# ACCT 1115 Proctored Exam

# **Print this so you can check off each step as you go.**

**Note: There should be NO reference to your textbooks, notes, other students, etc. during this exam. It should be completed in one sitting.**

On January 1, 2021, Jen Beck started up her business, ***Jen’s Tennis Courts,*** by purchasing tennis courts that she acquired in part by signing a $40,000 mortgage note at 5% interest. At that time, Jen also purchased furniture and equipment. Jen began the business by providing tennis court services and tennis lesson services for which she charges fees. Eventually Jen began selling tennis merchandise: tennis racquets, tennis clothing, and tennis balls. Jen feels she needs someone to help her with the tennis services and sale of the merchandise and has been interviewing potential assistants.

Jen recorded all transactions as they occurred each month for the first six months of business using a manual accounting system. Jen did not record month-end accounting activity or prepare financial statements because she is not familiar with those accounting procedures. Beginning July 1, 2021, Jen decided to convert the accounting records to QuickBooks. You have been retained to set up the accounting records in QuickBooks; record all monthly accounting activity for the month of July including month-end activity; and prepare management reports, accounting reports, and the financial statements as of the end of July.

To access the Proctored Exam QuickBooks file for Jen's Tennis Courts, log in to Blackboard and go to Lessons, Proctored Exam, then choose and double-click Final Production Exam QuickBooks File, and choose save. It will save to “Downloads.” You may move it to your desktop if it’s easier for you to access.

The administrator password for the file is Sweat1115 (all one word with no spaces and a capital for the “S.”

Reminder: ALL of these transactions will occur in July 2021; please make sure your dates are correct.

Before you begin, change the company name to include your name. On the menu click Company, My Company, click the pencil icon to the right of the company information section. Change the name and click ok. The new name should now display on the title bar. (For example, [Lori Sweat] Jen’s Tennis Courts)

1. Display and export a general journal AND a trial balance to Excel for July 1, 2021 – July 1, 2021. This should show only your beginning balances, since you haven’t entered any transactions yet. Name the Excel file ***ACCT 1115 Proctored Exam*** and name the worksheet tabs for each report appropriately.

2. Jen informs you that she has hired an assistant, Dave Saylor, who will begin working on July 1.

a. The payroll feature has been activated for the company file. Customize the name of the payroll system default accounts on the chart of accounts:

account created by QuickBooks change to

24000 Payroll Liabilities 2100 Payroll Liabilities

66000 Payroll Expenses 6560 Payroll Expenses

b. Create the following new general ledger accounts:

*Other Current Liability, Subaccount of 2100 Payroll Liabilities:*

2110 Social Sec/Medicare Tax Payable

2115 FIT Payable

2120 SIT Payable

2125 FUTA Payable

2130 SUI Payable

2135 SDI Payable

*Expense, Subaccount of 6560 Payroll Expenses:*

6565 Wages Expense

6610 Social Sec/Medicare Tax Expense

6625 FUTA Expense

6630 SUI Expense

6635 SDI Expense

c. Manual payroll calculations option has already been activated. Edit the following payroll items on the Payroll Item List:

Payroll Item

Federal Unemployment

Federal Withholding

Medicare Company

Medicare Employee

Social Security Company

Social Security Employee

 For each payroll item, do the following:

1. accept the name listed
2. choose the United States Treasury as the Agency to which the liability will be paid
3. **IMPORTANT: select the appropriate liability and expense accounts**
4. accept all tax rates
5. accept all taxable compensation defaults

d. Add the following to the Payroll Item List (using Custom Setup):

***Type****:* Wage (Hourly Wages)

*Name:* Hourly Wages

***Type:*** State Tax (State Withholding)

*Name:* NY – Withholding

*Agency for Liabilities:* NYS Dept. of Revenue

*Identifying number:* 17-6158789

*Taxable compensation:* Accept defaults

***Type:*** State Tax (SDI) – State Disability

*Name:* NY-Disability Company/NY-Disability Employee

*Agency for Liabilities:* NYS Dept. of Revenue

*Identifying number:* 17-6158789

*Company rate:* 0%

*Employee rate:* .5%

*Taxable compensation:* Accept defaults

***Type****:* State Tax (SUI) – State Unemployment

*Name:* NY – Unemployment Company

*Agency for Liabilities:* NYS Dept. of Revenue

*Identifying number:* ER – 158789

*Company Tax Rate:* 4.025% each quarter

*Taxable compensation:* Accept defaults

e. Add Dave to the Employee Center:

*LEGAL NAME:* Dave Saylor

*SOCIAL SECURITY NO:* 137-29-2817

*GENDER:* male

*DATE OF BIRTH:* 05/13/1993

*MARITAL STATUS:* single

*ADDRESS:* 1 Marine Way, New Hyde Park, NY 11040

*Mobile:* 516-555-0331

*PAY FREQUENCY:* Biweekly

*EARNINGS –ITEM NAME:* Hourly Wages

*HOURLY/ANNUAL RATE:* 10.00

*Federal Filing Status:* single

A*llowances:* 1

*STATE WORKED:* NY

*Tax:* SUI (Company Paid)

*Tax:* SDI

*STATE SUBJECT TO WITHHOLDING:* NY

*Filing Status:* Single

*Allowances:* 1

 *Other Taxes:* No (delete all)

3. The following activity occurred during the month of July 2021. Setup or create additional preferences and files when needed, and record the following transactions in the appropriate windows:

Jul 2 Received a six-month insurance policy renewal from General Insurance Co. for $1,200, paid immediately, Check No. 72. Jen recorded the first six-month policy as Insurance Expense, but you think it is better to record it as Prepaid Insurance on payment, and then adjust it at the end of each month.

Jul 2 Received a six-month advertising renewal from Ray Vill Advertising Agency for $900, paid immediately, Check No. 73. Jen also recorded the previous advertising as Advertising Expense, but like the insurance policy, you will record it as Prepaid Advertising on payment, and then adjust it at the end of each month.

Jul 2 Recommended to the owner, Jen Beck, that she put some of the cash into a Money Market account that will earn interest. Jen agrees.

To add a new account: Click Lists, Chart of Accounts, Account, New:

*TYPE:* Bank

*ACCOUNT NUMBER:* 1030

*ACCOUNT NAME:* Money Market

*Click “no” to any prompt regarding setting up online banking services.*

To transfer the funds to the new account, click Banking, Transfer Funds, and transfer from 1010 Cash-Operating to 1030 Money Market in the amount of $7,000.

Jul 3 Purchased $500 of office supplies on account from the Office Supply Store, their Invoice No. 285, Net 30 Days. Jen previously recorded this type of purchase as Supplies Expense, but you should record it in the asset account Office Supplies.

Jul 3 Purchased 25 cans of tennis balls from Sporting Goods, Inc., at $2 per can, paid immediately, Check No. 74.

Jul 4 Provided 2 hours of tennis lessons (owner) at $25 each and 2 hours of tennis court fees at $30 each on account to the Davis Family, Invoice No. 1150, Net 30 Days.

Jul 5 Sold 4 tennis racquets for $100 each and 4 tennis outfits for $80 each on account to the Grisham Family, Invoice No. 1151, 2/10, Net 30 Days.

Jul 5 Received full payment from Whitestone Seniors Club, their Check No. 1587.

Jul 5 Paid in full AGI Telephone Co., Check No. 75.

Jul 6 Recorded the cash sales for the week for 15 hours of tennis lessons (owner) at $25 each, 32 hours of tennis court fees at $30 each, and 15 cans of tennis balls at $4 each, Sale No. 551. Hint: No customer name is necessary to record the sales receipt.

Jul 9 Received the telephone bill from AGI Telephone Co., their Invoice No. 809, $150, Net 30 Days.

Jul 9 Received payment in full net of discount from Bayside Youth Group, their Check No. 11725. If the Discount and Credits button is not displayed, in the Create Invoices window go to the Bayside Youth Group Invoice and enter 2/10, Net 30 Days in the TERMS field.

Jul 9 Paid in full Racquets, Inc., Check No. 76.

Jul 9 Paid in full Tennis Suits, Inc., Check No. 77.

Jul 11 Provided 2 hours of tennis lessons (owner) at $25 each and 2 hours of tennis court fees at $30 each on account to the Davis Family, Invoice No. 1152, Net 30 Days.

Jul 12 Received full payment from Lakeland Community Group, their Check No. 6952.

Jul 12 Purchased 7 tennis racquets at $50 each on account from Racquets, Inc., their Invoice No. TR712.

Jul 12 Purchased 5 tennis outfits at $40 each on account from Tennis Suits, Inc., their Invoice No. TO1478.

Jul 12 Received full payment net of discount from the Grisham Family for Invoice No. 1151, their Check No. 708.

Jul 13 Received a credit memo for 2 tennis racquets at $50 each returned on account to Racquets Inc., Invoice No. CM-TR712.

Jul 13 Provided 10 hours of tennis court services at $30 each on account to the Lakeland Community Group, Invoice No. 1153, Net 30 Days.

Jul 13 Provided 6 hours of tennis court services at $30 each on account to the Whitestone Seniors Club, Invoice No. 1154, Net 30 Days.

Jul 13 Sold 10 tennis racquets at $100 each and 10 tennis outfits at $80 each on account to Bayside Youth Group, Invoice No. 1155, terms 2/10, Net 30 Days.

Jul 13 Recorded the cash sales for the week for 14 hours of tennis lessons (owner) at $25 each, 37 hours of tennis court services at $30 each, 15 cans of tennis balls at $4 each, and 4 tennis racquets at $100 each, Sale No. 552. Hint: No customer name is necessary to record the sales receipt.

Jul 13 Created account 1020 Cash – Payroll account. Transferred $1,800 from the Cash – Operating account to the Cash – Payroll account.

Jul 13 Created the paycheck for Dave Saylor for his first two weeks working at Jen’s Tennis Courts, pay period ending July 13, 2021. Recorded the following paycheck details (if you receive messages about additional taxes, click X and Yes to close each message):

*PAY PERIOD ENDS and CHECK DATE:* July 13, 2021

*BANK ACCOUNT:* 1020 Cash – Payroll

*Check Number:* 101

*HOURS:* 80

*Company Summary:*

*Social Security Company*: 49.60

*Medicare Company:* 11.60

*Federal Unemployment:* 6.40

*NY – Disability Company:* 0

*NY – Unemployment:* 32.20

*Employee Summary:*

*Federal Withholding:* 52.00

*Social Security Employee:* 49.60

*Medicare Employee:* 11.60

*NY Withholding:* 40.00

*NY Disability – Employee:* 1.20

Jul 13 Deposited the cash receipts for the first half of the month of July.

Jul 13 The owner, Jen Beck, withdrew $2,000 cash for personal use. Check No. 78.

Jul 14 Purchased 25 cans of tennis balls at $2 each from Sporting Goods, Inc., paid immediately, Check No. 79.

Jul 14 Received full payment from the Davis Family for Invoice No. 1150 and Invoice No. 1152, their Check No. 555.

Jul 18 Provided 2 hours tennis lessons (owner) at $25 each and 2 hours tennis court service at $30 each on account to the Davis Family, Invoice No. 1156, Net 30 Days.

Jul 18 Received full payment from Whitestone Seniors Club for Invoice No. 1154, their Check No. 1597.

Jul 19 Received the utilities bill from Local Power Company and paid it immediately, Check No. 80, $200

Jul 20 Recorded the cash sales for the week for 16 hours of tennis lessons (owner) at $25 each, 39 hours of tennis court services at $30 each, 15 cans of tennis balls at $4 each, 2 tennis racquets at $100 each, and 2 tennis outfits at $80 each, Sale No. 553. Hint: No customer name is necessary to record the sales receipt.

Jul 22 Received full payment net of discount from Bayside Youth Group, Invoice No. 1155, their Check No. 11775.

Jul 22 Purchased five tennis racquets at $50 each on account from Racquets, Inc., their Invoice No. TR722.

Jul 25 Provided 2 hours of tennis lessons (owner) at $25 each and 2 hours of tennis court services at $30 each on account to the Davis Family, Invoice No. 1157, Net 30 Days.

Jul 25 Received full payment from Lakeland Community Group, Invoice No. 1153, their Check No. 6965.

Jul 27 Provided 10 hours of tennis court services at $30 each on account to the Lakeland Community Group, Invoice No. 1158, Net 30 Days.

Jul 27 Provided 6 hours of tennis court services at $30 each on account to the Whitestone Senior Club, Invoice No. 1159, Net 30 Days.

Jul 27 Sold 2 tennis racquets at $100 each and 2 tennis outfits at $80 each on account to the Cheung Family, Invoice No. 1160, 2/10, Net 30 Days.

Jul 27 Recorded the cash sales for the week for 18 hours of tennis lessons (owner) at $25 each, 40 hours of tennis court services at $30 each, 15 cans of tennis balls at $4 each, and 2 tennis outfits at $80 each, Sale No. 554. Hint: No customer name is necessary to record the sales receipt.

Jul 27 On the Item List, add a New Item:

*TYPE:* Service

*ITEM NAME/NUMBER:* Tennis Lessons Fees – Assistant

*Description:* Tennis Lessons Fees – Assistant

*Rate:* $20 per hour

*Tax Code:* Non-Taxable Sales

*Account:* 4020 Tennis Lessons Fees Earned

Jul 27 Add the New Customer:

*CUSTOMER NAME/*

*COMPANY NAME:* Springfield Gardens Teen Club

*FULL NAME:* Erica Baynes

*Main Phone:* 718-555-1140

*INVOICE/BILL TO:* 150 Westgate St.

Springfield Gardens, NY 11413

*PAYMENT TERMS:* Net 30 Days

Jul 27 Provided 20 hours of tennis lessons (owner) at $25 each and 40 hours of tennis tennis lessons (assistant) at $20 each on account to the Springfield Gardens Teen Club, Invoice No. 1161, Net 30 Days.

Jul 27 Created the paycheck for Dave Saylor for the pay period ending July 27, 2021. Recorded the following paycheck details (if you receive messages about additional taxes, click X and Yes to close each message):

*PAY PERIOD ENDS and CHECK DATE:* July 27, 2021

*BANK ACCOUNT:* 1020 Cash – Payroll

*Check Number:* 102

*HOURS:* 80

*Company Summary:*

*Social Security Company*: 49.60

*Medicare Company:* 11.60

*Federal Unemployment:* 6.40

*NY – Disability Company:* 0

*NY – Unemployment:* 32.20

*Employee Summary:*

*Federal Withholding:* 52.00

*Social Security Employee:* 49.60

*Medicare Employee:* 11.60

*NY Withholding:* 40.00

*NY Disability – Employee:* 1.20

Jul 27 Paid the payroll liabilities (using the payroll cash account) owed to the United States Treasury for the month, Check No. 103.

Jul 27 Received the bill for the monthly mortgage payment of $425 from Daly’s Mortgage Corp., paid immediately, Check No. 81. Record $265 as a reduction of the Mortgage Payable, and $160 as Interest Expense.

Jul 27 The owner, Jen Beck, withdrew $2,000 cash for personal use, Check No. 82.

Jul 30 Recorded interest earned on the Money Market account, $12. (Use the Make General Journal Entries window, ENTRY NO. Int Inc.; this is **not** an adjusting entry. The bank has already credited the interest to the checking account; you just need to journalize it)

Jul 30 Paid Office Supply Store, their Invoice No. 285, Check No. 83.

Jul 30 Paid Racquets, Inc., their Invoice No. TR712 and Invoice No. CM-TR712,

Check No. 84.

*Note: In the Pay Bills window, after selecting Racquets, Inc., Ref. No. TR712, click the Set Credits button to select the $100 CM-TR712, and then click Done.*

Jul 31 Paid all sales tax owed to NYS Dept. of Revenue for the month, Check No. 85.

Jul 31 Deposited the cash receipts for the second half of the month of July.

Jul 31 Transferred $5,000 from the Cash – Operating account to the Money Market account. See July 2 transaction for a reminder on how to transfer funds.

Jul 31 Submit and record your bill for the accounting services for the month to set up the records for Jen’s Tennis Courts in QuickBooks; to record the transactions for the month of July; to record month-end activity; and to preparing the management reports, accounting reports, and the financial statements up to July 31, 2021. Fee for services rendered: $2,000, your Invoice No. JTC0731. Create a vendor: [Your Name] Accounting Services, Net 30 Days.

4. Display and export the following reports to your Excel file ***ACCT 1115 Proctored Exam*** for July 2, 2021 – July 31, 2021:

a. Journal; this will show **all** the transactions and entries you have recorded this period.

b. Unadjusted Trial Balance; this will show the balances of all your accounts PRIOR to adjustments, which are next.

5. Record the following adjusting journal entries for July 31, 2021. Number the adjusting journal entries AJE1, AJE2, and so on:

a. Record one month of insurance expense.

b. Record one month of advertising expense.

c. Office supplies on hand totaled $420.

d. Depreciation for the Tennis Courts for the six months ending July 31 is $1,500.

e. Depreciation for the Furniture for the six months ending July 31 is $450.

f. Depreciation for the Equipment for the six months ending July 31 is $600.

g. A review of the inventory reveals that two tennis outfits were damaged and needed to be discarded. Adjust the inventory account. Use Inv Adj as the reference. (Use the inventory adjustment screen we used in Chapter 5.)

6. Display and export the following reports for July 1, 2021 – July 31, 2021:

a. Customer Balance Detail

b. Vendor Balance Detail

c. Inventory Valuation Detail

d. Payroll Transaction Detail

e. Journal Report (July 31 – July 31, 2021). Filter the report, using Transactions Type, then Multiple Transaction Types, **to display only the adjusting journal entries (Journal) and the inventory adjustment (Inventory Adjustment).** You’ve already exported a report showing your other entries.

f. Adjusted Trial Balance

g. Profit & Loss Standard (January 1, 2021 – July 31, 2021)

h. Balance Sheet Standard (July 31, 2021)

7. Double-check to make certain your workbook has a worksheet tab containing each of the 12 reports below—these have been previously specified. Please re-order the tabs so that they are in the following order. Please see your instructor if you don’t know how to re-arrange and re-order the tabs in Excel.

1. Journal July 1, 2021-July 1, 2021 (step 1)
2. Trial Balance July 1, 2021-2021 (step 1)
3. Journal July 2, 2021 – July 31, 2021 (step 4)
4. Unadjusted Trial Balance July 1, 2021 – July 31, 2021 (step 4)
5. Customer Balance Detail July 1, 2021 – July 31, 2021 (step 6)
6. Vendor Balance Detail July 1, 2021 – July 31, 2021 (step 6)
7. Inventory Valuation Detail July 1, 2021 – July 31, 2021 (step 6)
8. Payroll Transaction Detail July 1, 2021 – July 31, 2021 (step 6)
9. Journal Report (July 31 – July 31, 2021) (step 6)
10. Adjusted Trial Balance July 1, 2021 – July 31, 2021 (step 6)
11. Profit & Loss Standard (January 1, 2021 – July 31, 2021) (step 6)
12. Balance Sheet Standard (July 31, 2021) (step 6)

8. IMPORTANT! Submit your Excel workbook named ***ACCT 1115 Proctored Exam*** to the Blackboard drop box for the proctored exam entitled **Final Exam Finished Excel File**. **Please do NOT submit the QuickBooks file unless I contact you that I need it.**