is debited with the total of the day's cash sales at the close of business each day, and sales account is credited with the same amount. When goods are purchased for cash the amounts expended are credited to cash account, and debited to merchandise or purchase account. When goods are sold on credit, the customer is debited and sales account is credited. When goods are bought on credit, the creditor is credited and purchase account is debited. When wages, rent or other expense is paid, cash account is credited and wages account, or rent account or other expense account is debited.

Assuming that the books of any business have heretofore been kept by Single Entry, and that it is desired to change to the Double Entry System, we would require to make up a statement of affairs as outlined above, and deduct from net capital shown thereon, the net capital shown on last previous statement in order to ascertain the profit made from last statement up to the present. This profit would be credited to proprietor's account. Then a journal entry would be made debiting the asset accounts, that is all the accounts shown on right side of the statement of affairs, and crediting the liability accounts, that is those shown on the left side of the statement of affairs, the balance shown on the left side, being the net capital to be credited to capital (or proprietor) account.

Some of these accounts being already in ledger, by