Q:1) What is the report generated to find the net purchases from each vendor regardless of how payments were recorded called?

A:) Inventory valuation summary

B:) Expenses by vendor summary

C:) Unpaid bills details

D:) Purchases by vendor summary

Correct: D

Q:1) Which of the following methods can be used to value inventory in QuickBooks?

A:) Double declining balance

B:) Last in, first out (LIFO)

C:) First in, first out (FIFO)

D:) Average cost

Correct: D

Q:1) When clients have customers who are also vendors, what is the best way to offset Accounts Payable against Accounts Receivable?

A:) Use the QuickBooks trade-off feature

B:) Create a bank account through which you can clear the Payables and the Receivables

C:) Use a single journal entry

D:) Use multiple journal entries

Correct: D

Q:1) Accrual Basis means \_\_\_\_\_\_\_\_\_\_.

A:) the most commonly used accounting method which reports income when earned and expenses when incurred,

B:) the accounting method which reports income when received and expenses when paiD:)

C:) the accounting method which reports income when earned and expenses when incurreD:)

D:) All of the above

Correct: A

Q:1) A good example of a typical prepaid expense is:

A:) Rent

B:) Dividends

C:) Insurance

D:) Wages

Correct: C

Q:1) Orleans & Co., a cash-basis taxpayer, prepares accrual-basis financial statements. In the current year balance sheet, Orleans’s deferred income tax liabilities increased in comparison with those reported for the previous year. Which of the following changes would cause this increase in deferred income tax liabilities?

I.An increase in prepaid insurance premium

II.An increase in rent receivable

III.An increase in warranty obligations

A:) I only

B:) I and II only

C:) II and III only

D:) III only

Correct: D

Q:1) What is the difference between billable and non-billable expenses?

A:) Billable expenses are the expenses incurred by you in carrying out your own business / performing your own duties and responsibilities and Non-billable expenses are the expenses incurred by you on behalf of your customer in performing duties / rendering services and supplying goods

B:) Billable expenses are the expenses incurred by you on behalf of your customer in performing duties / rendering services and supplying goodsand Non-billable expenses are the expenses incurred by you in carrying out your own business / duties and performing your own responsibilities.

C:) Neither of the above

Correct: B

Q:1) From the Accounts Payable point of view, what are the main problems that arise between Accounts Payable and Purchasing?

A:) Missing information on Purchase Orders

B:) Missing information about discounts

C:) Delays

D:) All of the above.

Correct: D

Q:1) Debit memos are required for\_\_\_\_\_\_\_.

A:) the payment deductions taken on invoices.

B:) the payments made on Purchase Orders

C:) the payments received on Sales Orders

D:) Both b and c

Correct: B

Q:1) Tax Accounting Services pays off $200 on account. To record this transaction for Tax Accounting Services, the Cash account is credited and the \_\_\_\_\_\_\_\_\_\_ account is debiteD:)

A:) Cash

B:) Accounts Payable

C:) Service Revenue

D:) Accounts Receivable

Correct: B