

THE OFFICE

DEVOTED TO THE
OFFICE STAFFS OF
BUSINESS
ESTABLISHMENTS

A SIMPLE METHOD OF BOOKKEEPING FOR RETAIL MERCHANTS.

By C. T. HURAN, Denver, Colo.

THE books to be used are as follows: Ledger and two common manila two-column sales books (journal ruling). On the first page of the ledger enter a statement of assets and liabilities containing at least the following data:

Assets.	Liabilities.
Cash.	Accounts Payable.
Stock (Older).	(Other Indebtedness)
Accounts Receivable.	
Other Assets.	

The difference between the assets and liabilities will be the dealer's net worth.

Head the last eight pages in the ledger as follows:

1. Goods sold for cash.
2. Goods sold on credit.
3. Goods bought on credit.
4. Goods bought for cash.
5. Cash received on account.
6. Cash paid on account.
7. Expense.
8. Goods returned from customers.

Take one of the sales books, head columns as in form (A).

As credit sales are made, enter customer's name and items bought, but carry only the total of the purchase into the first column. Any goods returned by the customer should be entered as above, except that the total would be entered in the second column. As the page fills up, foot each column separately and carry to corresponding column on next page until the end of the month, when the total of the first column is entered on the page in the ledger marked "Goods sold on credit," and the footing of the second column is entered on the page headed "Goods returned by customers."

If duplicate sales tickets are used, simply enter the customer's name, date and amount of sale or return in its proper column and file the sales ticket in shape for convenient reference. Now, at such time in the day as

JANUARY, 1903

Day.	L. F.	Sales.	Total of Each Sale.	Total of Each Return
------	----------	--------	------------------------	-------------------------

Form A.

as most convenient the sales are entered in the ledger as charges to the customer's account and the returns as credits, and checked in the sales book to show that they have been so entered.

Now turn to the last page of the sales book and head columns as in form (B).

As goods are received from the wholesaler the invoice is, of course, checked for quantities, prices and exten-

sions. Any returns or deductions are noted on invoice and deducted from its footing. Now, on this last page enter the name of the house the goods were bought from, the date of the invoice, and the amount after making all deductions. Treat all invoices in this manner until the page is full, then carry footing over to the preceding page, and so on to end of month, when footing is carried

JANUARY, 1903.

Day.	L. F.	Purchase.	Amt of Invoice.
------	----------	-----------	--------------------

Form B.

to ledger page marked "Goods purchased on credit." After so entering the invoice, file alphabetically.

No ledger account is necessary with the people of whom the retailer buys goods, as they have to keep his account in shape for convenient reference and will send him statements periodically, at which time he should check with invoices on his file and notify them at once of any difference. If retailer discounts his bill, the discount should be taken from invoice when it is checked up and net amount of invoice entered.

Freight is considered as expense and so entered through cash book.

For the cash transaction the retailer will use his other manila sales book.

Skip the first page and commence work on the second. On the right-hand page rule an extra column beside the two already there, as in form (C). On the left-hand page mark first column "Cash on account," and second "Cash sales." As customers pay on account, their names are entered and the amount placed in the first column from which it is placed to the credit of the customer's account in the ledger. As cash sales are made, the amounts are placed in the second column.

On the right-hand page head the extra column "Cash paid on account," the next "Goods bought for cash," and the last "Expense." As money is paid out on account, or in settlement in full, enter amount in first column opposite the name of person to whom paid. All cash purchases are entered in second column, and all cash paid for running expenses, freight, rent, clerk hire, etc., placed in the third column.

As soon as either page is full, foot each column separately and carry to proper column on next corresponding page, always remembering that "Cash receipts" are on the left-hand page and "Cash disbursements" are on the right. At the end of the month, carry the footing of each column to its proper page in the ledger. The difference at any time between the footing of the left and right side of the cash book is the amount of cash there should be on hand. The bank account is considered as so much cash. As checks are drawn, the dealer considers them exactly as he does the money he pays out, and makes his entries accordingly. When making his deposits,