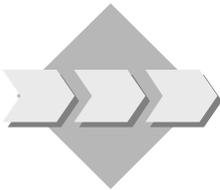# Exercises

Unit: Financials

Topic: Manage the Chart of Accounts

At the conclusion of this exercise, you will be able to:

- Create, change, and delete general ledger accounts
- Create an advanced G/L account determination rule.

Your company has a new house bank and you need to create a balance sheet account for it in your chart of accounts.

Your company has upgraded its Internet service. The Accounting department wants to post the costs for Internet service to a new expense account.

Your company wants to allocate revenues from selling a certain item group to a dedicated account.

1-1   Transactions

Which function do you use to change the properties for a G/L account?

_____

Which function do you use to remove an account from your chart of accounts?

_____

1-2   Create a balance sheet title and an active account.

Your company has opened a new account at the **National Bank**. This means that the Accounting department has to add this information to your existing chart of accounts.

1-2-1   Create a new title.

Choose the appropriate drawer in the chart of accounts.

Add a new *title account* in the section of the drawer that contains bank assets. Provide a suitable account number and the name **National Bank.**

1-2-2   Define the bank G/L account.

Under the new **National Bank** title, create an *active account* for the **National Bank (Domestic)** with a suitable account number. Manage the account in your local currency.

Your local currency is the currency defined in the *Local Currency* field on the *Basic Initialization* tab under *Administration → System Initialization → Company Details*.

1-3   Create an expense account.

The Accounting department wants to record the cost of accessing and using the Internet in a separate expense account.

Define an **Internet** expense account with the account name **Internet**. Choose the operating expenses (costs) drawer and add the account under a suitable expenditure title. Manage the account in your local currency. Make sure that you specify the correct account type.

1-4   Delete an account.

Select an existing asset account that has no postings. Remove the account.

1-5   Create an advanced G/L account determination rule.

1-5-1   Create an advanced rule.

The company CEO wants to know the exact revenue amount coming from selling items belonging to the **J.B. Printers** item group when selling from **warehouse 01** (the general warehouse).

Go to the *Advanced G/L Account Determination Rules* window in *Administration → Setup → Financials → G/L Account Determination → G/L Account Determination* and choose the *Advanced* button.

Make sure you have a rule that contains the **J.B. Printers** item group and **Warehouse 01**. Verify that the rule type is set to **General**.

Also verify that the rule has a revenue account defined for it.

If not define the rule and choose a dedicated revenue account.

1-5-2   Allocate the revenue amount to the dedicated account.

Issue an A/R invoice including an item belonging to the **J.B. Printers** item group and is issued from **Warehouse 01**.

Verify that the **Advanced Rule Type** field in the selected item is set to **General.**

Check the automatically created journal entry and make sure that the revenue account defined in the advanced rule was credited.

1-5-3   Definitions.

Under which conditions this account will be always involved in transactions including items belonging to the **J.B. Printers** item group?