

## Chapter 2 Test Bank: New Company Setup and the Chart of Accounts

### *Computer Accounting with QuickBooks Online: A Cloud-Based Approach*

#### MULTIPLE CHOICE

1. Refers to software that is built, installed, delivered and accessed entirely from remote web servers.
  - a. Cloudware.
  - b. Software.
  - c. Hardware.
  - d. Google docs.
  - e. All.

Answer: a (Cloudware)

Difficulty: Medium

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2. The industry selected for the company in Chapter 2 is:
  - a. Services.
  - b. Merchandising
  - c. Information Technology
  - d. Restaurant and hospitality.
  - e. None.

Answer: c (Information Technology)

Difficulty: easy

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3. Another name for the Chart of Accounts is:
  - a. Balance Sheet.
  - b. Trial Balance.
  - c. Account List.
  - d. Profit and Loss.
  - e. All.

Answer: c (Account List)

Difficulty: easy

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4. A list of all the changes that have been made to the company data and by whom.
  - a. Settings menu.
  - b. Navigation bar.
  - c. Business processes.
  - d. Audit log.
  - e. All.

Answer: d (Audit log)

Difficulty: Medium

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5. The \_\_\_\_\_ has all the access rights within QBO.
- User.
  - Client.
  - Company Administrator.
  - QBO access rights are not assignable.
  - None.

Answer: c (Company Administrator)

Difficulty: Hard

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6. Another name for multi-level authentication:
- IP address
  - Confirmation code.
  - Customer defaults.
  - Chart of Accounts.
  - None

Answer: b (Confirmation Code)

Difficulty: Hard

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7. An integrated system of people, processes, and procedures that minimize or eliminate business risks.
- Business processes.
  - Generally accepted accounting principles.
  - Keyboard shortcuts.
  - Internal control.
  - All.

Answer: d (Internal control)

Difficulty: Hard

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8. Each sign-in may be authenticated by:
- Manage users.
  - IP address.
  - Internal control.
  - Defaults.

e. None

Answer: B (IP address)

Difficulty: Hard

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9. Using a subscription model, a way of delivering applications over the Internet.
- Software as a Service.
  - Windows computers.
  - Macintosh computers.
  - IP addresses.
  - All.

Answer: a (Software as a service)

Difficulty: Medium

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10. This reminder message appears next to links that have changed.
- FYI.
  - Updated settings.
  - QBO blog and archive
  - Create menu.
  - All

Answer: b (Updated settings)

Difficulty: Hard

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TRUE/FALSE

11. Software as a service and cloud computing are alike.

Answer: True

12. When setting up your company, use a valid email address.

Answer: True

13. Each time you sign into QBO, the software is the most current version which means some of the screens may change.

Answer: True

14. The Home page always includes updated message.

Answer: False (When changes occur, an updated screen prompt appears.)

15. Based on the industry you select, QBO does not create a Chart of Accounts.

Answer: False (QBO creates a Chart of Accounts based on the Industry selected, and accounts can be added, edited, or deleted.)

16. To edit the Chart of Accounts, select the pencil icon.

Answer: True

17. The QBO Chart of Accounts automatically sets up the appropriate account numbers.

Answer: False (You need to enable account numbers.)

18. On the Chart of Accounts, the View register link is for income, cost of goods sold and expense accounts.

Answer: False (View register accounts are bank, current and fixed assets, liabilities and equity, also known as Balance Sheet accounts.)

19. Retained earnings is a View register account.

Answer: False (Retained earnings is a Run report account.)

20. On the Chart of Accounts, temporary accounts or accounts that appear on the Profit and Loss report including income, cost of goods sold, and expenses, show a Run report link.

Answer: True