

## QUESTIONS FOR REVIEW.

REMARKS, PAGE 128.

1. In what sense is this a continuation of Set 1?—2. What different plan is adopted in the keeping of property accounts?—3. When is it customary to keep other than a general Merchandise account?—4. When the business commences with a capital, what is the first entry?—5. What account is credited with the investment?—6. What does Stock account represent?—7. What is the technical meaning of the term "Sundries"?—8. Why is it used in Journal or Ledger entries?

ORDER AND PURPOSE OF CLOSING THE LEDGER, PAGE 142.

9. In what condition was the Ledger of Set 1 left?—10. Under what circumstances is this sufficient?—11. When is it necessary to "close" the Ledger accounts?—12. When an account is closed, how is the *balance* or *difference* exhibited?—13. How many classes of accounts are there in Double Entry?—14. What is the distinction?—15. What are they called?—16. What is meant by FINANCIAL accounts?—17. What by BUSINESS?—18. What is the object of closing the Ledger?—19. Why are the gains and losses in business permitted to appear in the BUSINESS accounts, instead of being carried directly to the proprietor's account?—20. How often is it customary to credit the proprietor with his gains?—21. To what condition is the Ledger restored when the gains and losses are transferred to the proprietor's account?—22. What is the first thing necessary after posting all the entries to the Ledger?—23. In what sense is the Trial Balance a test of the correctness of the work?—24. What two features are presented by the Trial Balance on page 142?—25. How may the *present condition* of a business be shown?—26. How are resources shown on the Ledger?—27. How liabilities?—28. How losses?—29. How gains?—30. What two accounts may be used to show these results?—31. What is contained in the Loss and Gain account?—32. What in the Balance account?—33. Can you learn from the Merchandise account the value of Merchandise unsold?—34. How is it ascertained?—35. When the Merchandise account is credited with the inventory of unsold Merchandise, what will the account represent?—36. What is the process of *closing* an account?—37. In closing an account, why is the *difference* placed on the smaller side?—38. What test have we for ascertaining if the balances of the accounts are properly transferred?—39. What accounts are contained in the "Second Trial Balance"?—40. Why will the difference in the Stock account, after the gain or loss has been transferred, equal the difference in the Balance account when all the resources and liabilities have been entered?—41. Is it necessary in closing the Ledger to open a Balance account?—42. How may the same effect be produced?—43. What is the *first* step in the order of closing?—44. Second?—45. Third?—46. Fourth?—47. Fifth?—48. Sixth?

## SET 3.—DOUBLE ENTRY.

(Corresponding with Set 3, Part 1.)

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*Business Adverse.*