

If the sums of the monthly receipts and the sums of the monthly expenditures are added for the year from the cash division of the Day Book Journal, the total footings and balance will be identical to the Cash account in the Ledger, as follows:

From Day Book Journal for the year 1904 :

| | Dr. Receipts | Cr. Expenditures | Balances |
|-----------------------|------------------|---------------------|----------|
| Cash on hand..... | \$50.00 | | |
| Month of January..... | 10.00 | \$42.55 | \$17.45 |
| " February..... | 91.65 | 66.50 | 42.60 |
| " March..... | 101.20 | 94.37 | 49.43 |
| " April..... | 36.00 | 27.33 | 58.10 |
| " May..... | 346.50 | 365.75 | 38.85 |
| " June..... | 91.00 | 129.50 | .35 |
| " July..... | 107.00 | 52.50 | 54.85 |
| " August..... | 50.00 | 78.00 | 26.85 |
| " September..... | 95.25 | 100.90 | 21.20 |
| " October..... | 85.00 | 90.50 | 15.70 |
| " November..... | 97.10 | 100.70 | 12.10 |
| " December..... | 64.00 | 16.50 | 59.60 |
| | <u>\$1224.70</u> | <u>\$1165.10</u> | |
| | 1165.10 | | |

\$ 59.60—Balance Dec. 31st, 1904.

From the \$1225.70 take the Cash on hand Jan. 1st., 1904, (\$50.00) and the footings for the Trial Balance Sheet are given thus: \$1224.70—\$50.00=1174.70 Dr. side and 1165.10 Cr. side.

The practicability of this deviation will save labor and economize space. The balances at the end of the month must correspond with the cash on hand, if not some entry has been omitted.

It is always a good plan to make a practice of carrying a note book to make an entry of any business memorandums, especially if you are doing much buying or selling in any one day. To keep any set of books properly requires labor and carefulness, then accuracy will result.

ERRORS : HOW TO DETECT.

The first chance that is given to detect an error is in the Trial Balance. This should be in equilibrium, or balance. If they do not balance.

- 1st. Look over your addition in the Ledger.
- 2nd. Ascertain the amount and look over the Journal items, to see if it has been omitted.
- 3rd. If the first and second tests fail, then go over the postings again and check them.