

# ProAdvisor Certification Practice Test (Sample)

## Study Guide



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**SAMPLE**

## **Questions**

- 1. What kind of report best provides an overview of a client's financial performance over time?**
  - A. Comparative Profit and Loss report**
  - B. Inventory Valuation report**
  - C. Monthly Profit and Loss report**
  - D. Summary Financial report**
- 2. Which statement is NOT true about QuickBooks Online Accountant?**
  - A. It provides access to client QuickBooks Online files**
  - B. It allows for team management**
  - C. It does not offer ProAdvisor training**
  - D. It enhances overall client management**
- 3. What could be a reason a client cannot find the link to convert sub-customers to projects in their QuickBooks?**
  - A. The client forgot their password**
  - B. The client can't enable the Projects feature at their subscription level**
  - C. The client is not logged in**
  - D. The client didn't back up their data**
- 4. What method should be used to write off invoices in a closed period for a client using accrual-basis reporting?**
  - A. Use a credit memo**
  - B. Create a zero dollar sales receipt**
  - C. Make a journal entry**
  - D. Use the Write off invoices tool**
- 5. Which report would you use to identify errors in a client's workflows?**
  - A. The Workflows tab**
  - B. The Voided/deleted transactions tool**
  - C. The Reports tab**
  - D. The Profit and Loss report**

- 6. Where in the bank feed can you match or add transactions?**
- A. The For review tab**
  - B. The Reconcile tab**
  - C. The Transactions tab**
  - D. The Activity tab**
- 7. What type of user access in QuickBooks Online is suitable for users who only need to view reports?**
- A. Full Access**
  - B. Standard User**
  - C. View Only**
  - D. Custom User**
- 8. What is the purpose of the Custom report builder in QuickBooks Online Advanced?**
- A. To create user-specific roles**
  - B. To manage task assignments**
  - C. To generate personalized reports from various data**
  - D. To monitor invoice payments**
- 9. What two types of records does the Exceptions to Closing Date report show?**
- A. All changes to transactions dated before the closing date and made before the books were closed**
  - B. All changes to transactions dated on the closing date and made after the books were closed**
  - C. All changes to transactions dated before the closing date and made after the books were closed**
  - D. All changes to transactions dated and made after the closing date**
- 10. Which statements are true about bank-to-bank transfer matching?**
- A. It works for both bank and credit card accounts**
  - B. It only works with bank accounts**
  - C. It ignores transaction amounts when matching**
  - D. It automatically adds any unmatched transactions**

## **Answers**

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1. A
2. C
3. B
4. A
5. B
6. A
7. C
8. C
9. C
10. A

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## **Explanations**

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**1. What kind of report best provides an overview of a client's financial performance over time?**

**A. Comparative Profit and Loss report**

**B. Inventory Valuation report**

**C. Monthly Profit and Loss report**

**D. Summary Financial report**

The Comparative Profit and Loss report is particularly effective for reviewing a client's financial performance over time because it presents financial data for multiple periods side by side. This comparison allows users to easily identify trends in revenue, expenses, and profits, facilitating analysis of how the client's business has improved or declined over consecutive periods. It provides insights into seasonality, growth patterns, and areas that may require attention or strategic planning. In contrast, the Monthly Profit and Loss report focuses on a singular month, which while informative, does not provide the comparative perspective needed to evaluate performance trends over time effectively. The Inventory Valuation report is specific to inventory management and does not encompass the broader financial performance of the business. The Summary Financial report gives a high-level view of financials but may lack the detailed comparative analysis that the Comparative Profit and Loss report offers.

**2. Which statement is NOT true about QuickBooks Online Accountant?**

**A. It provides access to client QuickBooks Online files**

**B. It allows for team management**

**C. It does not offer ProAdvisor training**

**D. It enhances overall client management**

QuickBooks Online Accountant is designed specifically for accounting professionals, providing a range of features that facilitate better management of clients and their financial data. Among its benefits, it grants accountants access to their clients' QuickBooks Online files, enabling them to work collaboratively and efficiently. Moreover, the platform supports team management by allowing multiple users within an accounting firm to collaborate seamlessly on client accounts. This is vital for firms that rely on teamwork to manage finances and provide accurate advice. Another important aspect is that QuickBooks Online Accountant enhances overall client management by offering tools and features that streamline workflows, improve communication, and organize client information effectively. The assertion that it does not offer ProAdvisor training is misleading. In fact, being a ProAdvisor includes access to valuable training resources and certifications that enhance the skills of accounting professionals. Therefore, this statement does not accurately reflect the comprehensive support that QuickBooks Online Accountant provides to professionals in the industry.

**3. What could be a reason a client cannot find the link to convert sub-customers to projects in their QuickBooks?**

**A. The client forgot their password**

**B. The client can't enable the Projects feature at their subscription level**

**C. The client is not logged in**

**D. The client didn't back up their data**

The inability to find the link to convert sub-customers to projects in QuickBooks often relates to feature availability based on subscription levels. QuickBooks offers different tiers of service, and certain functionalities, including the Projects feature, are limited to specific subscription plans. If a client is on a subscription level that does not include the Projects feature, they will not have access to the necessary tools to convert sub-customers to projects, hence lacking the link or option to do so. Other options, such as forgetting a password or not being logged in, would prevent access to the whole application rather than just a specific feature. Similarly, failing to back up data does not directly influence feature availability within QuickBooks; it pertains more to data security and recovery, rather than operational capabilities. Thus, understanding subscription limitations is crucial in identifying why specific functionalities may be unavailable.

**4. What method should be used to write off invoices in a closed period for a client using accrual-basis reporting?**

**A. Use a credit memo**

**B. Create a zero dollar sales receipt**

**C. Make a journal entry**

**D. Use the Write off invoices tool**

Using a credit memo is the appropriate method to write off invoices in a closed period when a client operates on an accrual-basis reporting system. This approach allows you to adjust the accounts receivable balance without impacting the revenue for that closed period, ensuring that your financial statements remain accurate. When a credit memo is issued, it effectively reduces the amount owed by the customer and can reflect a decrease in sales or recognize any adjustments for returned goods, discounts, or bad debts. This method maintains the integrity of your financial records because it does not alter the existing transaction history, which is crucial for accrual accounting, where income and expenses are recognized when they are earned or incurred, regardless of when cash transactions occur. Other methods, such as creating a zero-dollar sales receipt or making a journal entry, might lead to inaccuracies in revenue recognition or disrupt financial reporting for the closed period. The Write off invoices tool could be appropriate in certain contexts, but using a credit memo is specifically aligned with maintaining proper accrual-based accounting practices.

**5. Which report would you use to identify errors in a client's workflows?**

**A. The Workflows tab**

**B. The Voided/deleted transactions tool**

**C. The Reports tab**

**D. The Profit and Loss report**

The Voided/deleted transactions tool is the most effective way to identify errors in a client's workflows. This tool provides insights into any transactions that have been voided or deleted, which can be a direct indicator of problems within the workflow. If certain entries are being removed or altered, it can highlight inconsistencies, erroneous data entry, or process failures that need to be investigated further. By examining these transactions, a ProAdvisor can pinpoint where issues are occurring in the client's workflows and take corrective actions. Other choices, while related to different aspects of financial management, do not focus specifically on identifying errors in workflows. The Workflows tab, for instance, might help in tracking the status of various tasks but doesn't necessarily indicate where errors are occurring. The Reports tab encompasses a broad array of reporting functions which may not directly pertain to transactional errors within workflows. The Profit and Loss report offers valuable financial insights but doesn't detail specific transaction problems, making it less useful for diagnosing workflow errors specifically.

**6. Where in the bank feed can you match or add transactions?**

**A. The For review tab**

**B. The Reconcile tab**

**C. The Transactions tab**

**D. The Activity tab**

The For Review tab is the correct location for matching or adding transactions in the bank feed. This tab is specifically designed to allow users to review, match, and categorize transactions that have been imported from the bank. When you access this area, you can see the list of downloaded transactions side by side with transactions recorded in your accounting software. This setup enables users to easily identify which transactions match existing entries and which need to be created or modified. In contrast, the Reconcile tab is focused on reconciling the bank statements against the transactions recorded in the accounting system. The Transactions tab typically shows a broader list of all transactions rather than focusing on imports from bank feeds. The Activity tab may include other transactions or events that are not specifically related to bank feeds, thus it is not the correct choice for this action. Therefore, if you're looking to match bank-feed transactions or add new ones, the For Review tab is the appropriate and designated area for that process.

**7. What type of user access in QuickBooks Online is suitable for users who only need to view reports?**

- A. Full Access**
- B. Standard User**
- C. View Only**
- D. Custom User**

The appropriate user access type for individuals who only need to view reports in QuickBooks Online is the View Only access. This access level allows users to view financial data and reports without the capability to alter any information, ensuring data integrity and security. This is particularly useful for stakeholders or team members who require oversight or need to monitor performance metrics but should not have permissions to modify or delete financial records. View Only users can still generate and analyze reports, which makes them effective in aiding decision-making processes while keeping the underlying data safe. In comparison, Full Access provides complete control over all areas of the QuickBooks Online account, including making changes and entering data. Standard User access allows certain customization of permissions but does not restrict from editing or updating financial records. Custom User settings grant specific permissions as determined by the administrator, which may not necessarily limit the user to view-only capabilities. Thus, View Only is the most suitable option for those whose role involves observation rather than interaction with the data.

**8. What is the purpose of the Custom report builder in QuickBooks Online Advanced?**

- A. To create user-specific roles**
- B. To manage task assignments**
- C. To generate personalized reports from various data**
- D. To monitor invoice payments**

The Custom report builder in QuickBooks Online Advanced serves the specific purpose of generating personalized reports from various data sources within the application. This tool enables users to tailor reports based on their unique business needs, allowing them to select specific metrics, dimensions, and filters to ensure the information presented is relevant and actionable. By customizing reports, businesses can gain deeper insights into their financial performance, making it easier to make informed decisions. Utilizing the custom report builder, users can easily access a wide variety of data points—ranging from sales and expenses to inventory levels—creating a comprehensive view that standard reports might not provide. This feature is particularly valuable for organizations with unique operational requirements, as it empowers them to track performance indicators that are most pertinent to their objectives.

**9. What two types of records does the Exceptions to Closing Date report show?**

- A. All changes to transactions dated before the closing date and made before the books were closed**
- B. All changes to transactions dated on the closing date and made after the books were closed**
- C. All changes to transactions dated before the closing date and made after the books were closed**
- D. All changes to transactions dated and made after the closing date**

The Exceptions to Closing Date report is crucial for maintaining the integrity of financial records after a closing date has been set. When choosing the correct response, it's important to focus on how the report functions in relation to transaction dates and adjustments made post-closing. This specific report displays all changes made to transactions that were dated before the closing date, as it helps identify any alterations that could affect previously closed accounting periods. It is designed to highlight changes that occur "after the books were closed," ensuring that any adjustments that could impact financial reporting or audit trails are documented and reviewed. This proactive approach allows accountants and financial professionals to maintain accurate records and ensure compliance with accounting standards, as they can see what has been modified post-closing and assess the implications of those changes. In contrast, other options do not align correctly with the purpose and functions of the Exceptions to Closing Date report, as they either refer to changes made during inappropriate time frames or do not accurately convey the nature of the transactions it covers. Understanding the specific time frames and the context of transaction changes is essential for effective financial oversight and audit readiness.

**10. Which statements are true about bank-to-bank transfer matching?**

- A. It works for both bank and credit card accounts**
- B. It only works with bank accounts**
- C. It ignores transaction amounts when matching**
- D. It automatically adds any unmatched transactions**

The statement that bank-to-bank transfer matching works for both bank and credit card accounts is accurate because this feature is designed to accommodate a wide range of financial transactions in accounting software. When you perform a bank-to-bank transfer, the system can facilitate matching not only between bank accounts but also credit card transactions that may be affiliated with bank transfers. This capability is essential for maintaining accurate records and ensuring that all transactions are properly accounted for across different types of accounts. Recognizing transfers beyond just bank accounts allows users to have a comprehensive view of their financial activities and enhances the utility and effectiveness of the accounting process. The other statements do not hold true; for instance, the statement indicating it only works with bank accounts limits the feature's functionality. Additionally, ignoring transaction amounts is incorrect as matching typically considers these amounts to ensure accuracy. Lastly, the claim that it automatically adds unmatched transactions is misleading; while it may highlight transactions that require attention, it does not automatically add them without user intervention, ensuring consistency and accuracy in accounting practices.