QuickBooks Online for Canada: Comprehensive

Academic Year 2021-2022

Chapter 1: Getting Started with QuickBooks Online

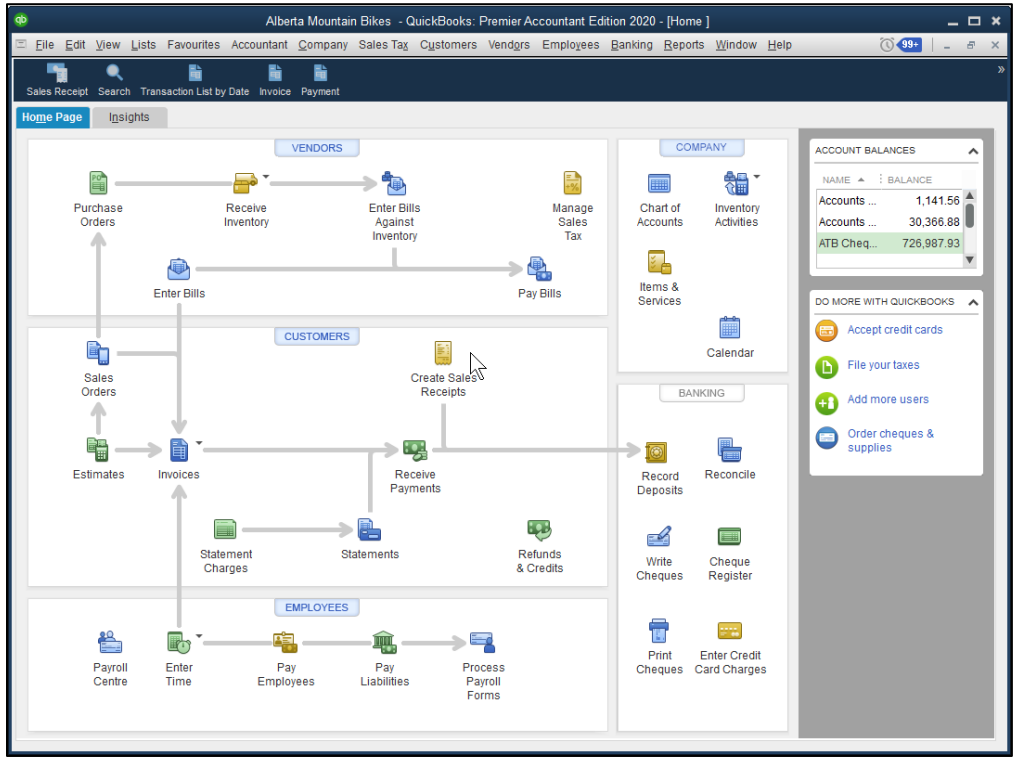
Learning Objectives

- Explain cloud accounting and the benefits of QuickBooks Online
- Explain the key differences between QuickBooks Desktop and QuickBooks Online
- Match which QuickBook Online subscription is best for different business types
- Access the sample company
- Explain basic accounting concepts

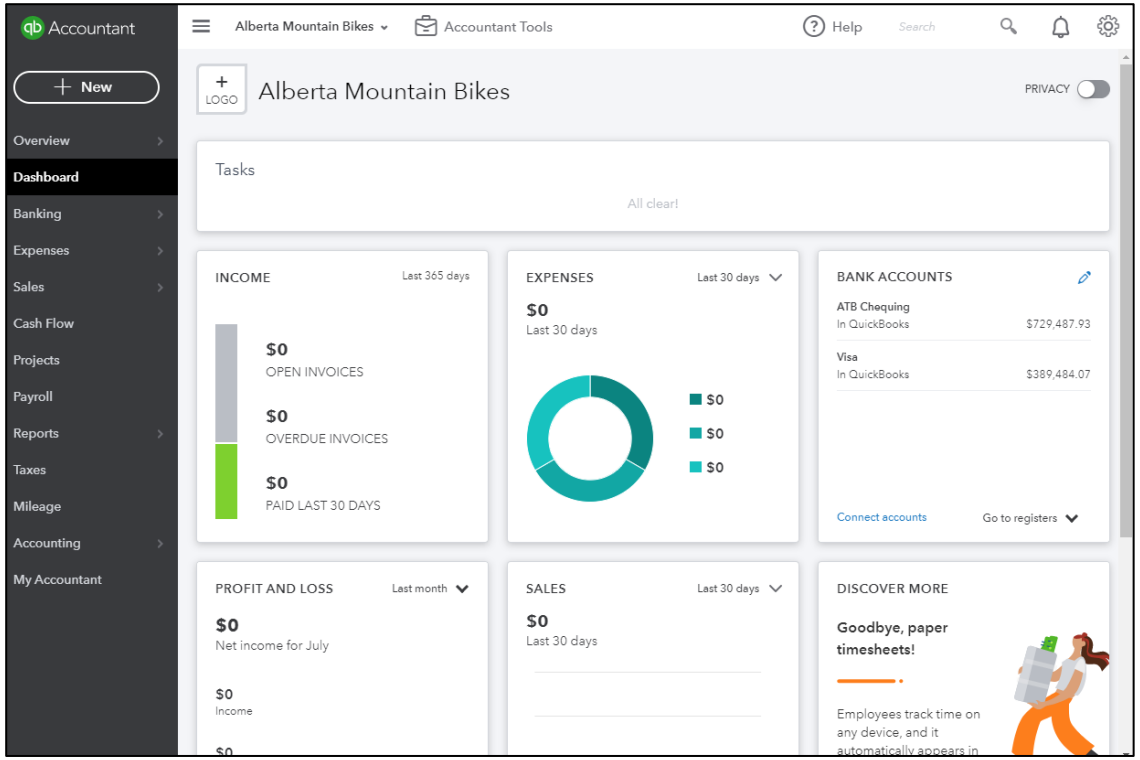
Cloud Accounting and QuickBooks Online

- hosted online – not installed on hardware
- accessible anytime, anywhere and from any device
- subscription-based accounting

Comparing QuickBooks Desktop to QuickBooks Online



QuickBooks Desktop Home Page



QuickBooks Online Dashboard

Comparing QuickBooks Desktop to QuickBooks Online (continued)

Unlike QuickBooks Desktop, QuickBooks Online provides:

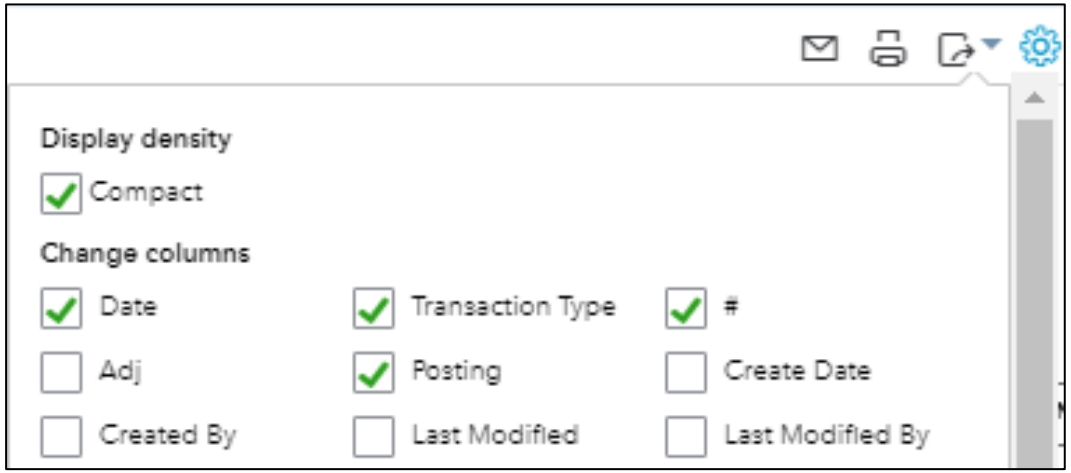
- flexibility in work location
- integrated bank feeds
- direct acceptance of credit card payments
- Continual software updates
- Additional features, depending on your subscription level

Before You Begin

- In chapters 1–7 you set up a sample business; in chapters 8–12 you set up a merchandising business.
- The Google Chrome browser is recommended.
- QBO uses AES256 and TLS encryption.
- The free sample company is located at: tinyurl.com/qboc-education
- You can’t store data in the sample file, so you *must* complete your DYS exercises in one sitting.

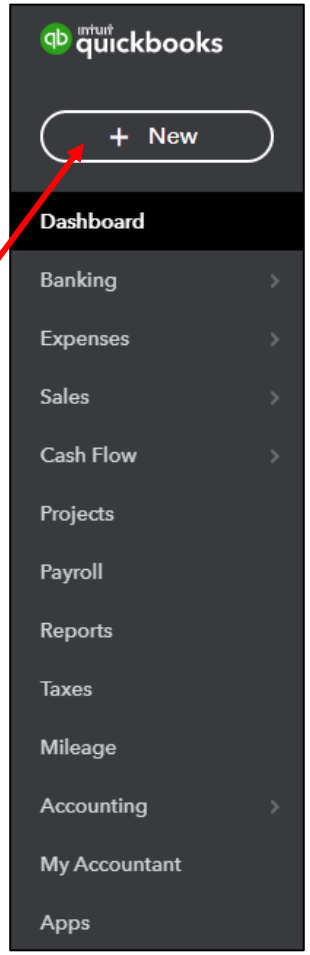
Navigating QuickBooks Online

- QuickBooks Online is made up of lists, transaction forms and other functions.
- The Gear icon provides access to advanced options for the current function or list.



Navigating QuickBooks Online (continued)

- The Navigation bar is usually visible on the left side of QuickBooks Online.
- It provides easy access to the Banking, Expenses, Sales, Cash Flow, Projects, Payroll and Reports centres.
- The Create menu button (labelled "+ New"), at the top, is the access point to all transaction forms.



Accounting – Behind the Scenes

- At the foundation of accounting is the accounting equation:

$$\text{Assets} = \text{Liabilities} + \text{Equity}$$

- GAAP (Generally Accepted Accounting Principles) is a collection of commonly followed standards for financial reporting.

Accounting – Behind the Scenes (continued)

- There are two main accounting methods in Canada:
  - **Accrual method**: Revenue is recorded when the sales transaction is made; expenses are recorded when the obligation is incurred.
  - **Cash method**: Revenue is recorded when the payment is received; expenses are recorded when they are paid.
- The method you choose depends on the nature of your business.
- Most businesses use the accrual method.