

### 105. Two Accounts for the Proprietor.

It is generally better to keep two accounts in the Ledger for the Proprietor—one for his investments and larger withdrawals, and one for small sums and goods taken for private use. Example: "D. Proctor (Capital A/c)"; "D. Proctor (Private A/c)". When closing the books, the Private A/c should be closed into the Capital A/c.

### 106. Freight.

The cost of Merchandise laid down in the store or warehouse includes freight, as well as invoice price. Freight may be dealt with in two ways: (1) Journalize it as Merchandise; (2) Journalize it as Freight, and close the Freight A/c into the Merchandise A/c, when closing the books.

### 107. Sales Journal or Sales Book.

All sales of Merchandise are entered in this book whether settled for at the time or not. It is used as a posting medium, from which each person named is debited in the Ledger for the amount sold him, and from which also Merchandise is credited for the total amount of the month's sales. When a person pays for the goods at the time of the sale, say with cash, he is debited through the Sales Journal for the amount of the sale, and credited through the Cash Journal for the cash payment; if he pay with note or acceptance he will be credited through the Journal, or through the Bill Journal when used as a posting medium. Notice that the Cash Book and the Bill Book are called respectively *Cash Journal* and *Bill Journal* when used as posting media. In the example in Section 108, the entries are for transactions in Set IX. Petty Cash Sales are entered in the Cash Journal only.

### 108. Example of Sales Journal.

Notice the two methods of entering the details: (1) By placing them even with the name, and (2) by indenting them an inch or less.

Notice also the two methods of dating: (1) By placing the dates at the side with an extra column for the Ledger Folio; in which case the heading may then be "Merchandise Sales Cr.," or simply "Sales Journal." (2) By placing the dates between the entries, and leaving the column at the side for the Ledger Folio; the heading should then be "St. John, July 3, 19—." The pupil may select any of these methods.

			MERCHANDISE (Sales).				Cr.	
L.F.			Accounts Debtor.				Items.	Totals.
July	3	37	K. Clarke, Moncton, on a/c, 30 days					
			8 Gold Watches			\$1200	240	
			6 doz. Silver Plated Teaspoons			300	21	261
	5	38	K. Evans, Fredericton, on a/c, 30 days					
			10 Marble Clocks			200	200	
			1 doz. Alarm Clocks				9	60
								209
	6	40	R. Johnston, Chatham, on a/c, 30 days					
			18 pcs. Silverware assorted			300	54	
			14 doz. Silver Plated Knives			400	63	117
	8	39	D. Proctor (Private A/c).					
			Silverware assorted					
	9	37	K. Clarke, Moncton, on a/c, 30 days					
			10 doz. Watch Chains			700	25	
			15 Ladies' Gold Watches			800	300	375
			Carried forward					1012