARTED: PROBLEM 5-25A

Read the information in the textbook for Problem 5-25A.

Instructions:

Follow the steps below to restore the Problem 5-25A.C Eaton Company.ptb file.

1. Start Peachtree. At the startup window, click $\boxed{\text{Close}}$.
2. Put the CYGL & Peachtree CD in your CD drive.
3. From the menu bar, select File; Restore.
4. Click $\boxed{\text{Browse}}$. In the Look in field, select the location of the backup file. Since you are restoring the file from the CYGL & Peachtree CD, select that drive letter.

---

5. Open the Peachtree Problem Templates folder. Then, select Problem 5-25A.C Eaton Company.ptb file; click [Open].

6. The Select Backup File window appears. Make sure the Location field shows the correct path for the Problem 5-25A.C Eaton Company.ptb file; for example, X:\Peachtree Problem Templates\Problem 5-25A.C Eaton Company.ptb. (Substitute your drive letter for X.) Click [Next >].

7. The Select Company window appears. Click on the radio button next to A New Company. On the Select Company window, the Company Name field shows C. Eaton Company. The Location field shows C:\Program Files\Peachtree\Company**ceatcomp**.[1]

8. Click [Next >]. The Restore Options window appears.

9. Make sure that the box next to Company Data is *checked*. Click [Next >].

10. The Confirmation window appears. Check the From and To fields to make sure they are correct. The From field should show the CD drive location; and To field shows Peachtree's program and data path. Click [Finish]. When the Restore Company scale is 100% complete, your data is restored and the Peachtree Accounting: Reeves Hardware menu bar appears.

11. Remove the CYGL & Peachtree CD.

Company Maintenance Information

Before you start recording transactions for Problem 5-25A, you should look at the company information included on the Problem 5-25A.C Eaton Co.ptb file. Follow these steps to look at company information.

1. The Problem 5-25A menu bar should be displayed. From the menu bar, click on Maintain; Company Information. The Maintain Company Information window appears.

2. If you want your name to appear on Peachtree printouts, add your name to the Company Name field. Click [OK].

C. Eaton Company's Chart of Accounts

Before journalizing and posting general journal entries, you should display the Chart of Accounts. Follow these instructions to do that.

---

[1]If your Location field shows a different subdirectory; for example, "ceatcomo," select An Existing Company, then [Browse]. Double-click C. Eaton Company. The Company Name field shows C. Eaton Company. The Location field shows C:\Program Files\Peachtree\Company**ceatcomp**. Continue with step 8.

Instructions:

1. From the menu bar, select Reports; General Ledger, Chart of Accounts.

2. Click [Preview]; then [OK]. The C. Eaton Company chart of accounts appears.
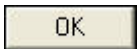
```
                                               C. Eaton Company
                                               Chart of Accounts
                                               As of Dec 31, 2005
Filter Criteria includes: Report order is by ID. Report is printed with Accounts having Zero Amounts and in Detail Format.

Account ID    Account Description     Active?    Account Type

101           Cash                    Yes        Cash
106           Accounts Receivable     Yes        Accounts Receivable
111           Merchandise Inventory   Yes        Inventory
201           Accounts Payable        Yes        Accounts Payable
307           Common Stock            Yes        Equity-doesn't close
318           Retained Earnings       Yes        Equity-Retained Earnings
401           Interest Revenue        Yes        Income
403           Sales Revenue           Yes        Income
501           Cost of Goods Sold      Yes        Cost of Sales
601           Transportation-out      Yes        Expenses
609           Interest Expense        Yes        Expenses
```

3. Close the Chart of Accounts report.

Displaying the General Ledger Trial Balance

To see the account balances shown in the textbook, follow these steps to display the general ledger trial balance.

Instructions:

1. From the Report List, select General Ledger Trial Balance.

2. Click [Preview]; then [OK]. The C. Eaton Company trial balance appears.

```
                                               C. Eaton Company
                                        General Ledger Trial Balance
                                               As of Dec 31, 2005
Filter Criteria includes: Report order is by ID. Report is printed in Detail Format.

Account ID    Account Description       Debit Amt      Credit Amt

101           Cash                       6,500.00
111           Merchandise Inventory      9,000.00
307           Common Stock                              10,000.00
318           Retained Earnings                          5,500.00

              Total:                    15,500.00       15,500.00
```

3. Close all windows. (*Hint:* From the menu bar, select Window, Close All.)

Required

1. Read the information for Problem 5-25A in the textbook.
2. Read Required step a. in the textbook. Use a blank piece of paper or the *Working Papers* to complete Required step a.
3. Journalize and post the 2005 events. For Peachtree's dates, use December 2005. Successively date the transactions shown as 1 through 8, starting with December 2. For example, 12/2/05 for 1a.; 12/3/05 for 1b.; 12/4/05 for 2., etc. When the transactions are complete, the dates are 12/2/05 through 12/12/05. (*Hint:* The transaction identified as 1. in the textbook requires two journal entries; the same is true for transaction 4. and 5. in the textbook.)
4. Print the general journal. (Observe that the beginning balances are dated 12/1/05.)
5. Print the income statement, statement of changes in financial position, balance sheet, a statement of cash flow. (*Hint:* If you completed the income statement manually, you will see differences with Peachtree's income statement; for example, Interest Revenue is shown in the Revenues section, *not* as a non-operating item. The other financial statements will also differ when manually prepared statements are compared to Peachtree's.)
6. Back up. The suggested file name is **P05-25A.Financial Statements.CEC**.
7. Journalize and post the closing entries.
8. Print the December 31, 2005 general journal. (*Hint:* Select Reports; General Journal, Print. In the From field, select 12/31/05; the To field shows 12/31/05. Make the selections to print.)
9. Print the general ledger.
10. Print the after-closing trial balance.
11. Back up. The suggested file name is **P05-25A.Closing.CEC**.

GETTING STARTED: PROBLEM 5-28A

Follow the steps below to restore the Problem 5-28A.Reeves Hardware.ptb file.

Instructions:

1. Start Peachtree. At the startup window, click [Close].
2. Put the CYGL & Peachtree CD in your CD drive.
3. From the menu bar, select File; Restore.
4. Click [Browse]. In the Look in field, select the location of the backup file. Since you are restoring the file from the CYGL & Peachtree CD, select that drive letter.
5. Open the Peachtree Problem Templates folder. Then, select Problem 5-28A.Reeves Hardware.ptb file; click [Open].

6. The Select Backup File window appears. Make sure the Location field shows the correct path for the Problem 5-28A.Reeves Hardware.ptb file; for example, X:\Peachtree Problem Templates\ Problem 5-28A.Reeves Hardware.ptb. (Substitute your drive letter for X.) Click [Next >].

7. The Select Company window appears. Click on the radio button next to A New Company. On the Select Company window, the Company Name field shows Reeves Hardware. The Location field shows C:\Program Files\Peachtree\Company **reehardw**.[2]

8. Click [Next >]. The Restore Options window appears.

9. Make sure that the box next to Company Data is *checked*. Click [Next >].

10. The Confirmation window appears. Check the From and To fields to make sure they are correct. The From field should show the CD drive location; and To field shows Peachtree's program and data path. Click [Finish]. When the Restore Company scale is 100% complete, your data is restored and the Peachtree Accounting: Reeves Hardware menu bar appears.

11. Remove the CYGL & Peachtree CD.

Company Maintenance Information & Chart of Accounts

Before you start recording transactions for Reeves Hardware, you should look at the company information included on the Problem 5-28A.Reeves Hardware.ptb file. Follow these steps to look at company information.

1. The Reeves Hardware menu bar should be displayed. From the menu bar, click on Maintain; Company Information. The Maintain Company Information window appears.

2. If you want your name to appear on Peachtree printouts, add your name to the Company Name field. Click [OK].

3. Display the chart of accounts and review the accounts you will be using to journalize entries. (*Hint:* Select Reports; General Ledger, Chart of Accounts, Preview.)

Displaying the General Ledger Trial Balance

To see the account balances shown in the textbook, follow these steps to display the general ledger trial balance.

---

[2]If your Location field shows a different subdirectory; for example, "reehardx," select An Existing Company, then [Browse]. Double-click Reeves Hardware. The Company Name field shows Reeves Hardware. The Location field shows C:\Program Files\Peachtree\Company**reehardw**. Continue with step 8.

Instructions:

1. From the Report List, select General Ledger Trial Balance.

2. Click [Preview]; then [OK]. The Reeves Hardware trial balance appears.

```
                                              Reeves Hardware
                                       General Ledger Trial Balance
                                            As of Dec 31, 2005
Filter Criteria includes: Report order is by ID. Report is printed in Detail Format.

Account ID    Account Description      Debit Amt    Credit Amt

101           Cash                     14,000.00
106           Accounts Receivable       9,000.00
111           Merchandise Inventory    60,000.00
201           Accounts Payable                        5,000.00
307           Common Stock                           70,000.00
318           Retained Earnings                       8,000.00

              Total:                   83,000.00     83,000.00
```

3. Close all windows.

Required

1. Read the information for Problem 5-28A in the textbook.
2. Journalize and post the 2005 events. For Peachtree's dates, use December 2005. Successively date the transactions shown as 1 through 11, starting with December 2. For example, 12/2/05 for 1a.; 12/3/05 for 1b.; 12/4/05 for 2., etc. For transaction 12 and 13, use 12/31/05. (*Hint:* The transaction identified as 1. in the textbook requires two journal entries; the same is true for transaction 9. in the textbook.)
3. Print the general journal. (Observe that the beginning balances are dated 12/1/05.)
4. Print the general ledger.
5. Use a blank piece of paper or the *Working Papers* to prepare a schedule of cost of goods sold and statement of changes in stockholders' equity.
6. Print the income statement, balance sheet, and statement of cash flow.
7. Back up. The suggested file name is **P05-28A.RH**.

Chapter 8	Accounting for Accruals—Advanced Topics: Receivables and Payables

In Chapter 8 of *Fundamental Financial Accounting Concepts, 5e*, there are two Peachtree Complete Accounting problems.

1. Problem 8-17A Bishop Supply Company: Accounting for Credit Card Sales, Warranties, and Bad Debts—Direct Write-Off Method.

2. Problem 8-22A Una Corp.: Accounting for a Discount Note—Two Accounting Cycles

Here is what you will learn how to do in Chapter 8.

*   Use Peachtree's Restore Wizard utility to start a new company.
*   Restore two Peachtree Problem Templates from Carol Yacht's General Ledger & Peachtree Complete 2005 CD-ROM.
*   Journalize and post entries
*   Change accounting period.
*   Print the general journal and general ledger.
*   Print financial statements.
*   Complete Problem 8-17A and Problem 8-22A.

Read Me: Year-End

Some of the problems completed in Chapter 8 involve transactions over a two-year period. You may encounter a Peachtree Accounting window that tells you that Peachtree has detected that you are approaching the end of your second open payroll tax year or open fiscal year. In answer to the question Would you like to use the Year-End Wizard now?, click No . You are returned to the company's menu bar.

GETTING STARTED: Problem 8-17A

Use the following steps to start Peachtree and restore the Peachtree Problem Templates.

Instructions:

1. Start Peachtree.
2. Put Carol Yacht's General Ledger & Peachtree Complete 2005 CD-ROM in your CD drive.
3. Restore the Problem 8-17A.Bishop Supply Company.ptb Peachtree Problem Template file. If Bishop Supply Company is *not* set up as a Peachtree company, restore A New Company. If you can select Bishop Supply Company from the company name list, this means you should restore An Existing Company. The shortened company name that Peachtree assigns to Bishop Supply Company is \bissupco.
4. Remove the CYGL & Peachtree CD.
5. Continue with the next section "Company Maintenance Information & Chart of Accounts"

Company Maintenance Information & Chart of Accounts

Before you start your work, you should look at the company information included on the Problem 8-17A.Bishop Supply Company.ptb file. Follow these steps to look at company information.

1. The Bishop Supply Company menu bar should be displayed. From the menu bar, click on Maintain; Company Information. The Maintain Company Information window appears.
2. If you want your name to appear on Peachtree printouts, add your name to the

   Company Name field. Click [OK].
3. Display the chart of accounts and review the accounts you will be using to journalize entries.

Required

1. Read the information for Problem 8-17A in the textbook.
2. For Required step a., use a blank piece of paper or the working papers.
3. Journalize and post the 2006 transactions. For Peachtree's dates, use December 2006. Successively date the transactions shown as 1 through 8. For example, 12/1/06 for 1.; 12/2/06 for 2; 12/3/06 for 3a.; 12/4/06 for 3b., 12/5/06 for 3c., etc. When the transactions are complete, they will be dated 12/1/06 through 12/11/06.
4. Print the general journal.
5. Print the general ledger.
6. Print the income statement, statement of changes in stockholders' equity, balance sheet, and statement of cash flow.

7. Back up. The suggested file name is **P08-17A.BSC**.

GETTING STARTED: PROBLEM 8-22A

Use the following steps to start Peachtree and restore the Peachtree Problem Templates.

Instructions:

1. Start Peachtree. Put Carol Yacht's General Ledger & Peachtree Complete 2005 CD-ROM in your CD drive.
2. Restore the Problem 8-22A.Una Corp.ptb Peachtree Problem Template file. If Una Corp. is *not* set up as a Peachtree company, restore A New Company. If you can select Una Corp. from the company name list, this means you should restore An Existing Company. The shortened company name that Peachtree assigns to Una Corp. is \unacorp.
3. Remove the CYGL & Peachtree CD.

Company Maintenance Information & Chart of Accounts

Before you start your work, you should look at the company information included on the Problem 8-22A.Una Corp.ptb file. Follow these steps to look at company information.

1. The Una Corp. menu bar should be displayed. From the menu bar, click on Maintain; Company Information. The Maintain Company Information window appears.
2. If you want your name to appear on Peachtree printouts, add your name to the

    Company Name field. Click .
3. Display the chart of accounts and review the accounts you will be using to journalize entries.

Required

1. Read the information for Problem 8-22A in the textbook.
2. For Required step a., use a blank piece of paper or the working papers.
3. Journalize and post the 2006 transactions. For Peachtree's dates, use December 2006. Successively date the transactions. Do *not* journalize and post the closing entries until you print the 2006 financial statements.
4. Print the income statement, statement of changes in stockholders' equity, balance sheet, and statement of cash flow.
5. Back up. The suggested file name is **P08-22A.Financial Statements 2006.UC**.
6. Journalize and post the closing entries. Date the closing entries 12/31/06.
7. Back up. The suggested file name is **P08-22A.Closing 2006.UC.**

8. Change the accounting period to Period 13, Jan 01, 2007 to Jan 31, 2007, *before* journalizing and posting the 2007 transactions. If a window appears asking "Would you like to print your reports before continuing?", click [No]. Observe that the taskbar shows [Period 13 - 1/1/07 to 1/31/07].

9. Journalize and post the 2007 transactions. Successively date the January transactions. Do *not* journalize and post the closing entries until you print the financial statements.

10. Print the income statement and balance sheet.

11. Use a blank piece of paper or the *Working Papers* to complete the statement of changes in stockholders' equity and statement of cash flow. Peachtree's statement of changes in financial position and statement of cash flow will reflect the month of January 2007 only.)

12. Back up. The suggested file name is **P08-22A.Financial Statements 2007.UC**.

13. Journalize and post the closing entries. (*Hint:* On the general journal entry screen, type **12/31/07** as the date for the closing entry.)

14. Print the general journal from December 1, 2006 through December 31, 2007. (*Hint:* On the General Journal Filter screen, type **12/1/06** in the From field; type **12/31/07** in the From field.)

15. Print the general ledger from Period 12, 12/1/06 to Period 24, 12/31/07.

16. Back up. The suggested file name is **P08-22A.Closing 2007.UC**.

Chapter 10

Accounting for Long-Term Debt

In Chapter 10 of *Fundamental Financial Accounting Concepts, 5e*, there is one Peachtree Complete Accounting problem.

> Problem 10-28A Martin Co.: Recording and Reporting a Bond Discount over Two Cycles—Semiannual Interest

Here is what you will learn how to do in Chapter 10.

- Use Peachtree's Restore Wizard utility to start a new company.
- Restore one Peachtree Problem Template from Carol Yacht's General Ledger & Peachtree Complete 2005 CD-ROM.
- Identify Peachtree's program and data path.
- Journalize and post transactions.
- Complete Problem 10-28A.

Read Me: Year-End

Some of the problems completed in Chapter 10 involve transactions over a two-year period. You may encounter a Peachtree Accounting window that tells you that Peachtree has detected that you are approaching the end of your second open payroll tax year or open fiscal year. In answer to the question Would you like to use the Year-End Wizard now?, click [No]. You are returned to the company's menu bar.

GETTING STARTED: PROBLEM 10-28A

Use the following steps to start Peachtree and restore the Peachtree Problem Template.

Instructions:

1. Start Peachtree.
2. Put Carol Yacht's General Ledger & Peachtree Complete 2005 CD-ROM in your CD drive.

---

3. Restore the Problem 10-28A.Martin Co.ptb Peachtree Problem Template file. If Martin Co. is *not* set up as a Peachtree company, restore A New Company. If you can select Martin Co. from the company name list, this means you should restore An Existing Company. The shortened company name that Peachtree assigns to Martin Co. is \marco.
4. Remove the CYGL & Peachtree CD.

Company Maintenance Information & Chart of Accounts

Before you start recording transactions for Martin Co., you should look at the company information and chart of accounts included on the Problem 10-28A.Martin Co.ptb.

1. The Martin Co. menu bar should be displayed. From the menu bar, click on Maintain; Company Information. The Maintain Company Information window appears.
2. If you want your name to appear on Peachtree printouts, add your name to the Company Name field. Click ⬜ .
3. Display the chart of accounts and review the accounts you will be using to journalize entries.

Required:

1. Read the information in the textbook for Problem 10-28A.
2. Use a blank piece of paper or the *Working Papers* to complete Required step a.
3. Journalize and post the 2005 transactions.
4. Use a blank piece of paper or the *Working Papers* to complete Required step c. You can also the print the balance sheet for the Range, From Period 3, (3/1/05) To Period 12, (12/31/05). Use the liabilities section to complete Required step c.).
5. Back up. The suggested file name is **P10-28A.2005.MC.**
6. Change accounting periods to Period 13, Jan 1, 2006 to Jan 31, 2006. (If a windows appears asking if you would like to print your reports before continuing, click ⬜ .)
7. Journalize and post the 2006 transactions.
8. Use a blank piece of paper or the *Working Papers* to complete Required steps c., d. and e. You can also the print the balance sheet for the Range, From Period 15, (3/1/06) To Period 24, (12/31/06). Use the liabilities section to complete Required step c.
9. Print the March 1, 2005 through December 31, 2006 general journal.
10. Back up. The suggested file name is **P10-28A.2006.MC.**

Chapter 11

Accounting for Equity Transactions

In Chapter 11 of *Fundamental Financial Accounting Concepts, 5e*, there are two Peachtree Complete Accounting problems.

1.   Problem 11-19A Lane Corporation: Recording and Reporting Stock Transctions and Cash Dividends Across Two Accounting Cycles.

2.   Problem 11-20A Midwest Corp.: Recording and Reporting Treasury Stock Transactions

Here is what you will learn how to do in Chapter 11.

- Use Peachtree's Restore Wizard utility to start a new company.
- Restore two Peachtree Problem Templates from Carol Yacht's General Ledger & Peachtree Complete 2005 CD-ROM.
- Identify Peachtree's program and data path.
- Journalize and post the appropriate entries.
- Complete Problem 11-19A and Problem 11-20A.

GETTING STARTED: PROBLEM 11-19A

Use the following steps to start Peachtree and restore the Peachtree Problem Templates.

Instructions:

1.   Start Peachtree.
2.   Put Carol Yacht's General Ledger & Peachtree Complete 2005 CD-ROM in your CD drive.
3.   Restore the Problem 11-19A.Lane Corporation.ptb Peachtree Problem Template file. If Lane Corporation is *not* set up as a Peachtree company, restore A New Company. If you can select Lane Corporation from the company name list, this means you should restore An Existing Company. The shortened company name that Peachtree assigns to Montgomery Company is \lancorpo.
4.   Remove the CYGL & Peachtree CD.

Company Maintenance Information & Chart of Accounts

Before you start recording transactions for Lane Corporation, you should look at the company information and chart of accounts included on the Problem 11-19A.Lane Corporation.ptb file. Follow these steps to look at company information.

1. The Lane Corporation menu bar should be displayed. From the menu bar, click on Maintain; Company Information. The Maintain Company Information window appears.
2. If you want your name to appear on Peachtree printouts, add your name to the Company Name field. Click .
3. Display the chart of accounts and review the accounts you will be using to journalize entries. (*Hint:* PIC is an abbreviation of Paid-in Capital; PS is for preferred stock; CS is for common stock.)

Required:

1. Read the information in the textbook for Problem 11-19A.
2. Journalize and post the 2006 transactions.
3. Print a balance sheet from Period 1 (1/1/06) to Period 12, (12/31/06). *Or,* use a blank piece of paper to complete Required steps b. in the textbook.
4. Back up. The suggested file name is **P11-19A.2006.LC**.
5. Change the accounting period to Period 13, Jan. 1, 2007 to Jan. 31, 2007.
6. Journalize and post the 2007 transactions.
7. Print the January 1, 2006 through December 31, 2007 general journal.
8. Print a balance sheet from 1/31/06 to 12/31/07. *Or,* use a blank piece of paper to complete Required steps b. and c. in the textbook.
9. Back up. The suggested file name is **P11-19A.2007.LC**.

GETTING STARTED: PROBLEM 11-20A

Use the following steps to start Peachtree and restore the Peachtree Problem Templates.

Instructions:

1. Start Peachtree.
2. Put Carol Yacht's General Ledger & Peachtree Complete 2005 CD-ROM in your CD drive.
3. Restore the Problem 11-20A.Midwest Corp.ptb Peachtree Problem Template file. If Midwest Corp. is *not* set up as a Peachtree company, restore A New Company. If you can select Midwest Corp. from the company name list, this means you should restore An Existing Company. The shortened company name that Peachtree assigns to Morgan, Inc. is \midcorp.

---

4. Remove the CYGL & Peachtree CD.

Company Maintenance Information & Chart of Accounts

Before you start recording transactions for Midwest Corp., you should look at the company information and chart of accounts included on the Problem 11-20A.Midwest Corp.ptb file. Follow these steps to look at company information.

1. The Midwest Corp. menu bar should be displayed. From the menu bar, click on Maintain; Company Information. The Maintain Company Information window appears.
2. If you want your name to appear on Peachtree printouts, add your name to the Company Name field. Click ☑ OK .
3. Display the chart of accounts and review the accounts you will be using to journalize entries. (SV is an abbreviation of Stated Value; TS an abbreviation for Treasury Stock.)

Required:

1. Read the information in the textbook for Problem 11-20A.
2. Journalize and post the transactions. Successively date the transactions December 1-7, 2007. For the closing entries, use December 31, 2007.
3. Print a balance sheet. Use Peachtree's capital section for Required step c. *Or,* use a blank piece of paper or the *Working Papers* to complete Required step b. (Use Peachtree's Retained Earnings account to represent Unappropriated Retained Earnings.)
4. Back up. The suggested file name is **P11-20A.MC**.