

138. Closing the Ledger—Single Entry—Illustration Set.

This consists in closing the Proprietor's A/c only. The other Personal A/cs are closed, only when settled or when carried forward to a new page.

1. Determine the Net Gain from the Financial Statement.
2. Enter the Net Gain on the Cr. side of the Proprietor's A/c.
3. Close the Proprietor's A/c and bring down the Net Capital, as follows :

DR.					W. J. SYKES (Capital A/c)					CR.				
1907					1907									
Nor.	30	*Net Capital			Nor.	1				97	3701	18		
			102	*3833	48	30	Net Gain				132	30		
				3833	48						3833	48		
						Dec.	2	Net Capital					48	
										102	3833			

139. Changing from Single Entry to Double Entry.

A Single Entry Ledger contains only Personal A/cs ; a Double Entry Ledger contains both Personal A/cs and Impersonal A/cs. To change from Single Entry to Double Entry, it is necessary, therefore, to open Impersonal A/cs in the Ledger, in addition to the Personal A/cs already there :

- (1). Make a Single Entry Financial Statement and close the Proprietor's A/c.
- (2). Make a journal entry from the Single Entry Asset and Liability Statement : 1st Method—make a journal entry containing only the Impersonal A/cs. 2nd Method—make a journal entry containing both the Personal A/cs and the Impersonal A/cs; check the Personal A/cs and post only the Impersonal A/cs.
- (3). Post this opening journal entry and take a trial balance. From the 2nd Method, it will be seen that all the Single Entry Ledger lacks of being in balance, is the Impersonal A/cs.
- (4). Proceed by Double Entry, in the same way as you would after making the opening journal entry from the Assets and Liabilities in a Double Entry Set. Bring down the balance in the Cash Book, and continue the Bill Book.

140. Journal Entry to Change from S. E. to D. E.—Illustration Set.

ST. CATHARINES, December 2, 1907.

W. J. Sykes has this day changed his books from Single Entry to Double Entry, and continues the Grocery Business at #173 s. Paul St.													
1st Method													
101	Cash Dr.	-	-	-	-	-	-	-	-	2856	23		
101	Bills Rec.	-	-	-	-	-	-	-	-	50			
101	Mdse.	-	-	-	-	-	-	-	-	1320	50		
101	Bills Pay.	-	-	-	-	-	-	-	-			200	
Impersonal A/cs as per Single Entry Statement.													
2nd Method													
✓	S. Porter, Dr.	-	-	-	-	-	-	-	-	22	10		
✓	R. Green	-	-	-	-	-	-	-	-	4	65		
101	Cash	-	-	-	-	-	-	-	-	2856	23		
101	Bills Rec.	-	-	-	-	-	-	-	-	50			
101	Mdse	-	-	-	-	-	-	-	-	1320	50		
101	Bills Pay.	-	-	-	-	-	-	-	-			200	
✓	H. Dowd	-	-	-	-	-	-	-	-			220	
✓	W. J. Sykes (Capital A/c)	-	-	-	-	-	-	-	-			3833	48
For Assets and Liabilities as per Single Entry Statement.													