CHAPTER I.

ACCOUNTS.

WHAT THEY SHOW, AND HOW THEY SHOW IT.

Book-keeping is a systematic record of business transactions. The results are generally shown upon the Ledger by the means of accounts. A Ledger account (a/c) is a collection of transactions with a particular person or thing under an appropriate title so arranged as to show a desired result.

Each account has two sides. The left hand side is called the "debit" or "debtor" (*Dr.*), and the right hand side the "credit" or "creditor" (*Cr.*). The difference between the sides of each account shows one of the facts required in finding the condition of the business.

The following exercises are designed to teach what fact each account is kept to show and how it is made to show it.

1. CASH.

This account is required to show the amount of money on hand. All cash received is placed on the Dr. side, and all cash disbursed on the Cr. The difference is the cash on hand and must correspond with the amount in the Cash Box. The Cr. side can never be the larger.

The following transactions are adjusted as shown in the accompanying model:

Jan. 1. Received cash $2,000. 2. Paid cash $300. 3. Received cash for Merchandise sold this day $500. 4. Received cash for rent of house $250. 5. Paid cash for store rent, $75. 6. Received cash from John Jones in full of account $800, and from H. Buie on account, $125. What is the amount of cash on hand?

Dr.			CASH		Cr.
Received.			Paid out.		
Jan.	1 3 4 6 "	2000 500 250 800 125	Jan.	2 5	300 75
		3675			3675

(All ruling must be done in red ink.)

Copy the following letter, and sign your own name in the place of " A Student." Then take it and your work to the teacher and get them signed.

BUSINESS COLLEGE,

MONTREAL, Jan. 6, 1888.

MESSRS. DAVIS & BUIE,
Montreal.

GENTLEMEN,—I beg to inform you that I have finished the "Model" for the Cash account, and find the following results :—

Total cash received, as per Dr. side.................. $3,675 00

"   " disbursed " Cr. " 375 00

Cash on hand   " difference....... .... $3,300 00

Hoping that you will find the work correct and sufficiently neat to merit your approval, I remain,

Yours truly,

STUDENT.