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Simple Farm Records

The management of a farm business entails the use of considerable capital investment in land and improvements; live stock and machinery; feed, seed and working capital. It seems only good business practice to set these values down in tabulated order at the start and end of a farm year. This is simply taking a farm inventory for the purpose of knowing more about the business.

The receiving and paying out of money to the amount and for the number of products as is annually done on the farm demands the keeping of a simple cash record. Why should every commercial business, no matter how small, receive the accounting attention given it? Obviously to assure success by teaching the operators those financial principles so necessary to the best management of any business. Farming demands this attention for the same reason.

The accompanying inventory form shows how any sheet or book may be ruled to make the keeping of an inventory simple and practicable.

FARM INVENTORY

April 1, 1914.

April 1, 1915.

ITEMS OF PROPERTY	April 1, 1914.			April 1, 1915.		
	NO.	VALUE	TOTAL VALUE	NO.	VALUE	TOTAL VALUE
Real Estate	160 A.	\$16,000				
Buildings		4,000	\$20,000			\$20,000
Live Stock: Cows	10	900		8	\$800	
Calves	6	120		5	110	
Total Cattle			1,020			910
Horses	6	1,400	1,400	7	1,450	1,450
Swine: Sows	10	300		15	450	
Pigs, etc.	20	240		38	760	
Total Hogs			540			1,210
Machinery (Itemized - Total Mach'y., feeds, supplies., etc.)			600			550

At the end of the inventory make a summary of the main headings showing the value of Real Estate, Live Stock, Machinery, Feed and Supplies, and Bills Receivable. Total these and subtract the value of the bills owed by the proprietor; the remainder is the net worth of the business.

CASH RECORDS: A record of cash received and paid out may be well kept in several ways. The most simple form, though requiring more space, is shown by the following sample.

CASH RECEIVED

DATE	ITEMS	TOTAL CASH	CATTLE	HOGS	POULTRY	CORN	OATS	GEN. FARM	EQUIP- MENT	ETC.
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Note: Same kind of form used for cash paid out. To be kept separate in the same book.

Another method is that of having a separate sheet for each crop or class of live stock and placing "Cash Received" on right hand page (with book open) and "Cash Paid Out" on left hand page. Still another way is to place receipts and expenses on the same sheet in columns side by side. Chances for errors are greatest in this system. The important point is not the form but the accuracy used in entering the figures that make up the records. These two records properly kept should be of great value in studying the farm business.