It is a settled rule in bookkeeping to place the debits on the left hand side of the account and the credits on the right hand side.

The foregoing sample of an account with a creditor shows the method of BALANCING, when such is required. Usually personal accounts are permitted to run on until settled in full. When transferred to a new page the totals of the two sides are carried forward to the new page.

Note how the following business transactions are entered up, and copy the account neatly on a sheet of ledger paper:

Jan. 2, Bought bill of Merchandise from R. H. Williams & Co., Montreal, Que., $450. 5, Bought bill of $215. 10, Sent them a cheque for $200 on account. 15, Sent them a Bank Draft for $300. 20, Bought another bill of $800. 22, Returned goods amounting to $35.50 which were not satisfactory (Debit same as for a payment on account). 25, Sent them a cheque for $500 30, Sent them a cheque for $300. Balance the account.

R. H. WILLIAMS & CO.,

1531 Craig Street, Montreal, Que.

1909					1909				
Jan.	10		200		Jan.	2		450	
"	15		300		"	5		215	
"	22		35	50	"	20		800	
"	25		500						
"	30		300						
"	31	Balance (red ink)	129	50					
			1465					1465	
					Feb.	1	Balance	129	50

ORDER OF CLOSING AN ACCOUNT.

1. Add each side, placing the total in very small pencil figures close under the last amount so as not to interfere with the placing of the next item on the line following.

2. Find the difference between the two sides.

3. Enter the difference in RED ink on the smaller side, writing the word "Balance," also in red, in the wide explanation column.

4. Enter the totals on the same line on both sides.

5. Bring the balance down in black ink on the opposite side to that on which it has been entered in red.

6. Rule the account as shown a single line under money columns added, double line below totals and across all columns except wide explanation column.

EXERCISE.

After entering up the foregoing, continue the account without skipping any lines, entering up the following transactions:

Feb. 1, Balance due Williams & Co. as brought down from January. 2, Paid them the balance due. 4, Received another lot of goods billed at $1541.50. 5, Returned $73.25 worth as not being satisfactory. 9, Sent them a cheque for $500. 11, Sent them another cheque for $500. 15, Bought another bill of goods from them worth $342.65. 18, Some of the goods in last order not being in good condition, they have agreed to allow us a rebate or reduction of $7.85. (Same entry as for a payment by you on account). 20, Sent them a Bank Draft for balance due on bill of Feb. 4, $408.25. Sent them a cheque for $250.

Close the account and bring down balance.