

QuickBooks ProAdvisor Practice Exam (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

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- 1. What is the focus of the Cleanup option in the Set up tab?**
 - A. To finalize all transactions for the month**
 - B. To clean up company information and settings**
 - C. To generate a year-end summary**
 - D. To analyze payment trends**

- 2. In QuickBooks, what does the Sales tab provide an overview of?**
 - A. All expenses and bills**
 - B. Invoices and payments made only**
 - C. All sales, including invoices, estimates, and customer information**
 - D. Vendor purchases and inventory levels**

- 3. What happens to transactions in the For Review tab if a bank account is disconnected from QuickBooks?**
 - A. They are moved to an archived section**
 - B. They will be saved for future use**
 - C. They will be deleted by QuickBooks Online**
 - D. They can be reviewed later**

- 4. What process is involved in recording depreciation in QuickBooks?**
 - A. Generating financial statements**
 - B. Making journal entries**
 - C. Entering expenses**
 - D. Adjusting inventory levels**

- 5. In QuickBooks, how can you create a statement for multiple customers?**
 - A. Select customers from the Sales tab**
 - B. Use the batch actions feature under the Customers menu**
 - C. Create invoices for each customer**
 - D. Access reports and export customer transactions**

6. What information is included in a user profile?

- A. Account balance**
- B. Personal info**
- C. Company financial reports**
- D. Task assignments**

7. How do you set up a bank feed in QuickBooks?

- A. By visiting the bank's website**
- B. By connecting your bank account through the Banking menu**
- C. By entering bank information manually**
- D. By submitting a support ticket**

8. What action is taken in the 'Set up' tab of the Books Review?

- A. Review completed transactions**
- B. Select 'Cleanup' to activate the review process**
- C. Prepare and send reports**
- D. Create journal entries for corrections**

9. What is the first step to reorder connected bank accounts in QuickBooks Online?

- A. Open the chart of accounts**
- B. Access the Business Overview dashboard**
- C. Visit the Bank Accounts section**
- D. Click the Banking icon**

10. What components are included in the Balance Sheet report?

- A. Income, expenses, and cash flow**
- B. Assets, liabilities, and equity**
- C. Revenue, expenditures, and profit margins**
- D. Sales, cost of goods sold, and expenses**

Answers

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

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Explanations

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1. What is the focus of the Cleanup option in the Set up tab?

- A. To finalize all transactions for the month
- B. To clean up company information and settings**
- C. To generate a year-end summary
- D. To analyze payment trends

The focus of the Cleanup option in the Set up tab is to clean up company information and settings. This feature is designed to help users streamline their QuickBooks company file by allowing them to remove outdated or unnecessary data that may clutter their accounting system. It can include cleaning up lists, such as customers, vendors, and accounts, which may contain obsolete entries or those that are no longer in use. This cleanup process is essential for maintaining an organized and efficient bookkeeping system, as it helps improve the performance of QuickBooks and ensures that financial reports generated from the data are accurate and relevant. Maintaining clean company information allows users to focus on current and more meaningful transactions without distractions from old or unused data. The other options focus on different aspects of financial management or reporting, such as finalizing transactions, generating summaries, or analyzing trends, which are not the primary purpose of the Cleanup option. Therefore, the correct answer centers around the organization and maintenance of the company file itself.

2. In QuickBooks, what does the Sales tab provide an overview of?

- A. All expenses and bills
- B. Invoices and payments made only
- C. All sales, including invoices, estimates, and customer information**
- D. Vendor purchases and inventory levels

The Sales tab in QuickBooks provides a comprehensive overview of all sales-related activities, which includes invoices, estimates, and customer information. This functionality allows users to track their sales pipeline effectively and maintain up-to-date records of customer interactions, making it easier to manage sales processes. Invoices represent sales transactions where goods or services have been provided, estimates are potential sales offers made to customers, and customer information allows businesses to organize and access important data related to their clients. This integrated view supports better decision-making, enhanced reporting capabilities, and improved customer relationship management. The other options, while relevant to specific areas of financial tracking, do not encompass the full range of information that the Sales tab provides. For instance, tracking all expenses and bills pertains more to the financial outflows of the business, while vendor purchases and inventory levels focus on the purchasing side, which is distinct from sales activities. In contrast, the Sales tab is explicitly designed to summarize all aspects related to sales, reinforcing its role as a central feature for sales tracking in QuickBooks.

3. What happens to transactions in the For Review tab if a bank account is disconnected from QuickBooks?

- A. They are moved to an archived section**
- B. They will be saved for future use**
- C. They will be deleted by QuickBooks Online**
- D. They can be reviewed later**

When a bank account is disconnected from QuickBooks, the transactions that are present in the For Review tab will still exist in the QuickBooks system, but they will not be accessible as they were before. They are not deleted automatically, so the idea that they are removed from the system isn't accurate. The correct understanding is that these transactions remain untouched within your QuickBooks Online account but become inactive or non-functional for your current workflow. You won't be able to review or utilize them until the account is reconnected. Hence, they won't be available for review or any further actions until the bank connection is restored, thus impacting your ability to manage and categorize these transactions seamlessly. Understanding this functionality is crucial for maintaining consistent financial oversight and ensuring the accuracy of records while your accounts are still managed within QuickBooks.

4. What process is involved in recording depreciation in QuickBooks?

- A. Generating financial statements**
- B. Making journal entries**
- C. Entering expenses**
- D. Adjusting inventory levels**

The process of recording depreciation in QuickBooks typically involves making journal entries. When a business purchases a fixed asset, such as equipment, it needs to account for the reduction in value of that asset over time due to wear and tear, obsolescence, or other factors. This is done by allocating a portion of the asset's cost as an expense over its useful life. In QuickBooks, the entry for depreciation usually consists of debiting the depreciation expense account and crediting the accumulated depreciation account. This approach not only maintains accurate financial records but also ensures that the expense is recognized in the period it applies to, aligning with the matching principle in accounting. The other options are not directly related to the specific process of recording depreciation. Generating financial statements is a broader task that reflects the company's financial health but does not involve the specific action of recording depreciation. Entering expenses pertains to recording various business costs, while adjusting inventory levels relates to managing stock, neither of which directly involves the process of depreciation accounting.

5. In QuickBooks, how can you create a statement for multiple customers?

- A. Select customers from the Sales tab**
- B. Use the batch actions feature under the Customers menu**
- C. Create invoices for each customer**
- D. Access reports and export customer transactions**

Using the batch actions feature under the Customers menu is the most efficient method for creating statements for multiple customers in QuickBooks. This feature allows users to select multiple customer files and perform actions on them simultaneously, which streamlines the process of generating statements. When utilizing batch actions, users can easily manage and automate tasks, such as sending statements to multiple customers without the need to process each one individually. This is particularly beneficial when dealing with a large customer base, as it saves time and reduces the potential for errors that could occur when handling each statement separately. While other methods, such as selecting customers from the Sales tab or creating individual invoices, may relate to working with customer information, they do not directly address the requirement of generating statements for multiple customers efficiently. Accessing reports and exporting customer transactions is also not a direct method for creating statements; it might provide data, but it does not directly facilitate the statement generation process like the batch actions feature does.

6. What information is included in a user profile?

- A. Account balance**
- B. Personal info**
- C. Company financial reports**
- D. Task assignments**

The correct answer is personal info, as a user profile typically contains information that identifies the user, such as their name, contact details, roles, preferences, and potentially other personal information needed for account management. This information helps in customizing the user experience and managing permissions and access levels in the software. Account balance, company financial reports, and task assignments, while important aspects of QuickBooks functionality, are not typically part of a user profile. Account balances and financial reports pertain to the financial data of a company and are usually accessed through specific reports rather than being included in a user's profile. Task assignments may relate to specific jobs or duties assigned to users but do not define the user's identity in the system like personal information does.

7. How do you set up a bank feed in QuickBooks?

- A. By visiting the bank's website
- B. By connecting your bank account through the Banking menu**
- C. By entering bank information manually
- D. By submitting a support ticket

Setting up a bank feed in QuickBooks involves connecting your bank account through the Banking menu. This process allows QuickBooks to automatically download transactions from your bank account, making it easier to manage your finances and keep your records accurate. When you connect your bank account through the Banking menu, QuickBooks securely links to your bank's online services. This integration offers a seamless experience, as transactions can be categorized and matched to your existing records, streamlining bank reconciliation and enhancing your workflow. Other methods, such as entering bank information manually or relying on support tickets, do not provide the automated transaction updates and ease of use that a bank feed offers. Additionally, visiting the bank's website would not connect your QuickBooks account directly to your bank, thus failing to enable the automatic import of transactions, which is essential for effective financial management within the software.

8. What action is taken in the 'Set up' tab of the Books Review?

- A. Review completed transactions
- B. Select 'Cleanup' to activate the review process**
- C. Prepare and send reports
- D. Create journal entries for corrections

The action taken in the 'Set up' tab of the Books Review involves selecting 'Cleanup' to activate the review process. This step is crucial as it prepares the financial data for a thorough examination. By initiating the cleanup process, you can identify and resolve discrepancies, ensuring the accuracy of the financial records before diving deeper into the review of completed transactions or making corrections. In this context, while reviewing completed transactions is important, it typically occurs after the cleanup has been initiated rather than being part of the setup itself. Preparing and sending reports or creating journal entries for corrections are subsequent actions that might be taken once the review process is underway, but they do not fall under the setup phase. Thus, selecting 'Cleanup' is an essential and initial step to ensure an organized and accurate review of the books, making it the correct answer.

9. What is the first step to reorder connected bank accounts in QuickBooks Online?

- A. Open the chart of accounts
- B. Access the Business Overview dashboard**
- C. Visit the Bank Accounts section
- D. Click the Banking icon

To successfully reorder connected bank accounts in QuickBooks Online, the first step is to access the Business Overview dashboard. This dashboard serves as a central hub where you can view important financial information and manage various aspects of your business, including bank accounts. From the Business Overview dashboard, users can navigate to the Banking section where all connected accounts are displayed. This functionality allows for streamlined management of those accounts, including the ability to reorder them as needed. Accessing the dashboard is crucial since it organizes the essential features of QuickBooks Online and provides a seamless pathway to other functions, including bank account management. The other options, while relevant to various tasks within QuickBooks, do not directly lead to the reordering of connected bank accounts. For example, opening the chart of accounts primarily deals with account types and categorizations rather than specific bank account management. The Banking icon leads to a different interface that might not cover the same overview functionalities. Therefore, starting at the Business Overview dashboard is the most effective and logical first step in the process.

10. What components are included in the Balance Sheet report?

- A. Income, expenses, and cash flow
- B. Assets, liabilities, and equity**
- C. Revenue, expenditures, and profit margins
- D. Sales, cost of goods sold, and expenses

The Balance Sheet report is a financial statement that provides a snapshot of a company's financial position at a specific point in time. It comprises three key components: assets, liabilities, and equity. Assets represent what the company owns, such as cash, accounts receivable, inventory, and property. Liabilities reflect what the company owes to others, including loans, accounts payable, and other obligations. Equity represents the owners' interest in the company, calculated as the difference between total assets and total liabilities. Together, these components provide crucial insights into the financial health and stability of the business. The Balance Sheet follows the accounting equation: Assets = Liabilities + Equity, which illustrates how resources are funded, either through debt or owners' capital. Understanding this structure is essential for analyzing a company's financial performance and making informed business decisions.

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://quickbooksproadvisor.examzify.com>

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

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