LESSON SEVEN.

THE CASH BOOK

The cash account may be kept in a separate book of original entry (first record). The personal debits and credits are posted from it, and the book balanced in the same manner as the cash account. When a cash book is kept, no cash account is required in the ledger.

Following is the cash book written up for the January transactions of Lesson 6. Two pages (opposite) are required, the debit side being the left hand page and the credit side the right hand page. Note that when a personal account is to be debited or credited the name is written first, with the explanation following. The first money column on the left side is for the receipts, and on the right side for the payments. The second column on each side is for balances and totals.

CASH DR

1900						
Jan.	1	Student, investment,	2500			
	8	A. P. Stuart, on acct.,	258	63		
	10	Mdse. Sales,	75	40		
	11	W. C. Smith, bill of 2nd,	210	23		
	16	Mdse. Sales,	142	10		
	19	Note, A. J. Barrett,	220	46		
	21	R. T. Forrest, on acct.,	198	41		
	26	R. Walters, on acct.,	42	10		
	31	A. Spencer, on acct.,	124	11	3471	53
					3471	53
Feb.	1	Balance,			2337	30
	2	J. C. Jones, on acct.,	148	60		
	3	Mdse. Sales,	92	15		
	5	F. M. Evans, on acct.,	249	75		

Note that the balance when brought down is placed in the second money column on the left side. The receipts are then placed in the first column, and the total of the receipts is extended to the second column to be added in with the balance from the preceding month.

Continue the cash book for February and March, balancing at the end of each month. Present your work for approval at the end of each month's work.