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Farm Book-keeping

H. GRANT LAMB

Class 5567

Book L3

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Farm Book-keeping

A PRACTICAL BOOK
OF INSTRUCTION
WRITTEN PARTICULARLY
FOR USE ON
THE FARM

By H. GRANT LAMB

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INTRODUCTION.

In getting up this book I have at all times kept foremost in mind that it is intended for farmers and their wives. That the instruction must be clear and simple, and the method such that the results will show the farmer what he wants to know.

The advantages derived from keeping books are manifold, and no doubt a book of some sort is kept by every careful person, whether a farmer or not. It is one thing, however, to keep a rough memorandum of expenditures and another to keep a scientific record, a record which shows at all times the amount being made, spent, saved.

The FARM BOOK-KEEPER will admirably serve the man that wants to *do things right*. The instruction is so arranged and so simple that you will have no difficulty, and can with confidence sit down and record immediately by Double Entry Book-keeping, all cash received and paid out, all produce grown and sold, and bring the business of a month or of a year to the final point where the exact profit or loss is shown. While the method is simple, the results are the same as those obtained by the largest mercantile establishments.

In endeavoring to make Double Entry Book-keeping perfectly clear and simple, it has been found

desirable to eliminate practically all side issues and elaborate definitions, and to keep closely to the main point of teaching how to keep one's own books. Most text books are so overburdened with side issues that it is next to impossible for anyone not an expert to understand them or to find the real kernel.

With the foregoing I commend this little book to your favor, feeling confident it will be found all that is claimed, and that the hour or two a week you may spend at Double Entry Book-keeping will be filled with a just measure of profit and pleasure.

MATAWAN, N. J.

H. G. L.

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FOREWORD OF INSTRUCTION.

You will note that the detailed instructions in this book are all in one part, while the illustrating Diagrams are grouped together in another part. The object of keeping all the Diagrams together is to enable an entry or transaction being traced, without looking in various parts of the book.

Look over and study the Diagrams carefully. The great majority of people learn much more readily from a practical illustration than from written directions, no matter how clear the directions may be. Before starting your books it would be well to read this book through, following the written directions by reference to the Diagrams. This will familiarize you with the method and the objects to be attained. Once you start at your own books, however, follow the instructions in exact sequence and finish each process before proceeding to the next.

The opening of the books will be found the only laborious part. Be very careful in taking the Inventory to get it correct, or it may later on cause difficulties.

During the first month or so, refer to the specimen entries in the Diagrams when you are entering your daily transactions. By this means you will avoid getting entries down the wrong way, and will also

get imbued much more quickly with the principles of Double Entry Book-keeping.

Keep your books in a neat condition, and always make plain and legible figures; it saves time and takes no more effort.

Remember these CARDINAL RULES:

- I. The same amount or total amount must always be placed on the Debit and Credit sides.
- II. Debit that which COSTS, that which RECEIVES, that which YOU PAY.
- III. Credit that which GIVES, that which PRODUCES, that which PAYS YOU.
- IV. Post from the Debit side of the Journal to the Debit side of the Ledger, and from the Credit side of the Journal to the Credit side of the Ledger.
- V. Make all Journal entries and postings in black ink; and all Ledger transfer entries in red ink.

Be systematic, enter the daily transactions in the Journal promptly, post to the Ledger regularly and close the books at the end of the month punctually. Have the monthly Trial Balance *balance*, and start out each new month with the preceding month's business closed in *apple pie* order.

CHAPTER I.

INVENTORY OF RESOURCES AND LIABILITIES.

(1) In starting a set of double entry books the first thing is to find out what you own and what you owe, or in other words, your Resources and Liabilities.

(2) To obtain this information accurately, make a complete list or inventory of what you own, excepting household furniture and personal effects. The inventory will consist of all or some of the items shown under Resources in the Inventory Diagram (95). If you have any classes of property not mentioned in this diagram, put them down. Should you have more than one bank account enter them separately.

(3) Opposite each item mark its value, or as near as you can estimate it, and after the manner shown in the diagram (95), group the values of those items coming under a general classification. That is, Oats, Corn and other produce should be added together, and the various items of Live Stock should be added together.

2 INVENTORY OF RESOURCES AND LIABILITIES.

(4) Then add all the items and the total will be your Resources.

(5) After you have made a list of, and totalled the amount of your Resources, make a similar list of what you owe, called your Liabilities. This will consist of all or some of the items shown under Liabilities in the Inventory Diagram (95). Should you have any classes of liabilities not shown there, put them down.

(6) Mark the amount opposite each item and total as shown in the diagram.

(7) Deduct the Liabilities from the Resources, and the difference will represent your Net Worth.

(8) Copy the lists of Resources and Liabilities on the last few pages of the Journal. By having this information right in the Journal it is always at hand. You can tell from the number of lines it will require in the Journal just how many pages to use.

CHAPTER II.

OPENING THE JOURNAL.

(9) Turn to the first page in the Journal and on the top line write the date you start keeping the books.

(10) Then write the list of your Resources by classes only, and on the left side or Debit column enter the amounts. See Journal Diagram (96).

(11) Now write the list of Liabilities items in the same manner, entering the amounts on the right side or Credit column, as shown in the Journal Diagram.

(12) Lastly enter the Net Worth, under the title of OWNER'S CAPITAL A/C, on the Credit side, being careful after making all the entries that the totals of the Debit side and of the Credit side are the same.

(13) It is an absolute rule with the Journal that the two sides must always have the same totals. When an amount is put on one side of the Journal an equal amount must be entered on the other side or the books will not balance.

CHAPTER III.

OPENING THE LEDGER.

(14) The Ledger is a book to which is briefly transferred or *Posted*, the items first written in the Journal. In the Journal we write continuously, but the Ledger is divided into *Accounts*.

(15) The index in front of the Ledger is to enable the convenient locating of any account in the Ledger.

(16) You will now open the Ledger by writing in the names of the principal accounts. Write only the names of the accounts at this time.

(17) On page 1 of the Ledger write: *Owner's Capital A/C*.

See the Ledger Diagram (98) for this and the following title entries.

(18) On page 2 write: *Cash*.

(19) On page 17 write: *Bank A/C*.

(20) On page 27 write: *Farm Expense*.

(21) On page 37 write: *House Expense*.

(22) On page 47 write: *Family Expense*.

(23) On page 57 write: *Growing A/C*.

- (24) On page 61 write: *Produce.*
- (25) On page 66 write: *Live Stock.*
- (26) On page 69 write: *Butter and Eggs.*

This account should only be opened if you sell butter and eggs.

(27) On page 71 write: *Interest and Dividends.*

(28) On page 72 write: *Taxes and Insurance.*

(29) On page 73 write: *Farm Property.*

(30) On page 74 write: *Implements.*

(31) On page 75 write: *Loss and Gain.*

(32) Other accounts may be opened whenever necessary, but the ones given here are needed for nearly all sets of farm books.

(33) The reason several pages are given to some accounts and only one to others, is because some accounts, like CASH, will be used constantly while others will be used very little. In opening a new account always estimate beforehand the number of pages it will probably require.

(34) Now index each account under its initial letter, as: *F—Farm Expense 27*
Family Expense . . . 47
Farm Property 73

Index all new accounts at the time of opening them. See Ledger Index Diagram (97).

CHAPTER IV.

POSTING.

(35) With the names of the more important accounts written in the Ledger and indexed, the next procedure is to *Post* from the Journal to the Ledger.

(36) Posting is the transferring of entries from the Journal to the Ledger. It is usual when opening a new account to make a posting to it at once, but owing to the number of new accounts incident to opening a new set of books, we have written the names of several accounts first and will now post to them.

(37) Turning to the Journal (see 96), we find the first item is "Cash, \$32.47," on the Debit side.

NOTE.—*On your own Journal the amount will be different. You must of course bear in mind that the diagrams in this book are only intended for purposes of illustration, and that it is the real entries and amounts in your own books that are to be posted, etc.*

(38) Looking in the Ledger Index you will find CASH is on page 2. Mark this page number in the small column in the Journal, just before and on the same line with CASH. See the way it is done in the

Journal Diagram (96) and then mark the Ledger page number before all the accounts, as shown.

(39) Now turn to page 2, in the Ledger, and as shown in the Ledger Diagram (98); post this item on the Debit side of CASH A/C.:

		JP	
Oct. 1—	Sundries	1	32.47

Place a small *V* in the Journal check column to show the item has been posted.

Sundries is a word used in book-keeping to indicate that several accounts are involved.

NOTE.—*The column marked JP is for the Journal page number from which the entry is posted.*

(40) Post the BANK A/C entry in the same way and as shown in the Ledger Diagram. Always remember to place the *V* in the check column immediately after posting.

(41) After posting the other items on the Debit side you will come to STOCKS AND BONDS. No Ledger account having been opened under this title it is necessary to open one. Therefore, on page 76 write: *Stocks and Bonds*.

Index this account.

Mark the Ledger page number in the Journal.

Post the items from the Journal to the Ledger as you did the others.

NOTE.—*This is the method of opening all new accounts in the Ledger. Should there be new ac-*

counts to open in your own books, do it this way, being very careful to always enter the account in the Index.

(42) Next post the items from the Credit side of the Journal to the Credit side of the Ledger.

(43) Always post from the Debit side of the Journal to the Debit side of the Ledger, and from the Credit side of the Journal to the Credit side of the Ledger. The total amount posted on the Debit side must always be the same as on the Credit side.

(44) Two Ledger accounts are never opened for the same thing. There can be only one CASH A/C, and the same with the other accounts. For exceptions to this rule see (76).

CHAPTER V.

EXPLANATION OF THE LEDGER ACCOUNTS.

(45) The object of dividing the Ledger into accounts is to enable the gathering together of all items of a class, and segregating them from the others. Thus in CASH A/C is gathered all cash items; in HOUSE EXPENSE A/C all items relating to expenditures for the house.

OWNER'S CAPITAL A/C.

(46) This account shows the Net Worth of the owner or of the farm. No entries should be made to it after the *Opening Entry* excepting transfers from the LOSS AND GAIN A/C. The excess balance on the Credit side shows the Net Worth.

CASH A/C.

(47) To this account are posted all cash items received or expended. The excess balance on the Debit side shows the amount of cash on hand.

BANK A/C.

(48) To this account are posted all deposits and withdrawals by cheque or otherwise. The ex-

10 EXPLANATION OF LEDGER ACCOUNTS.

cess balance on the Debit side shows the amount on deposit.

FARM EXPENSE A/C.

(49) To this account are posted all expenses of the farm, such as labor, fertilizer, grinding, repairs and the like. The excess balance on the Debit side shows the amount expended. This account is closed into LOSS AND GAIN A/C monthly.

HOUSE EXPENSE A/C.

(50) To this account are posted all house expenses like food, fuel, light, telephone, furniture, etc. The excess balance on the Debit side shows the amount expended. This account is closed into LOSS AND GAIN A/C monthly.

FAMILY EXPENSE A/C.

(51) To this account are posted all family expenses, like clothes, church, newspapers, amusements and all expenditures of a personal or family nature. The excess balance on the Debit side shows the amount expended. This account is closed into LOSS AND GAIN A/C monthly.

GROWING A/C.

(52) To this account are posted all items affecting the harvesting of produce, and the growth of

farm animals. The excess balance on the Credit side shows profit, while an excess balance on the Debit side shows a loss. This account is of such importance that Chapter VII has been entirely devoted to it. This account is closed into LOSS AND GAIN A/C monthly.

PRODUCE A/C.

(53) This account shows the value of the grain, vegetables and the like being held for future sale. It should be Debited when produce is stored after being gathered, and not sold at once. When produce which has been held for future sale is sold this account should be Credited. The excess balance on the Debit side shows the value of the produce on hand.

LIVE STOCK A/C.

(54) This account shows the value of the live stock grown and still on hand. It should be Debited when any live stock has become ready for sale, and is not sold at once. When live stock which is being held for sale is sold this account should be Credited. The excess balance on the Debit side shows the value of the live stock on hand.

BUTTER AND EGGS A/C.

(55) To this account are posted all items relating to the sale of butter and eggs. The excess

12 EXPLANATION OF LEDGER ACCOUNTS.

balance on the Credit side shows the gross profit. This account is closed into LOSS AND GAIN A/C monthly.

INTEREST AND DIVIDEND A/C.

(56) To this account are posted all payments and receipts of these items. An excess balance on the Credit side shows a profit; on the Debit side it shows a loss. This account is closed into LOSS AND GAIN A/C monthly.

TAXES AND INSURANCE A/C.

(57) To this account are posted all payments for these items. The excess balance on the Debit side shows the amount paid out. This account is closed into LOSS AND GAIN A/C monthly.

FARM PROPERTY A/C.

(58) To this account a first entry is made showing the Inventory value. The only other entries would be in the event some of the property is sold, deteriorates, or more is purchased. The excess balance on the Debit side shows the value.

LOSS AND GAIN A/C.

(59) No postings are made to this account, but the balances of those accounts showing losses, expenses or gains are transferred to it. After these transfers are made the LOSS AND GAIN A/C shows

the profit or loss for the month. A balance on the Debit side indicates a loss, and on the Credit side a gain. This account is closed into OWNER'S CAPITAL A/C monthly.

IMPLEMENTS A/C.

(60) To this account a first entry is made showing the Inventory value of all tools and machinery on hand. It is Debited when these articles are purchased, and Credited when they wear out. The excess balance on the Debit side shows the value.

STOCKS AND BONDS A/C.

(61) A first entry is made showing the Inventory value. It is Debited when stocks or bonds are purchased, and Credited when they are sold. The excess balance on the Debit side shows the value.

MORTGAGE PAYABLE A/C.

NOTES PAYABLE A/C.

(62) A first entry is made to each of these accounts showing the amounts, if any, of the mortgages or notes we must pay. The accounts are Credited when new notes or mortgages are given, and Debited when they are paid. The excess balance on the Credit side shows the amount to be paid. Mortgages and Notes Receivable are the reverse of Payable.

14 EXPLANATION OF LEDGER ACCOUNTS.

PERSONAL ACCOUNTS.

(63) Accounts like James Trevor and Garwood Milling Co. are called *Personal Accounts*. They are Debited with whatever we pay them, and are Credited with what they pay us. An excess balance on the Debit side shows the amount they owe us, and on the Credit side the amount we owe them.

CHAPTER VI.

DAILY TRANSACTIONS.

(64) The most onerous part of the work is now over with the books properly opened. The next step is to record what has been purchased, sold, paid out, grown and the like, or in other words to keep track of what is being done.

(65) In the Journal Diagram (96) after the opening entries you will find:

—2—

Paid cash for house supplies.

House Expense	Dr.	8.20	
Cash	Cr.		8.20

Beginning with this one is a series of specimen entries intended to cover practically every ordinary transaction on a farm. By reference to this diagram you should have no difficulty in making a simple entry of a purchase for the house, or even the more difficult ones covering the payment of Notes, the buying and selling of goods on credit, etc.

(66) Following the practice of the best business houses, every useless form has been eliminated and the entries put on a common sense basis, making them clear and understandable.

(67) The proper way is to write down every transaction as it occurs. If you pay out money, mark it down in the Journal at once. First state what it was paid out for, and then to which account it should be charged. If for a new hat it is Family Expense; if for food, it is House Expense. Then mark down the account that should be credited. If you paid cash, credit CASH A/C; if bought on credit, credit the person or concern trusting you.

(68) Once each week is generally a convenient and suitable time to post from the Journal to the Ledger. Regularity is the one great point, however, and whether you post every day, every week or every two weeks, you should be punctual and do it at the specified time.

(69) Posting the daily transactions is identical with the other posting, so no further instruction along that line seems necessary. The same rule is followed of transferring each item from the Debit side of the Journal to the Debit side of the Ledger, and from the Credit side of the Journal to the Credit side of the Ledger. By carefully studying the Journal and Ledger Diagrams (96 and 98) you will see the method of daily posting better than can be described in words.

CHAPTER VII.

THE GROWING ACCOUNT.

(70) A few remarks about the peculiarities of farm book-keeping might here be of interest.

(71) The product of a farm *grows*, and the profits must be derived from the growth. A field of wheat or of tomatoes represents an investment, but has no practical, tangible value until the wheat or tomatoes are gathered and ready for sale. Even then it is often impossible to determine their exact value. If the crop is sold at once the value is definitely fixed, but if the wheat is held for future sale we only know what we expect to get for it. Allowing for this uncertainty, which is not of great moment, the keeping of farm books can be made as accurate as the keeping of books for any other business. One great point of difference, however, is that in lines where goods are manufactured, or merely dealt in, it is comparatively easy to get at the *cost* of the product. This results in such concerns showing their profit on the manufacture or sale, when the goods are actually disposed of.

To figure the cost of a growing field would be neither feasible or necessary, and in view of this it

is found best in keeping farm books to figure the profit at the time of gathering the produce, whether it be sold at once or stored. There can be little objection to this method as the product of a farm is usually sold soon after it is gathered.

(72) Without going further into the differences between keeping books for the farm and for mercantile establishments, there are a few more simple points to bear in mind. Products, whether they be grain, fruits, vegetables or live stock, can be disposed of in four different ways:

- (a) Sold for cash.
- (b) Sold on credit.
- (c) Held for future sale.
- (d) Lost through any cause.

RULES FOR KEEPING THE GROWING A/C.

(73—I) Enter in the Journal each day the amount and value of the crop or crops gathered that day. In the case of wheat and the like, the entry should be made when it is threshed. The entry should be made after this form:

If sold for cash—

Gathered 20 bu. potatoes and sold @ 1.50,
for cash.

CASH	Dr.	30.00
GROWING A/C	Cr.	30.00

If sold on credit—

Gathered 20 bu. potatoes and sold to James Smith on 30 days time, @ 1.50

James Smith	Dr.	30.00	
Growing A/C	Cr.		30.00

If held for future sale—

Gathered 20 bu. potatoes and put in barn, estimated @ 1.50.

PRODUCE	Dr.	30.00	
Growing A/C	Cr.		30.00

NOTE.—*Produce A/C represents the produce on hand; see paragraph (53) for a fuller description of this account.*

(74—II) Enter in the Journal the description and value of any live stock sold or which has reached the point where it is ready for sale. If sold for cash or on credit the same form as in Rule I should be used.

If held for future sale the entry should be in this form:

3 calves now ready for sale, estimated @ \$25 each.

Live Stock A/C	Dr.	75.00	
Growing A/C	Cr.		75.00

NOTE.—*Live Stock A/C represents the live stock on hand; see paragraph (54) for a fuller description of this account.*

(75—III) Should a cow die, or some produce be destroyed after it had been credited in the GROW-

ING A/C, an entry should be made in the Journal after this form:

1 calf carried in Live Stock A/C died, valued
@ \$25.

Growing A/C,	Dr.	25.00
Live Stock A/C	Cr.	25.00

NOTE.—*As Growing A/C is credited when a profit is made it must be debited when a loss occurs.*

(76) If care and accuracy are used in keeping the GROWING A/C it will show at any time just how much has been produced, and how the current month compares with previous years. For the purpose of simplifying the directions only one GROWING A/C has been given, but no doubt a number of farmers would prefer keeping the profits of their live stock separate from the produce; and even the produce items can easily be divided up into GROWING A/C—Wheat, GROWING A/C—Corn, etc. When this is done the entries for wheat should be in the GROWING A/C—Wheat account, and the corn in the GROWING A/C—Corn account. In the east and near the large cities many farmers will find it advisable to separate their vegetables from the grain and grass crops in this way.

(77) Crops grown and intended for the feed of stock on the farm should not be entered in the GROWING A/C.

CHAPTER VIII.

MONTHLY CLOSING.

(78) At the end of every month is a good time to close the books. It is a very simple operation if the rules given here are carefully followed:

(79—I) Total the two sides of CASH A/C and the excess balance on the Debit side will show how much should be on hand. If this amount agrees with the cash actually on hand, CASH A/C is correct. Should there be a difference, and you have less cash than is called for in CASH A/C, it would indicate some expenditure had been made without getting on the books. If the difference is considerable it should not be hard to locate the missing expenditure. In the event of your locating it enter in the Journal and post it. Should there still be a small difference, make an entry like this and post it:

Shortage in cash not accounted for.

Family Expense	Dr.	1.28	
Cash	Cr.		1.28

CASH A/C and the cash actually on hand should now balance.

(80—II) Total the two sides of BANK A/C and the excess on the Debit side will show the amount

on deposit. If this amount agrees with what is actually in the bank, BANK A/C is correct. If not, look over the deposits and withdrawals and find where the error arises. An error in this account can only happen through making a wrong entry or posting, through not entering a deposit or withdrawal, or through not entering interest. When the error if any is located, correct it. Place any omitted or correcting entry in the Journal and post it.

(81—III) Look over the produce you have on hand and see if it about agrees with the value shown in the PRODUCE A/C. The excess balance on the Debit side of PRODUCE A/C should be of about the value of the produce held for future sale. If you find there is more, or less actually on hand than the books show, make an entry in the Journal after this manner:

The value of the grain, etc., ready for sale is about \$50 less than shown in the Produce A/C.

Growing A/C	Dr.	50.00	
Produce A/C	Cr.		50.00

or—

The value of the grain, etc., ready for sale is about \$50 greater than shown in Produce A/C.

Produce A/C	Dr.	50.00	
Growing A/C	Cr.		50.00

NOTE.—*A discrepancy of this kind between the produce on hand and the value as shown in Produce A/C may occur in several ways—*

(b) *Carlessness in keeping the Growing A/C.*

(b) *Loss through disease.*

(c) *Feeding to farm stock.*

(d) *Selling the produce charged to Produce A/C at greater or lesser prices than estimated.*

(82—IV) Now treat the LIVE STOCK A/C in the same way.

NOTE.—*It will be found if the books are carefully kept that adjustment entries of this kind need be made but very rarely.*

(83—V) After the posting of all entries from the Journal to the Ledger, total the Debit and Credit columns of the Journal to see that they agree in amount. If they do not agree see where the difference arises and correct it. Bear in mind that whenever an amount is put in the Debit column of the Journal, an exactly equal amount must be put in the Credit column. Should you correct an error in the Journal which would change an amount posted to the Ledger, the correction should also be made in the Ledger.

(84—VI) Next take a sheet of paper ruled and headed as shown in the TRIAL BALANCE DIAGRAM (99). Starting on the top line of this sheet

next below the heading, write the page number and the name of the first account in the Ledger. On the same line put the total of the Debits, if any, in the Debit column, and the total of the Credits, if any, in the Credit column. Continue this with all accounts in the Ledger.

NOTE.—*Put the totals in pencil figures, just under the last amount in the Ledger accounts, see LEDGER DIAGRAM (98).*

(85—VII) Add the Debit and Credit sides of the Trial Balance sheet separately, and if they total the same the Trial Balance is correct. Should the totals not be the same, some mistake or mistakes have been made. To discover such errors it is best to look systematically as follows:—

(a) Check the totals of the Trial Balance sheet.

(b) Go over each Ledger account and see if both sides have been totalled correctly, and the right amount carried to the Trial Balance sheet.

(c) Check over *all postings* for the month. If the last previous balance was correct and the totals of the two sides of the Journal give the same amount, any errors must be discovered by this checking. At first you may find it necessary to check more than once.

(86—VIII) After the Trial Balance has been found correct, turn to HOUSE EXPENSE A/C in the Ledger and as shown in the LEDGER DIAGRAM

(98), make an entry in red ink on the Credit side after this form:

Oct. 31.	Loss and Gain.	75	24.52
----------	----------------	----	-------

The amount will be the difference between the totals of the two sides of the account. Then put down the total of each side, which will be the same, and rule as shown in the diagram.

(87—IX) Turn to LOSS AND GAIN A/C on page 75, and after this form make an entry in red ink on the Debit side, see diagram (98),

Oct. 31.	House Expense	14	24.52
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(88—X) Treat FARM EXPENSE A/C.
 FAMILY EXPENSE A/C.
 GROWING A/C.
 INTEREST AND DIVIDENDS A/C.
 TAXES AND INSURANCE A/C.
 BUTTER AND EGGS A/C.

and any other accounts showing losses or gains in the same manner, excepting as noted in Rule XI. Make all transfer entries in red ink.

(89—XI) When an account shows a loss the total of the Debit side will be the greater; the transfer entry will therefore be on the Credit side of the account, and on the Debit side of LOSS AND GAIN A/C. When an account shows a gain, the total of the Credit side will be the greater; the transfer en-

try will then be on the Debit side of the account, and on the Credit side of LOSS AND GAIN A/C.

(90—XII) The profits will always show on the Credit side of LOSS AND GAIN A/C, and the losses on the Debit side.

(91—XIII) The accounts enumerated in Rules VIII, and X, are the only ones in the specimen set of books which should be transferred to LOSS AND GAIN A/C. It is not probable you will find it necessary to open any other accounts of this nature, but if so they should be transferred and ruled off each month. Selecting accounts which show a loss or a gain may seem a trifle difficult at first, but it is very simple. You will note that such accounts are ones like HOUSE EXPENSE, TAXES, GROWING A/C, etc., but are not accounts like BANK, CASH, or JAMES TREVOR, which only show what is owned or owed. We neither lose nor gain when we lend money to John Smith, it is merely a transfer of cash from our pocket or bank to John Smith, and we expect to get it back. When we buy a plow we do not lose anything, for we have merely exchanged cash for something of equal value, and which we still have. When we pay out wages, however, it is a loss, for we have nothing tangible left in place of the cash paid out.

(92—XIV) After all the accounts mentioned are transferred to LOSS AND GAIN A/C, total the

two sides of that account, and on the side having the smaller total make an entry in red ink as shown in the diagram of LOSS AND GAIN A/C (98) :

Oct. 31. Owner's Capital A/C 1 132.72

Total and rule this account as shown.

(93—XV) Should the transfer entry be on the Debit side, make a corresponding entry in red ink on the Credit side of OWNER'S CAPITAL A/C as shown in the diagram (98) :

Oct. 31. Loss and Gain A/C 75 132.72

The amount will be the profit for the month. Should the transfer entry be on the Credit side of LOSS AND GAIN A/C, make the corresponding entry on the Debit side of OWNER'S CAPITAL A/C. The amount will then be the loss for the month.

(94) Whenever an amount is placed on one side of the Journal or Ledger, an equal amount must be placed on the other side. This is the great Cardinal Rule of double entry book-keeping, and there are no exceptions to it.

CHAPTER IX.

DIAGRAMS.

(95) *INVENTORY DIAGRAM.*

INVENTORY.

RESOURCES.

Cash on hand			32	47
Deposited in Bank			249	00
Jacob Ford, owes on account			160	00
Farm Property			8500	00
Implements				
1 Threshing Machine		\$250 00		
2 Seeders @ \$35 each		70 00		
3 Wagons		200 00		
2 Carriages		110 00		
2 Plows		50 00		
Harrows, etc.,		100 00	780	00
Live Stock				
4 Cattle	@ \$25 each	\$100 00		
15 Pigs	@ 9 "	135 00		
10 Sheep	@ 6 "	60 00	640	00
4 Horses	@ 80 "	320 00		
Chickens, etc.,		25 00		
Total forward			10361	47

(95)—Cont'd. *INVENTORY DIAGRAM, Continued.*
INVENTORY.

Total forward		10361	47	
RESOURCES (Continued)				
Produce				
200 bu Wheat	@ 98c.	\$196 00		
100 " Corn	@ 50c.	50 00		
150 " Oats	@ 43c.	64 50		
16 ton Hay	@ \$10	160 00		
6 " Straw	@ 6	36 00		
Vegetables, etc., to be sold		74 50		
50 Shares Paris Oil Co.	@ \$1.25	\$62 50		
10 " Pike R. R. Co.	@ 22.00	220 00		
5 \$100 Bonds of Marsh County	@ 102	510 00		
Total Resources		792	50	11734 97
LIABILITIES				
Owe Garwood Milling Co.		78	10	
" Cowles Blacksmith Shop		17	00	
" James Trevor		110	00	
" On my note dated April 1, 1907, given to Beachfield Bank, due Oct. 10, 1907, 6% interest		350	00	
" Mortgage on farm dated Oct. 10, 1905, due Oct. 10, 1910. Interest 5%, payable April 10, and Oct. 10. Held by Union Trust Co.		2200	00	
Total Liabilities				2755 10
NET WORTH				8979 87

NOTE:—Net Worth represents the Owner's Capital A/C.

(96) JOURNAL DIAGRAM.

JOURNAL.

Page 1

LP	October 1st, 1907.	Dr.	Cr.
2	Cash	32	47
17	Bank	249	00
73	Farm Property	8500	00
86	Jacob Ford	160	00
74	Implements	780	00
66	Live Stock	640	00
61	Produce	581	00
78	Stocks & Bonds	792	50
79	Garwood Milling Co.		78
80	Cowles Blacksmith Shop		17
81	James Trevor		110
82	Notes Payable		350
83	Mortgage Payable		2200
1	Owner's Capital A/C		8979
	NOTE:—The above are the opening entries. Debit accounts which represent what you own. Credit the accounts which represent what you owe. The owner is credited with his net worth because he has invested that amount and the farm "owes" it to him.		87
	Paid for house supplies.		
37	House Expense	8	20
2	Cash		8
	NOTE:—The above are the opening entries. Cash A/C is credited whenever cash is paid out.		20
	Total forward	11743	11743
		17	17

JOURNAL DIAGRAM, Continued.

(96)—Cont'd.

JOURNAL.

Page 2

LP

		Dr.	Cr.
	Total forward	11743 17	11743 17
79	Paid Garwood Milling Co. account by cheque on bank.		
17	Garwood Milling Co. Dr.	78 10	
	Bank		78 10
	NOTE:—Creditors are Debited when paid. Bank A/C is Credited when a cheque is drawn.		
	Sold 2 cows for \$72, and 6 pigs for \$41. Received cash.		
2	Cash		
66	Live Stock Dr.	113 00	
	NOTE:—Cash when received is Debited. When cows, etc., which have been entered in the Inventory are sold, Live Stock A/C is Credited.		113 00
	Deposited cash in bank.		
17	Bank	110 00	
2	Cash		110 00
	NOTE:—Bank is Debited when money is deposited. Cash is always Credited when paid out.		
	Threshed wheat and put 250 bu. in barn; estimated @ 90c.		
61	Produce	225 00	
57	Growing A/C Dr.		225 00
	NOTE:—Debit Produce A/C for all wheat, etc., when gathered and held for future sale. Credit Growing A/C for all produce gathered, regardless of how it is disposed of.		
	Total forward	12269 27	12269 27

DIAGRAMS.

31

JOURNAL DIAGRAM, Continued.

(96) —Cont'd.

JOURNAL.

Page 3

32

DIAGRAMS.

LP		Dr.	Cr.
	Total forward	12269 27	12269 27
66	Bought a horse from Andrew Martin, paid by my note due Jan. 5/08, without interest.		
82	Live Stock	125 00	125 00
	Notes Payable		
	NOTE:—Debit Live Stock A/C when animals are bought.		
	Credit Notes Payable A/C when anything is paid for with a note.		
	—5—		
	Bought feed for chickens		2.50
	and lumber for repairs		8.00
27	Farm Expense	10 50	10 50
2	Cash		
	NOTE:—Debit Farm Expenses when things of this kind are bought.		
	—7—		
	Sold to Wm. Grant on a/c		90.00
	90 bu wheat @ 1.00		29.40
	70 bu oats @ .42		
84	William Grant	119 40	119 40
61	Produce		
	NOTE:—Debit anyone we sell or trust.		
	Credit Produce A/C when produce carried in the inventory or charged to that account is sold.		
	—8—		
	Bough clothes, paid by cheque.		
47	Family Expense	37 00	37 00
17	Bank		
	NOTE:—All expense items should be Debited.		
	—8—		
	Total forward	12561 17	12561 17

JOURNAL DIAGRAM, Continued.

(96)—Cont'd.

JOURNAL.

Page 4

LP		Dr. 12561	17	Cr. 12561	17
	Total forward				
	Paid church dues 7.50, and subscription to paper 2.00.				
47	Family Expense	9	50	9	50
2	Cash				
	Drew cheque on bank for cash.				
2	Cash				
17	Bank	35	00	35	00
	NOTE:—When cash is drawn from the bank, cash is Debited and Bank Credited.				
	Paid interest on mortgage by cheque.				
71	Interest and Dividends	55	00	55	00
17	Bank				
	NOTE:—We debit that which costs.				
	Received yearly dividend on Pike R. R. stock @ 2.20 per share—6 shares. Deposited cheque in bank.				
17	Bank	13	20	13	20
71	Interest and Dividends				
	Threshed rye and sold 50 bu for cash @ 80c.				
2	Cash	40	00	40	00
57	Growing A/C				
	NOTE:—Always Credit Growing A/C when crops are gathered or threshed.				
	Total forward	12713	87	12713	87

DIAGRAMS.

33

JOURNAL DIAGRAM, Continued.

(96)—Cont'd.

JOURNAL.

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DIAGRAMS.

LP		Total forward	Dr. 12713	87	Cr. 12713	87
57	Jersey cow died.	—12—				
66	Growing A/C	Dr.	35	00	35	00
	Live Stock	Cr.				
	NOTE:—As we credit Growing A/C when a profit is made, we must debit it when a loss occurs.					
	Live stock is credited when animals are disposed of.					
	To lose an animal is to dispose of it.					
	—14—					
37	Bought house supplies for cash.	Dr.	7	60	7	60
2	House Expense	Cr.				
	Cash	—15—				
	Paid farm wages by cash and cheque.	John				
	Green \$22. Sam Felton \$9.					
27	Farm Expense	Dr.	31	00	22	00
17	Bank	Cr.			9	00
2	Cash	Cr.				
	NOTE:—In this entry we have one Debit and two Credits.					
	Notice the amounts of the Debit and Credit sides are the same.					
	—15—					
	Borrowed cash from Jas. Brown and deposited it in bank.					
17	Bank	Dr.	100	00	100	00
85	James Brown	Cr.				
	NOTE:—We Credit whoever pays, lends or gives us money.					
	Total forward		12887	47	12887	47

JOURNAL DIAGRAM, Continued.

(96)—Cont'd.

JOURNAL.

Page 6

LP		Total forward	Dr.	Cr.
	—15—		12887 47	47
82	Paid Note and interest by cheque.			
71	Notes Payable Dr.		350 00	
17	Interest and Dividends Dr.		11 38	
	Bank Cr.			361 38
	NOTE:—We debit whatever we pay for.			
	—19—			
72	Paid taxes for year by cheque.			
17	Taxes and Insurance Dr.		68 00	
	Bank Cr.			68 00
	—22—			
74	Bought a plow and 3 pitchforks, paid by cheque.			
17	Implement Dr.		32 00	
	Bank Cr.			32 00
	NOTE:—Tools are charged to Implement A/C. Buying them is an investment, not a loss or expense.			
	—22—			
2	Sheared 8 sheep and sold the wool for cash.			
57	Cash Dr.		21 00	
	Growing A/C Cr.			21 00
	—24—			
37	Bought house supplies, paid cash.			
2	House Expense Dr.		8 72	
	Cash Cr.			8 72
	Total forward		13378 57	13378 57

JOURNAL DIAGRAM, Continued.

(96)—Cont'd.

JOURNAL.

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DIAGRAMS.

LP			Dr.	Cr.
	—24—	Total forward	13378	57
66	3 calves now ready for market, estimated at \$51			
57	Live Stock Dr.		51	00
	Growing A/C	Cr.		51 00
	—25—			
86	Gathered 200 crates of tomatoes, and sold to J.			
57	Ford on a/c @ 75c. Dr.		150	00
	Jacob Ford	Cr.		150 00
	Growing A/C			
	—25—			
80	Paid Cowles Blacksmith Shop.		17	00
2	Cowles Blacksmith Shop Dr.	Cr.		17 00
	Cash			
	—28—			
81	Paid Jas. Trevor on a/c by cheque.		50	00
17	James Trevor Dr.	Cr.		50 00
	Bank			
	—28—			
72	Paid fire insurance premium by cheque.		17	50
17	Taxes and Insurance Dr.	Cr.		17 50
	Bank			
	—30—			
2	R'e'd cash for butter & eggs sold during month.		18	20
69	Cash Dr.	Cr.		18 20
	Butter and Eggs			
	—30—			
47	Paid cash for the children's music lessons.		10	00
2	Family Expense Dr.	Cr.		10 00
	Cash			
	Total forward		13692	27
			13692	27

JOURNAL DIAGRAM, Continued.

(96)—Cont'd.

JOURNAL.

Page 8

LP		Dr.		Cr.	
		13692	27	13692	27
47	Total forward				
2	In balancing the cash on hand there is a shortage of 1.28 which cannot be accounted for.				
	Family Expense				
	Cash				
	Note:—See explanation of this entry in (79).				
57	The value of the grain, etc., ready for sale is about \$50 less than shown in Produce A/C.				
61	Growing A/C				
	Produce A/C				
	Note:—See explanation of this entry in (81).				
27	An old plow has worn out and was replaced by a new one on the 22nd.				
74	Farm Expense				
	Implements				
	Note:—When a tool wears out it should be charged off to Farm Expense A/C, and Credited to Implements A/C. Implements AC represents the tools on hand. As new tools are debited to it, it should be Credited when they wear out.				
	Total for month	13768	55	13768	55

DIAGRAMS.

37

LEDGER DIAGRAM.

Debit Side.

Credit Side.

HOUSE EXPENSE.

Page 37

[illegible]

FAMILY EXPENSE.

Page 47

1907	JP	1907	Loss and Gain	JP	78
Oct.	8	37		75	57
"	8	9			
"	30	10			
"	31	1			
		57			
		78			
		57			
		78			

(98)—*Cont'd.*
Debit Side.

Credit Side.

Page 69

BUTTER AND EGGS.

1907	JP	1907	JP	18	20
Oct 31	Loss and Gain	18	75	18	20
		20		18	20
		Oct. 30	Cash		
				9	

INTEREST AND DIVIDENDS.

[illegible]

TAXES AND INSURANCE.

[illegible]

FARM PROPERTY.			FARM PROPERTY.			FARM PROPERTY.		
1907	1	Sundries	JP	8500 00	JP			
Oct.			1	8500 00				
IMPLEMENTS.			IMPLEMENTS.			IMPLEMENTS.		
1907	1	Sundries	JP	780 00	1907	31	Farm Expense	JP
Oct.	22	Bank	7	32 00	Oct.	31		10
"				812 00				25 00
LOSS AND GAIN.			LOSS AND GAIN.			LOSS AND GAIN.		
1907	31	Farm Expense	JP	66 50	1907	31	Growing A/C	JP
Oct.	31	House Expense	37	21 52	Oct.	31	Butter and Eggs	57 402 00
"	31	Family Expense	47	57 78	"			69 18 20
"	31	Interest and D.	71	53 18				
"	31	Taxes and Ins.	72	85 50				
"	31	Owner's Cap. A/C	1	132 72				
				420 20				420 20

(98)—*Cont'd.*
Debit Side.

LEDGER DIAGRAM.

Credit Side.

STOCKS AND BONDS.

Page 78

1907 Oct. 1	Sundries	JP 1	792 792	50 50		JP	
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GARWOOD MILLING CO.

Page 79

1907 Oct. 3	Bank	JP 2	78 78	10 10	1907 Oct. 1	Sundries	JP 1	78 78	10 10
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COWLES BLACKSMITH SHOP.

Page 80

1907 Oct. 25	Cash	JP 8	17 17	00 00	1907 Oct. 1	Sundries	JP 1	17 17	00 00
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JAMES TREVOR.

Page 81

1907 Oct. 28	Bank	JP 8	50 50	00 00	1907 Oct. 1	Sundries	JP 1	110 110	00 00
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DIAGRAMS.

(98)—*Cont'd.*
Debit Side.

LEDGER DIAGRAM.

Credit Side.

46

NOTES PAYABLE.

Page 82

1907 Oct. 15	Bank	JP 7	350 350 00	1907 Oct. " 5	1 5	Sundries Live Stock	JP 1 3	350 125 00 475 00
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MORTGAGE PAYABLE.

Page 83

		JP		1907 Oct. 1	1	Sundries	JP 1	2200 2200 00
--	--	----	--	----------------	---	----------	---------	-----------------

WILLIAM GRANT.

Page 84

1907 Oct. 7	Produce	JP 4	119 40 119 40				JP	
----------------	---------	---------	------------------	--	--	--	----	--

JAMES BROWN.

Page 85

		JP		1907 Oct. 15	15	Bank	JP 6	100 100 00
--	--	----	--	-----------------	----	------	---------	---------------

DIAGRAMS.

(99) TRIAL BALANCE DIAGRAM.

TRIAL BALANCE, OCTOBER 31, 1907.

LP	Name of account.	Total of Debits.	Total of Credits.
1	Owner's Capital A/C		8979
2	Cash	259	67
17	Bank	472	20
27	Farm Expense	66	50
37	House Expense	24	52
47	Family Expense	57	78
57	Growing A/C	85	00
61	Produce	806	00
66	Live Stock	816	00
69	Butter and Eggs		169
71	Interest and Dividends		40
72	Taxes and Insurance		148
73	Farm Property		00
74	Implements	66	18
78	Stocks and Bonds	85	13
79	Garwood Milling Co.	8500	50
80	Cowles Blacksmith Shop	812	00
81	James Trevor	792	50
82	Notes Payable	78	10
83	Mortgage Payable	17	00
84	William Grant	50	00
85	James Brown	350	00
86	Jacob Ford	119	40
		310	00
	Total	13768	55

CHAPTER X.

AFTER THE FIRST MONTH.

(100) The instructions and method given in the preceding chapters and diagrams are planned so that every month is separate and complete in itself. Yet, while each month is complete, and the books are closed every month, no opening entries of any kind are necessary in beginning the next month.

(101) In starting the next month, write in the Journal on the top of the next open page:

Journal, November 1, 1907.

and then continue to record the daily transactions as heretofore.

(102) Post from the Journal to the Ledger as during the first month. For convenience start the entries on both sides on the same line of the Ledger, as shown in the diagram of CASH A/C (98).

(103) In taking off the Trial Balance at the end of the second and succeeding months, take only the figures below the ruled lines. This refers especially to accounts like HOUSE EXPENSE, which have been closed into LOSS AND GAIN A/C. Total the figures below the ruled lines, in pencil as before.

On the accounts not ruled off, add the current month's entries to the penciled total under the preceding month, and pencil in the combined total as before. These penciled totals are then carried to the Trial Balance.

(104) After the Trial Balance has been proved correct, transfer the loss and gain balances to LOSS AND GAIN A/C as before, closing and ruling the accounts transferred. Then finish up by closing the LOSS AND GAIN A/C into the OWNER'S CAPITAL A/C.

(105) Every month is complete in itself and the work continues in the same manner from month to month. This constant repetition will soon familiarize you with all the details of book-keeping, and those points which at first may seem obscure or unnecessary will be readily understood.

CHAPTER XI.

DEFINITIONS AND MEANINGS.

These definitions are only intended to cover the meanings of the words or expressions, as they are used in book-keeping, and more particularly in this book.

(106) ACCOUNT, LEDGER.—The Ledger is divided into sections, each section being called an account. In each account are grouped all items relating to that account. Thus, all cash matters are kept in CASH A/C, and all relating to implements in IMPLEMENTS A/C.

(107) ADJUSTMENT ENTRIES. — Entries made in the Journal to correct some previous error or omission.

(108) ANIMALS, GROWTH OF.—For book-keeping purposes an animal is considered grown, when it has become ready for work or for sale. Before then it is a source of expense rather than of profit.

(109) BALANCE.—An account is said to balance when the totals of both sides are the same.

A "Debit Balance," means there is an excess amount on the Debit side, and *vice versa*.

(110) BALANCE, TRIAL.—See Trial Balance.

(111) BANK ACCOUNT. — In book-keeping is meant the LEDGER A/C of that name. It also indicates the account kept at one's bank.

(112) BANK BALANCE.—The amount of the bank balance is shown by the excess on the Debit side of BANK A/C. This should exactly tally with the amount actually on deposit.

(113) BLACK INK.—See Ink.

(114) BOOK-KEEPING.—See Double Entry.

(115) BORROWING.—When a thing is borrowed, Debit that which is received, and Credit the lending party.

(116) BUTTER AND EGGS.—See (55).

(117) CAPITAL A/C.—Represents the investment; the excess of what is owned over what is owed is the capital of the farm. See (46).

(118) CASH.—The money actually on hand.

(119) CASH BALANCE.—The amount of cash on hand, which should agree with the excess balance on the Debit side of CASH A/C.

(120) CHECK.—Used to show an entry has been posted from the Journal to the Ledger.

(121) CHEQUE OR CHECK.—A written order on a bank to pay money on demand.

(122) CLOSED.—An account is said to be closed when it balances. See CLOSING THE BOOKS.

(123) CLOSING THE BOOKS.—An expression used to describe the terminating of the month's business, preparatory to opening the books for the next month.

(124) CREDIT.—We credit that which gives, produces, or pays.

(125) CREDIT, BUYING ON — Means when we have things charged to our account.

(126) CREDIT, SELLING ON — Means when we trust a party to pay later.

(127) CREDIT SIDE.—The right hand side of the Journal or Ledger.

(128) DAILY TRANSACTIONS. — Those expenditures, etc., which are recorded in the Journal from day to day.

(129) DEBIT.—We debit that which costs, receives, or which we pay.

(130) DEBIT SIDE.—The left hand side of the Journal or Ledger.

(131) DEPOSIT.—Money entrusted to a bank.

(132) DETERIORATION.—Shrinkage in value of buildings, animals, crops, implements or investments.

(133) DIVIDENDS.—Income from stocks, and from some other forms of investments.

(134) DOUBLE ENTRY. — Book-keeping is called double entry when every transaction is recorded by entering equal amounts on the Debit and Credit sides of the Journal, and when at all times and through every process the total amounts are the same on the Debit and Credit sides of the books.

(135) ENTRY.—The record, or transfer of the record, of a transaction.

(136) EXCESS BALANCE. — The excess amount of one side of a Ledger account over the other side.

(137) EXPENDITURE.—What is paid out.

(138) EXPENSE.—Those expenditures for other than debts, which after being paid leave nothing of inventoriable value.

(139) FAMILY EXPENSE.—All expenditures personal to the family, like clothes and amusements.

(140) FARM BUILDINGS.—All buildings on the farm, including the dwelling house.

(141) FARM EXPENSE.—All expense relating to the operation or repair of the farm, excepting those expenditures for articles of inventorable value, like implements.

(142) FARM PROPERTY.—All real estate, buildings and fixtures, but not the movables nor chattels.

(143) FEED FOR STOCK.—Feed grown and intended to be used for the farm stock. This feed should neither be inventoried, entered in the GROWING A/C, nor be carried in the PRODUCE A/C.

(144) FUTURE SALE.—A sale not consummated, nor necessarily arranged, but expected.

(145) GAIN.—The excess balance on the Credit side of LOSS AND GAIN A/C.

(146) GROWING A/C.—See Chapter VII.

(147) HARVESTING.—Gathering the crops.

(148) HEADING.—The title or other description placed above the body of the written matter.

(149) HOUSE EXPENSE.—All expenditures for the table, and of a general nature like heat and light.

(150) IMPLEMENTS.—All kinds of tools and machinery.

(151) INDEX.—Used to locate the Ledger accounts.

(152) INK.—Red ink is used for making transfer entries in the Ledger and for ruling. Black ink is used for all other purposes.

(153) INSURANCE PREMIUMS. — The fee paid for insurance.

(154) INTEREST.—The premium for the use of money.

(155) INVENTORY.—A tabulated list of Resources and Liabilities.

(156) INVESTMENT.—That into which is placed surplus capital or savings, either for greater security or greater profit. All loans, and expenditures for articles of inventoriable value are generally speaking, investments.

(157) JP.—Journal Page.

(158) JOURNAL.—The book of original entry.

(159) LP.—Ledger Page.

(160) LEDGER.—A book divided into accounts, and to which is posted all entries from the Journal.

(161) LEDGER ACCOUNTS.—See Accounts.

(162) LEDGER INDEX.—See Index.

(163) LIABILITIES.—That which is owed.

(164) LIVE STOCK.—All animals on the farm, intended either for work or sale.

(165) LOAN.—That which is borrowed or lent.

(166) LOSS.—The excess balance on the Debit side of LOSS AND GAIN A/C.

(167) LOSS AND GAIN.—The account to which is transferred all losses and gains shown in the other accounts. An excess balance on the Debit side shows a loss, and on the Credit side a profit.

(168) MONTHLY CLOSING.—See Closing the Books.

(169) MORTGAGE PAYABLE. — A mortgage on property, which we must pay.

(170) NET WORTH.—The excess of Resources over Liabilities.

(171) NOTES PAYABLE AND RECEIVABLE.—A Note given, or a Note received by us.

(172) OWE.—Liabilities.

(173)—OWN.—Resources.

(174) OWNER'S CAPITAL A/C.—See Capital A/C.

(175) PENCIL.—In book-keeping the pencil is only used for making temporary totals and memoranda, and for adding up the Ledger accounts at the end of the month.

(176) PERSONAL EFFECTS.—Articles like clothes and jewelry.

(177) POSTING.—The transferring of entries from the Journal to the Ledger.

(178) PRODUCE.—The product of the farm, see (53).

(179) PROFIT.—See GAIN.

(180) RECEIPTS.—Gross income.

(181) RED INK.—See INK.

(182) RESOURCES.—That which is owned.

(183) RULING.—Lines used to separate one set of figures from another set; and to show the end of a transaction or the closing of an account.

(184) STOCK, LIVE—See LIVE STOCK.

(185)—SUNDRIES. A word used in book-keeping to indicate a combination of several accounts.

(186) TOTAL.—The whole sum.

(187) TRANSFER ENTRY.—An entry made in red ink, transferring an amount from one Ledger account to another.

(188) TRIAL BALANCE.—A balance taken just before closing the books to make sure the totals of the Debit and Credit sides of the Ledger are the same.

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