not done these two ledgers (accounts receivable and accounts payable) will not balance with their controlling accounts, and it is likely that the general ledger would not balance either. An entry of this kind is shown in the general journal in the model set on February 20th. If this entry is followed through to the ledgers these facts will be clearly understood.

Postings are made from the cash book in the same manner as previously explained in connection with the synoptic form, the only individual amounts posted being those in the accounts receivable and accounts payable columns. The totals of all columns are posted to their general ledger accounts at the end of the month.

In order to illustrate the use of these books and the posting to the ledgers we will use the following transactions to write up in the model set :—

TRANSACTIONS.

Feb. 1, 1912.—S. Wood started in business as a wholesale furniture dealer in a warehouse rented from L. Dwyer at $100.00 per month.

The following statement shows the particulars of his investment :—

ASSETS.

Entry No. 1 General Journal.

Cash in Bank	$2000.00
Stock on Hand (cost)	1450.00
Furniture and Fixtures	350.00
	$3800.00

LIABILITIES.

Accounts Payable		$ 550.00
G. Grand	$ 400.00	
F. Jarvis	100.00	
K. Smith	50.00	
S. Wood (net worth)		3250.00
		$3800.00