

QuickBooks Online Certification Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

- 1. What financial statement provides a summary of cash inflows and outflows?**
 - A. Income Statement**
 - B. Balance Sheet**
 - C. Statement of Cash Flows**
 - D. Statement of Changes in Equity**
- 2. How do you generate a balance sheet report in QuickBooks Online?**
 - A. Navigate to the "Reports" menu and select "Balance Sheet."**
 - B. Click on "Dashboard" and then choose "Balance Sheet."**
 - C. Select "Accounting" and then "Balance Sheet Report."**
 - D. Choose "Sales" and then select "Balance Sheet."**
- 3. In QuickBooks Online, what is a "class" used for?**
 - A. To manage user permissions**
 - B. To track segments of a business**
 - C. To categorize financial accounts**
 - D. To analyze inventory costs**
- 4. How can you merge two customer profiles in QuickBooks Online?**
 - A. By deleting one profile**
 - B. Using the Merge feature in the Customers section**
 - C. Manually combining the data**
 - D. Through the Reports menu**
- 5. What feature allows you to track different categories of business expenses in QuickBooks Online?**
 - A. Classes and Locations**
 - B. Transaction Filters**
 - C. Invoice Customizations**
 - D. Reports Generator**

- 6. Which user role in QuickBooks Online is responsible for managing all aspects of the account?**
- A. Standard User**
 - B. Company Administrator**
 - C. Accountant User**
 - D. Banking User**
- 7. Which payment method is specifically used for recording transactions made with a company's debit card?**
- A. Cash**
 - B. Line of Credit**
 - C. Debit Card**
 - D. Corporate Credit Card**
- 8. How do you record a deposit in QuickBooks Online?**
- A. Go to the "+ New" icon, select "Bank Deposit," choose the account, and enter the deposit details**
 - B. Navigate to the "Transactions" tab and select "Record Deposit"**
 - C. Click on "Accounts" and enter a manual transaction for the deposit**
 - D. Use the "Create" button within the bank account to add a new deposit**
- 9. Which QuickBooks feature allows you to automate the setup process by creating accounts based on industry standards?**
- A. Automated List Creation**
 - B. Industry-Specific Chart Setup**
 - C. Quick Setup Wizard**
 - D. Chart of Accounts Wizard**
- 10. What is the main advantage of using the QuickBooks app's built-in functionalities?**
- A. Quick access to the bank's website**
 - B. Integration with email services**
 - C. Utilizing the camera for receipts and documents**
 - D. Customization of the app interface**

Answers

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

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Explanations

1. What financial statement provides a summary of cash inflows and outflows?

- A. Income Statement**
- B. Balance Sheet**
- C. Statement of Cash Flows**
- D. Statement of Changes in Equity**

The Statement of Cash Flows is specifically designed to provide a detailed summary of cash inflows and outflows over a specific accounting period. This financial statement categorizes cash transactions into three main sections: operating activities, investing activities, and financing activities. By showing how cash is generated and used during the period, it helps stakeholders understand how well a company manages its cash position, which is crucial for day-to-day operations and overall financial health. In contrast, the Income Statement focuses on revenues and expenses to determine net income, while the Balance Sheet presents a snapshot of a company's assets, liabilities, and equity at a specific point in time. The Statement of Changes in Equity details the movements in equity over a period and is not oriented towards cash flow. Thus, the Statement of Cash Flows is the correct answer as it directly addresses the question regarding cash movements within a business.

2. How do you generate a balance sheet report in QuickBooks Online?

- A. Navigate to the "Reports" menu and select "Balance Sheet."**
- B. Click on "Dashboard" and then choose "Balance Sheet."**
- C. Select "Accounting" and then "Balance Sheet Report."**
- D. Choose "Sales" and then select "Balance Sheet."**

To generate a balance sheet report in QuickBooks Online, you navigate to the "Reports" menu and select "Balance Sheet." This pathway is the standard method for accessing various reports within the application. The "Reports" section offers a comprehensive list of all available reports, allowing users to easily find and generate specific reports, including financial statements like the balance sheet. The balance sheet provides a snapshot of your business's assets, liabilities, and equity at a specific point in time, which is crucial for assessing the financial position of the business. By accessing it directly from the "Reports" menu, users can benefit from additional options such as customizing the report, choosing the period for which they want to view the data, and exporting or printing the report as needed. Other options may seem logical at a glance but do not lead to the correct generation of a balance sheet report. For instance, the "Dashboard" primarily presents an overview of various financial metrics but does not contain direct reporting options. Similarly, selecting "Accounting" may provide access to accounting operations but does not directly lead to the balance sheet report itself. The "Sales" menu is concerned with revenue and sales reports and would not offer an option to generate a balance sheet report. Thus, the correct method ensures

3. In QuickBooks Online, what is a "class" used for?

- A. To manage user permissions
- B. To track segments of a business**
- C. To categorize financial accounts
- D. To analyze inventory costs

In QuickBooks Online, a "class" is a feature specifically designed to track segments of a business. This allows users to allocate income and expenses to specific categories, which can be department-related, project-based, or any other segment that is relevant to the business's operations. By utilizing classes, businesses can generate financial reports that provide a clearer picture of the performance of different areas, making it easier to analyze profitability and make informed management decisions. For instance, if a company has multiple locations or diverse product lines, using classes can help differentiate the financial data for each segment. This segmentation gives greater insight into how each part of the business is performing independently, which is essential for strategic planning and resource allocation. Other options, while relevant to different functionalities within QuickBooks, do not accurately describe the purpose of classes. Managing user permissions pertains to security and access controls, categorizing financial accounts relates more to the chart of accounts setup, and analyzing inventory costs concerns inventory management rather than the broader organizational tracking that classes provide.

4. How can you merge two customer profiles in QuickBooks Online?

- A. By deleting one profile
- B. Using the Merge feature in the Customers section**
- C. Manually combining the data
- D. Through the Reports menu

Merging two customer profiles in QuickBooks Online is accomplished effectively through the Merge feature found in the Customers section. This feature allows you to combine two customer entries into one, preserving all associated transactions and information, which helps maintain a complete record. When you select the Merge option, QuickBooks will prompt you to choose the two customer profiles you want to combine. The system will keep the information from one profile and discard the duplicate, ensuring that all past transactions remain intact under the surviving customer's name. This process minimizes confusion and helps in managing customer interactions more efficiently. Using the Merge feature is beneficial because it eliminates duplicates without manual effort or risk of missing data, making it the preferred approach for maintaining accurate customer records in QuickBooks Online.

5. What feature allows you to track different categories of business expenses in QuickBooks Online?

- A. Classes and Locations**
- B. Transaction Filters**
- C. Invoice Customizations**
- D. Reports Generator**

The feature that enables you to track different categories of business expenses in QuickBooks Online is the use of Classes and Locations. Classes allow businesses to categorize transactions by specific areas of the business, departments, or types of products or services, offering granular insight into how money is being spent across different segments. Locations provide a way to track finances based on geographical areas or store locations, making it easier for businesses with multiple sites to analyze performance. This categorization through Classes and Locations also enhances reporting capabilities, allowing users to generate detailed reports that show income and expenses segmented by the selected categories. Thus, transitioning seamlessly from tracking transactions to analyzing the financial health specific to classes or locations becomes possible. This feature is vital for understanding the financial performance of various parts of a business, supporting informed decision-making. The other options—transaction filters, invoice customizations, and reports generator—do not provide the same level of category tracking for expenses as Classes and Locations do. Transaction filters help narrow down transactions based on criteria but do not categorize them. Invoice customizations relate to how invoices are designed and presented, not to expense tracking. The reports generator allows for the creation of reports but relies on the categorization set up by Classes and Locations to provide meaningful insights.

6. Which user role in QuickBooks Online is responsible for managing all aspects of the account?

- A. Standard User**
- B. Company Administrator**
- C. Accountant User**
- D. Banking User**

The Company Administrator role in QuickBooks Online is responsible for managing all aspects of the account. This role has the highest level of access, which includes the ability to view and edit all company settings, manage user permissions, and perform high-level tasks such as configuring the company's financial settings and customizing reports. The Company Administrator can add or remove users, adjust their access levels, and oversee the overall financial management of the account, which is crucial for maintaining accurate financial records and ensuring compliance. In contrast, the Standard User typically has limited access to specific functions and features as defined by the Company Administrator. The Accountant User has access tailored more towards accounting functions and reports but does not have the comprehensive management capabilities of the Company Administrator. The Banking User is generally restricted to managing banking transactions and is not involved in overall account management. Thus, the Company Administrator role is central to maintaining and overseeing all operational aspects of a QuickBooks Online account.

7. Which payment method is specifically used for recording transactions made with a company's debit card?

- A. Cash**
- B. Line of Credit**
- C. Debit Card**
- D. Corporate Credit Card**

The payment method specifically used for recording transactions made with a company's debit card is indeed the debit card option. This method allows for the direct withdrawal of funds from the company's bank account when purchases are made. Since a debit card operates in a manner that immediately deducts the transaction amount from the available balance, transactions recorded under this method reflect the use of current cash resources, as opposed to borrowing or future repayment obligations associated with credit. Using the debit card method is essential for accurate cash flow management, as it provides a clear picture of available liquidity without the complexities associated with credit-based transactions. In contrast, the other payment methods like cash, line of credit, and corporate credit card represent different financial scenarios. Cash reflects immediate physical currency transactions, the line of credit indicates borrowed amounts that are expected to be paid back, and the corporate credit card involves a delayed payment aspect. Therefore, to accurately track and manage expenses associated with debit card transactions, using the debit card option is the appropriate choice.

8. How do you record a deposit in QuickBooks Online?

- A. Go to the "+ New" icon, select "Bank Deposit," choose the account, and enter the deposit details**
- B. Navigate to the "Transactions" tab and select "Record Deposit"**
- C. Click on "Accounts" and enter a manual transaction for the deposit**
- D. Use the "Create" button within the bank account to add a new deposit**

To record a deposit in QuickBooks Online, the correct method is to go to the "+ New" icon, select "Bank Deposit," choose the appropriate account where the deposit will be made, and then enter the details of the deposit. This process ensures that the deposit is accurately reflected in the chosen bank account within your QuickBooks Online records. The "+ New" icon serves as a centralized location to access various functions within QuickBooks, and selecting "Bank Deposit" is specifically designed for recording incoming funds. By choosing the correct bank account, you ensure that the deposit is allocated correctly in your accounting records. Furthermore, entering the details allows for proper documentation of what the deposit is for, which is crucial for accurate bookkeeping and financial tracking. This method integrates directly with the bank feeds as well, helping to streamline reconciliation processes later. While there are other functions available for recording transactions, they might not capture all the necessary details for a bank deposit effectively. Thus, option A provides the most efficient and structured approach to recording a deposit in QuickBooks Online.

9. Which QuickBooks feature allows you to automate the setup process by creating accounts based on industry standards?

A. Automated List Creation

B. Industry-Specific Chart Setup

C. Quick Setup Wizard

D. Chart of Accounts Wizard

The feature that enables you to automate the setup process by creating accounts based on industry standards is the Industry-Specific Chart Setup. This functionality allows users to select their industry when initializing their QuickBooks account, which in turn generates a tailored chart of accounts that aligns with the typical financial tracking needs of that industry. This customization streamlines the setup process, ensuring that the user does not have to manually enter each account, while also ensuring that the accounts created are relevant and useful for their specific business context. This is particularly beneficial for businesses in niche markets that may have unique accounting requirements. Other features, while useful, serve different purposes; they might involve various aspects of data organization or setup but do not specifically tailor the chart of accounts according to industry standards.

10. What is the main advantage of using the QuickBooks app's built-in functionalities?

A. Quick access to the bank's website

B. Integration with email services

C. Utilizing the camera for receipts and documents

D. Customization of the app interface

The main advantage of using the QuickBooks app's built-in functionalities is the ability to utilize the camera for receipts and documents. This functionality enhances efficiency by allowing users to quickly capture and upload receipts directly into the accounting software. By using the camera, users can streamline their expense tracking, reduce the risk of losing physical receipts, and automate the process of entering data into their financial records. This feature directly saves time and minimizes manual entry, leading to a more organized and accurate accounting process. In contrast, while integration with email services and customization of the app interface may be useful, they do not directly impact the speed and convenience associated with capturing receipts. Quick access to the bank's website may facilitate certain banking tasks but doesn't offer the same level of integration into everyday expense management as the camera functionality does. Therefore, the ability to take pictures of receipts directly within the app stands out as a significant benefit, particularly for users looking to manage their finances more efficiently on the go.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://quickbooksonlinecert.examzify.com>

We wish you the very best on your exam journey. You've got this!