CASH

1909					1909					
May	1		5000		May	2			60	
"	10		243	50	"	3			8	
"	11		75		"	7			295	
"	15		49	50	"	20			10	
"	30		310	50	"	24			278	40
"	31		247	25	"	31			50	
					"	31	Balance	red ink	5224	35
			5925	75					5925	75
June	1	Balance	5524	35						

Note that all receipts are entered on the debit side and all payments on the credit side. The balance the difference between receipts and payments is written in red on the credit or smaller side, and after totaling is brought down on the debit side. As this balance is the excess of receipts over payments, it is proper that it appear on the debit side of the new account for June. Subsequent receipts will increase it and payments will diminish it. The account as balanced above is now ready to receive the entries for June. The first receipt will be entered on the line next following the balance. The first payment will be entered on the first line on the credit side.

PROVING CASH. In business it is customary to prove the cash at the close of every day. The difference between the two sides of the account the balance should equal the amount in the bank plus what is in the till. The account is balanced once a month or oftener, as desired.

EXERCISE.

Open a cash account on a page of ledger paper and enter up the following cash transactions:

Jan. 1. You invest $2500. Paid a month's rent in advance by cheque, $50. 3. Paid for office books, $7. 5. Paid A. D. Hampton by cheque, $250 on account. 8. Received cheque from A. P. Stuart on account, $250.63. 10. Received cash for mdse., $75.40. 12. Paid R. A. Nunn & Sons for invoice of the 3rd, $347.51. 14. Received cheque from W. C. Smith for bill of the 2nd, $210.23. 16. Received cash for sale of goods, $142.10. 19. Received cash from A. J. Barrett in full of his note, $220.40. 22. Paid your note favor F. H. Wilson for $340.62. 24. Received cheque from R. F. Forrest for $108.41. 26. Received Express Money Order from R. Walters for $42.10 on account. 29. Loaned A. J. Stephens $15. 30. Paid A. F. McDonald $415.10 by cheque. 31. Received cheque from A. Spencer for $124.11 on account.

Prove your cash. You have in the bank $2241.32, and in the till $95.08. Balance the account and bring down the balance below the ruling.

Feb. 2. Received cheque from J. C. Jones on account, $148.60. 3. Received cash for mdse., $92.14. 5. Received cheque from L. M. Loux on account, $240.75 7. You withdrew for private use, $100. 9. Received cheque from F. M. Johnson in payment of his note for $221.07. 10. Paid your note favor Wilson & Co. by cheque, $248.72. 12. Received cash from A. J. Stephens for the $15 loaned him last month. 14. Paid Jackson & Co. by cheque, 167.[illegible]. 17. Paid for advertising, $25. 19. Received cheque from R. F. Caldwell in full of account, $78.90. 21. Paid insurance premium, $20.35. 23. Received cash for mdse. sales, $161.40