

QuickBooks/Construction Bookkeeping Test

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QuickBooks/Construction Bookkeeper's Test

Introduction:

This test is designed for contractors, seeking to hire a bookkeeper experienced in the use of QuickBooks® in the construction industry.

The following test will evaluate the applicants accounting knowledge as well as their ability to put that knowledge into practice using QuickBooks® Financial Software.

*The employer assumes full responsibility for utilizing the attached QuickBooks/Construction Bookkeeping Test during it's hiring process, for complying with applicable employment laws as they relate to the employer's state and **ultimately** for hiring the most qualified candidate for the position.*

This test consists of the following:

- ***Part I - General QuickBooks Quiz: 11 questions***
- ***Part II - QuickBooks Payroll Quiz:***

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Dear Applicant:

The test that you will be taking has been designed and produced by a company dedicated to helping contractors using QuickBooks.

The questions which are contained in this test were designed to test not only your skills as a bookkeeper and your knowledge of the use of QuickBooks® Financial Software; but also to test your knowledge of using QuickBooks in the construction industry.

Part I - General QuickBooks Quiz

Name: _____

Date: _____

1.) Check the option below that is the most effective way in which to record a Loan Payment and then list the accounts which are affected by the transaction.

- a.) Create a "Bill"
- b.) Write a "Check"
- c.) Use the "Transfer Funds" option
- d.) Create a "Journal Entry"

Specify the Accounts which are affected by this transaction.

2.) Based on the following information, check which date would be used on the "Enter Bills" screen. (Select the best answer.)

- a.) On 2/1 your company submits a Purchase Order for materials to a Vendor
- b.) On 2/7 your company receives the materials
- c.) On 2/14 the Vendor invoices your company \$500.00 for the materials, terms 2% 10 - Net 30
- d.) On 2/22 you pay the bill for the materials received

3.) Referring to the question above; what does the "terms" 2% 10 - Net 30 mean? (Select the best answer.)

- a.) Pay the invoice within 10 days and you can take a 2% discount
- b.) Pay the invoice by the 10th of the following month and take a 2% discount
- c.) Your Purchase Order Date was before the 10th of the month and the invoice includes a 2% discount on the materials you ordered.
- d.) None of the above

4.) On Wednesday January 15th you receive payments from 4 different customers. You only go to the bank once a week on Friday. What is the first step that is required to record the payments, what are the accounts that are affected, and in QuickBooks what should be the deposit date?

- a.) Select the "Record Deposits" option
- b.) Select the "Create Sales Receipts" option
- c.) Select the "Refunds & Credits" option
- d.) Select the "Receive Payments" option

Indicate what accounts are affected by these transactions.

What would be the QuickBooks Deposit date? _____

- 5.) **During the QuickBooks "Bank Reconciliation", you will be asked to enter all of the following. What item will you *not* be asked for?**
- a.) The amount of any Bank Service Charges.
 - b.) The current checkbook balance.
 - c.) The Bank Statement Closing Date.
 - d.) The Ending Bank Balance, according to the bank statement.
- 6.) **While reconciling the company checking account, you discover the following discrepancy: Check 10005, payable to Acme Rental was entered into QuickBooks as \$475.00, but the bank cleared it as \$475.88. What is the correct step(s) required to correct the bank balance? Check 10005 was a check that the job foreman wrote to Acme Rental and he didn't bring you back an invoice or receipt. A quick phone call to Acme Rental confirms that the charge was indeed for \$475.88. What is the step that is required to correct the bank balance?**
- a.) Click on the "Go To" button in the bank reconciliation window and modify the original transaction.
 - b.) Void the original transaction and record a new transaction.
 - c.) Add a \$.88 deduction to the checkbook register, posting it to an account called "Checking Short/Over".
 - d.) Do nothing; QuickBooks will automatically make the necessary adjustment for you.
- 7.) **What is the best way to track committed costs from a Subcontractor or Materials Vendor?**
- a.) Use a combination of the QuickBooks Purchase Order and the Receive Items and Enter Bill functions.
 - b.) Enter a bill for the full amount, dated in the future, and "Pay" only the invoiced portion of the entire bill when it is invoiced.
 - c.) Track this in an Excel spreadsheet.
 - d.) QuickBooks has no means of tracking committed costs such as these.
- 8.) **What is the best way to job cost expenses when writing checks?**
- a.) Post expenses to a WIP (Work-In-Progress) account on the Chart of Accounts; referencing the job name.
 - b.) Use the Expenses tab and choose the appropriate Expense account from the Chart of Accounts; referencing the job name.
 - c.) Use the Items tab (if your items have been set up with both a purchase and a sales price); referencing the Item in question along with the applicable job.
 - d.) None of the above.
- 9.) **On June 15th your employer ask for a \$500.00 check to replenish the petty cash account. What is the best method for tracking petty cash?**
- a.) Use an expense account called "Petty Cash Checks" and edit the check as you receive receipts.
 - b.) Enter bills to record the receipts.
 - c.) Use a special "bank account" called Petty Cash. Write a check for \$500.00 and "deposit" it to this account. As you receive receipts, record the expenditures using this account.
 - d.) Write a check from the operating bank account to replenish the petty cash account.

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- 10.) On June 1st, your company signs a \$10,000.00 contract to have the parking lot repaved and pays ABC Paving a \$2000.00 Deposit. On July 15th ABC Paving bills the project as 50% complete. What is the final step in recording this information?
- a.) Create a "Bill Payment" for \$5000.00
 - b.) Create a "Bill" for \$3000.00
 - c.) Write a "Check" for \$3000.00
 - d.) Create a "Bill Payment" for \$3000.00
- 11.) On July 10th your employer ask you to print "Year-to-Date Financial" reports for the period ending June 30th. Which report would you like not print?
- a.) Profit & Loss
 - b.) Balance Sheet
 - c.) Cash Flow Projection
 - d.) Accounts Payable & Accounts Receivable
- 12.) On May 31st your employer tells you about a new job that he will be starting on June 10th, he indicates that all billings must be submitted by the 10th of the following month for work completed up to and including all work completed by the last day of the current month; and that retainage in the amount of 10% must be held on each bill. This is the first contract that he has had that requires retainage to be held. What is your first step in setting up QuickBooks to track retainage?
- a.) Turn on the Retainage Receivable tracking function in the QuickBooks Jobs & Estimates Preference.
 - b.) When you create the job record in QuickBooks, check the "Track Retainage" option in the Job Info Tab.
 - c.) Tell him that QuickBooks cannot track retainage and that you'll have to invoice for 90% of the work completed.
 - d.) None of the above.
- 13) Repair bills are expensed provided that they don't _____ the life of the asset.
- 14.) Construction Cost Codes are set up in which of the following lists?
- a.) Chart of Accounts
 - b.) Class List
 - c.) Price Level List
 - d.) Item List
- 15.) Regarding the QuickBooks Item List, what is the purpose of "double-sided" item? Check all that apply.
- a.) Allows you to track both Purchase and Sales information for an item.
 - b.) Allows you to track if the item is used in assemblies or is performed by a subcontractor, owner, or partner.
 - c.) QuickBooks does not have a double-sided item.
 - d.) None of the above

- 16.) Which of the following functions do items perform in a QuickBooks file?
- a.) Calculate amounts, such as subtotals and discounts, on sales and purchase forms.
 - b.) Link transactions to accounts.
 - c.) Make it easier to fill out sales forms by filling in descriptions, rates, accounts and taxable status
 - d.) All of the above.

Part II - QuickBooks Payroll Quiz

- 1.) Employee gross wages are based on all of the following except:
- a.) Federal Unemployment
 - b.) The number of hours he worked
 - c.) His rate of pay
 - d.) Whether the employee is paid an Hourly Rate or an Annual Salary.
- 2.) Your employer informs you that you need to start recording the number of hours worked each day on each job for each employee. How would you do this?
- a.) Create an Excel "Weekly" Spreadsheet for each job and enter the employee's names and number of hours he worked each day.
 - b.) In QuickBooks go to the Employees & Payroll Preference and "check" the option to "Track Employee Time by Job" option.
 - c.) In QuickBooks edit each Employee Record and "check" the option to "Use time data to create paychecks".
 - d.) None of the above.
- 3.) Your employer tells you that he has just been informed that he must submit certified payroll reports for Job X. What is a certified payroll report?
- a.) A QuickBooks Payroll Summary Report, filtered for this job, with the report title modified to read "Certified Payroll Report for Job X.
 - b.) A Certified Payroll report is a "special payroll report" that is required on jobs that are funded with Federal and/or State money that has a value of more than \$2,000.00.
 - c.) A QuickBooks "Certified Payroll - Box 1" Report.
 - d.) None of the above.
- 4.) W-4's are required to update employee records for which of the following items? (Check all that apply)
- a.) Social Security Number
 - b.) Address
 - c.) Marital status
 - d.) Driver's license

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- 5.) **Your employer brings you a “hand full” of receipts which total \$200.00 and asks that your reimburse John Doe (one of the job foreman) for these out of pocket expenses, do you: (select the best answer)**
- a.) Take \$200.00 out of petty cash and record the receipts individually in the petty cash account register, job costing the amounts if applicable.
 - b.) Include a lump sum reimbursement (QuickBooks payroll item type of an Addition to gross wages) for the \$200.00 in receipts with his normal paycheck
 - c.) Cut him a regular “non-payroll” check for \$200.00, splitting out the amounts of the individual receipts and posting the amounts to the correct expense accounts or items – job costing them if applicable. Staple the receipts to your part of the check stub and file.
 - d.) Enter a “Bill” in Accounts Payable from John Doe for \$200.00 and assign the transaction to the Reimbursed Employee Expense Account.
- 6.) **You receive a notice stating that John Doe has to pay \$75.00 per week in Child Support, do you: (check all that apply)**
- a.) Give the letter to John and tell him that he has to pay this.
 - b.) Make a copy of the letter to give to John, and notify him that you will be withholding that amount beginning with his next paycheck.
 - c.) In QuickBooks create a new payroll item with a type of “Other Withholding” called Child Support, edit John’s employee record and add enter the Child Support item in the Additions, Deductions, Company Contributions section with a rate of \$75.00.
 - d.) Increase his weekly pay check by \$75.00 so he can pay the child support.
- 7.) **When hiring an employee, what forms must they complete in order for you to generate payroll? (Check all that apply)**
- a.) Federal W-4
 - b.) State equivalent of a W-4
 - c.) U.S. Immigration and Naturalization Service (INS) form I-9
 - d.) Form W-9
- 8.) **QuickBooks offers the following payroll options: (check all that apply)**
- a.) Standard and Enhanced Payroll Tax Subscriptions
 - b.) Assisted Payroll
 - c.) Complete Payroll
 - d.) Manual update of payroll tax tables based on information from Circular E

- 9.) **Your employer pays 80% of employee medical insurance and would like to get that information into job costing reports, how would you accomplish this? (Select the best answer.)**
- a.) Make sure that in the Payroll & Employee Preference that the “Job Costing, Class and Item Tracking for paycheck expenses” is checked and when you create the company contribution item for the 80% contribution that the “Track Expenses by Job” option is selected.
 - b.) Edit the Employee Record, select the Additional Info Tab and check the option to “Track Paycheck Expenses by Job”.
 - c.) Do nothing; QuickBooks will automatically allocate all company contribution payroll items automatically.
 - d.) None of the above.
- 10.) **The following name appears on an employee’s Social Security card: Jane Thomson Green. How should this name appear on Jane’s W-2?**
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- 11.) **New employee Liz just moved and wants to know if she can use the W-2 that you are giving her as notification to the IRS that she has changed her home address. Can she?**
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- 12.) **Whether an employee must be paid overtime for working more than 8 hours in a 24-hour period is determined by (federal/state) law.**
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- 13.) **Rounding work hours to the nearest quarter hour (is/is not) permitted under federal law.**
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- 14.) **The ‘liability’ date for payroll refers to the (pay period ending date/check date), assuming that this is the date the money was _____ to the employee without substantial limitation.**
- 15.) **Which of the following can facilitate payroll setup by having QuickBooks prefill the payroll information that most employees have in common?**
- a.) Memorized Transactions.
 - b.) Employee Defaults.
 - c.) Employee Center.
 - d.) Employee Templates list.

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