120+ Sample QuickBooks Online Certification Exam Answers & Questions

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Certification For: QuickBooks Online
Certification Validity: 365 Days

Question (1):- For each functional area QuickBooks, pro & premier, for example, sales and accounts receivable, purchases, and accounts, etc. What level of access can you grant to use it?

Answer:
You can prohibit access, grant access or grant selected access. these levels, all transactions within that area.

Question (2):- Which of the following is not a billing option when you prepare a progress invoice?

Answer:
Invoice for hours entered on the timesheet

Question (3):- Which list represents the payroll services you can add to QuickBooks?

Answer:
Basic calculates taxes and helps create state and federal tax forms and assisted intuit handles payroll taxes and forms

Question (4):- Which of the following additions of QuickBooks supports multi-users?

Answer:
All versions support multi-users

Question (5):- What can you do in the report center?

Answer:
Run most reports in QuickBooks

Question (6):- How can you open a QuickBooks report in Microsoft Excel?

Answer:
Click the Excel button on the top of any QuickBooks report.

Question (7):- Which two steps do you follow to track accounts payable in QuickBooks?

Answer: Enter bills, pay bills

Question (8):- How do you display a group of reports?

Answer:
Click the reports menu and select process multi-reports

Question (9):- What are the Undeposited funds accounts in QuickBooks?

Answer:
An account used to record payments before you make a deposit

Question (10):- How do you make an item on the item list inactive?

Answer:
Open the item list, click to select the appropriate item then click the bottom left button and select, make item service

Question (11):-

Your company supplies them with sick, vacation hours. You need to track how many hours that each employee currently has available, how many they earn, accrued hours when you pay them for sick or vacation time. How do you do this in QuickBooks?

Answer:

Follow these steps:
 ● Click the sick, vacation button in employees setup to define how to approve time and to tell QuickBooks how many hours the employee has available.
 ● Setup a sick, vacation wage item. Use a sick, vacation wage item to pay employees for sick, vacation time.

Question (12):-

Which payroll service allows you to print state tax forms?

Answer: Enhanced payroll

Question (13):-

Which of the following transactions cannot be memorized?

Answer: Bill payment

Question (14):-

How do you ensure that no one accidentally deletes, edits, or adds transactions to last year?

Answer:
Set a closing date and password in the accounting preferences or from the company menu.

Question (15):-

How do you make a column on a report wider?

Answer:
Click the diamond to the right side of the column and drag it to the right

Question (16):-

How do you pay, payroll liability in QuickBooks?

Answer:
Select the payment you want to make from the pay schedule liability. Select view pay

Question (17):-

What is the purpose of the audit trail report?

Answer:
Track any changes or deletions to transactions as well as track which users make the changes or deletions

Question (18):-
You accidentally entered a customer twice in the customer center with a slightly different spelling. How do you merge these two entries?

Answer:
Edit the unwanted list entry; change the name to match the name you want to merge into. Click ok, then click yes when prompted to merge names

Question (19):-

Your company had to return some goods to a vendor. How do you record the vendor credit in QuickBooks?

Answer:
Click the enter bills then click credit on top of the bill.

Question (20):-

When you set up a new employee, how do you add a payroll deduction such as medical insurance?

Answer:
In the new edit employee window, click the change tab drop-down window, select payroll and compensation information, then add the medical insurance payroll into the addition/deletion and company compensation section

Question (21):-

What is the end result of the payroll setup interview?

Answer:
QuickBooks has an accurate record of employee's earnings and deductions and payroll history and you are ready to create your first paycheck.

Question (22):-

There are two primary financial statements that summarize the chart of accounts.

Answer: Balance sheet

Question (23):-

Once you have completed the sign of the new company file, how do you change company information such as business name, address, or phone number?

Answer: Select company information from the menu

Question (24):-

Suppose you work for a pet store and have to track the name of each customer's pet. How would you do this in QuickBooks?

Answer: Add a customer field to the customer list

Question (25):-

The company file you are working on is a mess. You decided to start a new file. To save time, you want to keep all the lists and preferences and just delete the transactions. How do you this?

Answer:
Click the file menu. Select utilities, condense data from the menu then chose the all transaction option

Question (26):-

Which is an example of when to use a non-inventory part?

Answer:
When you buy and sell an item but do not need to track quantity on hand information.

Question (27):-

Which of the following cannot be entered during the setup of a new company?

Answer: Trail balance, open balance

Question (28):-

When you enter profit and loss on the accrual basis what does QuickBooks include as income?

Answer: All sales

Question (29):-

When should you void instead of deleting a check?

Answer: Use a check number but it will never be cashed

Question (30):-

Your company sells unique items to every customer. Then never sell the same product or service twice. What item should you setup in QuickBooks?

Answer:
Setup a generic item and edit the description and price and the time

Question (31):-

Which of the following form templates cannot be customized in QuickBooks?

Answer: Check

Question (32):-

Which is not a good reason to enter a general journal entry?

Answer:
To avoid using the built-in forms

Question (33):-

The bank notifies you that a customer's check you have deposited has bounced. The customer did not have sufficient funds to cover the check. What should you not do?

Answer:
Delete the customer's payment from the deposit

Question (34):-

How do you change the text in the header/footer report?

Answer:
Click the customize button on the report and then click the header/footer tab.

Question (35):-

Why would you hide or collapse subaccounts on a report?

Answer:
To temporarily hide unnecessary detail and hide parent accounts

Question (36):-

What should you do after you click save and close on a customer credit memo?

Answer:
Choose between retained as available credit, give a refund or apply to an invoice

Question (37):-

The bank notified you that a customer's check you deposited had bounced. The customer did not have sufficient funds to cover the check. What should you do?

Answer:
Record a transaction to show the customer owes you the money and that the checking balance has decreased by the same amount

Question (38):-

Suppose you always want all reports to show a specific size and color, how do you set the standard or preference in QuickBooks so you don't have to customize each report?

Answer:
Click the Edit menu and select preferences to click the reports and graphs group to set your report preferences

Question (39):-

Suppose you want to restrict which users can access customer credit card numbers. How do you do this?

Answer:
Give the user access to sales and accounts receivable but do not check the complete credit card numbers

Question (40):-

Which accounts are affected when you enter time in QuickBooks?

Answer: Accounts Receivable

Question (41):-

If you have a customized report that you use each month, which feature lets you run their ports with updated data each month?

Answer: Memorize Report

Question (42):-

What is the primary reason for setting a closing date in QuickBooks?

Answer:
To restrict users from deleting, editing, or adding transactions to last year

Question (43):-

Your new employee earned an annual salary of $40,000. How do you enter this into QuickBooks?

Answer: Enter 40,000 in the payroll info window.

Question (44):-

What steps must you complete to use the payroll center to pay payroll liabilities?

Answer: Set deposit frequencies

Question (45):-

Name the section of the Balance Sheet

Answer: Assets, Liabilities & Equity

Question (46):-

When you create a new company file, QuickBooks asks for your start date. What is the best definition of start date in QuickBooks?

Answer:
The day you choose to start recording the financial records in QuickBooks

Question (47):-

How do you use a different forms template when creating a new transaction? (i.e. Invoice)

Answer:
Open the form, click the templates dropdown list and select the appropriate form.

Question (48):-

How do you change the report basis, accrual vs. cash for just one report?
Answer:
Click the modify report button on the report and then choose accrual or cash on the display pad

Question (49):-

How would you track customer birth dates in QuickBooks?

Answer: Add a custom field to the customer list

Question (50):-

How do you change the text in the header/footer of a report?

Answer:
Click the modify report button on the report and then change the header/footer tab.

Question (51):-

Where can you see a thumbnail sample of each report in QuickBooks along with a description of what the report tells you?

Answer: Report center

Question (52):-

What transaction in QuickBooks should you use if your customer pays you when you provide the goods or services?

Answer: Sales Receipt

Question (53):-

How can you ensure that invoice detail does appear on a customer statement?

Answer:
Uncheck the show invoice item detail on the statement's box in the create statements window

Question (54):-

What is the purpose of backing up in QuickBooks?

Answer:
To protect against data loss from file corruption or a hard file crash

Question (55):-

How do you add or delete columns on a report?

Answer:
Click the modify report button and on the display tab check or add or uncheck remove columns

Question (56):-

When should you use the items tab on a bill or check?

Answer: When you purchase inventory parts

Question (57):-

When you are setting up a service item, what happens if you select the box next to this "service is performed by a subcontractor or partner"?

Answer:
QuickBooks provides fields so you can track purchase and sales information for that item

Question (58):-

The Product Information window shows you the version and release of QuickBooks you have along with other information about the company file. How do you access the Product Information window?

Answer: Press the F2 key

Question (59):-

When making your payroll tax deposit, how can you add IRS interest and/or penalties?

Answer:
Click the Expense tab and enter the appropriate account and amount of interest and penalties

Question (60):-

When can you delete a check from QuickBooks without voiding it?

Answer:
You entered a check-in QuickBooks but haven't printed it yet. You realize the purchase was actually made using a credit card. The check was never really used.

Question (61):-

What tool do you use to move your logo to a form?

Answer: Layout Designer

Question (62):-

What is the reason for not being able to delete a list entry?

Answer: The entry has been used in a transaction

Question (63):-

How do you move list entries to a different location on the list? For example, customers.

Answer:
Click on the diamond to the left of the name and then drag the name up or down the list

Question (64):-

Assume that QuickBooks is now in Single User Mode. What does this mean?

Answer: Only one user can access the data file

Question (65):-

How can you ensure that the invoice details are on a customer statement?

Answer: Turn on invoice detail in customer statement window

Question (66):-

How can you open a QuickBooks report in Microsoft Excel?

Answer: Click the Export button on the top of any QuickBooks report

Question (67):-

What is the Accounts' copy?

Answer:
A copy of a company file that allows the accountant to review and make adjustments while you can continue to work in QuickBooks

Question (68):-

What 2 steps do you follow to track accounts payable in QuickBooks?

Answer: Enter bills, pay bills

Question (69):-

How do you hide subaccounts on a report?

Answer: Click the collapse button.

Question (70):-

Your company had to return some goods to a vendor. How do you record the vendor credit in QuickBooks?

Answer: Enter bill then click credit on top of the bill.

Question (71):-

What do you use to narrow the data QuickBooks displays on a report?

Answer: Filter

Question (72):-

Once the Easy Step interview is complete, how do you change the company information for the business name, address, or phone number?

Answer: Select File, Easy step interview

Question (73):-

What is the Undeposited Funds account in QuickBooks?

Answer:
An account used to record payments before you make a deposit

Question (74):-

What is the end result of a payroll setup interview?

Answer:
QuickBooks has an accurate record of employees, earing deductions, and payroll history and you are ready to create the first paycheck.

Question (75):-

You finished entering all the transactions for last year, and just send the file to the tax preparer. How do you assure that no one accidentally deletes or edits a transaction last year?

Answer:
Set the closing date and password in the accounting preferences in the company menu

Question (76):-

How do you identify the version and release of QuickBooks you have?

Answer: Press the F2 button.

Question (77):-

When you set up a new employee, how do you add a payroll deduction such as medical insurance?

Answer:

In the new employee window, click the change tab drop-down list and select payroll and compensation info, and then add the medical insurance payroll item below the additions deductions and company contributions.

Question (78):-

When should you VOID instead of deleting a check?

Answer: You used the check number but it will never be cashed.

Question (79):-

How do you pay payroll liabilities in QuickBooks?

Answer:
Select payments you want to make from the pay schedule liabilities in the payroll center then click view pay.

Question (80):-

How do items affect the financial statement?

Answer: When you purchase or sell an item the value of the on-sale purchase flows to the account

Question (81):-

You accidentally entered the same customer twice in the customer center with a slightly different spelling. How do you merge these entries?

Answer:

Edit the unwanted list entry, change the name you want to merge, and click ok, then yes when prompted to merge.

Question (82):-

How do you record debit card transactions in QuickBooks?

Answer:
Use the write checks window, enter the check and write debit the check number field.

Question (83):-

Which is a reason to NOT enter a general journal entry?

Answer:
To enter transactions in another way instead of using forms

Question (84):-

The bank notifies you that a customer's check you deposited has bounced. The customer does not have sufficient funds to cover the check. What should you NOT do?

Answer: Delete the customer payment from the deposit.

Question (85):-

How do you display a group of reports?

Answer: Click the reports menu then select process multiple reports.

Question (86):-

Which payroll service allows you to print state tax forms?

Answer: Basic payroll

Question (87):-

How do you customize a report, i.e. change the information QuickBooks displays, change the title, etc?

Answer: Click the modify report button on the report.

Question (88):-

A list entry may be deleted only when…

Answer:
It has no balance; it has not been used and is not linked to anything that has been used.

Question (89):-

Your company provides its employees with sick/vacation hours. You need to track how many hours each employee currently has available, how many they add or accrue and you need to reduce their accrued hours when you pay them for sick or vacations time. How would you do this in QuickBooks?

Answer:

Click the vacation button on the employee set up to define how to accrue time and tell QuickBooks how many hours the employee is available. When you pay an employee for sick/vacations time, click the sick/vacation button and reduce those available hours

Question (90):-

When you send a QuickBooks report to Excel, which features allow you to choose what sections of the report to collapse?

Answer: Auto outline.

Question (91):-

What is the purpose of an Audit Trail report?

Answer:
Track any changes and deletions to transactions and track which user makes the change or the deletion.

Question (92):-

What can you do in the report center?

Answer: Run most reports in QuickBooks

Question (93):-

The company file you are working on is a mess. You decided to start a new file. At the same time, you want to keep all the lists and preferences and just delete the transactions. How do you do this?

Answer:
Click the File menu, choose Utilities, clean up company data, then choose the default transaction option.

Question (94):-

Your company sells unique items to every customer. They never sell the same service or product twice. What item should you set up in QuickBooks?

Answer:
Set up a generic item and edit the description and price each time.

Question (95):-

You hired a subcontractor to work 40 hours per week. Which list should you add this person to?

Answer: Vendors.

Question (96):-

When should you enter a customer credit memo?

Answer: When the customer returns a product that is damaged.

Question (97):-

How do you make a column on a report wider?

Answer:
Click the diamond to the right of the column and drag it to the right.

Question (98):-

When you run a profit and loss on an accrual basis what does QuickBooks include as income?

Answer: All sales

Question (99):-

What is the quickest way to find an invoice from 6 months ago?

Answer:
Open an invoice and click the find button. Open an invoice and click the find button.

Question (100):-

Which tool do you use to modify where QuickBooks displays elements on a printed form or template?

Answer: Layout designer.

Question (101):-

How do you make an item on the item list inactive?

Answer:
Open the item list, click to select the appropriate item, then click the bottom left button and select item inactive.

Question (102):

QuickBooks Online has some great features. Clients can use Online Invoicing, which will track when they've been viewed and paid. Online Invoicing even allows for customer queries via online messages directly linked to the invoice. You now need to enable this feature in the new client company you're setting up.

Take a look at the steps below.

1. Select the Gear icon, and select Account and Settings, under the Your Company column

2. _____ and scroll down to the Online delivery section

3. _____ to ensure that Attach invoice as pdf is unchecked

Can you identify the missing steps?

Answer: Step 2: Select the Sales tab; Step 3: From the drop-down list, select Online invoice

Question (103):

Your client has asked you to turn on warnings for duplicate check and bill numbers in their QuickBooks Online company.
Take a look at the steps below.

1. _____

2. Under Your Company, select Account and Settings

3. Select the Advanced tab

4. In the Other preferences section, select the option to warn if a duplicate check number is used and warn if a duplicate bill number is used

5. _____

Starting at the QuickBooks Online Dashboard, which option would complete the following steps?

Answer: Step 1: Select the Gear icon; Step 5: Select Save

Question (104):

Your client doesn't want to pay a monthly fee for their QuickBooks Payments merchant account. What other option is available to them, and wherein QuickBooks Online can they sign up for QuickBooks Payments?

Answer: There is another plan which means the customer pays the transaction charge; In the Billing and Subscription tab of Account and Settings.

Question (105):

Your client has moved and needs you to modify the business address of the company in QuickBooks Online.

Take a look at the steps below.

1. Sign in to your QuickBooks Online Accountant account

2. _____

3. You'll see the client company dashboard

4. _____

5. Select Account and Settings

6. Select the Pencil icon in the Address section of the Company tab

What are the missing steps to get you to the screen to edit the address for your client?

Answer:

Step 2: Select the client company from the Client Switcher drop-down in the green header bar
Step 4: Select the Gear icon
Question 5:

A great feature of QuickBooks Online is that there are other lists you can utilize to make it easier to fill in forms. Where would you go to find these lists?

Answer: Go to the Gear icon and select All Lists

Question 106:

Where can you go in QuickBooks Online to import a list of products and services?

Answer: Select the Gear icon and under the Tools column, select Import Data, then Products and services

Question (107):

A small business owner already has an Intuit ID and is going to set up their own QuickBooks Online company. Below are a series of steps for setting up a new QuickBooks Online company.

1. Go to QuickBooks.com

2. Select the appropriate subscription level

3. Select Sign in

4. _____

5. Select Sign in

Can you identify the missing step 4?

Answer: Step 4: Enter an Intuit ID email address and password

Question (108):

Below are a series of steps for accepting an invitation from the client to become their accountant user.

1. Open the email account you use for your Intuit ID
2. You will see an invite from the client company
3. Select the Accept button to accept the invitation
4. _____ and you'll see a Success! box
5. Select Continue

Can you identify the missing step?

Answer: Step 4: Sign in to your QuickBooks Online Accountant account

Question (109):

Look at the following 2 statements:

● Statement 1 – "QuickBooks Online _____ is the do-it-for-me option; a complete payroll service with a team of US-based payroll experts to take care of payroll for your client."
● Statement 2 – "You can also link up _____ with QuickBooks to simplify workflow and save yourself a significant amount of time. You'll benefit from a seamless, end-to-end experience that translates a client's QuickBooks Online books into a tax return."

Identify the products that fit in the spaces to correctly complete the statements.

Answer: Full-Service Payroll; ProConnect Tax Online

Question (110):

The Chart of Accounts lies at the heart of a QuickBooks Online company. Which 5 of the following statements are true about the Chart of Accounts, how to make changes to the Chart of Accounts, and how products and services are linked to the Chart of Accounts?

Answer:

- To add a new account, you open the Chart of Accounts by selecting Accounting from the left navigation, then select New to open the Account window
- The Sales of Product Income account is a default account when inventory is turned on
- If you add a new account, the category type determines on which financial statement this account will show
- When we set up Products and Services, they are linked to the Chart of Accounts by specifying a sales price/rate
- Delete an account from the Chart of Accounts if it is not relevant to your business

Question (111):

To set up a new bank feed or link to a bank account in a client's QuickBooks Online company you should go to the _____. If it's the first time you've been here, select Connect, otherwise select Add account. Which option completes the statement?

Answer: Banking Center

Question (112):

If you want to give one or more of your employees access to Your Practice, what types of user permissions can be set up?

Answer: Regular or custom user, Company administrator, Reports only and Time Tracking only

Question (113):

You've been asked to add a new customer for your client in their QuickBooks Online company, so, you go to the Sales Center and select the Customer tab to begin. As this is the first customer for your client you are taken straight to an easy entry screen.

Take a look at the steps that follow:

1. You enter the customer name, phone number, and email from the business card you've been given by the client
2. _____
3. You now want to edit this customer's details to add some further information
4. Select the customer name from the customer list

5. Select the Edit button in the top right
6. This customer is not taxable and you need to enter their reseller number. Select the Tax info tab and enter their reseller number 92-12345 in the Exemption details for the employee tax exemption in QuickBooks.
7. _____ and set their preferred payment method to Credit Card
8. Select Save
9. Now select the missing steps.

Answer:

2. Select the Add Customer button;

7. Select Payment and Billing

Question (114):

As part of understanding your client's needs, you should find out what their sales tax requirements are for their business and locality.

What information is needed to set sales tax up for a client in QuickBooks Online who only does business in their home state? Select the 4 options you think apply.

Answer:

Their company address?
When did their current tax period start?
How often they have to file a tax return?
When did they start collecting sales tax for the agency?

Question (115):

Where would you go to add a new vendor or find the link to import a vendor list into QuickBooks Online?

Choose the most viable method from the options below, although other methods may be available.

Answer:

The New vendor button in the Vendors tab of the Expenses screen

Question (116):

What would a client select in their Manage Users screen to give their worker access to create invoices, but not write checks in their QuickBooks Online company?

Answer:

Select the Limited radio button and check the Customer and Sales box

Question (117):

You want to add a new Product and Services entry to your client's QuickBooks Online company. The service is the installation of a server but doesn't include the cost of the hardware. Here are some steps for getting the job done.

1. Select the Gear icon, select Products, and Services, then select New
2. _____
3. In the Name field, type 'Server installation'
4. In the Sales information field, type 'Server installation'
5. Sale price/rate is $1250
6. In the Income Account drop-down select Service/Fee Income
7. Select Save and close
8. Which of the options below correctly fills in Step 2?

Answer: Select Service

Question (118):

What are 3 primary ways to get information into QuickBooks Online?
- Use Import Data Tool
- Use Export Data Tool
- Use data manually into the QuickBooks Online forms and check registers
- Use the Attachments Tool

Answer:

The 3 primary ways to get information into QuickBooks Online are

- Use the Import Data Tool
- Place the data in the formats of QuickBooks Online, and check register
- Use Export Data Tool

Question (119):

Which 2 statements are true of wholesale billing for Quickbooks Online

1. The practice gets billed at wholesale prices for QuickBooks Online subscriptions
2. The client gets billed directly when they're signed up for a wholesale discount account
3. The client gets billed directly, but the practice determines the price
4. The practice gets billed, and determines the amount to bill the client
5. The client will be required to enter their credit card information when they log in to the newly created subscription

Answer: 1, and 2

Question (120):

What does QuickBooks Enterprise have that the other versions do not?

Answer: Here are some points mentioned below:

- Enterprise can have from 5 to 30 users,
- Individual user access per area
- Can handle an unlimited amount of items vs. 14500 max with Pro/Premier,
- More powerful inventory features,
- Works much faster in a network multi-user environment

Question (121):

What are the main differences between QuickBooks Pro and Premier?

Answer:

QuickBooks Premier can do sales orders, can create P.O.'s straight from Estimates or sales orders, create change orders, Industry-specific reports (Wholesale & Manufacturer, Retail, Non-Profit, Professional Services, Contractor), Inventory Center, and etc, but the QuickBooks Pro have no features to do these work.

Question (122):

What are the most important QuickBooks tips for a beginner and to speed up the work?

Answer:

- Check the date: wrong dates give you the wrong reports, always.
- Use Tab instead of Enter: Enter tends to do the opposite of what you want.
- Shortcuts: Speed up data entry process, especially with dates. Always reconcile accounts and get rid of unreconciled (often duplicate) transactions
- Home Page: use the home page when lost to find what you are looking for.
- Respect Accounting: accounting rules such as revenue recognition and expenses matching allow for a better understanding of the reports.

Question (123):

What does it mean when you have a negative Inventory? What can you to do troubleshoot inventory issues?

Answer:

The negative inventory indicates that there is no selling inventory. You can make a quick report for the item and can find the discrepancy of the in and out the time of the inventory.

Question (124):

What is the difference between a Custom Summary Report and a Custom Transaction Detail Report?

Answer:

Summary: Contains totals for a customer or vendor/totals for a particular account
Detail: Line by line, transaction by transaction, Itemized transaction.

Question (125):

What financial reports should you prepare at the end of the year in order to prepare for tax preparation or other types of financial reporting?

Answer:

Profit & Loss, balance sheet A/R Aging, A/P Aging, Inventory Valuation Summary, sales by rep, Profit by job, etc.. should be ready at the end of the year in order to prepare for the tax preparation.