The instructions that follow show you how to do the following:
• Start Peachtree Complete Accounting.
• Set up a Peachtree company called Deters Duplicating.
• Use Windows Explorer to see how Peachtree named your company.
• Restore starting data from the South-Western Accounting with Peachtree CD.
• Complete Application Problem 5-1.

Before you start Application Problem 5-1, ask your instructor if Deters Duplicating, the company used for Application Problem 5-1, has already been set up on your computer. The instructions that follow assume that Deters Duplicating has not been set up. If Deters Duplicating is set up on your computer, skip ahead to the instructions for “Restoring the Peachtree Data File” on page 7.

**Application Problem 5-1 1
Preparing a Chart of Accounts**

The instructions that follow show you how to do the following:
• Start Peachtree Complete Accounting.
• Set up a Peachtree company called Deters Duplicating.
• Use Windows Explorer to see how Peachtree named your company.
• Restore starting data from the South-Western Accounting with Peachtree CD.
• Complete Application Problem 5-1.

Before you start Application Problem 5-1, ask your instructor if Deters Duplicating, the company used for Application Problem 5-1, has already been set up on your computer. The instructions that follow assume that Deters Duplicating has not been set up. If Deters Duplicating is set up on your computer, skip ahead to the instructions for “Restoring the Peachtree Data File” on page 7.

**GETTING STARTED**

Use the following instructions to start Peachtree and set up the service business called Deters Duplicating, owned by Lillian Deters.

**Instructions:**

1. Start Windows. If Peachtree Complete Accounting 2003 (PCA) is not installed on your computer, refer to page v in this book.
2. When PCA was installed, an icon was created for Peachtree. Double-click the Peachtree icon to start PCA.
   Or, click Start, All Programs, Peachtree Complete Accounting Educational Release. Then, select Peachtree Complete Accounting. (These instructions are consistent with Windows XP, if you are using a different version of Windows, these instructions will differ slightly.)
3. The startup screen appears.

From the startup screen, you can select Open an existing company; Set up a new company; Learn about Peachtree Accounting through an online tutorial; Explore a sample company; Convert a QuickBooks® company to Peachtree Accounting; Close this window.
4. If your instructor has not set up the company, Deters Duplicating, for Application Problem 5-1, follow these steps:

a. Select Set up a new company. The New Company Setup - Introduction screen appears. Compare your screen to the one shown.

b. Read the information on the New Company Setup - Introduction screen. Then click the Next button.
c. The Company Information screen appears. You only need to complete one field on this screen. Type *Deters Duplicating* in the Company Name field. Compare your screen with the one shown below.

There is no need to select a Business Type. When you restore starting data for Application Problem 5-1, Deters Duplicating will be set up as a sole proprietorship.
d. Accept the defaults on each screen by clicking the **Next** button. (You will select the **Next** button a total of eight times.) When the New Company Setup - Finish, Congratulations! screen appears, click the radio button next to No, I do not need the Setup Checklist. Compare your screen to the one shown.

![New Company Setup - Finish](image)

**Congratulations!**

You have completed the required information for setting up a Peachtree Accounting company.

Many defaults have already been set up for you. You can change these and other default options at any time in Peachtree Accounting. For example, you may want to change a default setting to match your specific business needs.

Peachtree Accounting provides an optional Setup Checklist that can walk you through customizing your company defaults and setting up records.

- Yes, I would like to follow the Setup Checklist
- No, I do not need the Setup Checklist

Click radio button

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e. Click the **Finish** button. A screen pops up that says it is creating data files. After a few moments, a Peachtree Accounting screen pops up. Read the information on this screen.

![Peachtree Accounting](image)

**Peachtree Accounting**

You can return to the Peachtree Accounting Setup Checklist at any time. To continue setting up your company choose Setup Checklist from the Peachtree Maintain menu.

Click **OK**

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f. Click **OK**. The title bar on your screen shows Peachtree Accounting: Deters Duplicating. Peachtree’s menu bar is below the title bar.
The Peachtree Today window is also shown. When you complete the steps in the section, Restoring the Peachtree Data File, the Peachtree Today window will no longer appear.

**USING WINDOWS EXPLORER**

In the “Getting Started” section on pages 1–5, you used Peachtree’s New Company Set Up Wizard to set up the company, Deters Duplicating, for Application Problem 5-1. Then, you clicked the Next button until your company was set up, and Peachtree’s menu bar for Deters Duplicating appeared. Each time you set up a Peachtree company, you also set up a directory or folder on your computer’s hard drive. Let’s use Windows Explorer to see where Deters Duplicating resides on your computer’s hard drive.

**Instructions:**

1. Minimize the Peachtree program by clicking (Minimize button) on Peachtree’s title bar. Your Windows desktop should appear.

2. If your desktop has a Windows Explorer icon double-click it. If not, go to Start, All Programs, Accessories, and then select Windows Explorer. (Hint: The steps listed are for Windows XP. If you are using another version of Windows, your steps for accessing Windows Explorer will differ slightly.)

3. In the Address field, select drive C. Peachtree’s default directory is C:\Peachw. Double-click C:\Peachw to open the folder. When you set up the company, Deters Duplicating, Peachtree assigned a shortened folder name—detdupli. Double-click the detdupli folder to open it. The files listed were automatically created by Peachtree when you set up the new company.

On your hard drive, your company data files are located at C:\Peachw\detdupli. Observe that Peachtree assigned an 8-character shortened name for your company.

4. Click (Close button) on Windows Explorer’s title bar to exit Windows Explorer.
Once a company is set up in Peachtree, you can use Peachtree’s restore feature to retrieve information. The following steps describe how to retrieve starting data for Application Problem 5-1. Each one of the Peachtree files listed on the South-Western Accounting with Peachtree CD has starting data for the individual problems. Peachtree data files are identified by the extension .ptb (Peachtree backup).

The South-Western Accounting with Peachtree CD includes a folder called Peachtree Files. In the steps that follow you will restore the AP05-1.ptb file. In Peachtree, when you restore data you are copying over (or over-writing) the existing company data that was set up when you created the company. Each time you start a new problem, you should first restore the appropriate Peachtree data from the CD.

Use the following steps to restore starting data for Application Problem 5-1.

**Instructions:**

1. Click Peachtree Accounting on the Windows task bar. Peachtree Complete Accounting: Deters Duplicating should be shown in the Peachtree title bar.

2. Put the South-Western Accounting with Peachtree CD in your CD drive. If the install program starts, select Exit to close it. Note: If you are restoring files from a network drive, you will need to know the location of the AP05-1 file.

3. From Peachtree’s menu bar, click File, then select Restore.

4. In the Look in field, select the appropriate drive. Double-click the Peachtree Files folder, then click AP05-1.ptb to select it. The File name field shows AP05-1. The Files of type field shows Peachtree Backup (*.ptb).
5. Click the **Open** button. A Warning screen appears telling you that this will overwrite existing data. Compare your screen to the one shown.

6. Click **OK**. The Restore Options screen appears. Make sure that the box next to Company Data has a checkmark in it.
7. Click the **Restore** button. Peachtree’s menu bar for Deters Duplicating appears and the Peachtree Today window is gone.

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**CHANGING THE COMPANY NAME**

In order to make sure that each one of your printouts shows the problem number and your initials, use the following steps to change the name of the company.

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**Why do I have to change the company name?**

The idea behind changing the company name is so that printouts will show the problem number and your initials. (Your instructor may give you different instructions.) Once you change the company name, the name of the company will also change when you start Peachtree. Remember, you can retrieve starting data for this problem by restoring the AP05-1.ptb file from the South-Western Accounting with Peachtree CD. Once you restore the Peachtree data file (AP05-1.ptb for this problem), you have fresh, starting data.

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**Instructions:**

1. From Peachtree’s menu bar, select Maintain, then Company Information.

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2. The Maintain Company Information screen appears. In the Company Name field, type **AP05-1XX**. Replace the Xs with your initials. The screen illustration shows the author’s initials CY.
3. When you are finished typing AP05-1 and your initials, click OK. Once you have changed the Company Name, each one of your printouts will show the problem number and your initials.

4. From the menu bar, select File, then Exit to exit Peachtree.

5. Start Peachtree. At the startup screen, select Open an existing company. The Open an Existing Company screen shows companies that were recently opened on the computer that you are using. The list below shows companies recently opened by the author. Your Open list will differ. Notice that the Open list shows a company called AP05-1XX (your initials where the CY is shown). The screen illustration shows the author’s initials, CY.
6. Make sure that AP05-1XX is highlighted, then click OK. Observe that the company opened is Peachtree Accounting: AP05-1CY (your initials instead of CY).

Nothing has changed on your computer’s hard drive. The company you set up is still identified in the program folder as C:\Peachw\detdupli. What you’ve done is change the company name so that your printouts will show the problem number and your initials. Remember when you use the New Company Set Up Wizard to set up a Peachtree company, a subfolder is also set up in Peachtree’s program folder. Using Maintain, Company Information to rename your company does not change the file name of the company folder.

Here is what you have done so far:

- Started PCA.
- Used Peachtree’s New Company Set Up Wizard to assign a company name.
- Used Windows Explorer to see where Deters Duplicating is located on your computer’s hard drive.
- Restored the Peachtree data file from South-Western Accounting with Peachtree CD included with the book.
- Changed the company name so that your printouts will show the problem number and your initials.

These are steps that you will follow each time you start a new problem in *South-Western Accounting with Peachtree*.

**READ ME**

Each time you end a work session, you will need to back up your work. If you need to end this work session before completing Application Problem 5-1, skip ahead to the “Back Up Your Peachtree File” section and complete those steps. When you begin your next work session, you will restore the Application 5-1.ptb file before continuing the problem.

**PEACHTREE’S CHART OF ACCOUNTS**

As you know from your study of accounting, a chart of accounts is the list of accounts used by a business. When you create a chart of accounts in Peachtree, you assign an account number, an account description, and an account type.
Account Number: For Deters Duplicating you will use three-digit account numbers and number the accounts within a division by 10s. Use the Account ID field to assign an account number.

Account Description: In the textbook, Application Problem 5-1 shows the accounts in alphabetic order. Use the Description field to name the account.

Account Type: In Peachtree, you must also select the type of account you are setting up. The account type classifies the accounts for the financial statements. For example, Cash is set up as a Cash account, Accounts Receivable is set up as an Accounts Receivable account. The account type that you select when creating the chart of accounts determines whether the account is a balance sheet account (an asset, liability, or owner’s equity account) or an income statement account (a revenue or an expense account). Use the Account Type field to select an account classification.

Another feature that is specific to Peachtree, and unlike the way you prepared the chart of accounts manually in the Working Papers, is that the income summary account is classified as Equity-Retained Earnings. In order for Peachtree to post to the general ledger, one account must be set up as Retained Earnings. The retained earnings account represents the earnings of the company and you can only have one retained earnings account for each business.

You will learn more about how the Income Summary account and Retained Earnings account are used later in the textbook. For now, you will simply set up the account.

Using the list of accounts in your textbook for Application Problem 5-1, you are going to prepare a chart of accounts similar to the one described in the textbook. You should arrange expense accounts in alphabetic order, use 3-digit account numbers, and number the accounts within a division by 10s.

Instructions:
1. If necessary, start Peachtree, then open AP05-1XX. The menu bar for Peachtree Accounting: AP05-1XX should be displayed on your screen.
2. From Peachtree’s menu bar, select Maintain, Chart of Accounts.

3. The Maintain Chart of Accounts screen appears. Observe that there is an Account ID field (for the account number), Description field (name of account), and Account Type (account classifications for financial statements) field.
Adding an Account

Instructions:

1. The Maintain Chart of Accounts screen should be displayed on your screen. In the Account ID field, type 110 and press Enter.
2. In the Description field, type Cash and press Enter.
3. In the Account Type field, observe that the default account classification is Cash. If Cash is not displayed, select it. Compare your screen to the one shown.

4. Make sure that your Account ID, Description, and Account Type fields are correct. Then click Save.

5. The steps that follow show you how to add an Accounts Receivable account.

   a. The Maintain Chart of Accounts screen should be displayed on your screen. Click New. Type the following information in the correct fields:
      Account ID: 120
      Description: Accts. Rec.--A. Kirncyzuk
      Account Type: Accounts Receivable
b. Click Save, then New.

6. The table below shows the remaining accounts for the chart of accounts. Organize them according to the way you were taught in the textbook. If you completed Application Problem 5-1 in the Working Papers, use your completed chart of accounts. For the Account ID field, use 3-digit account numbers and number the accounts within a division by 10s. Arrange expense accounts in alphabetical order. Remember, when creating a chart of accounts in Peachtree you must select an account type. You should assign account number 330 to Income Summary.

<table>
<thead>
<tr>
<th>Description</th>
<th>Account Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accts. Rec.--T. Walters</td>
<td>Accounts Receivable</td>
</tr>
<tr>
<td>Accts. Pay.--Dakota Company</td>
<td>Accounts Payable</td>
</tr>
<tr>
<td>Accts. Pay.--Falls Supply</td>
<td>Accounts Payable</td>
</tr>
<tr>
<td>Lillian Deters, Capital</td>
<td>Equity-doesn't close</td>
</tr>
<tr>
<td>Lillian Deters, Drawing</td>
<td>Equity-get closed</td>
</tr>
<tr>
<td>Prepaid Insurance</td>
<td>Other Current Assets</td>
</tr>
<tr>
<td>Advertising Expense</td>
<td>Expenses</td>
</tr>
<tr>
<td>Postage Expense</td>
<td>Expenses</td>
</tr>
<tr>
<td>Charitable Expense</td>
<td>Expenses</td>
</tr>
<tr>
<td>Rent Expense</td>
<td>Expenses</td>
</tr>
<tr>
<td>Supplies</td>
<td>Other Current Assets</td>
</tr>
<tr>
<td>Sales</td>
<td>Income</td>
</tr>
<tr>
<td>Income Summary</td>
<td>Equity-Retained Earnings</td>
</tr>
</tbody>
</table>
7. After completing these accounts, add two more expense accounts: Delivery Expense and Telephone Expense. (Hint: Remember expense accounts should be in alphabetic order.)

8. Click Close.

**Printing the Chart of Accounts**

*Instructions:*

1. From the menu bar, select Reports, then General Ledger.

![Image of the menu bar with options]

2. The Select a Report screen appears. In the Report List, the Chart of Accounts is highlighted. If not, select Chart of Accounts.

3. Click Print.

4. The Chart of Accounts Filter screen appears. Click OK.

5. The Print screen appears. Click OK. Your chart of accounts starts to print.

6. From the Select a Report screen, click Close to return to the menu bar.

**BACK UP YOUR PEACHTREE FILE**

Before you end your work session, you must back up your data. When you back up your data in Peachtree, you are saving your work to another location. The instructions that follow assume you are backing up to a blank, formatted disk in drive A. If you are backing up to some other drive, substitute the correct drive address for A.
Use the following steps to back up Application Problem 5-1.

**Instructions:**

1. Put a blank, formatted disk in drive A.
2. From the menu bar, select File, then Back Up. The Back Up Company screen appears. Read the information on this screen.

3. Click the **Back Up Now** button.
4. Click on the down-arrow in the Save in box. If necessary, scroll up the list, then click 3 1/2 Floppy (A:) to select drive A.
5. Type **Application Problem 5-1** in the File name box as shown.

Observe that the Save as type box shows that you are making a Peachtree Backup (*.ptb), which is abbreviated ptb. This is the standard default for Peachtree backups.
If you do not have a .ptb extension, follow these steps (these steps may differ in Windows 95/98 or 2000):

1. Click Start, All Programs, Accessories, then Windows Explorer.
2. From the Windows Explorer menu bar, select View, then Choose Options.
3. The Name, Size, Type, and Data Modified boxes should be checked.
4. Click OK. Your PCA files will now have file extensions.

6. Click the Save button.
7. When the screen prompts that This company backup will require approximately 1 diskette, click OK.
8. When the screen prompts you to insert the first disk, click OK.
   When the Back Up Company scale is 100% completed, you have successfully backed up your work. You are returned to the menu bar.
9. From the menu bar, select File, Exit to exit Peachtree.

You have completed the work for Application Problem 5-1: Preparing a chart of accounts and opening an account.