Answers to Question Paper, 1280, Single-Entry Bookkeeping, Set 1, 4th Edition.

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(1) ✓ Bookkeeping is the science of accounts, and teaches how to preserve a correct record of all business transactions.

(2) ✓ The two distinct styles of Bookkeeping is called Single-entry bookkeeping and double-entry bookkeeping.

(3) ✓ In strictly single-entry bookkeeping, none but personal accounts of one's dealings with other parties are kept.

(4) ✓ The two main principles of Bookkeeping is Debit and Credit.

(5) ✓ Debit: What you receive or what costs you value.

Credit: What you part with or what produces you value.

When to Debit –

Cash. – When you receive it.

Merchandise. – When you receive it

Bills Receivable.– When you receive a note.

Bills Receivable.– When you receive an accepted time draft.

The Party.– When you trust any one.

The Party.– When you pay any one.

When to Credit–

Cash.– When you give it out.

Merchandise.– When you sell it.

Bills Payable.– When you give a note.

Bills Payable.– When you accept a time draft.

The Party.– When he pays you.

The Party.– When he trusts you.

The Party.– On whom you draw a draft.

(6) ✓ If you sell a person goods on account, Debit him.

(7) ✓ If you buy goods on account, Credit the party you buy it from.

(8) ✓ If a person pays you cash on account, Credit him.

(9) If you pay a person Cash on account, Debit him.

(10) If you draw a draft on a person, Credit him.

(11) If a person draws a draft on you, Debit him.

(12) If a person does work for you, and you do not, at once pay him, Credit him.

(13) If you do work for a person, and he does not at once pay you, Debit him.

(14) If you give one person a draft on another, Debit the drawer and Credit the drawee; hence two entries.

(15) If a person pays you his account by giving you his note, Credit him. ~~with note, and Debit Bills Receivable~~.

(16) If you pay a person by giving him a note, Debit him. ~~with note, and Credit Bills Payable~~. These questions refer to Single Entry in which only personal accounts are kept.

(17) ✓ The books most commonly used in single entry are the Journal or Day Book, Cash Book, Ledger, and a Journal Ledger. Bill Books, Check, Note, Draft, and Receipt Books are also kept, but are not posted from.

(18) ✓ The Journal Ledger is a combination of a Journal and a Ledger, in the Journal form of ruling. It takes the place of both Day Book and Ledger, all Debits and Credits to an account are entered in an itemized form, directly in this book.

(19) ✓ The difference between the two sides of an account is called the Balance.

(20) ✓ When an account is settled we say it Balances.

(21) ✓ When an account does not balance by being settled, before it reaches the bottom of the page, we are then obliged to balance it in red ink, so that we may carry the amount

due to another page, there to continue the account, as heretofore. In the closing entry we give the number of the page on which we open the new account, and in the opening entry, on the new account, we give the number of the page from which we brought the opening entry.

(22) ✓ To draw off a statement of the Ledger it is necessary to go through the Ledger at the end of each month, and take a list showing the dates and amounts of the Debits and the Credits of the Ledger accounts.

By making a list of the unsettled accounts and balancing it.