

will be the amount gained—the net gain. Should the present worth be less than the investment, of course the difference would be a loss. A Net Insolvency plus Investment would give Net Loss.

To make a proper statement which will show the assets, liabilities, present worth and net gain or loss, it is necessary to take into account all values on hand and all liabilities outstanding. In your practice set you will include the merchandise on hand, and the cash, in your assets, as well as the balances owing by customers. In the liabilities, in addition to the balances due your creditors, you will include unpaid rent for the half month, which will be \$25.

To ascertain the amount of merchandise—flour and grain—on hand, find the difference in barrels and bushels between the purchases and sales that you have made; then find the value of what remains on hand at cost price.

Study carefully the following form of statement showing the results described, and then make a neat copy of it (your statement for Mr. Dadson's business will be similar in form):

Financial Statement for Half Month ending Sept., 1909.

Assets.			
Cash on hand,	1721	25	
Flour and Grain on hand,	535	50	
H. C. Jones, balance due,	39	80	
R. A. Smith, " "	87	40	
L. M. Rogers, " "	31	50	
Total Assets,		2415	45
Liabilities.			
Wilson & Co., balance due them,	230		
Rent due and unpaid,	25		
Total Liabilities		255	
Present Worth,		2160	45
Net Investment,		2000	
Net Gain, (red ink)		160	45

Prepare a statement of Mr. Dadson's business for the half month in neat form, and have it approved by your teacher.

As you are now to adjust the gain to the proprietor's account, you will make an entry crediting his account for the amount of the net gain shown in your statement, thus:

A. P. Dadson,
Net Gain per Statement.

Cr. *** *

Post this to Mr. Dadson's account; balance the account, and bring down the Present Worth as in former exercises on Proprietor's accounts.

Present your statement and books for approval, including your Bank Pass Book, properly balanced, and Cheque Book, showing correct balance.

Continue the set, being careful to do neat, accurate work in a systematic manner.