

EXAMPLES OF TRANSACTIONS AFFECTING PERSONAL ACCOUNTS

Rule paper and head your account "A. B. Cunningham."

Sept. 1, A. B. Cunningham owes us on account, on commencing business, \$30.37. Sept. 4, Sold him Merchandise on account, \$32.85. Sept. 8, Received Cash from him on account, \$30.37. Sept. 12, Bought Merchandise from him on account, \$50.45. Sept. 15, Transferred to him W. Smith's note on account, \$20.24. Sept. 17, Sold Mr. Cunningham Merchandise on account, \$38.27. Sept. 22, Received his check on account, \$13.00. Sept. 25, Mr. Cunningham returns \$7.00 worth of Merchandise from his purchase of the 17th.

RESULTS

Total Debits (He owes)	\$127.73
Total Credits (We owe)	114.47
He owes (Resource)	13.26

Place Resource in red ink, rule, and foot. Hand in for inspection.

MEMORANDA OF TRANSACTIONS AFFECTING CAPITAL, CASH, MERCHANDISE, REAL ESTATE, EXPENSE AND PERSONAL ACCOUNTS.

The student will prepare Journal and Ledger paper and proceed to journalize, post and take trial balance as explained on pages 11 to 13. Give Capital, Personal Accounts and Real Estate four lines each. Expense and Merchandise eight lines each and Cash ten lines in Ledger. Give address when opening Personal accounts. After posting foot the Ledger accounts in small *lead pencil* figures close up to the last item on each side.

HEAD YOUR JOURNAL WITH LOCATION AND DATE.

Oct. 1, Student invests cash, \$5,500. Oct. 2, Rented store, No. 280 Dundas St., for one year (with privilege of buying) paying one month's rent in advance, \$30 cash. Oct. 3, Engaged H. C. Jones as clerk at a salary of \$25 per month (make this as a Memo. only in Day Book portion). Oct. 4, Bought Merchandise, as per invoice from T. B. Escott & Co., Galt, Ont., giving check \$2,210.75 in payment. Oct. 4, Purchased for cash, office books and stationery, \$10.85. Oct. 4, Paid freight bill in cash, \$15.10, (debit Mdse.) Oct. 5, Sold Edwin Smith, London, Ont., on account goods invoiced at \$285.65. Oct. 6, Sold J. H. Raymond, Embro, Ont., Merchandise on 30 days credit, \$150.25. Oct. 10, Ed. Smith, London, Ont., returns on account of inferior quality from his purchase of the 5th, Merchandise invoiced \$27.40. Oct. 10, Received cash from J. H. Raymond on account, \$50.25. Oct. 14, Paid fire insurance premium, \$11.58, by check. Oct. 16, Purchased store property, paying cash, \$3,000. Oct. 20, John Hart made permanent repairs to store amounting to \$95.43, for which he is credited. Oct. 23, Received cash from sale of Merchandise, \$475.40. Oct. 26, Paid water rates in cash, \$7.95.

Record the following inventories in your Journal-Day-book at the end of the exercise.

Merchandise in Stock	\$1,425.30
Real Estate	3,000.00

Have the work of your Journal approved by teacher, before commencing to post.