

ASSIGNMENT 5

Read this introduction. Then read Chapter 5, “General Ledger, Inventory, and Internal Control,” pages 171–206 in your textbook.

Chapter 5 of your textbook will show you how to manage the General Ledger Chart of Accounts. You’ll also learn how to use the Inventory system in Peachtree. The Peachtree system uses a *perpetual inventory* system, in which an up-to-date inventory record is maintained, with each purchase and sale recorded as it occurs. Follow the directions in your textbook carefully to familiarize yourself with the Peachtree software navigation. Figure 12 shows the **Inventory & Services** option in the Peachtree navigation bar. You can access the screen shown in Figure 12 by clicking on the “Inventory & Services” menu item on the left.

The screenshot shows the Peachtree Accounting software interface for 'Bellwether Garden Supply'. The navigation bar on the left includes options like Business Status, Customers & Sales, Vendors & Purchases, **Inventory & Services** (highlighted), Employees & Payroll, Banking, and Company. The main window displays the 'Inventory Service Tasks' section with icons for Inventory Items, Company Services, Assemblies, and Prices. A callout points to the 'Inventory & Services Option' icon. The right side shows a table of inventory items with columns for Item ID, Description, No. Units Sold, and Qty on Hand. Below the table are sections for 'Recently Used Inventory Reports' and 'Cost of Sales Trend'.

Item ID	Description	No. Units Sold	Qty on Hand
ADMIN-01000	Bookkeeping/Administrative	0.00	0.00
AVRY-10050	Prefabricated Birdhouse	0.00	0.00
AVRY-10050-LG-CSL	Prefabricated Birdhouse	3.00	-3.00
AVRY-10050-LG-EFL	Prefabricated Birdhouse	3.00	5.00
AVRY-10050-LG-HTL	Prefabricated Birdhouse	6.00	-6.00
AVRY-10050-LG-PYR	Prefabricated Birdhouse	0.00	0.00
AVRY-10050-SM-CSL	Prefabricated Birdhouse	0.00	0.00
AVRY-10050-SM-EFL	Prefabricated Birdhouse	6.00	2.00
AVRY-10050-SM-HTL	Prefabricated Birdhouse	6.00	8.00
AVRY-10050-SM-PVR	Prefabricated Birdhouse	3.00	1.00
AVRY-10100	Bird House Kit	3.00	5.00
AVRY-10110	Bird House-Pole 14 Ft.	30.00	15.00
AVRY-10120	Bird House-Red 12-Room Unit	0.00	4.00
AVRY-10130	Bird Feeder-Plastic Hanging	0.00	12.00
AVRY-10140	Thistle Bird Seed Mix-6 lb.	169.00	29.00
AVRY-10150	Bird Bath - Stone Gothic 2pc.	0.00	2.00
AVRY-10200	Birdbath-Plastic	0.00	0.00
AVRY-10200-2ft-GRN	Birdbath-Plastic	0.00	0.00
AVRY-10200-2ft-RD	Birdbath-Plastic	0.00	0.00
AVRY-10200-2ft-WHITE	Birdbath-Plastic	0.00	0.00
AVRY-10200-4ft-GRN	Birdbath-Plastic	0.00	0.00
AVRY-10200-4ft-RD	Birdbath-Plastic	0.00	0.00
AVRY-10200-4ft-WHITE	Birdbath-Plastic	0.00	0.00
BOOK-11000	BGS Floral Reference Guide	0.00	9.00
BOOK-11010	BGS Gardening Handbook	5.00	10.00

Recently Used Inventory Reports

- Inventory Profitability Report [View](#) [Print](#)
- Item Costing Report [View](#) [Print](#)
- Inventory Adjustment Journal [View](#) [Print](#)
- Inventory Stock Status Report [View](#) [Print](#)
- Physical Inventory List [View](#) [Print](#)

[View All Inventory & Services Reports](#)

Cost of Sales Trend

Revenue (blue line), Cost of Sales (yellow line), Gross Profit (green line)

1/31/10 2/28/10 3/31/10

[View Inventory Profitability Report](#)

Peachtree Solutions

- [3rd Party Add-on Solutions](#)
- [Training](#)

FIGURE 12—The Inventory & Services option is shown here.

At this time, take a moment to familiarize yourself with the contents of the **Inventory & Services Tasks**. Look at Figure 12 for a moment. The **Inventory Items** button allows you to view and edit inventory files. On the right-hand side of the figure, note the available headings—each item file has an inventory identification number, description, number of units sold, and quantity on hand. New items will be added to this list. Under **Recently Used Inventory Reports**, explore the reports available, including **Inventory Profitability Report**, **Item Costing Report**, **Inventory Adjustment Journal**, **Inventory Stock Status report**, and **Physical Inventory list**.

Refer to Figure 13, which shows the **Banking** option in the Peachtree navigation bar. You can access the screen shown in Figure 13 by clicking on the “Banking” menu item on the left. Take a moment to familiarize yourself with the contents of the **Banking Tasks**. Note the headings on the right-hand side of the screen: **Bills to Pay**, **Account Balances**, and **Online Banking**. Under **Recently Used Banking Reports**, explore the reports available, including **Account Register**, **Bank Deposit Report**, **Account Reconciliation**, **Deposits in Transit**, and **Outstanding Checks**.

Under Banking Tasks, look at the **Chart of Accounts** button. This button allows you to access the firm’s Chart of Accounts, as shown in Figure 14. (The Chart of Accounts button is located under Banking Tasks in the middle of the window. When you click on the Chart of Accounts button, a menu pops up. Select “View and Edit Accounts.” A new window opens up titled “Account List” showing the Chart of Accounts.) For each account, you can see the account identification number, description, type, and running balance.

Peachtree Practice

When you complete your reading assignment in the Peachtree textbook, you can practice your Peachtree skills by completing Exercise 5-1 and Exercise 5-2 (Steps 1 and 2 only) on page 210 of your textbook.

After you’ve carefully read pages 171–206 in your textbook, complete *Self-Check 5*. When you’re sure you understand the material from Assignment 5, move on to Assignment 6.

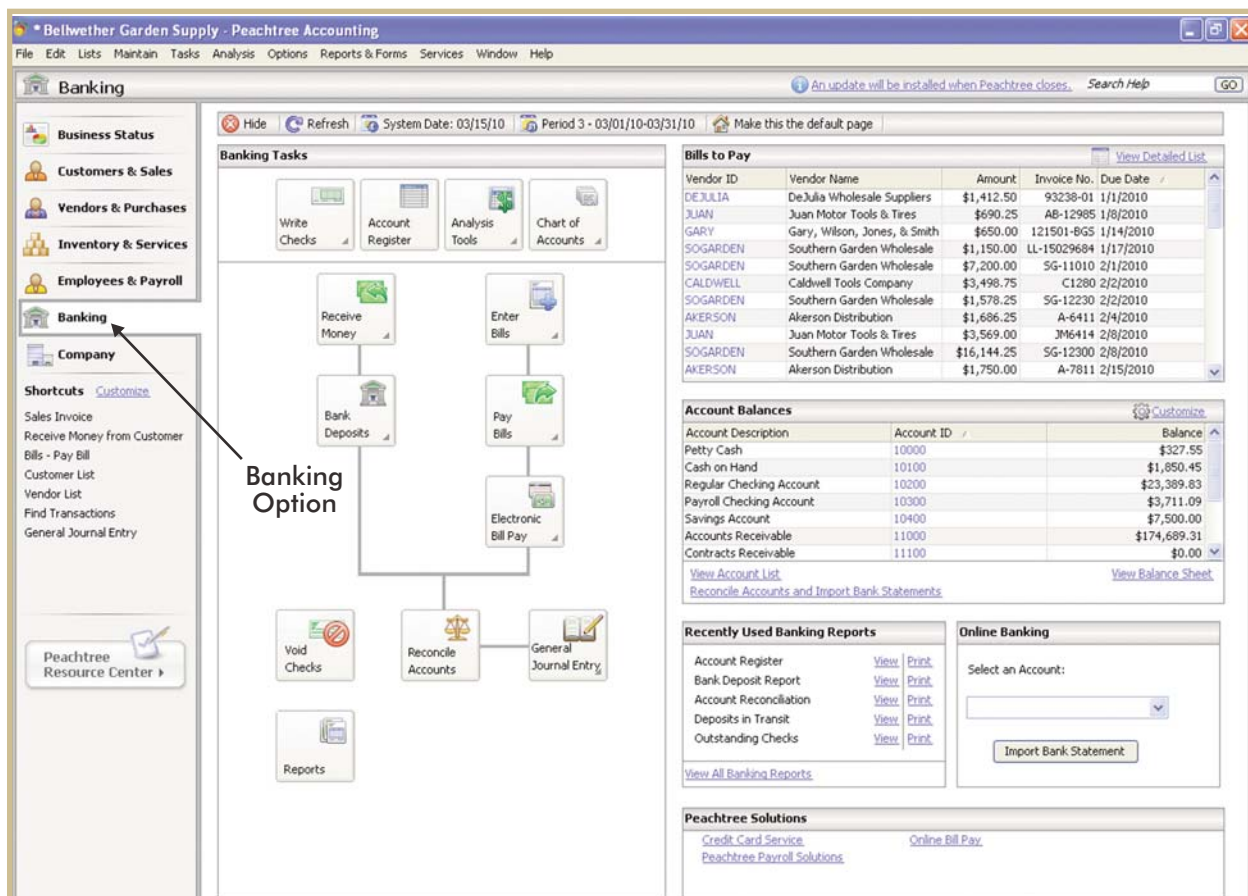


FIGURE 13—The Banking option is shown here.

The screenshot shows the 'Account List' window in Peachtree Accounting. The window displays a list of accounts with columns for Account ID, Description, Type, and Running Balance. The 'Banking' option is highlighted in the left sidebar.

Account ID	Description	Type	Running Balance
10000	Petty Cash	Cash	\$327.55
10100	Cash on Hand	Cash	\$1,850.45
10200	Regular Checking Account	Cash	\$23,389.83
10300	Payroll Checking Account	Cash	\$3,711.09
10400	Savings Account	Cash	\$7,500.00
11000	Accounts Receivable	Accounts Receivable	\$174,689.31
11100	Contracts Receivable	Accounts Receivable	\$0.00
11400	Other Receivables	Accounts Receivable	\$7,681.84
11500	Allowance for Doubtful Account	Accounts Receivable	(\$5,000.00)
12000	Inventory	Inventory	\$12,341.76
14000	Prepaid Expenses	Other Current Assets	\$14,221.30
14100	Employee Advances	Other Current Assets	\$3,000.65
14200	Notes Receivable-Current	Other Current Assets	\$11,000.00
14700	Other Current Assets	Other Current Assets	\$120.00
15000	Furniture and Fixtures	Fixed Assets	\$62,769.25
15100	Equipment	Fixed Assets	\$38,738.33
15200	Vehicles	Fixed Assets	\$86,273.40
15300	Other Depreciable Property	Fixed Assets	\$6,200.96
15400	Leasehold Improvements	Fixed Assets	\$0.00
15500	Buildings	Fixed Assets	\$185,500.00
15600	Building Improvements	Fixed Assets	\$26,500.00
16900	Land	Fixed Assets	\$0.00
17000	Accum. Depreciation-Furniture	Accumulated Depreciation	(\$54,680.57)
17100	Accum. Depreciation-Equipment	Accumulated Depreciation	(\$33,138.11)
17200	Accum. Depreciation-Vehicles	Accumulated Depreciation	(\$51,585.26)
17300	Accum. Depreciation-Other	Accumulated Depreciation	(\$3,788.84)

FIGURE 14—The firm's Chart of Accounts is shown here.



Self-Check 5

Complete the “Multiple Choice Questions” on pages 207–209 of your textbook. Write out the answers to these questions on a separate piece of paper.

Check your answers with those on page 116.

ASSIGNMENT 6

Read this introduction. Then read Chapter 6, “Job Cost,” pages 213–224 in your textbook.

This chapter shows you how to use the Job Cost system in Peachtree Accounting. This feature allows you to track the costs a business incurs while it’s performing a job. Follow the directions in your textbook carefully to familiarize yourself with the Peachtree software navigation and features.

Peachtree Practice

When you complete your reading assignment in the Peachtree textbook, you can practice your Peachtree skills by completing Exercise 6-1 and Exercise 6-2 (Steps 1 and 2 only) on pages 227–228 of your textbook.

After you’ve carefully read pages 213–224 in your textbook, complete *Self-Check 6*. When you’re sure you understand the material from Assignment 6, move on to Assignment 7.



Self-Check 6

Complete the “Short-Answer Questions” (2 through 10 only) on pages 225–227 of your textbook. Write out the answers to these questions on a separate piece of paper.

Check your answers with those on page 116.

ASSIGNMENT 7

Read this introduction. Then read Chapter 7, “Financial Statements,” pages 231–251 in your textbook.

In the first part of your textbook, you explored the sample company Bellwether Garden Supply. Now, in this chapter, you’ll learn how the Peachtree system compiles financial statements. Once the various journal entries have been recorded and posted, Peachtree will automatically calculate the financial statements for the company. Follow the directions in your textbook carefully to familiarize yourself with these financial statements and how Peachtree produces them.

After you’ve carefully read pages 231–251 in your textbook, complete *Self-Check 7*. When you’re sure you understand the material from Assignment 7, move on to Assignment 8.