

VU Learning HUB

ACC101 Quiz File

Chapter-wise Solved MCQs

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Unit 1: Introduction to Computerized Accounting

1. What is the main role of an accountant in computerized accounting compared to manual accounting? A) Performing double-entry arithmetic calculations manually B) Classifying transactions, entering data accurately, and analyzing results C) Writing physical journal entries and ledger books by hand D) Calculating tax deductions without using software
2. Which edition of QuickBooks is designed specifically as a cloud-based application accessed through a web browser? A) QuickBooks Pro B) QuickBooks Premier C) QuickBooks Enterprise D) QuickBooks Online
3. Which QuickBooks desktop edition is standard for small businesses supporting up to 3 users? A) QuickBooks Online B) QuickBooks Pro C) QuickBooks Premier D) QuickBooks Enterprise
4. To record a customer payment in QuickBooks, which center and command should be used? A) Vendor Center → Enter Bills B) Banking Center → Write Checks C) Customers Center → Receive Payments D) Company Center → Chart of Accounts

Answer Key

1. Correct Option: B — In computerized accounting, double-entry arithmetic is handled automatically by the software, shifting the accountant's focus to correct data entry and analysis
2. Correct Option: D — QuickBooks Online is the cloud edition accessed via a web browser with multi-user accessibility
3. Correct Option: B — QuickBooks Pro is the standard desktop edition designed for small businesses for up to 3 users
4. Correct Option: C — Customer payments are recorded in the Customers Center under Receive Payments

Unit 2: Setting Up a Company File

1. Which menu path is used to initiate the setup of a new company file in QuickBooks? A) Edit → Preferences B) File → New Company C) Company → Set Up Users D) Lists → Chart of Accounts
2. Which file extension represents an active working QuickBooks company file? A) .QBB B) .QBM C) .QBW D) .QBX
3. What type of file is saved with the .QBB extension in QuickBooks? A) Portable company file B) Accountant's copy file C) Working company file D) Local backup file
4. Under which preference category can a business turn ON the option to use account numbers in QuickBooks? A) Sales & Customers B) Accounting C) Items & Inventory D) Time & Expenses

Answer Key

1. Correct Option: B — Navigating to File → New Company launches the EasyStep Interview to build a company file
2. Correct Option: C — The .QBW extension denotes a live working QuickBooks company file
3. Correct Option: D — The .QBB extension represents a local backup company file
4. Correct Option: B — Account numbers are enabled under Edit → Preferences → Accounting → Company Preferences

Unit 3: Chart of Accounts

1. What are the five primary account categories in QuickBooks? A) Bank, A/R, A/P, Income, Expense B) Asset, Liability, Equity, Income, Expense C) Current Asset, Fixed Asset, Current Liability, Equity, COGS D) Cash, Sales, Purchases, Capital, Drawings
2. What action in QuickBooks permanently merges two duplicate accounts together? A) Making one account inactive B) Right-clicking and deleting the newer account C) Renaming one account to match the exact name and number of the other D) Subcontracting one account under a parent account
3. According to the standard account numbering scheme, which range of numbers is assigned to Asset accounts? A) 1000s B) 2000s C) 3000s D) 4000s
4. What happens when an account is marked as inactive in QuickBooks? A) All transaction history associated with the account is deleted B) The account is hidden from active lists without deleting its transaction history C) The account balance is automatically transferred to Retained Earnings D) The account is permanently removed from the company file

Answer Key

1. Correct Option: B — The five fundamental account categories in QuickBooks are Asset, Liability, Equity, Income, and Expense
2. Correct Option: C — Renaming an account to the exact name or number of an existing account merges them into a single account
3. Correct Option: A — In the standard numbering scheme, 1000s are assigned to Assets
4. Correct Option: B — Marking an account inactive hides it from active lists while maintaining full historical audit trails

Unit 4: Items: Products and Services

1. What is selected on an invoice or bill in QuickBooks to ensure automatic posting to the proper accounts? A) Account numbers directly B) Items from the Item List C) Class categories D) Ledger names
2. Which item type is used for physical products that a business stocks and tracks quantities for? A) Non-inventory Part B) Service C) Inventory Part D) Group
3. When an Inventory Part is purchased, which account does QuickBooks post to on the debit side? A) Cost of Goods Sold B) Accounts Payable C) Sales Income D) Inventory Asset
4. Which item type represents a combination of several items sold together as a single product package? A) Service B) Other Charge C) Group D) Non-inventory Part

Answer Key

1. Correct Option: B — Users select Items on sales and purchase forms, which then route transactions automatically to mapped accounts
2. Correct Option: C — Inventory Part is used for physical stock whose quantities are tracked by the software
3. Correct Option: D — Purchasing inventory debits the Inventory Asset account to record stock acquisition
4. Correct Option: C — A Group item bundles multiple individual items together for convenient package selling

Unit 5: Customers: Sales Cycle

1. What is the standard workflow for credit sales in QuickBooks? A) Sales Receipt → Make Deposits → Receive Payments B) Estimate → Invoice → Receive Payments → Make Deposits C) Invoice → Purchase Order → Receive Payments → Write Checks D) Receive Payments → Invoice → Make Deposits → Estimate
2. Which form should be used for immediate cash sales where no Accounts Receivable tracking is required? A) Invoice B) Credit Memo C) Sales Receipt D) Statement
3. What function does the "Undeposited Funds" account serve in the sales cycle? A) It holds money owed by customers past due date B) It holds customer payments temporarily until they are deposited into a bank account C) It records uncollectible bad debts written off by the business D) It tracks discounts allowed to customers for prompt payment
4. What keyboard shortcut opens the Create Invoices form in QuickBooks? A) Ctrl+B B) Ctrl+W C) Ctrl+I D) Ctrl+N

Answer Key

1. Correct Option: B — Credit sales follow the sequence: Estimate → Invoice → Receive Payments → Make Deposits
2. Correct Option: C — Sales Receipts record immediate cash sales and bank deposits in a single step without creating Accounts Receivable
3. Correct Option: B — Undeposited Funds acts as a temporary clearing account until payments are grouped and deposited into the bank
4. Correct Option: C — Pressing Ctrl+I opens the Create Invoices form

Unit 6: Vendors: Purchase Cycle

1. Is a Purchase Order (PO) in QuickBooks a posting transaction? A) Yes, it debits Accounts Payable and credits Inventory B) Yes, it debits Expense and credits Bank C) No, it is non-posting and only tracks what was ordered D) No, but it automatically reduces bank cash balance
2. What is the keyboard shortcut to open the Enter Bills window in QuickBooks? A) Ctrl+I B) Ctrl+B C) Ctrl+W D) Ctrl+D
3. Which document feature is used when inventory goods arrive from a vendor before the vendor's bill is received? A) Vendor Credit B) Credit Memo C) Item Receipt D) Purchase Order
4. Which key report is used by management to analyze unpaid vendor bills grouped by days overdue? A) Inventory Valuation Summary B) A/P Aging Summary C) Trial Balance D) Customer Balance Detail

Answer Key

1. Correct Option: C — A Purchase Order is non-posting and does not alter ledger account balances
2. Correct Option: B — The shortcut Ctrl+B opens the Enter Bills window
3. Correct Option: C — An Item Receipt records incoming inventory when physical goods arrive prior to receiving the vendor bill

4. Correct Option: B — The A/P Aging Summary groups unpaid bills into overdue age brackets for managing cash outflow

Unit 7: Banking: Checks, Deposits, Reconciliation

1. What key step completes a bank reconciliation in QuickBooks when the calculated Difference reaches zero? A) Click Reconcile Now to lock the period against casual edits B) Delete uncleared checks from the register C) Transfer funds to Retained Earnings D) Close the company file immediately
2. Which feature should be used to move funds directly between two bank accounts in QuickBooks without generating income or expense? A) Write Checks B) Make Deposits C) Transfer Funds D) Pay Bills
3. If a mistake is discovered in a past bank reconciliation, which path allows an Administrator to undo it? A) File → Revert Company File B) Banking → Reconcile → Locate Discrepancies → Undo Last Reconciliation C) Edit → Undo Transaction D) Company → Set Closing Date → Reset
4. What two common types of transactions explain discrepancies between book balance and bank statement balance during monthly reconciliation? A) Accounts Receivable and Accounts Payable B) Outstanding checks and deposits in transit C) Sales receipts and vendor credits D) Depreciation and inventory adjustments

Answer Key

1. Correct Option: A — Clicking Reconcile Now finalizes reconciliation when Difference is zero and locks cleared transactions against casual editing
2. Correct Option: C — Transfer Funds shifts money between bank accounts without affecting revenue or expense accounts
3. Correct Option: B — Administrators can reverse the previous reconciliation via Banking → Reconcile → Locate Discrepancies → Undo Last Reconciliation
4. Correct Option: B — Outstanding checks and deposits in transit explain timing differences between book balance and bank statement balance

Unit 8: Employees and Payroll

1. What are the three main categories of payroll items in QuickBooks? A) Assets, Liabilities, Equity B) Invoices, Bills, Checks C) Additions, Deductions, Company Contributions D) Gross pay, Net pay, Bonus
2. When running payroll, what journal entries does QuickBooks post for paychecks? A) Debit Payroll Liabilities, Credit Bank B) Debit Salary Expense, Credit Bank (net pay) and Credit Payroll Liabilities (withheld taxes) C) Debit Bank, Credit Salary Expense D) Debit Cost of Goods Sold, Credit Accounts Payable
3. How should tax payments withheld from employees be remitted to tax authorities in QuickBooks? A) Through Banking → Write Checks directly to the tax agency B) Through Employees → Pay Scheduled Liabilities C) Through Customers → Receive Payments D) Through Vendors → Enter Bills
4. What menu path is used to set up new payroll items such as salary, tax withholding, or allowances? A) Company → Planning & Budgeting B) Lists → Payroll Item List C) Banking →

Write Checks D) Edit → Preferences → Payroll**Answer Key**

1. Correct Option: C — Payroll items are categorized into Additions (salaries/wages), Deductions (taxes/EOBI), and Company Contributions
2. Correct Option: B — Creating paychecks debits Salary Expense, credits Bank for net pay, and credits Payroll Liabilities for tax withholdings
3. Correct Option: B — Tax liabilities must be remitted via Employees → Pay Scheduled Liabilities so liability accounts clear properly
4. Correct Option: B — Payroll items are created and managed via Lists → Payroll Item List

Unit 9: Inventory Management

1. Which inventory costing method is used automatically by QuickBooks for inventory valuation? A) First-In, First-Out (FIFO) B) Last-In, First-Out (LIFO) C) Weighted-Average Cost D) Specific Identification
2. Which tool in QuickBooks is used to adjust stock records for physical count differences, damage, or theft? A) Build Assemblies B) Adjust Quantity/Value on Hand C) Transfer Inventory D) Reconcile Inventory
3. Which inventory report's total dollar value MUST agree with the Inventory Asset balance on the Balance Sheet? A) Sales by Item Summary B) Physical Inventory Worksheet C) Inventory Valuation Summary D) Inventory Stock Status by Item
4. What feature is used in QuickBooks by manufacturing businesses to combine component inventory parts into a finished product? A) Item Receipt B) Build Assemblies C) Group Items D) Purchase Order

Answer Key

1. Correct Option: C — QuickBooks uses the weighted-average cost method to continuously value inventory parts upon each purchase
2. Correct Option: B — Adjust Quantity/Value on Hand corrects inventory records for physical count discrepancies, damage, or theft
3. Correct Option: C — The total dollar figure on the Inventory Valuation Summary must match the Inventory Asset account on the Balance Sheet
4. Correct Option: B — Build Assemblies combines component inventory parts into finished Inventory Assembly items

Unit 10: Reports, Budgets and Year-End

1. Which core financial statement displays a company's financial position (Assets = Liabilities + Equity) at a specific point in time? A) Profit & Loss Standard B) Balance Sheet Standard C) Statement of Cash Flows D) Trial Balance
2. What menu path is used to set a Closing Date and Password to protect closed financial periods from unauthorized edits? A) File → Close Company B) Company → Set Up Users C) Edit → Preferences → Accounting D) Reports → Company & Financial

3. Which file type is a smaller, compressed version of a company file intended for emailing to an accountant? A) .QBW B) .QBB C) .QBM D) .QBX
4. What feature in financial reports allows a user to double-click any number to view the underlying individual transactions? A) Memorize Report B) Drill-down C) Filter Report D) Modify Display

Answer Key

1. Correct Option: B — The Balance Sheet Standard reports financial position (Assets = Liabilities + Equity) as of a specific date
2. Correct Option: C — A closing date and password are configured under Edit → Preferences → Accounting → Company Preferences
3. Correct Option: C — A .QBM file is a compressed portable company file for quick transfer
4. Correct Option: B — Double-clicking any summary number executes the drill-down feature to expose underlying transaction details

End of Quiz

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