# QuickBooks Online: Comprehensive

Academic Year 2021-2022

## Chapter 11: Completing the Accounting Cycle, Closing the Books, and Reviewing Changes

# Learning Objectives

- Complete the accounting cycle
- Create a trial balance report
- Create adjusting journal entries
- Adjust inventory quantities
- Create financial statements and management reports
- Close the books in QuickBooks Online
- Review the audit log and audit history

# Completing the Accounting Cycle

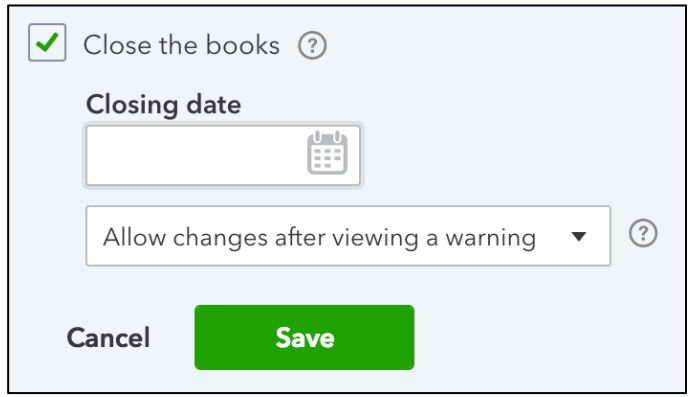
- A Trial Balance report allows you to see all accounts in the Chart of Accounts and their balances.
- By analyzing this report, you can check for accuracy in your data and transactions.
- Adjusting journal entries can be made to adjust for depreciation or allocation of prepaid expenses.
- At consistent intervals, inventory should be accounted for and corrected, as necessary.

# Completing the Accounting Cycle (cont.)

- An Adjusted Trial Balance report can verify all credits and debits are equal.
- As the final step in the accounting cycle, businesses will usually create:
  - A profit and loss statement
  - A balance sheet
- Your reports can be customized to better represent your business.

# Closing the Books

- Closing the books refers to preparing all the necessary reports before closing out a fiscal period.
- When you close the books on a fiscal period in QuickBooks Online, you will be warned before adding extra entries to that period later.



# The Audit Log and Audit History

- QuickBooks Online provides two auditing features to assist you in tracking changes:
  - The **audit log** provides a chronological list of all activities performed, including who logged in and out
  - The **audit history** tracks changes to customer and vendor transactions