

SAGE 50 ACCOUNTING TEST ONE VERSION A

Name: _____ Class: _____

Date: _____

The information provided in this test allows you to set up the General, Payables and Receivables ledgers for an Ontario company named GEORGE'S WELDING owned and run by Chris George, a master welder. He performs all kinds of welding jobs for individuals as well as companies. George has contracted you to set up his company to use Sage 50 Accounting for general ledger, accounts receivable and accounts payable. (NOTE TO INSTRUCTOR: if you do not wish to have students tested on setting up an entire company from scratch, you may use the template files provided, and start with question 11).

DO EACH OF THE FOLLOWING TASKS IN ORDER.**1. Using Sage 50 Accounting, create a new company file using the following information:**

Company Name: GEORGE'S WELDING
 Address: 33 Maple St.
 Windsor, Ontario
 N9S 4B6
 Phone: (519) 653-8383 Fax: (519) 653-7700
 Fiscal start: 07-01-2022
 Earliest transaction date: 07-01-2022
 Fiscal end: 12-31-2022

Select: Let me build the list of accounts myself after the company is created

Industry: Service

Store company files in a new folder named George and use George as the file name.

Select: I will update my tax information myself

2. Working from the Company module window, change default settings if necessary to include the following:

User Preferences Options	Use Accounting Terms Automatically save changes to Suppliers, Clients and Other Records Show list buttons
User Preferences View	Turn off Checklists and Daily Business Manager at startup and after changing session date Turn off Employee & Payroll, Inventory & Services, Project and Time & Billing Turn on Show Change Session Date at startup
User Preferences Transaction	Turn on confirmation message Box
Company Information Settings	Business No: 342 121 190
Company System Settings	Do not allow transactions dated before 07-01-2022 Do not allow transactions in future
Company Backup Settings	Backup frequency: Weekly; turn off automatic backups
Company Features Settings	Company does not use quotes, orders, packing slips and project Company does business in French and English
Company Forms Settings	Next Client & Sales Invoice number: 121 Next Receipts number: 297
Company Date Format Settings	Month, day, year. Use long date format on the screen and in reports

**3. Create accounts to match the following Chart of Accounts.
Edit the current earnings account.**

Account types are shown in brackets beside the account.

(A) = Subgroup (S) = Subgroup total (H) = Heading (T) = Total (X) = Current Earnings

All other accounts (unmarked) are Group accounts.

**GEORGE'S WELDING
Chart of Accounts**

1000 CURRENT ASSETS (H)	2800 LONG TERM LIABILITIES (H)
1050 Test Balance	2850 Mortgage Payable
1080 Bank: Chequing Account	2890 TOTAL LONG TERM LIABILITIES (T)
1100 Bank: Credit Card	
1200 Accounts Receivable	3000 EQUITY (H)
1290 Welding Supplies	3560 Chris George, Capital
1390 TOTAL CURRENT ASSETS (T)	3600 Net Income (X)
	3690 TOTAL EQUITY (T)
1400 CAPITAL ASSETS (H)	
1420 Torches	4000 REVENUE (H)
1450 Computers	4020 Revenue from Services
1480 Other Welding Equipment	4100 Sales Allowances
1500 Vehicle	4200 Sales Discounts
1550 Shop	4390 TOTAL REVENUE (T)
1590 TOTAL CAPITAL ASSETS (T)	
2000 CURRENT LIABILITIES (H)	5000 EXPENSES (H)
2100 Bank Loan	5020 Advertising
2200 Accounts Payable	5030 Bank and Credit Card Fees
2250 Credit Card Payable	5040 Cleaning and Maintenance
2650 HST Charged on Services (A)	5060 Hydro Expense
2670 HST Paid on Purchases (A)	5220 Insurance Expense
2750 HST Owing (Refund) (S)	5240 Interest Expense
2790 TOTAL CURRENT LIABILITIES (T)	5260 Telephone Expense
	5270 Payroll Service Fees
	5280 Welding Supplies Used
	5590 TOTAL EXPENSES (T)

Print the Chart of Accounts.

4. Add account balances from the following Trial Balance:

**GEORGE'S WELDING
Post-Closing Trial Balance
July 1, 2022**

1080 Bank: Chequing Account	\$12 150	
1100 Bank: Credit Card	200	
1200 Accounts Receivable	5 000	
1260 Welding Supplies	900	
1420 Welding Torches	3 800	
1450 Computer	1 500	
1480 Other Welding Equipment	4 200	
1500 Vehicle	9 000	
1550 Shop	150 000	
2100 Bank Loan		\$ 6 000
2200 Accounts Payable		1 600
2250 Credit Card Payable		1 100
2650 HST Charged on Services		950
2670 HST Paid on Purchases	750	
2850 Mortgage Payable		99 000
3560 Chris George, Capital		<u>78 850</u>
	<u>\$187 500</u>	<u>\$187 500</u>

Hint: Remember to use account 1050 Test Balance for out of balance amounts.
Print the Trial Balance.

5. Change Account Classes:

Bank: Chequing Account: Change the account class to Bank and enter 201 as the next cheque number.
Bank: Credit Card: Change the account class to Credit Card Receivable.
Credit Card Payable: Change the account class to Credit Card Payable.
Expense Group accounts: Change the account class to Expense.

6. Set up credit cards as follows:

Credit Cards Accepted: Credit Card Name: Chargit
 Currency CAD
 Linked Asset Account 1100
 Discount Fees: 3%
 Linked Expense Account: 5030

Credit Cards Used: Credit Card name: Chargit
 Linked Payable Account: 2250
 Linked Expense Account: 5030

7. Enter Sales Taxes and Tax Codes (do not enter accounts to track PST)

Tax – HST: Not Exempt, Not Taxable, Use 2670 to track tax paid on expenses
 Use 2650 to track taxes charged on revenues, Report on taxes-yes
Code – H: Tax HST, Taxable, Rate 13%, Not included, Refundable
Code – HI: Tax HST, Taxable, Rate 13%, Included, Refundable

Enter Ledger Settings: Allow account classes to change.

General (Accounts): Budgeting should be turned off

- Linked Accounts Retained Earnings 3560
Current Earnings 3600

Payables: Address Windsor, Ontario, Canada

- Options Aging periods: 30, 60 and 90 days
Calculate all discounts before tax for one time suppliers

- Linked Accounts Principal Bank Account 1080
Accounts Payable 2200
Freight Expense and Early Payment Purchase Discount: leave blank
Prepayments and Prepaid Orders 2200

Receivables: Address Windsor, Ontario, Canada

-Options Aging periods: 5, 15 and 30 days;
No interest charges on overdue accounts;
Include invoices paid in last 30 days;
Use tax code H as default for new customers

- Discounts Terms: 2% discount in 5 days (before tax), net in 15 days
Line discounts not used

- Comment On sales invoices: "Where fire meets steel."

- Linked accounts: Principal Bank Account 1080
Accounts Receivable 1200
Default Revenue 4020
Freight Revenue: leave blank
Early Payment Sales Discount 4200
Deposits and Prepaid Orders 1200

**8. Create the following supplier accounts.
Add the historical information provided.**

<u>Name (Contact), Address</u>	<u>Phone/Fax</u>	<u>Terms, Tax, Account</u>
Bell Canada 339 Jupiter Ave., Toronto, ON N4S 6T3 Web: www.bell.ca Supplier since: 12/01/2005	Tel: (905) 310-5221	Terms: net 10 Tax Code: HI Expense Account: 5260 Telephone Expense
Receiver General for Canada (Margot Taxit) Summerside Tax Centre, Summerside PE C1N 6L2 Web: www.cra-arc.gc.ca Supplier since: 12/01/2005	Tel: (902) 821-8186	Terms: net 1 Tax Code: No tax (tax exempt – yes)
Welding Monthly (Leo Libra) 29 Taurus Lane, London, ON N4V 2V7 Tax ID: 493 421 289 E-mail: look.up@weld.com Supplier since: 06/12/2006	Tel: (226) 593-7191 Fax: (226) 593-1772	Terms: net 20 Tax Code: H Expense Account: 5020 Advertising
Welds ‘r Us (Vulcan Sidekick) 81 Aquarian Way, Chatham, On N3T 2C9 Tax ID: 563 327 766 E-mail: weldall@welds.com Supplier since: 01/15/2008	Tel: (519) 592-6282 Fax: (519) 592-8164	Terms: net 30 Tax Code: H Expense Account: 1480 Other Welding Equipment

Historical Supplier Invoices and Payments

<u>Name</u>	<u>Terms</u>	<u>Date</u>	<u>Invoice/Chq</u>	<u>Amount</u>
Bell Canada	net 10	Jun 28/22	BC-55112	\$ 150
Welding Monthly	net 20	Jun 21/22	WM-611	\$450
Welds 'r Us	net 30	Jun 13/22	WU-4229	\$1 100
		Jun 17/22	Chq 195	-500
	net 30	Jun 28/22	WU-5110	<u>400</u>
			Balance Owing	\$1 000
			Grand Total	\$1 600

Print the Supplier Aged Detail Report for all suppliers. Include terms.

9. Create the following customer accounts with historical information.

The credit limit for all customers is \$5 000. The terms for all customers are 2/5, n/15.

The tax code for all customers is H. If information is not provided, leave fields blank.

<u>Name (Contact), Address</u>	<u>Phone/Fax</u>	<u>Revenue Account</u>
Wacky Welding (Major Stickit) 45 Dunit St., Wallaceburg, ON R1E 6T3 E-mail: the_major@wacky.com Web site: www.wacky.com Customer since: 01/01/2006	Tel: (519) 591-7722 Fax: (519) 591-9112	4020 Revenue for Services
Noya Welding (Bill Ing) 110 Oxygen St., Windsor, ON N8T 9A1 E-mail: bing@interface.ca Customer since: 09/16/2008	Tel: (519) 592-9001 Fax: (519) 592-9991	4020 Revenue for Services
Flamer's Steel (Clare Flame) 10A Readers Den, Woodstock, ON N3H 7D3 Web site: www.flamers.com Customer since: 11/06/2007	Tel: (519) 762-6712	4020 Revenue for Services

Historical Supplier Invoices and Payments

<u>Name</u>	<u>Terms</u>	<u>Date</u>	<u>Invoice/Chq</u>	<u>Amount</u>
Wacky Welding	2/5, n/15	Jun 22/22	108	\$ 5 500
		Jun 23/22	Chq 212	<u>-500</u>
			Balance owing (Grand Total)	\$5 000

Print the Customer Aged Detail Report for all customers. Include terms.

10. Back up your files in your data folder.

Continue with the working copy of your data files, Welding.SAI.

Finish entering the history.

When you have finished entering the history, enter the transactions that follow.

11. Change the session date to July 8, 2022. Create shortcuts or change modules and enter the following transactions.

NOTE: Deposits and withdrawals, except credit card transactions, use Bank: Chequing Account.

Credit Card Purchase Invoice # WM-639 Dated July 2, 2022
From Welding Monthly, \$460, plus \$59.80 HST for print advertising. Purchase invoice total \$519.80.
Charge to Advertising expense. Paid by Chargit.

Sales Invoice #121 Dated July 4, 2022
To Noya Welding, \$900 plus \$117 HST for welding beams for a wedding party. Invoice total, \$1017.
Terms 2/5, net 15.

Payment Cheque #201 Dated July 5, 2022
To Bell Canada, \$150 in full payment of account. Reference invoice #BC-55112.

Cash Receipt #297 Dated July 6, 2022
From Wacky Welding, cheque #239 for \$1,600 in partial payment of account. Reference invoice #108.

Sales Invoice #122 Dated July 6, 2022
To Flamer's Steel, for 5 hours of welding on steel girders, \$500 plus \$65 HST. Invoice total \$565.
Terms 2/5, net 15.

Credit Card Sales Invoice #123 Dated July 7, 2022
Sales Summary: To One-time walk-in welding customers, \$360 for various types of welding jobs, plus \$46.80 HST. Invoice total \$406.80. The customers paid with Chargit credit cards.

Memo #1 Dated July 7, 2022
Welding supplies used during the past week amounted to \$24. Adjust welding supplies account and charge to Welding supplies used expense account. Store as weekly recurring entry.

Bank Memo # PB-77225 Dated July 8, 2022
From Paylo Bank, \$1,600 for NSF cheque from Wacky Welding. Reference invoice #108 and cheque #239. The company has been notified of the unpaid account.

Memo #2 Dated July 8, 2022
Adjust Sales Invoice #122 to Flamer's Steel. Flamer's Steel will be using our services on a weekly basis so their rate will be reduced. The amount billed should be reduced to \$400 plus \$52 HST. Store the sales invoice as a weekly recurring transaction.

Memo #3 Dated July 8, 2022
Chris's welding tank exploded when a customer accidentally dropped it. Write off the welding tool equipment recorded in account # 1480 valued at \$750. Create new Group expense account 5100 Damaged Tools.

Bank Debit Memo #PB-77386	Dated July 8, 2022
From Payblo Bank, pre-authorized bi-weekly payroll for employees.	
Wages and payroll expenses	\$6,000.00
Payroll services fee	80.00
HST paid on payroll services (purchases)	<u>10.40</u>
Total withdrawal	\$6,090.40

Create new Group expense account 5265 Wage and Payroll Expenses

Change the session date to July 15, 2022. Enter the following transactions:

Cash Receipt #298 Dated July 9, 2022
From Noya Welding, cheque # 431 for \$996.66 in payment of account, including 2% discount for prompt payment. Reference invoice #121.

Cheque Purchase Invoice #CP-2990 Dated July 10, 2022
From Crystal Products Inc. (use Quick Add for new supplier), \$900 plus \$117 HST for one welding tank to replace the destroyed tank. Invoice total \$1 017 paid by cheque #202.

Purchase Invoice #WU-5331 Dated July 11, 2022
From Welds 'r Us, \$600 plus \$78 HST, for one arc welding torch kit. Invoice total \$678. Terms net 30.

Cash Receipt #299 Dated July 11, 2022
From Wacky Welding, certified cheque #WW-44239 for \$1 600 to replace NSF cheque.
Reference invoice #108 and Bank Memo # PB-77225.

Sales Invoice #124 Dated July 13, 2022
To Wacky Welding, \$900 for steel welding and consultations, plus \$117 HST. Invoice total \$1 017.
Change the customer's terms to net 15 for this invoice and in the customer ledger.

Sales Invoice #125 Dated July 13, 2022
To Flamer's Steel, \$400 plus \$52 HST for 5 hours of arc welding. Invoice total \$452. Terms 2/5, net 15. Recall stored entry. (Accept message)

Credit Card Sales Invoice #126 Dated July 13, 2022
To One-time customers,
150 minutes @ \$1.00 each 150.00 total
HST Charged 19.50
Total amount paid by Chargit \$169.50

Cash Sales Invoice #127 Dated July 14, 2022
Sales Summary: To One-time walk-in clients, \$380 for various types of welding jobs, plus \$49.40 HST. Invoice total \$429.40. Paid by Cash.

Memo #5 Dated July 14, 2022
Welding supplies used in the past week amounted to \$24. Adjust welding supplies account and charge to welding supplies used expense account. Recall stored entry.

Bank Memo # PB-82771 Dated July 15, 2022
From Paylo Bank, \$1 500 for regular monthly mortgage payment. This amount includes interest of \$1 200 and \$300 in principal.

12. Print the following reports:

Journal Entries for all journals from July 1 to July 15, 2022

Show corrections.

Comparative Balance Sheet (with percent difference) at July 1, 2022 and July 15, 2022

Income Statement from July 1 to July 15, 2022

13. Bonus question:

Customize the sales invoice as follows to prepare for printing:

Align the names and addresses with the envelope window type ENV002

Change the Ship to label to Bill to

Remove the columns for Item Number, Unit, Quantity Shipped, Price and Tax Code

And save the invoice

Preview and then **print** invoice #125 (Look up the invoice first.)