

BOOKKEEPING AND ACCOUNTING EXERCISES

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Bookkeeping and Accounting Exercises by R. J. Bennett

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R. J. BENNETT

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BENNETT'S BOOKKEEPING AND ACCOUNTING EXERCISES, PART I.

W. P. 2

PREFACE

THE need of suitable supplementary exercises in bookkeeping to test the thinking ability of the student has been apparent to me for several years, and has prompted me to prepare this series. The character of the work is made general in order to cover the ground fully, and the exercises are graded in order to bring out the student's best efforts. Some of the questions may seem hard, but it has been thought best to make them so, because plenty of easy material may be found in the regular textbooks. After some careful study and thought, however, they may not seem so hard as a first glance would indicate. No *rules* are given, as they are contained in all leading bookkeeping texts. Where necessary the teacher should make suggestions as to the proper procedure in working any particular example.

The exercises may be used with any textbook, either for class drills, home work, examinations, or for supplementary work. Part or all of the questions in an exercise may be assigned for a lesson, as the teacher may deem advisable. Review questions are found every tenth exercise, and a general review is given at the end.

Special features of the book are the chapters containing extended discussions of "Business Statements," "Errors and Trial Balances," "Manufacturing, Trading, and Profit and Loss Statements," and "Auditing." These are not covered at any great length in textbooks on bookkeeping, and therefore should be of special interest to the teacher and the student.

Journalizing is given only subordinate place, as modern systems of bookkeeping make use of the Journal to a limited extent. The principle of debit and credit, and the equilibrium of the ledger, however, are constantly kept in mind.

The teacher will find herein exercises for all stages of the work, both junior and intermediate, and the advanced student may find plenty of scope for testing his knowledge of book-keeping and accounting.

Both teacher and student should keep in mind that observation and actual experience must be combined with study and practice in order to produce first-class bookkeepers.

The exercises are divided into two parts, Exercises 1-39 being the Elementary, and 40-61 the Advanced. The Advanced Exercises are designed for advanced students in commercial and high schools, and for classes or individuals in higher accounting. These questions are well adapted to the work of advanced accounting, and are carefully graded to meet the needs of students of accountancy.

Answers are not included, as the methods of working and arriving at results are the main objects desired, which in many cases involve a considerable exhibit of details. Accuracy is required at every stage of the work, and nothing else should be accepted.

"What is worth doing at all is worth doing well."

R. J. BENNETT.

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BOOKKEEPING AND ACCOUNTING EXERCISES

PART I

EXERCISE 1

Drill in Journalizing

Personal Accounts, Merchandise and Cash

Use journal paper and make entries for the following transactions:

1. Paid cash for merchandise as per invoice, \$300.

Cash means money, checks, bank drafts, postal and express money orders, etc.; in fact, anything that can be readily converted into money.

2. Sold merchandise for cash, \$100.
3. Bought of Peter Smith & Sons merchandise per invoice, \$185, terms on acct. 10 days.
4. Bought merchandise from Newcomb, Endicott & Co., \$360, terms one half cash, balance 15 days.
5. Paid Globe Installment House cash to balance account, \$68.
6. C. S. Cook brought you farm produce, \$28.60, to apply on his account.
7. Paid Wm. H. Elliott & Co., \$160, in full of account, per statement rendered.

It is the custom for merchants to give an itemized bill or invoice with each sale of goods, and at the end of the month to render a statement showing the totals of the several invoices given during the month. This statement, in the case of a running account, shows the balance due at the beginning of the month, to which is added the amount of sales. From the total is deducted the amount of any credits or payments that have been received during the month; the balance shows the amount owing.

8. Delivered merchandise to Chas. Leach, \$48, per written order of W. F. Jewell, which he agrees to pay for in 5 days.

9. Gave John Blessed & Sons check for \$31.65, to apply on account of groceries.

10. Received currency for sales of merchandise, \$55.80.

Currency means the money which passes current throughout the country — gold, silver, minor coins, and paper money.

11. Shipped merchandise to John Wanamaker, Philadelphia, \$350, per his order of recent date. He sent a check for \$150 to apply on account.

12. Brought merchandise of Wm. H. Elliott & Co., \$500. Paid one half by check and asked them to bill the balance at 30 days.

13. Paid Peter Smith & Sons in full of account, \$185, in currency.

14. Sold Wm. B. Thompson for check, merchandise, \$850.

15. Gave the above check to Grinnell Bros. to apply on account.

The practice of transferring checks in this manner is not a good one, but it is done by many persons who do not maintain bank accounts.

16. Bought of Peter Smith & Sons merchandise, \$170. Gave them an order on themselves drawn by H. C. Beck for \$50, and your check for \$75.

17. Received a check from Daniel Wright in full of all demands, \$45.

Sometimes a receipt is given or a check taken which receipts "in full of all demands." Care should be taken when giving such a receipt to satisfy one's self that there is nothing overlooked.

18. Deposited in the bank checks and currency amounting to \$520.

19. Paid Newcomb, Endicott & Co., by check, \$180, in full of account.

20. Sold for cash merchandise, \$1105; and bought for currency, merchandise, \$36.

21. Drew from the bank by check \$50 for ready change.

Exercise in Ruling Accounts

22. Rule up a form of Ledger account for Robt. Harding. Show therein five purchases of goods that you made at different