Have your entries verified and balance your cash book.

Having the transactions fully recorded in the books of original entry, you will now post them to the ledger.

On ledger paper open an account with the proprietor and post to it the investment from the cash book, placing the amount on the credit side. Write "C" in the explanation column to show what book it comes from, and in the folio column place the page of the cash book from which it is taken. In the cash book folio column now place the page of the ledger account.

It is customary to place the investment account on the first page of the ledger. Having opened this account, lay aside your cash book for the present and post your journal, after which you will post the remainder of the cash transactions.

The first item to be posted from the journal is the purchase from Williams & Co. Open an account for them one-fourth of a page down from the first account, (giving one-fourth page to each account in this exercise), and transfer the amount of the item to the credit side, placing "J" in the explanation column and the journal page 1 in the folio column. Then, in the journal folio column, place the ledger page to show that the item has been posted.

Next open an account for R. A. Jackson & Co., and enter it in the same way. The debit item to J. C. Jones will next be posted to his account, which you will open. Be sure to place the number of the journal page in the account and the ledger page in the journal.

Proceed in this manner, opening each new account as you come to a new name in the journal.

Then take your cash book and post the personal items appearing on the debit side to the credit of their respective accounts, and the personal items on the credit side to the debit side of their accounts. When cash is received it is entered on the debit side, which is the "received" side, and the persons who gave us the cash must receive credit in their accounts; hence, personal items on the debit side of the cash book are credits to these accounts. When cash is paid out, it is entered on the credit side, which is the payment side of the cash book, and the persons to whom we pay money must be debited; hence, personal items appearing on the credit side of the cash book are debits to these accounts.

When your posting is completed, make a ledger statement and submit your work to a teacher for audit.

EXERCISE TWO.

Write up the journal and cash book for the June transactions of Lesson 5.

Have your entries verified.

Balance your cash book.

Post and make ledger statement. Have it approved.

Then write up the July transactions in the same manner.

After having your entries verified, balance the cash book, post and make ledger statement. Have your work approved.

LESSON NINE.

BANK ACCOUNT.

Banks receive money on deposit, subject to the order of the depositor. The order on the bank to pay money out of the depositor's account is called a cheque, as you have been shown in previous lessons.