

COMPUTER ACCOUNTING WITH QUICKBOOKS 2018

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CHAPTER 14

QUICKBOOKS MERCHANDISING COMPANY CASE

SECTION 14.1 SATNAV

QB SatNav

QB SETTINGS

Company Settings

Chart of Accounts

QB TRANSACTIONS

> *Money in* *Money out* >

Banking

Customers & Sales

Vendors & Expenses

Employees & Payroll

QB REPORTS

Reports



CHAPTER 14 OVERVIEW

- **Setup a New Company**
- **Customize Chart of Accounts**
- **Create Lists**
- **Create Sales Tax Item**
- **Enter Opening Adjustments**
- **Record Transactions**
- **Prepare Trial Balance**
- **Enter Adjusting Entries**
- **Prepare Adjusted Trial Balance**
- **Prepare Reports**

SET UP NEW QUICKBOOKS MERCHANDISING COMPANY

Steps to set up a new company

- **Complete EasyStep Interview**
- **Add the People You Do Business With**
- **Add the Products and Services You Sell**
- **Add Your Bank Accounts**
- **Enter Company Information**
- **Customize Chart of Accounts**
- **Lists**

NEW COMPANY

1. **Select Create a new company**
2. **Select Detailed Start**
3. **Enter Name**
4. **Answer EasyStep Interview questions**
5. **Select Next**
6. **Answer remaining questions**

EASystep Interview

Some differences for the Merchandising Company:

- **Select Industry: Retail Shop or Online Commerce**
- **Track Inventory: Yes**

CHART OF ACCOUNTS

- **QuickBooks automatically creates a Chart of Accounts for industry selected**
- **Chart of Accounts for a merchandiser includes additional accounts, such as Inventory**

CUSTOMIZE CHART OF ACCOUNTS

Customize the Chart of Accounts to fit your specific business needs:

- **Add accounts**
- **Edit accounts**
- **Delete accounts**

For each account include:

- **Account number**
- **Tax-Line mapping**
- **Opening balance, if needed**

CREATE LISTS

Use Lists to track additional information:

- **Customer List**
- **Vendor List**
- **Item List (Inventory)**
- **Employee List**

CUSTOMER LIST

- **Enter customer information in the Customer List (Customer Center)**
- **Add job information**

VENDOR LIST

- **Enter vendor information into the Vendor List (Vendor Center)**

ITEM LIST

Enter information about items to be purchased and sold:

- 1. Service items**
- 2. Inventory items**
- 3. Non-inventory items**
- 4. Sales tax items**

OPENING ADJUSTMENTS

For existing companies with opening balances, QuickBooks offsets the opening balances.

- 1. Accounts receivable opening balances are offset to Uncategorized Income account**
- 2. Accounts payable opening balances are offset to the Uncategorized Expenses account**
- 3. Opening balances for inventory items and all other accounts are offset in the Opening Balance Equity account**

OPENING ADJUSTMENTS

Record opening adjustments using journal entries.

1. Transfer Uncategorized Income to Opening Balance Equity account
2. Transfer Uncategorized Expenses to Opening Balance Equity account
3. Transfer Opening Balance Equity account balance to Capital Stock account

A/R Balances	>	Uncategorized Income	>	Opening Balance Equity	>	Capital Stock
A/P Balances	>	Uncategorized Expenses	>			
Item Balances	>					
Other Balances	>					

RECORD TRANSACTIONS

Record transactions for a merchandising corporation including:

- 1. Owners' investment**
- 2. Vendor and Expense transactions**
- 3. Customer and Sales transactions**

VENDOR AND EXPENSE TRANSACTIONS: PURCHASES OF INVENTORY

For a merchandising company, record credit purchases of inventory:

- 1. Enter inventory items ordered using Purchase Order icon**
- 2. Record items received using Receive Inventory icon**
- 3. Record bill received using Enter Bills Against Inventory icon**
- 4. Pay bill when due using Pay Bills icon**

CUSTOMER AND SALES TRANSACTIONS

Enter sales transactions with customers:

- 1. Create an invoice to record customer charges using Create Invoices window**
- 2. Record customer payment using Receive Payments window**
- 3. Record deposit in bank using Make Deposits window**

TRIAL BALANCE

- **Prepare a Trial Balance to verify the accounting system is in balance before making adjusting entries**

ADJUSTING ENTRIES

- **Use the onscreen Journal to enter adjusting entries to bring accounts up to date at year end**

ADJUSTED TRIAL BALANCE

- **Prepare an Adjusted Trial Balance to verify the accounting system is still in balance after making adjusting entries**

FINANCIAL REPORTS

Prepare financial reports for the year such as:

- **Profit & Loss**
- **Balance Sheet**
- **Statement of Cash Flows**