In Chapter 2, you learn how Peachtree handles Accounts Payable transactions with vendors.

When Bellwether Garden Supply orders and receives inventory from vendors, Account No. 12000, Inventory, is debited. Accounts Payable and the vendor account is credited.
Peachtree Tips

- In Chapter 1 on page 51, you backed up (saved) Exercise 1-2. In order to begin where you left off, [if necessary] restore data from Exercise 1-2. Restoring allows you to start where you left off after completing Exercise 1-2.

- Peachtree includes the special journals; for example, the Payments window is the Cash Disbursements Journal; the Purchases/Receive Inventory window is the Purchase Journal.

- The work in Chapters 1-7 is cumulative. Chapter 7’s financial statements reflect within chapter activities and end-of-chapter exercises.
Peachtree Tips

Change global settings to show general ledger accounts, pages 62 and 63 (Options; Global). If the boxes in the Hide General Ledger Accounts area are checked, then general ledger accounts are hidden. Make sure the boxes in the Hide General Ledger Accounts section are **unchecked** so that there is a GL Account field on the Purchase Orders, Purchases/Receive Inventory, Payments window and others.

To set global options, see steps 1-4 on pages 62 and 63.

**Hide General Ledger Accounts**

- [ ] Accounts Receivable (Quotes, Sales Orders, Invoicing, Credit Memos, Receipts)
- [ ] Accounts Payable (Purchase Orders, Purchases, Credit Memos, Payments)
- [ ] Payroll Entry

**Other Options**

- [ ] Warn if a record was changed but not saved
- [ ] Hide inactive records
- [ ] Recalculate cash balance automatically in Receipts, Payments, and Payroll Entry
- [ ] Use Timeslips Accounting Link

**Line Item Entry Display**

- [ ] 1 Line
- [x] 2 Line

**Smart Data Entry**

- [x] Automatic field completion
- [ ] Automatically create IDs on maintenance windows
- [ ] Drop-down list displays automatically
Peachtree defaults to hiding the general ledger accounts. This is called Accounting Behind the Screens. (pp. 62-63).

The illustrations in the book show the general ledger accounts. This means that there is a GL Account field on the Purchase Orders, Purchases/Receive Inventory, Payments, Sales Invoicing, and Receipts windows.

Once you set global options for one company, they are in effect for all Peachtree companies.
Backing Up Chapter 2

In Chapter 2, you make two backups, save two Excel files, and save three PDF files. Refer to the chart shown on textbook pages 2-3 to see all the backups and files saved in Part 1 (Chapters 1-8).

<table>
<thead>
<tr>
<th>Backup Name</th>
<th>KB</th>
<th>Pg Nos.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Excel Reports and PDF Files</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chapter 2.ptb</td>
<td>3,435 KB</td>
<td>88</td>
</tr>
<tr>
<td>Chapter 2_Vendor List and Ledgers.xlsx</td>
<td>21 KB</td>
<td>88-90</td>
</tr>
<tr>
<td>Chapter 2_Vendor List.pdf</td>
<td>8 KB</td>
<td>91</td>
</tr>
<tr>
<td>Chapter 2_Vendor Ledgers.pdf</td>
<td>14 KB</td>
<td>91</td>
</tr>
<tr>
<td>Exercise 2-2.ptb</td>
<td>3,452 KB</td>
<td>97</td>
</tr>
<tr>
<td>Exercise 2-2_Vendor List and Ledgers.xlsx</td>
<td>21 KB</td>
<td>97</td>
</tr>
<tr>
<td>Exercise 2-2_Vendor Ledgers.pdf</td>
<td>47 KB</td>
<td>97</td>
</tr>
</tbody>
</table>
Chapter 2
Glossary of Terms
Cash discounts from vendors in return for early payment of an invoice, for example, 2% 10 days, net 30.
Peachtree’s Accounts Payable System provides the summary information needed for the entry that credits Accounts Payable and debits the various asset and expense accounts that the vendor invoices represent. Since Bellwether Garden Supply buys on credit from a number of vendors, the company keeps close track of the amount owed and the due dates of the bills. The Navigation Bar’s Vendors & Purchases selection shows the accounts payable module or accounts payable system.
Purchase orders, p. 62

Purchase orders are used to place an order with a vendor. Purchase Orders, abbreviated PO, authorize the vendor to ship the ordered merchandise at the stated price and terms.
A combination of letters and numbers that are used to identify customers and vendors. A coding system is set up for Bellwether Garden Supply’s vendors. Bellwether’s coding system uses uppercase letters; for example, Armstrong’s Landscaping is coded as ARMSTRONG.
Case sensitive, p. 74

Refers to the use of lowercase and uppercase letters. When coding a customer or vendor number, you must use either a capital or lowercase letter. For example, armstrong is not the same as ARMSTRONG.
Access information about the Internet Corporation for Assigned Names (ICANN) at www.icann.org/en/registries/about.htm

1. What is a TLD and gTLD?
2. What gTLDs are operated under contract with ICANN?
3. What types of gTLDs are there? Briefly explain sponsored and unsponsored gTLDs.
With the Vendors & Payables Navigation Center serving as the starting point to perform tasks related to Accounts Payable, list five Vendors & Purchases Tasks. Briefly describe the Vendor Management Center.

The Vendors & Purchases Navigation Center displays information and access points related to the company’s vendors and purchases.

1) The Vendors & Purchases Tasks provides a graphic representation of the flow of vendor-related tasks, as well as access to those tasks. It also provides access to windows where you enter/maintain vendor information.

The Vendors & Purchases workflow diagram is shown on the next slide.
2) A summary of vendor information; for example, link to View Detailed List.
3) Access to vendor reports. For example, a link to View All Vendor & Purchases Reports.
4) An overview of the company’s aged payables. You can also link or drill down to various areas.
5) Peachtree solutions include drill down to Checks & Forms and Online Bill Pay.
Answer to Analysis question (concluded)

On the Vendor Management tab, you can see lists of information regarding transactions and history for a particular vendor, including purchase orders, purchases, and payments. This is where you want to go to see information about a particular vendor.
<table>
<thead>
<tr>
<th>Date</th>
<th>Transaction</th>
<th>Navigation Center/Module</th>
<th>Task Window</th>
<th>Journal Dr./Cr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/15/12</td>
<td>Invoice No. H788 was received from Postal Office Supplies for the purchase of five boxes of letter-size file folders, $10.95 each.</td>
<td>Vendors &amp; Purchases; Enter Bill, New Bill</td>
<td>Purchases/Receive Inventory</td>
<td>Purchases Journal Dr. 71000, Office Expense, $54.75 Cr. A/P, Post Office Supplies, $54.75</td>
</tr>
<tr>
<td>3/18/12</td>
<td>Pay Postal Office Supplies for Invoice H788, $53.85</td>
<td>Vendors &amp; Purchases; Pay Bills, Pay Bill Accounts Payable</td>
<td>Payments</td>
<td>Cash Disbursements Journal Dr. 20000, A/P, Post Office Supplies, $54.75 Cr. 89500 Discounts Taken, $1.10 Cr. 10200, Regular Checking Account, $53.65</td>
</tr>
</tbody>
</table>
Online Learning Center

  - Interactive Testing
  - Glossary of Terms
  - Feature Quizzes
  - PowerPoints
  - Assessment Rubric
  - Going to the Net
  - QA Templates