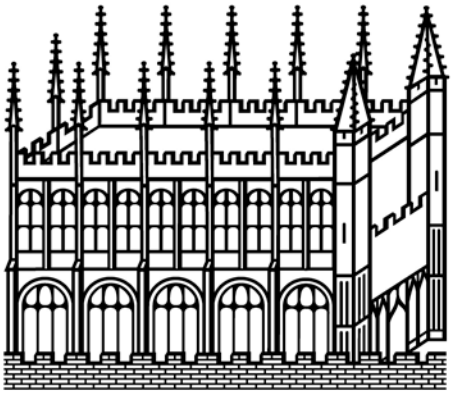

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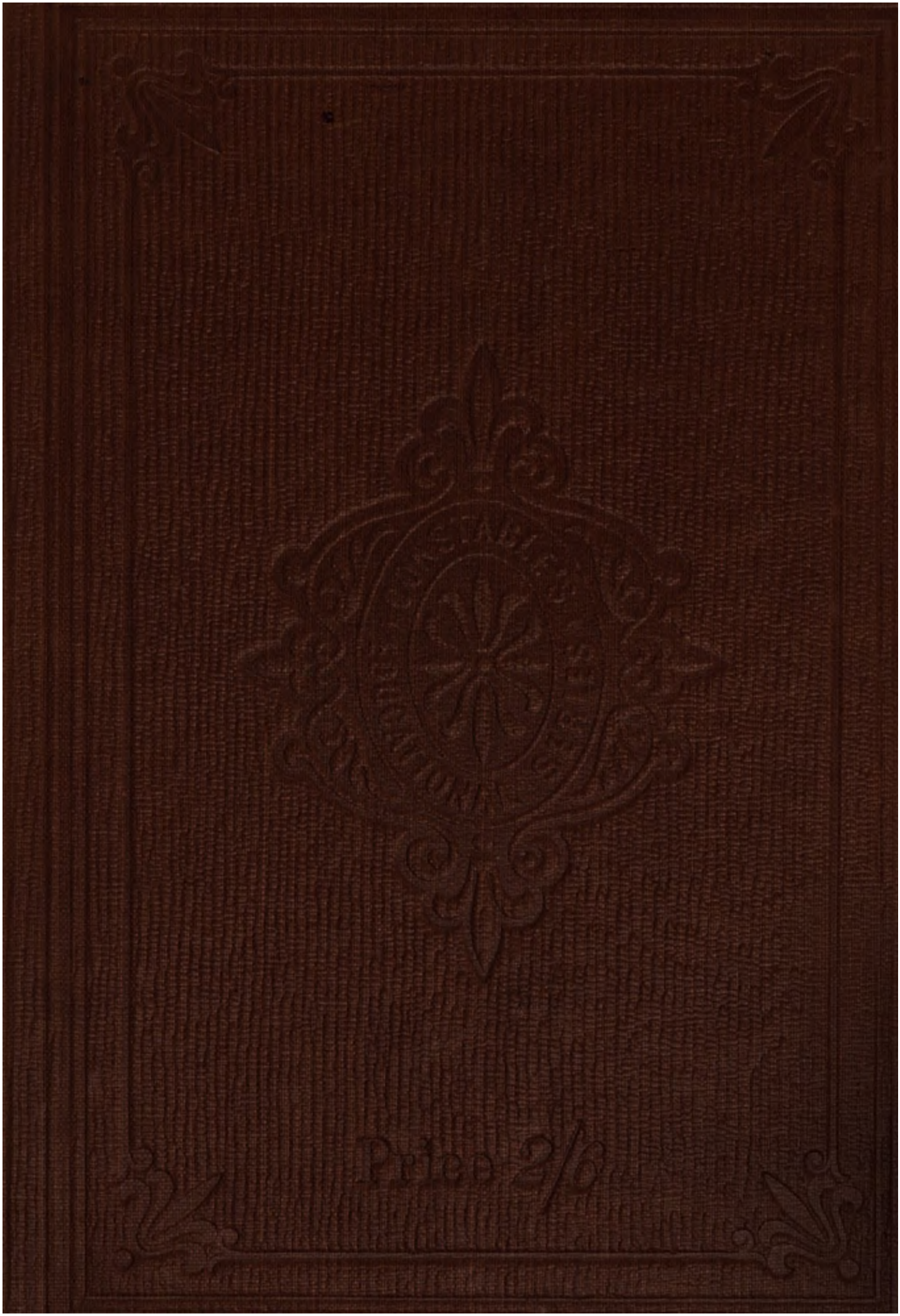
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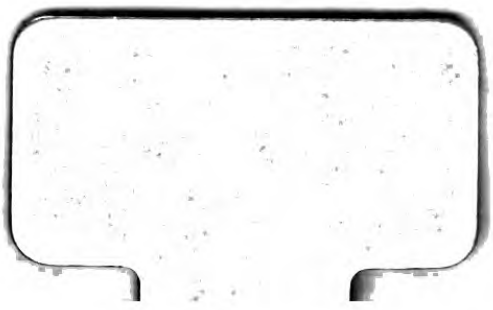

CONSTABLE'S

EDUCATIONAL SERIES.

BOOK-KEEPING.

EDINBURGH: THOMAS CONSTABLE AND CO.
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BOOK-KEEPING

FOR

THE CLASSROOM AND COUNTING-HOUSE,

BY DOUBLE AND SINGLE ENTRY,

WITH AN APPENDIX ON COMMERCIAL FORMS.

BY

JOHN MACLEAN,

TEACHER OF WRITING AND ARITHMETIC IN THE EDINBURGH ACADEMY.

EDINBURGH: THOMAS CONSTABLE AND CO.

HAMILTON, ADAMS, AND CO., LONDON.

1854

C. 14

EDINBURGH : T. CONSTABLE, PRINTER TO HER MAJESTY.

PREFACE.

In preparing this work for publication, the aim has been to provide an educational treatise detailing the modern practice of the Counting-house, and to supply merchants with a valuable book of reference.

To make the work more valuable in an educational point of view, it has been arranged in a progressive manner, so far as the nature of the subject would admit of it; and Exercises have been given at the end of each Part, to be wrought out by the student from the examples and explanations detailed in that Part. The study of Book-keeping has thus been raised from the mere transcribing of a series of forms to an exercise of the judgment.

The first three Parts treat of Double Entry, and may be detailed thus :—

Part I. is intended to initiate the student into the nature of *Dr.* and *Cr.*, and the use of a Journal.

Part II. shows the method of subdividing *transactions* into Preliminary Books; the *classifying* of these entries in a Journal; and the method of proving the correctness of the Ledger, by the amount of the *original entries.*

Part III. explains the nature and negotiation of Bills of Exchange, and introduces the student to the higher forms of mer-

cantile transactions, such as banking, shipments, consignments, transactions involving bills, &c.

PART IV. gives a modification of Single Entry, applicable to a retail business, retaining nearly all the advantages of Double Entry.

PARTS V. VI. (the Appendix) consist of questions for solution, and information on Commercial Forms.

It cannot be expected that a merchant who has already selected a system of Book-keeping, should abandon that system entirely for another which may be considered theoretical ; but it is hoped that the perusal of the more advanced parts of this treatise, which aims at being a *Mercantile Guide-Book* as well as an educational work, may enable him to engraft upon the system he has selected, such improved forms and modifications, as may render the statement of his transactions more lucid, and the proof of the correctness of his books more easily attainable.

To those merchants, therefore, who keep their books by Double Entry, we recommend the perusal of Parts II. and III. of the 'BOOK-KEEPING' and the 'KEY,' in the hope, that by contrasting the forms of the Preliminary Books, the method of classifying the Journal, and the plan upon which the correctness of the Ledger is tested by Periodical Trial Balances and the amount of the Original Entries, with the methods in general use, some of the hints and modifications on the following pages may be found worthy of adoption. The Tabular View given at page 90 will be found to present a useful analysis of the system of Double Entry recommended in this work.

If Single Entry has been selected, we would solicit attention to Part IV., in which that system has been given with all the modern improvements. Should the system given there be adopted,

it will be found, *if fully carried out*, to give a correct view of the business at the end of the year, and to effect as great a saving of time as is consistent with accuracy.

The condensed view of the law of Bills of Exchange, given on pp. 74-76, and the Appendix on Commercial Forms, &c., pp. 194-212, will, it is hoped, be found as valuable as their conciseness admits of.

The books constructed from the Exercises are published separately as a Key.

J. M.

EDINBURGH ACADEMY,
January 1859

HINTS ON THE METHOD OF TEACHING BOOK-KEEPING.

Book-keeping, to be taught well, should be taught in Classes; and each member of the class should be at the same stage of advancement, in order to gain the full advantage of such explanations as the teacher may think desirable.

The Author begs to submit the following outline of the initiatory course of instruction that ought to be pursued with a class of young men who begin the study of Book-keeping for the first time. Being strangers to the subject, and since it is not a progressive one, the first part should consist of

Oral Instruction.

1. The nature of the *Debit* and *Credit* sides of Accounts ought, in the first place, *to be explained by the teacher*. This may be attained, along with some knowledge of the nature of the Ledger, by following the instructions given in the *Introductory Observations* on pages 3–10. The intelligent teacher will not only read over those remarks with his pupils, but will also exercise their judgment in framing similar accounts.

2. When the method of showing the *Debtor* and *Creditor* in the Ledger is thus understood, the next subject of study should be the Journal, as explained on pages 11–14. The examples given there may with advantage be multiplied in a *vivâ voce* manner.

3. The books given on pages 16–43 ought not to be *written*. They should be gone over *orally*, so as to give the pupils some idea of the subject before being desired to construct books, the nature and design of which are beyond their comprehension. With this view, the teacher should request each member of the class to read in succession a transaction, and give *orally* the form that it would assume in the Journal. By this plan an opportunity is afforded of removing difficulties, and of imparting such information as may be deemed advantageous on the nature of mercantile transactions.

4. When the pupils finish the journalizing of the Transactions for January

and understand the reason of the *Drs.* and *Crs.* in the Journal being equal in amount, they should then read in rotation an entry in the Journal. Thus, for example :—

Jan.	6	4	Russell & Renton, Liverpool, . .	*Dr.*	60	0	0				
		2	To Calico, 20 pieces, . . .					60	0	0

and *post* orally thus :—

"Go to folio 4 in the Ledger, and on the debit side of Russell & Renton's account write, '*Jan.* 6. *To Calico*, £60'—marking page 2 in the Ledger, and folio 4 in the Journal.

"Again, go to folio 2 in the Ledger, and on the credit side of the Calico account write, '*Jan.* 6. *By Russell & Renton*, 20 *pieces*, £60'—marking page 2 in the Ledger, and folio 2 in the Journal."

5. Having exhausted the Journal in this manner, the points then taken up should be the nature and design of the Trial Balance on page 44, and the method of closing the accounts in the Ledger, as explained on pages 9 & 10.

6. By such a course of instruction the learner is enabled to perform with intelligence the Exercise given on pages 44–51. His time needs not be wasted in copying out Transactions. He should be desired at once to frame a Journal, and having brought these entries to a total, they should be posted to the Ledger. He may require some assistance in proving the correctness of the Ledger, and on the method of closing the accounts.

Such a plan tests the judgment of the student, and raises the study of Book-keeping from a mere manual exercise to a valuable series of logical deductions, which cannot be performed without an intimate acquaintance with the subject.

The Author considers the method of teaching the *Introductory Part* of most importance, and leaves the course that ought to be pursued with the more advanced parts of his work to the judgment of the teacher.

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BOOK-KEEPING.

BOOK-KEEPING.

THE object of Book-keeping is to arrange a merchant's transactions in such a manner that he may ascertain monthly, quarterly, or yearly, whether his whole capital in trade has increased or diminished; by what means that gain or loss has been effected; and the state of the accounts between himself and each person with whom he transacts business.

There are two methods of Book-keeping: the one is called Double Entry, the other Single Entry; because, in the former, each transaction appears twice in the Ledger, whereas, in the latter method, it only appears once. This arises from the Ledger, in Double Entry, containing *Property*, *Personal*, and *Nominal* accounts; whereas, in Single Entry, *Personal* and *Nominal* accounts are alone recognised.

To illustrate the two methods more clearly, let us suppose A to be a merchant who sells 14 cwt. of sugar to B on credit. If A keeps his books by Double Entry, he would register this transaction on the Credit side of the Sugar Account, and also on the Debit side of B's account in his Ledger; but, if he has chosen the plan of Single Entry, the transaction would simply appear on the debit side of B's account.

The merchant who has an extensive business, and different classes of transactions, is anxious to know upon what class of goods he is gaining or losing, while at the same time he ascertains who is indebted to him and to whom he is indebted. By adopting Double Entry he gains both objects, while Single Entry would only tell him who are his debtors and creditors.

Double Entry, therefore, is essential where the business is extensive.

Single Entry, though it should never be employed where it can be avoided, may meet the requirements of retail traders and shop-keepers.

DOUBLE ENTRY.

BOOKS.

The Books generally employed in Double Entry are :—

1. The *Day Book*, or *Sales Book*, containing a full detail of all the Goods sold on Credit; the amount for which, and the names of the parties to whom they have been sold.
2. The *Invoice Book*, containing a description of all the Goods purchased on Credit; the amount for which, and the names of the parties from whom these Goods have been purchased.
3. The *Cash Book*, containing a record of all the Money received into the business, and of all the Money paid away.
4. The *Bill Book*, in which all the particulars of the Bills Receivable and Bills Payable are registered.
5. The *Journal*, in which all the transactions from the preceding Books are collected, classified, and arranged, under the head of Debtor or Creditor (for brevity written *Dr.* or *Cr.*)*
6. The *Ledger*, in Double Entry, is a Book containing Classified Accounts of the articles dealt in (called Property Accounts), and Personal Accounts of the individuals with whom these transactions take place. Each account in the Ledger has a Debit side and a Credit side.

Subsidiary Books.

Every business has peculiarities of its own, requiring the use of *minor books* suited to it. Several of the books required by merchants are the following, the names of which sufficiently explain their uses :—

Account-Current Book.	Petty Cash Book.	Wages Book.
Consignments Book.	Order Book.	Warehouse Book.
Trade Charges Book.	Letter Book.	&c. &c.

* Some works on Book-keeping strongly advise the omission of the Journal, as being unnecessary. It is given here for the following reasons :—

1. That almost every merchant who has an extensive business journalizes his transactions.
2. That a knowledge of the plan upon which the Journal is usually kept does not necessitate its adoption, should the transactions be of such a nature as to permit its being dispensed with.
3. That the Journal, when properly classified, greatly simplifies the accounts in the Ledger.

The Journal may, however, be dispensed with, by simply transferring the entries at once from the four books above mentioned into the Ledger.

INTRODUCTORY OBSERVATIONS

ON

DOUBLE ENTRY.

LEDGER.

Hints on the form and nature of the Accounts in the Ledger.—Before the pupil can comprehend the use of the Ledger, he must understand the form and nature of the accounts which compose it, and the object for which each class of accounts is opened.

The different classes of accounts that make up the Ledger in Double Entry, are Property, Personal, and Nominal Accounts; each account having a *Dr.* and a *Cr.* side.

I. Property Accounts.—Of the Property Accounts, let us first speak of a Cash Account, the object of which is to represent in the Ledger the various cash transactions, and the amount of money in the merchant's cash-box. Let us see what form the following cash transactions should assume when arranged under the heads *Dr.* and *Cr.*

		£	s.	d.
Jan. 1.	Received from James Wilson, ...	40	0	0
2.	Paid for Sugar, ...	20	7	6
3.	Received from James Hill for cash sale of Tea, .	36	9	6
4.	Paid John Hendry to account, ...	5	7	6
7.	Received from Samuel Law, ...	6	5	9
10.	Paid for 3 hhds. Tobacco, ...	35	10	0

Dr. CASH ACCOUNT. *Cr.*

	£	s.	d.		£	s.	d.
Jan. 1. To J. Wilson, .	40	0	0	Jan. 2. By Sugar, .	20	7	6
3. To Tea, . . .	36	9	6	4. By J. Hendry,	5	7	6
7. To S. Law, . .	6	5	9	10. By Tobacco, .	35	10	0
				31. *By Balance*, .	21	10	3
	82	15	3		82	15	3

From the above example it must be apparent that all the money coming into the business, from whatever source, is entered on the debit side of the Cash Account, and all the money paid away is entered on the credit side. The total of the debit side will therefore show the amount of money that has been received, and the total of the credit all the money that has been paid. The credit side of this account can never be greater than the debit side, because more money cannot be paid away than has been received. When the credit side, therefore, is less than the debit, the difference shows the amount of money on hand. This difference, called the *Balance*, should be entered on the credit side as seen above.

The Goods Accounts * form a very important class of *Property Accounts*. Let us treat one in a similar manner, by supposing that we make the following transactions in Sugar, and see how the account should stand when drawn out in form. In this case, the object is to show the various purchases and sales effected by the merchant in the article of Sugar, and the Profit or Loss which results from these transactions.

	£	s.	d.
Jan. 1. Bought for Cash 1 hhd. Sugar, ...	18	10	0
3. Received from Ross & Co. (on credit), 5 hhd., .	98	10	0
5. Sold for Cash to Henry Hill, 2 hhds., . . .	41	7	0
11. Sold Henry Ellis (on credit) 1 hhd., . . .	20	7	6
15. Bought for Cash, of Wilson & Co., 1 hhd., . .	19	0	0
20. Sold (on credit) to Fred. Willis, 3 hhds., . .	59	10	0

* In extensive businesses an account is opened in the Ledger for each article in which the merchant deals (Sugar, Tea, Wine, &c.); but it frequently happens, where the greater portion of the merchant's dealings is in one or two articles of merchandise, that one account only is opened under the general designation of "Goods." The advantage of separate accounts is, that the merchant may see upon what department his Profit or Loss arises, and so be guided in the management of his business.

By converting these transactions into a Goods Account it would stand thus,—

Dr. SUGAR ACCOUNT. *Cr.*

	£	s.	d.		£	s.	d.
Jan. 1. To Cash, 1 hhd.	18	10	0	Jan. 5. By Cash, 2 hhds.	41	7	0
3. To Ross & Co. 5 „	98	10	0	11. By H. Ellis, 1 „	20	7	6
15. To Cash, 1 „	19	0	0	20. By F. Willis, 3 „	59	10	0
31. *To Profit and Loss gained,*	3	14	6	31. *By Balance on hand,** 1 „	18	10	0
	139	14	6		139	14	6

Let us examine the *Dr.* side of the above account, and discover the nature of the entries. The first is "Jan 1. To Cash, 1 hhd., £18, 10s.," which is merely an abbreviated way of saying, Sugar is debtor to Cash, for 1 hhd., £18, 10s. The next is "Jan. 3. To Ross & Co., for 5 hhds., £98, 10s.;" signifying that Sugar is debtor to Ross & Co. for 5 hhds., valued at £98, 10s., which we have received from them on credit. Although we say that *Sugar is Dr.* or *Cr.*, as the case may be, *we* are the debtors; such a phrase is used on the understanding that the Sugar Account represents *us*, and that it is we who are the debtors or creditors.

On the *Cr.* side, we find "Jan. 5. By Cash, 2 hhds., £41, 7s.;" signifying that Sugar is credited by the cash received for the sale of 2 hhds., £41, 7s. The next entry is "Jan. 11. By Henry Ellis, 1 hhd., £20, 7s. 6d.;" in other words, the Sugar Account is credited by the 1 hhd., sold for £20, 7s. 6d. to Henry Ellis, for which we have not yet received payment.

From the foregoing explanation it must be apparent that all the sugar purchased, either for ready money or on credit, with the number of hhds. in each transaction, must be entered on the *Dr.* side, and all the sales must be entered in a similar manner on the *Cr.* side.

From the example it may be seen that 7 hhds. Sugar were purchased and only 6 sold, leaving a balance of 1 hhd. on hand. When the account is being closed, this 1 hhd. is valued at what we could *purchase* it for, and entered as above on the *Cr.* side. By summing the two sides of the account, after this balance has been entered, we find that the *Dr.* side shows £136 as the cost of the sugar, and the *Cr.* side, £139, 14s. 6d. as what we have

---

* This, and all similar balances, are brought down to the debit side, as forming the first outlay chargeable against the new account; thus,

1858.	*Dr.*	*Cr.*
Jan. 31. To balance brought down,	£18 10 0	

received, or are to receive, for the 6 hhds. sold, together with the value of the 1 hhd. we have in stock, therefore a gain of £3, 14s. 6d. has been made by our transactions, which is entered as above on the *Dr.* side.

II. Personal Accounts.—The object and nature of a Personal Account may be understood from the following illustration.

	£	s.	d.
Jan. 3. Bought of Chas. Morris (on credit) 3 chests Tea, each 60 lb., at 5s.,	45	0	0
17. Paid Chas. Morris in part,	30	0	0
28. Sold Chas. Morris (on credit) 1 hhd. Sugar, for	21	0	0

By converting these transactions into the form of a Personal Account, we would have—

Dr. CHARLES MORRIS. *Edinburgh.* *Cr.*

	£	s.	d.		£	s.	d.
Jan. 17. To Cash,	30	0	0	Jan. 3. By Tea,	45	0	0
28. To Sugar,	21	0	0	31. *By Bal. due to us,*	6	0	0
	51	0	0		51	0	0

We must keep a Personal Account in our Ledger for each party with whom we have Credit transactions (that is, transactions otherwise than for ready money), entering on the *Dr.* side of his account all the goods or cash which he receives from us, and on the *Cr.* side all the goods or cash which we receive from him ; consequently the difference between the two sides, should there be any, will show the balance due, and in whose favour the balance lies. In the above example, the balance is in our favour, because the *Dr.* side, showing what Chas. Morris has received from us, is greater by £6 than the *Cr.* side, containing what we have received from him. When the accounts are being closed, this difference of £6 is entered as seen in the example.

Let us suppose another case in which the following transactions take place :—

	£	s.	d.
Jan. 4. Sold James Moncreiff & Co., Liverpool (on credit), 1 pipe Port,	85	10	0
15. Received from Moncreiff & Co.,	50	0	0
16. Bought (on credit) of Moncreiff & Co., 4 hhds. Sugar, for	78	10	0
28. Sold (on credit) to Moncreiff & Co., 2 chests Tea,	24	7	6

These transactions, converted into an account, should stand thus,—

Dr. MONCREIFF & Co. *Liverpool.* *Cr.*

	£	s.	d.		£	s.	d.
Jan. 4. To Wine, . .	85	10	0	Jan. 15. By Cash, . .	50	0	0
28. To Tea, . . .	24	7	6	16. By Sugar, .	78	10	0
31. *To Bal. due by us,*	18	12	6				
	128	10	0		128	10	0

From this example, it may be seen by the *Dr.* side that Moncreiff & Co. have received goods from us to the value of £109, 17s. 6d., and by the *Cr.* side, that we have received cash and goods from them to the value of £128, 10s. We have therefore received more from them than they have received from us, by £18, 12s. 6d., which is entered as above.

The Ledger in Double Entry consists of a number of Property and Personal Accounts, similar to the preceding examples, collected into the form of a book, and to which we transfer the results of our transactions. To understand this more clearly, let us take one or two transactions, and see to which accounts we should transfer them.

1*st*, Bought (on credit) from Moncreiff & Co., 1 pipe Wine, £70 0 0

Two accounts are affected by this transaction,—the Wine Account and Moncreiff & Co.'s. We should therefore write on the *Dr.* side of Wine, "To Moncreiff & Co., 1 pipe, £70," and on the *Cr.* side of Moncreiff & Co.'s Account, "By Wine, £70."

2*d*, Let us make the above transaction a Cash one, and see what accounts would then be concerned. Thus,

Bought for Cash from Moncrieff & Co., 1 pipe Wine, £70 0 0

In this case the Wine and Cash Accounts are affected; on the *Dr.* side of the former we should write, "To Cash, 1 pipe, £70," and on the *Cr.* side of the latter, "By Wine, 1 pipe, £70."

3*d*, Let us take another instance—

Sold (on credit) to James Ramsay, Edinburgh.

5 chests Tea, each 60 lb., @ 5s., ...	£75	0	0
40 barrels Flour, @ 36s., ...	72	0	0
	£147	10	0

In this transaction the Tea, the Flour, and James Ramsay's Accounts are concerned. Since J. R. has received these articles without paying for them, he is debtor; we should therefore go to the

Dr. side of his account in our Ledger, and say, "To Sundries, £147, 10s." (meaning by the word Sundries, the Tea and the Flour Accounts); to the *Cr.* side of the Tea Account, and write, "By Jas. Ramsay, 5 chests, £75;" and to the *Cr.* side of the Flour, writing "By Jas. Ramsay, 40 barrels, £72."

The object of the Ledger, we have now seen, is to collect all our transactions into classes; such as all our sales and purchases of Wine, under the head *Wine*, and all that affects parties with whom we have business transactions, on the *Dr.* or *Cr.* side of the account which we have opened for them, so that we may be able to ascertain with facility,—

1*st*, Who is indebted to us, and to whom we are indebted.

2*d*, Upon what classes of transactions we are gaining or losing.

III. NOMINAL ACCOUNTS.—These may also be called *convenience* accounts, in which *debit* and *credit* statements are made of all such expenses connected with the business, as Wages and Salaries, Trade Charges, Discounts, &c. These accounts, however, are all subdivisions of the PROFIT and Loss Account, into which their results are transferred, and will be more fully explained in the after parts of this work.

In this preliminary part it is sufficient that the learner should understand the nature of the PROFIT and Loss, and BALANCE Accounts.

Let us construct a Profit and Loss Account, and see the nature of the entries appearing there:—

Dr. PROFIT & LOSS ACCOUNT. *Cr.*

	£	s.	d.		£	s.	d.
Jan. 4. To Cash, Clerk's Salary, .	20	0	0	Jan. 31. By Sundries, discount received this month, .	5	10	0
7. To Cash, Gas Acct.,	5	7	6	*Here follow the finishing entries.*			
17. To do. Taxes,	5	0	0	Jan. 31. *By Sugar,* . (*See example,* p. 5.)	3	14	6
*Here follow the finishing entries.**				31. *By Tea,* . .	16	15	8
Jan. 31. *To Wine, loss,*	3	4	6	31. *By Flour,* .	41	5	0
31. *To Oils, loss,*	2	6	9	31. *By Calico,* .	5	2	6
31. *To Capital a/c for nett gain,*	36	8	11				
	72	7	8		72	7	8

The *Dr.* side of this account contains a list of all the Charges and Expenses connected with our business, such as rent, salaries, discounts allowed, losses,

* The finishing entries are here placed in *italics;* in business they are frequently made in red ink.

&c.; and the *Cr.* side all our Gains, such as discounts received, the profits made on our speculations, &c. On summing up the credit side, we find that it is £36, 8s. 11d. greater than the debit. This being the amount of clear gain we have made in January, we transfer it to the credit of the Capital Account, making the entry to the debit side of the Profit and Loss Account (as it is done above in *italics*).*

The Balance Account contains the whole of our Assets and Liabilities brought from the various accounts in the Ledger, and arranged thus,—

Dr. BALANCE ACCOUNT. *Cr.*

ASSETS.	£	s.	d.	LIABILITIES.	£	s.	d.
Jan. 30. To Sugar, 1 hhd.	18	10	0	Jan. 30. By Moncrieff & Co.,	18	12	6
To Flour, 15 barls.	30	0	0	By J. Green & Co.,	14	5	8
To Wine, 1 pipe,	75	0	0				
To Tea, 4 chests,	48	7	6		32	18	2
To Charles Morris,	6	0	0	By Capital a/c for nett value of capital in business at this date,	586	19	7
To Bank, .	420	0	0				
To Cash, .	21	10	0				
	619	17	9		619	17	9

The Debit side of this Account contains a detailed statement of our gross Capital or Assets, consisting of goods on hand, entered at their estimated value, the debts due to us, and the amount of cash we have in our cash-box or in the bank.

On the Credit side, in like manner, we must collect our Liabilities, or, in other words, the amounts we owe, which being summed and deducted from the total on the Debit side, shows the *Nett* value of our present Capital, which is entered as seen above, and must agree with the amount of capital shown in the Capital Account.

CLOSING THE ACCOUNTS IN THE LEDGER.

Under this head we shall only describe the method of closing the Ledger

* The Capital Account represents the amount which we had in hand when we began business; and as our capital is now increased £36, 8s. 11d. by our gains, we transfer this amount to the credit of the Capital Account. When added to the amount already at the credit of that account, it will be found that the total sum agrees with the balance in our favour shown in the BALANCE ACCOUNT.

These closing entries are usually passed through the Journal, but in this preliminary part it has been thought better not to confuse the learner unnecessarily. In the more advanced set the usual plan of passing them through the Journal will be more fully explained.

adopted in the Introductory Set, reserving for future consideration the methods more commonly employed in the counting-house. When all the transactions have been posted from the Journal into the Ledger, and the correctness of these postings tested by the Trial Balance described upon page 31, the next step is the closing of the accounts.

The learner is to sum the amount of pieces, pipes, barrels, as the case may be, on the debit and credit of each goods account, thereby ascertaining the amount of that class of goods remaining on hand unsold. If there be any, let the amount be entered on the Credit side—"By Balance (so many pieces), £——," as seen and described in the Sugar Account, p. 5. Then summing the money or value on each side of the account, the difference will show the *Gain* or *Loss*, which is entered accordingly. Having in this manner exhausted the Goods accounts, he comes to the Personal ones, and writes the difference between the two sides; on the *Less* side—"To *or* By Balance, £——," as the case may be.

The only accounts that now remain open are the Capital Account, the Profit and Loss Account, and the Balance Account.

The next duty of the learner is to transfer the balances described above to the proper accounts; viz., all the *gains* or *losses* to the appropriate sides of the PROFIT and Loss Account; and all the balances of *goods on hand, debts due to us*, and *debts due by us*, to the proper sides of the BALANCE ACCOUNT. These three accounts are then closed in this order:—

I. The two sides of the PROFIT and Loss Account are summed, and the difference, should there be any, transferred to the CAPITAL Account. —*See Example*, p. 8.

II. The Balance Account is summed in like manner, and before the difference, which must fall on the *credit* side, he writes, "By Capital Account for *Nett* value of Capital in Business at this date, £——." —*See Example*, p. 9.

III. The Capital Account is then summed, and before the difference, which must fall on the *debit* side, he writes, "To Balance for Nett value of Capital in Business at this date, £——."—*See Example*, pp. 32, 33.

The amount entered "To Capital" in the Balance Account, must agree with the amount entered "By Balance" in the Capital Account; because these two accounts are both statements of the *capital* in business, the one being the converse of the other. The Capital Account showing simply the amount at the *credit* of the merchant, while the Balance Account shows the details of the amount at the *debit* of the business.

THE JOURNAL.

Having seen the end proposed in Book-keeping—the compiling of a Ledger, the learner will more readily understand the means by which this may be accomplished.

From what has been said in the preceding pages, it must be apparent that every transaction appears on the *debit* side of one account, and on the *credit* side of some other account of the Ledger, when framed upon the principles of Double Entry.

The Journal is a book so framed that it may facilitate the process of posting.

FORM OF THE JOURNAL.

Month.	Day of Month	Folio.	Title of the Accounts to be Debited and Credited.	*Drs.*	*Crs.*
			Thus,—		
Jan.	17.	7	JOHN GREEN & Co., . . *Dr.*	125 10 0	
		2	To Sugar, 2 hhds. .		45 10 0
		3	To Wine, 1 pipe Port, .		80 0 0

The Journal usually consists of double money columns, the inner being set apart for all the sums carried to the debit side of accounts in the Ledger, and the outer for the sums carried to the credit.

Each page ought to be summed as it is completed, and the total carried to the top of the next page. The amount in the one column will act as a check on the other, since the two amounts must be the same.

The manner in which the transactions are journalized will be more clearly understood by the following examples.

Every transaction in Double Entry affects two accounts at least, of which the one must be debtor and the other creditor, and since the merchant expects any article upon which he expends capital to realize a profit, he journalizes his transactions upon the principle,—*that whatever comes into the business is Dr.*, and *whatever goes out is Cr.* This rule might be stated more concisely thus,—

(*Rule* 1.)—In, *Dr.* Out, *Cr.*

By such a rule, the *Dr.* or the *Cr.* may be determined in every transaction; still it may be useful to state, at the same time, that whoever *receives* goods or cash is *Dr.*, and whoever *gives* is *Cr.;* or, more concisely,

(*Rule* 2.)—Receiver, *Dr.* Giver, *Cr.*

Let us apply these rules to a few cases.

Example 1.—Bought for cash 4 barrels Flour, @ 34/ . £6 16 0

Having observed that two accounts are concerned in this case, the Cash and the Flour, rule 1 tells us that Flour is *Dr.* to Cash, because the flour came in and the cash went out. This should stand in the Journal thus,—

		Drs.			*Crs.*		
		£	*s.*	*d.*	£	*s.*	*d.*
Flour.	*Dr.*	6	16	0			
To Cash, 4 barrels, . . .					6	16	0

Example 2.—Sold (on credit) to Henry Lee,

4 chests Congou, each 60 lb., at 4/ per lb., . . £48 0 0

In this case two accounts are likewise concerned—the Tea Account and Henry Lee's Account. By rule 2, Henry Lee is *Dr.*, because he received the goods, therefore Tea must be *Cr.* The transaction should therefore stand in the Journal thus,—

		Drs.			*Crs.*		
		£	*s.*	*d.*	£	*s.*	*d.*
Henry Lee.	*Dr.*	48	0	0			
To Tea, 4 chests, . . .					48	0	0

Example 3. Bought (on credit) of James Simpson,

1 chest Tea, 60 lb. @ 4/, .	£12	0	0
5 pieces Calico, each 50/, .	12	10	0
		£24	10	0

In this transaction three accounts are concerned—the Tea, Calico, and James Simpson's Accounts. By rule 1 we find that Tea and Calico are both *Drs.* to James Simpson; therefore such a transaction should stand in the Journal thus,—

		Drs.			*Crs.*		
		£	*s.*	*d.*	£	*s.*	*d.*
Tea, 1 chest, . .	*Dr.*	12	0	0			
Calico, 5 pieces, . .	*Dr.*	12	10	0			
To James Simpson, . . .					24	10	0

Example 4. (Discounts: 1st, on a cash transaction.)

Sold for cash to James Fleming,

1 pipe Port, for	£80	0	0
Discount allowed for prompt payment, . .	2	0	0
	£78	0	0

In journalizing this transaction, it is better to take no notice of such a discount in the Journal; therefore let the *nett* sum be carried at once to the credit of the Wine Account, otherwise a false profit would be shown. The entry should therefore stand—

		Drs.			*Crs.*		
		£	.	*d.*	£	*s.*	*d.*
CASH.	*Dr.*	78	0	0			
To WINE, 1 pipe, ...					78	0	0

Example 5. (Discounts: 2d, on a personal account, abatement by special agreement on goods sold.) Allowed an abatement on the sugar sold James Simpson, which he found to be damaged, . . £4 6 0

In this case, James Simpson has already been charged with the sugar at the regular price, and the Sugar Account has been credited with the amount. It is therefore necessary to make a correcting entry. We must look upon James Simpson as having *given* £4, 6s. back to the business, inasmuch as he has been a *receiver* to that extent less than represented in the original entry. According to Rule 2, therefore, James Simpson is *Cr.* In the same manner we must look upon sugar as having brought *in* £4, 6s. to the business, having gone *out* to that extent less than was represented. According to Rule 1, therefore, sugar is *Dr.* The entry should therefore appear in the Journal thus:—

		Drs.			*Crs.*		
		£	*s.*	*d.*	£	*s.*	*d.*
SUGAR.	*Dr.*	4	6	0			
To JAMES SIMPSON, abatement, .					4	6	0

When this is transferred to the Ledger, the £4, 6s. too much on the debit side of James Simpson's account will be counterbalanced by £4, 6s. on his credit, which has been allowed him by abatement.

Example 6. (Discounts: 3d, on a personal account, at settlement, for miscellaneous transactions.)

Thomas Hitchcock owes us	£50 0 0
He now desires to settle his account. According to the terms on which he bought the goods, he is entitled to an abatement (in mercantile phrase, a discount) at settlement, at the rate of £5 per £100 (usually written 5 per cent., or 5%), equal to . .	2 10 0
He accordingly pays . . .	£47 10 0

As the gross amount of £50 stands in the Ledger at the debit of Thomas Hitchcock's account, we must, besides crediting him £47, 10s. of cash, also credit him this £2, 10s., and place it to the debit of profit and loss. We place it to the debit of profit and loss, because it is a deduction from the profit which was apparently made on the transaction, and which apparent profit will come in due time to the *credit* of the Profit and Loss Account.

Applying our rule in this case, we would look upon Thomas Hitchcock as a *giver* (being a receiver by so much less than originally represented), and therefore *Cr.*, and upon Profit and Loss as a *receiver* (being a giver by so much less), and therefore a *Dr.*

The settlement will be entered in the Journal thus—

		Drs.			*Crs.*		
		£	*s.*	*d.*	£	*s.*	*d.*
CASH, ...	*Dr.*	47	10	0			
PROFIT AND LOSS, 5 per cent. on £50,	*Dr.*	2	10	0			
To THOMAS HITCHCOCK, . . .					50	0	0

The six examples given above, with their converse, embrace nearly every case the learner is likely to meet in the preliminary set which follows.

PART I.

INTRODUCTORY SET.

THE BOOKS OF HENRY WILLIAMS,

MERCHANT, BRISTOL.

The object aimed at in this preliminary set, is to place before the pupil a few accounts in their simplest forms.

The merchant, Henry Williams, is supposed to buy and sell Wine, Flour, Tea, and Calico, for ready money and on credit.

In this set, the books required are simply the JOURNAL and LEDGER, with the addition of a BOOK OF TRANSACTIONS.*

The *Ledger* here contains a Capital account, a Cash account, an account for each class of Goods dealt in, and a Personal account for each party who purchases from the merchant, or sells to him on credit, with the usual PROFIT and LOSS and BALANCE Accounts.

Having journalized all the entries in the Transactions, and having opened the necessary accounts in the Ledger, with *Dr.* and *Cr.* sides called folios, the next step is the transferring of the transactions from the Journal to their appropriate accounts in the Ledger, called in the language of Book-keeping—Posting.

When an entry is carried from the Journal into the Ledger, the page of the Journal from which the entry has been taken must be noted in the Ledger, and the folio in the Ledger to which the entry has been *posted*, must be noted in the Journal. This is done to facilitate reference from the one book to the other. When all the transactions have been posted into the Ledger, a trial balance must be made, to ascertain that the amount of the debits agrees with the amount of the credits; because whatever appears on the *Dr.* side of one account, must appear on the *Cr.* side of some other; hence the total of the one side must agree in amount with the total of the other, and these totals must also agree with the amount posted from the Journal. This is done to detect any mistake before the accounts are closed. See Note in reference to TRIAL BALANCE in Journal, p. 30.

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* The learner does not require to copy out the Transactions. He is simply to construct a *Journal* upon the plan shown, and then post to the Ledger.

TRANSACTIONS.

Bristol, 1*st January* 1858.

An Inventory of the Property with which I begin Business.	£	s.	d.
Cash,	450	0	0
5 pieces Calico, each 72 yards, @ 10d. per yard,	15	0	0
3 pipes Port Wine, @ £75 per pipe,	225	0	0
Debts due to me from last year by—			
Wm. Turner, Manchester,	40	1	9
Francis Simpson, London,	20	19	0
	751	0	9
Debts due by me at same date to—			
Russell and Renton, Liverpool,	50	0	0
George Sands, Glasgow,	19	17	0
	69	17	0
Note.—When a purchase or sale is not specially mentioned as for ready money, it is understood to be a credit transaction.			
1*st.*			
Bought of James Cumming, Liverpool.			
20 barrels American Flour, @ 34/,	34	0	0
1*st.*			
Sold to Henry Ellis, Dundee.			
1 pipe Port, at £80,	80	0	0
1*st.*			
Bought of Francis Simpson, London.			
30 pieces Calico, @ £2, 14s. per piece,	81	0	0
2*d.*			
Sold for ready money.			
11 pieces Calico, @ £2, 18s. each,	31	18	0

	£	s.	d.
2d January 1858. Bought of Russell and Renton, Liverpool. 60 doz. Cape Wine, @ 36/ per doz., ...	108	0	0
2d. Sold for Cash to Fleming and Jackson. 14 barrels American Flour, @ 41/, ... Discount allowed for prompt payment, . . . (*See p.* 12, *Example* 4.)	28 1	14 6	0 0
	27	8	0
3d. Received from Henry Ellis, Dundee, in part payment of his Account, ...	46	10	0
3d. Remitted Russell & Renton, Liverpool, a Draft on Jones & Co., Bankers there, for	130	0	0
5th. Sold George Sands, Glasgow. 3 doz. Cape Wine, @ 40/, ...	6	0	0
5th. Paid Geo. Sands in full of his Account, . . . Discount received, ...	13 0	17 10	0 0
(*See p.* 13, *Example* 6.)	13	7	0
5th. Sold James Cumming, Liverpool. 1 pipe Port, which has received damage, for . .	50	0	0
6th. Bought of Wm. Turner, Manchester. 16 pieces Calico, @ £2, 12/ each, ...	41	12	0

	£	s.	d.
6th January 1858.			
Sold for Cash to William Fraser, Clifton.			
6 barrels Flour, @ 38/, ...	11	8	0
6th.			
Sold to Russell & Renton, Liverpool.			
20 pieces Calico, at £3, ...	60	0	0
7th.			
Sold Henry Ellis, Dundee.			
10 pieces Calico, @ £3 each, ...	30	0	0
7th.			
Sold for cash to Charles Johnston, Chester.			
1 pipe Port, damaged, ...	49	0	0
7th.			
Received from Henry Ellis, Dundee.			
A remittance to account, ...	56	0	0
8th.			
Bought for cash of Mitchell & Co.			
4 pipes Port at £73 each, ...	292	0	0
Discount for ready money, ...	2	18	0
	289	2	0
8th.			
Bought of James Cumming, Liverpool.			
24 barrels Flour, @ 33/, ...	39	12	0
8th.			
Sold William Turner, Manchester.			
1 pipe Port, for	75	0	0
5 pieces Calico, @ £2, 17/ each, ...	14	5	0
	89	5	0

	£	s.	d.
9th January 1858.			
Sold for cash to James Wilson, Holyhead.			
6 barrels American Flour, @ 39/, ...	11	14	0
Discount allowed, ...	0	5	6
	11	8	6
9th.			
Received a draft on the Bank of England from Wm. Turner, Manchester, for	60	0	0
9th.			
Sold James Cumming, Liverpool.			
1 pipe Port, ...	75	0	0
11th.			
Bought for ready money of Campbell & Co., Glasgow.			
32 pieces Calico, @ £2, 13/, ...	84	16	0
Discount, ...	1	5	6
	83	10	6
11th.			
Sold Geo. Sands, Glasgow.			
8 doz. Cape, @ 40/, ...	16	0	0
11th.			
Remitted Russell & Renton. Liverpool, . . .	32	0	0
12th.			
Sold Francis Simpson, London.			
6 doz. Cape, @ 40/, ...	12	0	0
12th.			
Sold for ready money to James Gordon, Bath.			
1 piece Calico, ...	2	19	6
Discount, ...	0	1	6
	2	18	0

	£	s.	d.
13th January 1858.			
Bought of Geo. Sands, Glasgow.			
5 chests Tea, each 56 lb., @ 4/ per lb., ...	56	0	0
14th.			
Sold Henry Ellis, Dundee.			
10 barrels Flour, @ 36/, ...	18	0	0
14th.			
Sold James Cumming, Liverpool.			
1 chest Tea, 2 qrs., @ 4/5 per lb., ...	12	7	4
2 pieces Calico, each £2, 16s. 6d., ...	5	13	0
	18	0	4
15th.			
Received a draft on Lewis & Co., Bristol, from James Cumming, Liverpool, for	36	10	0
15th.			
Sold Russell & Renton, Liverpool.			
5 barrels American Flour, @ 40/, ...	10	0	0
16th.			
Bought for ready money of James Wilson.			
16 chests Congou, each 60 lb., @ 3/6, . . .	168	0	0
16th.			
Sold for cash to James Cumming, Liverpool.			
5 chests Congou, each 60 lb., at 3/9, . . .	56	5	0
Discount allowed, ...	0	2	6
	56	2	6
18th.			
Sold George Sands, Glasgow.			
14 pieces Calico, @ £2, 16/ each, ...	39	4	0

	£	s.	d.
19th January 1858.			
Received from Wm. Turner, Manchester, to account, .	20	0	0
19th.			
Sold Henry Ellis, Dundee.			
5 chests Congou, each 60 lb., @ 3/9, . . .	56	5	0
6 doz. Cape Wine, @ 35/, ...	10	10	0
	66	15	0
20th.			
Bought of James Cumming, Liverpool.			
16 barrels American Flour, @ 34/, ...	27	4	0
21st.			
Sold Francis Simpson, Glasgow.			
5 doz. Cape, @ 35/, ...	8	15	0
21st.			
While attending an auction of Wood, I bought some, and handed over to John Hart my right to it for . .	5	10	0
22d.			
Sold for Cash.			
4 barrels American Flour, @ 36/, ...	7	4	0
23d.			
Sold James Cumming, Liverpool.			
10 pieces Calico, each £2, 17/, ...	28	10	0
23d.			
Sold Wm. Turner, Manchester.			
7 chests Tea, each 60 lb., @ 4/3, ...	89	5	0
25th.			
Sold for Cash to Phillips & Co.			
1 pipe Port, ...	79	0	0

	£	s.	d.
25th January 1858.			
Received from James Cumming, Liverpool, in full of his account, ...	34	4	4
25th.			
Sold for Cash to James Gordon, Bath.			
10 doz. Cape, @ 39/ per doz., ...	19	10	0
Allowed Discount, ...	0	7	6
	19	2	6
26th.			
Received from Russell & Renton, Liverpool, a remittance through the firm of Lewis & Co. here, . . .	60	0	0
26th.			
Paid Clerk's Salary for the last three months, . .	20	0	0
28th.			
Received from Henry Ellis, Dundee.			
Cash in full of his account, ...	82	10	3
And allowed him Discount at rate of 5 per cent. on £194, 15/,	9	14	9
	92	5	0
28th.			
Bought for Cash of Blair & Lewthwaite, London.			
15 chests Tea, each 60 lb., @ 3/9 per lb, . .	168	15	0
28th.			
Sold Russell & Renton, Liverpool.			
14 chests Tea, each 60 lb., @ 4/2 per lb., . .	175	0	0
28th.			
Bought of Wm. Turner, Manchester.			
7 pieces Calico, each £2, 12/, ...	18	4	0

				£	s.	d.
29th January 1858.						
Paid Francis Simpson, London, ...				37	15	10
I am entitled to a Discount of 2½ per cent. on the Calico bought from him, . .	£81	0	0			
And he is entitled to the same Discount on Wine bought from me, . . .	20	15	0			
Discount at the rate of 2½ per cent. on	£60	5	0	1	10	2
Being the balance at his credit in Ledger, . . .				39	6	0
29th.						
Paid sundry Counting-house expenses during this month, such as Postages, Packing Cases, Cordage, Cleaning, &c.,				5	16	6

The following entries are not to be journalized and posted; they are inserted here merely to show the value assigned to the Goods on hand, so as to aid the learner in closing the accounts in the Ledger.

Took Stock, and found on hand unsold—						
Wine, 1 pipe Port, ...	£73	0	0			
22 doz. Cape, @ 36/, . . .	39	12	0			
				112	12	0
Flour, 15 barrels, @ 33/6, ...				25	2	6
Tea, 4 chests, each 60 lb., 4/, ...				48	0	0
Calico, 7 pieces, @ £2, 12/6, . . .	£18	7	6			
10 „ 2, 15/, . . .	27	10	0			
				45	17	6
				231	12	0

JOURNAL.

(1)

				Drs.			Crs.		
1858.									
Jan. 1.	1	Cash, ...	*Dr.*	450	0	0			
	2	Calico, 5 pieces, ...	,,	15	0	0			
	2	Wine, 3 pipes, ...	,,	225	0	0			
	5	Wm. Turner, Manchester, . .	,,	40	1	9			
	5	Francis Simpson, ...	,,	20	19	0			
	1	To Capital Account, . . .					751	0	9
,, 1.	1	Capital Account. .	*Dr.*	69	17	0			
	4	To Russell & Renton, Liverpool, .					50	0	0
	4	To George Sands, Glasgow. . .					19	17	0
		Total of Balances from old Ledger,	£	820	17	9	820	17	9
,, 1	3	Flour, ...	*Dr.*	34	0	0			
	3	To James Cumming, L'pool, 20 barrels,					34	0	0
,, 1.	4	Henry Ellis, Dundee, . . .	*Dr.*	80	0	0			
	2	To Wine, 1 pipe, ...					80	0	0
,, 1.	2	Calico, ...	*Dr.*	81	0	0			
	5	To Francis Simpson, London, 30 pieces,					81	0	0
,, 2.	1	Cash, ...	*Dr.*	31	18	0			
	2	To Calico, 11 pieces, . . .					31	18	0
,, 2.	2	Wine, ...	*Dr.*	108	0	0			
	4	To Russell & Renton, Liverpool, 60 doz. Cape, ...					108	0	0
,, 2.	1	Cash, ...	*Dr.*	27	8	0			
	3	To Flour, 14 barrels, . . .					27	8	0
		Carry forward,	£	362	6	0	362	6	0

1858.				*Drs.*			*Crs.*		
			Brought forward, £	362	6	0	362	6	0
Jan. 3.	1	Cash, ...	*Dr.*	46	10	0			
	4	To Henry Ellis, Dundee, . .					46	10	0
„ 3.	4	Russell & Renton, Liverpool, .	*Dr.*	130	0	0			
	1	To Cash, Draft on Jones and Co., .					130	0	0
„ 5.	4	Geo. Sands, Glasgow, . . .	*Dr.*	6	0	0			
	2	To Wine, 3 doz. Cape, . .					6	0	0
„ 5.	4	Geo. Sands, Glasgow, . . .	*Dr.*	13	17	0			
	1	To Cash, ...					13	7	0
	5	To Profit and Loss, Discount, .					0	10	0
„ 5.	3	James Cumming, Liverpool, . .	*Dr.*	50	0	0			
	2	To Wine, 1 pipe Port, . . .					50	0	0
„ 6.	2	Calico, ...	*Dr.*	41	12	0			
	5	To W. Turner, Manchester, 16 pieces,					41	12	0
„ 6.	1	Cash, ...	*Dr.*	11	8	0			
	3	To Flour, 6 barrels, . . .					11	8	0
„ 6.	4	Russell & Renton, Liverpool, .	*Dr.*	60	0	0			
	2	To Calico, 20 pieces, . . .					60	0	0
„ 7.	4	Henry Ellis, Dundee, . . .	*Dr.*	30	0	0			
	2	To Calico, 10 pieces, . . .					30	0	0
„ 7.	1	Cash, ...	*Dr.*	49	0	0			
	2	To Wine, 1 pipe, ...					49	0	0
		Carry forward, £		800	13	0	800	13	0

1858.				*Drs.*			*Crs.*		
			Brought forward, £	800	13	0	800	13	0
Jan. 7.	1	Cash, ...	*Dr.*	56	0	0			
	4	To Henry Ellis, Dundee, . .					56	0	0
„ 8.	2	Wine, ...	*Dr.*	289	2	0			
	1	To Cash, 4 pipes, . . .					289	2	0
„ 8.	3	Flour, ...	*Dr.*	39	12	0			
	3	To James Cumming, L'pool, 24 barrels,					39	12	0
„ 8.	5	Wm. Turner, Manchester, . .	*Dr.*	89	5	0			
	2	To Wine, 1 pipe, . . .					75	0	0
	2	To Calico, 5 pieces, . . .					14	5	0
„ 9.	1	Cash, ...	*Dr.*	11	8	6			
	3	To Flour, 6 barrels, . . .					11	8	6
„ 9.	1	Cash, ...	*Dr.*	60	0	0			
	5	To Wm. Turner, Manchester, .					60	0	0
„ 9.	3	James Cumming, Liverpool, . .	*Dr.*	75	0	0			
	2	To Wine, 1 pipe, ...					75	0	0
„ 11.	2	Calico, ...	*Dr.*	83	10	6			
	1	To Cash, 32 pieces, . . .					83	10	6
„ 11.	4	Geo. Sands, Glasgow, . . .	*Dr.*	16	0	0			
	2	To Wine, 8 doz. Cape, . . .					16	0	0
„ 11.	4	Russell and Renton, Liverpool, .	*Dr.*	32	0	0			
	1	To Cash, ...					32	0	0
		Carry forward, £		1552	11	0	1552	11	0

1858.				*Drs.*			*Crs.*		
			Brought forward, £	1552	11	0	1552	11	0
Jan. 12.	5	Francis Simpson, London, . .	*Dr.*	12	0	0			
	2	To Wine, 6 doz. Cape, . .		—	—	—	12	0	0
„ 12.	1	Cash, ...	*Dr.*	2	18	0			
	2	To Calico, 1 piece, . . .		—	—	—	2	18	0
„ 13.	3	Tea, ...	*Dr.*	56	0	0			
	4	To Geo. Sands, Glasgow, 5 chests,		—	—	—	56	0	0
„ 14.	4	Henry Ellis, Dundee, . . .	*Dr.*	18	0	0			
	3	To Flour, 10 barrels, . . .		—	—	—	18	0	0
„ 14.	3	James Cumming, Liverpool, . .	*Dr.*	18	0	4			
	3	To Tea, 1 chest, . . .					12	7	4
	2	To Calico, 2 pieces, . . .					5	13	0
							—	—	—
„ 15.	1	Cash, ...	*Dr.*	36	10	0			
	3	To James Cumming, Liverpool, .		—	—	—	36	10	0
„ 15.	4	Russell and Renton, Liverpool, .	*Dr.*	10	0	0			
	3	To Flour, 5 barrels, . . .		—	—	—	10	0	0
„ 16.	3	Tea, ...	*Dr.*	168	0	0			
	1	To Cash, 16 chests, . . .		—	—	—	168	0	0
„ 16.	1	Cash, ...	*Dr.*	56	2	6			
	3	To Tea, 5 chests, . . .		—	—	—	56	2	6
„ 18.	4	Geo. Sands, Glasgow, . . .	*Dr.*	39	4	0			
	2	To Calico, 14 pieces, . .		—	—	—	39	4	0
		Carry forward, £		1969	5	10	1969	5	10

1858.			Drs.			Crs.		
		Brought forward, £	1969	5	10	1969	5	10
Jan. 19.	1	CASH, ... Dr.	20	0	0			
	5	To WILLIAM TURNER, . . .				20	0	0
„ 19.	4	HENRY ELLIS, Dundee, . . . Dr.	66	15	0			
	3	To TEA, 5 chests, ...				56	5	0
	2	To WINE, 6 doz. Cape, . . .				10	10	0
„ 20.	3	FLOUR, ... Dr.	27	4	0			
	3	To JAMES CUMMING, L'pool, 16 barrels,				27	4	0
„ 21.	5	FRANCIS SIMPSON, London, . . Dr.	8	15	0			
	2	To WINE, 5 doz. Cape, . . .				8	15	0
„ 21.	1	CASH, ... Dr.	5	10	0			
	5	To PROFIT AND LOSS, for Gain on purchase of Wood, ...				5	10	0
„ 22.	1	CASH, ... Dr.	7	4	0			
	3	To FLOUR, 4 barrels, . . .				7	4	0
„ 23.	3	JAMES CUMMING, Liverpool, . . Dr.	28	10	0			
	2	To CALICO, 10 pieces, . . .				28	10	0
„ 23.	4	WM. TURNER, Manchester, . . Dr.	89	5	0			
	3	To TEA, 7 chests, . . .				89	5	0
„ 25.	1	CASH, ... Dr.	79	0	0			
	2	To WINE, 1 pipe Port, . . .				79	0	0
„ 25.	1	CASH, ... Dr.	34	4	4			
	3	To JAMES CUMMING, Liverpool, .				34	4	4
		Carry forward, £	2335	13	2	2335	13	2

1858.			*Drs.* £	s.	d.	*Crs.* £	s.	d.
		Brought forward, £	2335	13	2	2335	13	2
Jan. 25.	1	CASH, ... *Dr.*	19	2	6			
	2	To WINE, 10 doz., . . .				19	2	6
„ 26.	1	CASH, ... *Dr.*	60	0	0			
	4	To RUSELL & RENTON, Liverpool, .				60	0	0
„ 26.	5	PROFIT AND LOSS, ... *Dr.*	20	0	0			
	1	To CASH, for Clerk's Salary, .				20	0	0
„ 28.	1	CASH, ... *Dr.*	82	10	3			
	5	PROFIT AND LOSS, 5 per cent. on £194, 15/, „	9	14	9			
	4	To HENRY ELLIS, Dundee, . .				92	5	0
„ 28.	3	TEA, ... *Dr.*	168	15	0			
	1	To CASH, 15 chests, . . .				168	15	0
„ 28.	4	RUSSELL & RENTON, Liverpool, . *Dr.*	175	0	0			
	3	To TEA, 14 chests, . . .				175	0	0
„ 28.	2	CALICO, ... *Dr.*	18	4	0			
	5	To WM. TURNER, Manchester, 7 pieces,				18	4	0
„ 29.	5	FRANCIS SIMPSON, London, . . *Dr.*	39	6	0			
	1	To CASH, ...				37	15	10
	5	To PROFIT & LOSS, $2\frac{1}{2}$ per cent. on £60, 5/,				1	10	2
„ 29.	5	PROFIT AND LOSS, ... *Dr.*	5	16	6			
	1	To CASH, for Counting-House Charges,				5	16	6
		Total of Transactions journalized for January, ... £	2934	2	2	2934	2	2

Trial Balance.

When the pupil has posted all the foregoing entries into the Ledger, he must make the Trial Balance referred to on page 15, before closing the accounts in the Ledger. This is done, by writing the names of the accounts in the Ledger with a *Dr.* and *Cr.* column. On the *Dr.* side of this Trial Balance, the total amount of the entries on the *Dr.* side of each account is noted, and the *Cr.* side is treated in the same manner; thus, for example, the Capital a/c shows £69, 17s. 0d., as the total of the entries on the Debit side of that Account in the Ledger, and £751, 0s. 9d., as the total of the entries on the credit. In like manner he proceeds with all the accounts in the Ledger, simply transferring their totals to the Trial Balance.

Having completed the transference of the totals, the next step is to sum the debit and credit sides of the Trial Balance, which must agree in amount, as may be seen at page 44. The reason why the two sides of this balance should agree in amount, may be easily seen, when the student remembers, that whatever was entered on the debit of one account in the Ledger, was also entered on the credit of some other account or accounts, therefore the total of the entries on the debit side of the Ledger must agree with the total of the entries on the credit. An additional and more valuable proof of the correctness of the Trial Balance may be obtained by comparing the amount with the total of entries posted from the Journal.—*See Trial Balance at the end of Ledger.*

Closing Entries.

Having found the postings to the Ledger correct, the next step is to close the accounts as directed on page 9, with the assistance of the list given at the end of the Transactions, p. 23.

LEDGER.

INDEX.

	Folio
Balance,	5
Cash,	1
Calico,	2
Capital Account,	1
Cumming, James, Liverpool,	3
Ellis, Henry, Dundee,	4
Flour,	3
Profit and Loss,	5
Russell and Renton, Liverpool,	4
Sands, George, Glasgow,	4
Simpson, Francis, London,	5
Tea,	3
Turner, Wm., Manchester,	5
Wine,	2

(1.)

Dr. CAPITAL*

1858.				£	s.	d.
January	1	To Sundries, ...	1	69	17	0
	30	*To Balance, nett amount of my present Capital in Business,**		696	19	0
				766	16	0

* This is sometimes called the *Stock Account.*

Dr. CASH

1858.				£	s.	d.
January	1	To Capital, ...	1	450	0	0
	2	To Calico, ...	1	31	18	0
	2	To Flour, ...	1	27	8	0
	3	To H. Ellis, ...	2	46	10	0
	6	To Flour, ...	2	11	8	0
	7	To Wine, ...	2	49	0	0
	7	To H. Ellis, ...	3	56	0	0
	9	To Flour, ...	3	11	8	6
	9	To Wm. Turner, ...	3	60	0	0
	12	To Calico, ...	4	2	18	0
	15	To James Cumming, ...	4	36	10	0
	16	To Tea, ...	4	56	2	6
	19	To Wm. Turner, ...	5	20	0	0
	21	To Profit and Loss, ...	5	5	10	0
	22	To Flour, ...	5	7	4	0
	24	To Wine, ...	5	79	0	0
	25	To James Cumming, ...	5	34	4	4
	25	To Wine, ...	6	19	2	6
	26	To Russell & Renton, ...	6	60	0	0
	28	To Henry Ellis, ...	6	82	10	3
				1146	14	1

(1.)

ACCOUNT. *Cr.*

1858.				£	s.	d.
January	1	By Sundries, ...	1	751	0	9
	30	*By Profit and Loss gained since 1st January,*		15	15	3
				766	16	0

ACCOUNT. *Cr.*

1858.				£	s.	d.
January	3	By Russell & Renton, ...	2	130	0	0
	5	By Geo. Sands, ...	2	13	7	0
	8	By Wine, ...	3	289	2	0
	11	By Calico, ...	3	83	10	6
	11	By Russell & Renton, ...	3	32	0	0
	16	By Tea, ...	4	168	0	0
	26	By Profit and Loss (Clerk's Salary), .	6	20	0	0
	28	By Tea, ...	6	168	15	0
	29	By Francis Simpson, ...	6	37	15	10
	29	By Profit and Loss, Charges, . . .	6	5	16	6
	30	*By Balance on hand,**		198	7	3
				1146	14	1

(2.)

Dr. WINE

1858.					£	s.	d.
January	1	To Capital,	3 pipes,	1	225	0	0
	2	To Russell and Renton,	60 doz.,	1	108	0	0
	8	To Cash,	4 pipes,	3	289	2	0
			7 pipes 60 doz.,		622	2	0

Dr. CALICO

1858.					£	s.	d.
January	1	To Capital,	5 pieces,	1	15	0	0
	1	To Francis Simpson,	0 „	1	81	0	0
	6	To Wm. Turner,	6 „	2	41	12	0
	11	To Cash,	2 „	3	83	10	6
	28	To Wm. Turner,	7 „	6	18	4	0
	30	*To Profit and Loss—Gain,*			18	19	0
			90 pieces,		258	5	6

ACCOUNT. *Cr.*

1858.					£	s.	d.
January	1	By Henry Ellis, . . .	1 pipe,	1	80	0	0
	5	By Geo. Sands, . . .	3 doz.,	2	6	0	0
	5	By James Cumming, . .	1 pipe,	2	50	0	0
	7	By Cash, ...	1 ,,	2	49	0	0
	8	By Wm. Turner, . . .	1 ,,	3	75	0	0
	9	By James Cumming, . .	1 ,,	3	75	0	0
	11	By Geo. Sands, . . .	8 doz.,	3	16	0	0
	12	By Francis Simpson, . .	6 doz.,	4	12	0	0
	19	By H. Ellis, ...	6 doz.,	5	10	10	0
	21	By F. Simpson, . . .	5 doz.,	5	8	15	0
	24	By Cash, ...	1 pipe,	5	79	0	0
	25	By Cash, ...	10 doz.,	6	19	2	6
	30	*By Balance—unsold,** .	1 *pipe* 22 *doz.*,		112	12	0
			7 pipes 60 doz.				
	30	*By Profit and Loss—Loss,* . . .			29	2	6
					622	2	0

ACCOUNT. *Cr.*

1858.					£	s.	d.
January	2	By Cash, ...	11 pieces,	1	31	18	0
	6	By Russell & Renton, . .	20 ,,	2	60	0	0
	7	By Henry Ellis, . . .	10 ,,	2	30	0	0
	8	By Wm. Turner, . . .	5 ,,	3	14	5	0
	12	By Cash, ...	1 ,,	4	2	18	0
	14	By James Cumming, . .	2 ,,	4	5	13	0
	18	By Geo. Sands, . . .	14 ,,	4	39	4	0
	23	By James Cumming, . .	10 ,,	5	28	10	0
	30	*By Balance—unsold,** . .	17 ,,		45	17	6
			90 pieces,		258	5	6

(3)

Dr. FLOUR

1858.					£	s.	d.
January	1	To James Cumming, . .	20 barrels,	1	34	0	0
	8	To do. do. . .	24 „	3	39	12	0
	20	To do. do. . .	16 „	5	27	4	0
	30	*To Profit and Loss—Gain,* .			9	15	0
			60 barrels,		110	11	0

Dr. TEA

1858.					£	s.	d.
January	13	To Geo. Sands, ...	5 chests,	4	56	0	0
	16	To Cash, ...	16 „	4	168	0	0
	28	To Cash, ...	15 „	6	168	15	0
	30	*To Profit and Loss—Gain,* .			44	4	10
			36 chests,		436	19	10

Dr. JAMES CUMMING,

1858.				£	s.	d.
January	5	To Wine, ...	2	50	0	0
	9	To do., ...	3	75	0	0
	14	To Sundries, ...	4	18	0	4
	23	To Calico, ...	5	28	10	0
				171	10	4

ACCOUNT. *Cr.*

1858.					£	s	d.
January	2	By Cash, ...	14 barrels,	1	27	8	0
	6	By Flour, ...	6 „	2	11	8	0
	9	By Cash, ...	6 „	3	11	8	6
	14	By H. Ellis, ...	10 „	4	18	0	0
	15	By Russell & Renton, . .	5 „	4	10	0	0
	22	By Cash, ...	4 „	5	7	4	0
	30	*By Balance—on hand unsold,**	15 „		25	2	6
			60 barrels,		110	11	0

ACCOUNT. *Cr.*

1858.					£	s.	d.
January	14	By James Cumming, . . .	1 chest,	4	12	7	4
	16	By Cash, ...	5 „	4	56	2	6
	19	By H. Ellis, ...	5 „	5	56	5	0
	23	By Wm. Turner, ...	7 „	5	89	5	0
	28	By Russell & Renton, . . .	14 „	6	175	0	0
	30	*By Balance—on hand unsold,** .	4 „		48	0	0
			36 chests,		436	19	10

LIVERPOOL. *Cr.*

1858.				£	s.	d.
January	1	By Flour, ...	1	34	0	0
	8	By do., ...	3	39	12	0
	15	By Cash, ...	4	36	10	0
	20	By Flour, ...	5	27	4	0
	25	By Cash, ...	5	34	4	4
				171	10	4

(4)

Dr. GEORGE SANDS,

1858.				£	s.	d.
January	5	To Wine, ...	2	6	0	0
	5	To Sundries, ...	2	13	17	0
	11	To Wine, ...	3	16	0	0
	18	To Calico, ...	4	39	4	0
	30	*To Balance—due him,**		0	16	0
				75	17	0

Dr. HENRY ELLIS,

1858.				£	s.	d.
January	1	To Wine, ...	1	80	0	0
	7	To Calico, ...	2	30	0	0
	14	To Flour, ...	4	18	0	0
	19	To Sundries, ...	5	66	15	0
				194	15	0

Dr. RUSSELL & RENTON,

1858.				£	s.	d.
January	3	To Cash, ...	2	130	0	0
	6	To Calico, ...	2	60	0	0
	11	To Cash, ...	3	32	0	0
	15	To Flour, ...	4	10	0	0
	28	To Tea, ...	6	175	0	0
				407	0	0

GLASGOW. *Cr.*

1858.				£	s.	d.
January	1	By Capital, ...	1	19	17	0
	13	By Tea, ...	4	56	0	0
				75	17	0

DUNDEE. *Cr.*

1858.				£	s.	d.
January	3	By Cash, ...	2	46	10	0
	7	By do.	3	56	0	0
	28	By Sundries, ...	6	92	5	0
				194	15	0

LIVERPOOL. *Cr.*

1858.				£	s.	d.
January	1	By Capital, ...	1	50	0	0
	2	By Wine, ...	1	108	0	0
	26	By Cash, ...	6	60	0	0
	30	*By Balance—due me,**		189	0	0
				407	0	0

(5)

Dr. WM. TURNER,

1858.				£	s.	d.
January	1	To Capital, ...	1	40	1	9
	8	To Sundries, ...	3	89	5	0
	23	To Tea, ...	5	89	5	0
				218	11	9

Dr. FRANCIS SIMPSON,

1858.				£	s.	d.
January	1	To Capital, ...	1	20	19	0
	12	To Wine, ...	4	12	0	0
	21	To do.	5	8	15	0
	29	To Sundries, ...	6	39	6	0
				81	0	0

Dr. PROFIT AND LOSS

1858.				£	s.	d.
January	26	To Cash, ...	6	20	0	0
	28	To Henry Ellis, ...	6	9	14	9
	29	To Cash, ...	6	5	16	6
	30	*To Wine, loss,*		29	2	6
	30	*To Capital, Gain on business since 1st January,*		15	15	3
				80	9	0

MANCHESTER. *Cr.*

1858.				£	s.	d.
January	6	By Calico,	2	41	12	0
	9	By Cash,	3	60	0	0
	19	By do.,	5	20	0	0
	28	By Calico,	6	18	4	0
	30	*By Balance—due me,**		78	15	9
				218	11	9

LONDON. *Cr.*

1858.				£	s.	d.
January	1	By Calico,	1	81	0	0
				81	0	0

ACCOUNT. *Cr.*

1858.				£	s.	d.
January	5	By Geo. Sands,	2	0	10	0
	21	By Cash,	5	5	10	0
	29	By Francis Simpson,	6	1	10	2
	30	*By Flour,*		9	15	0
	„	*By Tea,*		44	4	10
	„	*By Calico,*		18	19	0
				80	9	0

(6)

Dr. BALANCE

1858.			£	s.	d.
January	30	To Wine, 1 pipe 22 doz.,	112	12	0
		To Calico, 17 pieces,	45	17	6
		To Flour, 15 barrels,	25	2	6
		To Tea, 4 chests,	48	0	0
		To Russell & Renton,	189	0	0
		To William Turner,	78	15	9
		To Cash—in hand,	198	7	3
			697	15	0

TRIAL BALANCE.

Drs. £	s.	d.	Folio		*Crs.* £	s.	d.
69	17	0	1	CAPITAL,	751	0	9
1146	14	1	1	CASH,	948	6	10
622	2	0	2	WINE,	480	7	6
239	6	6	2	CALICO,	212	8	0
100	16	0	3	FLOUR,	85	8	6
392	15	0	3	TEA,	388	19	10
171	10	4	3	JAS. CUMMING,	171	10	4
75	1	0	4	GEO. SANDS,	75	17	0
194	15	0	4	HENRY ELLIS,	194	15	0
407	0	0	4	RUSSELL & RENTON,	218	0	0
218	11	9	5	WM. TURNER,	139	16	0
81	0	0	5	FRANCIS SIMPSON,	81	0	0
35	11	3	5	PROFIT AND LOSS,	7	10	2
3754	19	11		(See Note, p. 30.)	3754	19	11

Note.—Proof of the correctness of the Trial Balance,—

Total of Balances from old Ledger (see p. 24), . . £820 17 9

Total of Transactions posted from the Journal (see p. 29), 2934 2 2

Total Journalized, £3754 19 11

ACCOUNT. *Cr.*

1858.			£	s.	d.
January	30	By George Sands, ...	0	16	0
	30	By Capital a/c, *nett* value of my Capital in Business at this date, . . . * .	696	19	0
			697	15	0

BALANCE SHEET.—30*th January* 1858.

Having closed the Ledger, the learner may be desired to form a Balance Sheet similar to the following, showing the Assets and Liabilities.†

	Folio in Ledger.	£	s.	d.	£	s.	d.
ASSETS.							
I. Stock on hand,—							
Wine, 1 pipe, 22 doz., . .	2	112	12	0			
Calico, 17 pieces, . . .	2	45	17	6			
Flour, 15 barrels, . . .	3	25	2	6			
Tea, 4 chests, ...	3	48	0	0			
					231	12	0
II. Debts due to Henry Williams,—							
Russell and Renton, . . .	4	189	0	0			
William Turner, . . .	5	78	15	9			
					267	15	9
III. Cash in hand, ...	1				198	7	3
					697	15	0
LIABILITIES.							
Debts due by Henry Williams,—							
George Sands, ...	4				0	16	0
Balance in favour of Henry Williams,	1				696	19	0

† **Where economy of time is desirable, the *Personal* and *Goods* Accounts in the Ledger need not be closed at the period of balancing, but the entries with an asterisk in the Ledger at the Goods' accounts, being the balances of goods on hand, and in the Personal accounts, being balances of debts due to Henry Williams, or due by him, may simply be carried forward to the debit or credit of the new accounts. By this plan the BALANCE ACCOUNT may be dispensed with, and this *Balance Sheet* will attain the same result, being, at the same time, a list of all the open accounts in the Ledger.**

EXERCISE.

The student is requested to construct a Journal and a Ledger from the following transactions, upon the plan shown in the preceding Books for January. This may be done the more easily, since the parties with whom there are credit transactions, and the articles dealt in, are the same in February as in January; so that the forms in the Journal, and the accounts in the Ledger, will be similar to those given on the preceding pages.

TRANSACTIONS.

Bristol, 1st February 1858.

An Inventory of the Property I have in Business at this date.			£	s.	d.
Cash,			198	7	3
Wine, 1 pipe Port,	£73 0 0				
„ 22 doz. Cape, @ 36/,	39 12 0				
			112	12	0
Flour, 15 barrels, @ 33/6,			25	2	6
Tea, 4 chests Congou, each 60 lb., @ 4/,			48	0	0
Calico, 7 pieces, @ £2, 12s. 6d.,	£18 7 6				
„ 10 do. @ £2, 15s. 0d.,	27 10 0				
			45	17	6
Balances due me by—					
Russell and Renton, Liverpool,			189	0	0
William Turner, Manchester,			78	15	9
			697	15	0
Debt due by me to—					
George Sands, Glasgow,			0	16	0
—1st.					
Bought of Henry Ellis, Dundee.					
1 pipe Port,			87	15	0
—1st.					
Sold Francis Simpson, London.					
5 doz. Cape, @ 39/ per doz.,			9	15	0
—1st.					
Bought of George Sands, Glasgow.					
2 chests Congou, each 60 lb., @ 4/,			24	0	0

	£	s.	d.
1st *February* 1858.			
Received from Russell and Renton, Liverpool, a Draft on the Royal Bank for	150	0	0
A draft or a cheque is looked upon as CASH; because it must be *cashed* without unnecessary delay.—*See Appendix.*			
2*d.*			
Bought for ready money of Henry Lloyd.			
3 pipes Port at £71 each, ...	213	0	0
Discount allowed by him, ...	2	3	6
	210	16	6
2*d.*			
Sold Francis Simpson, London.			
4 barrels Flour, @ 37/, ...	7	8	0
2*d.*			
Remitted Henry Ellis to account, ...	50	0	0
3*d.*			
Bought of James Cumming, Liverpool.			
15 barrels Flour, @ 34/, ...	25	10	0
3*d.*			
Sold William Turner, Manchester.			
2 chests Congou, 60 lb. each, @ 4/3 per lb., . .	25	10	0
3*d.*			
Received a remittance from William Turner of . .	100	0	0
4*th.*			
Bought of Russell & Renton, Liverpool.			
50 doz. Sherry, at 60/, ...	150	0	0
4*th.*			
Sold for cash to Boyd & Co. York.			
2 pipes Port, @ £73 each, ...	146	0	0
Discount allowed, ...	1	10	0
	144	10	0

	£	s.	d.
4th February 1858.			
Sold James Cumming, Liverpool.			
6 doz. Cape, @ 40/ per doz.,	12	0	0
7 doz. Sherry, @ 64/ „	22	8	0
	34	8	0
5th.			
Bought for cash of Campbell & Co., Glasgow.			
16 pieces Calico, @ 52/6 each,	42	0	0
Received Discount,	0	10	6
	41	9	6
5th.			
Sold to Russell & Renton, Liverpool.			
14 pieces Calico, @ £2, 17s. each,	39	18	0
5th.			
Bought of Francis Simpson, London.			
29 pieces Calico, @ £2, 13/ each,	76	17	0
6th.			
Sold for ready money to Charles Graham.			
1 pipe Port,	78	0	0
Discount Allowed,	1	5	6
	76	14	6
6th.			
Having found one of the barrels of Flour purchased of James Cumming on the 4th inst. damaged, he allows me an abatement of	0	10	6
(No Cash has been received in this case.—See Example 5, page 13.)			
6th.			
Paid George Sands, Glasgow,	20	0	0
Discount allowed me at 2½ per cent.,	0	10	0
	19	10	0

	£	s.	d.
—8*th February* 1858.—			
Bought of Russell & Renton, Liverpool.			
3 pipes Port, @ £72, 10/ each, ...	217	10	0
—8*th.*—			
Sent a Cheque to Russell & Renton on Jones & Co., Bankers, for			
(*See Note on 1st February, page* 45.)	100	0	0
—9*th.*—			
Sold George Sands, Glasgow.			
5 doz. Sherry, @ 64/ per doz., ...	16	0	0
3 doz. Cape, @ 40/ per doz., ...	6	0	0
3 barrels Flour, @ 36/, ...	5	8	0
	27	8	0
—9*th.*—			
Received from Francis Simpson a remittance of	35	0	0
—10*th.*—			
Sent to the order of Francis Simpson, London.			
14 doz. Sherry, @ 64/, ...	44	16	0
—10*th.*—			
Bought for Cash.			
4 chests Congou, each 60 lb., @ 3/9 per lb., . .	45	0	0
5 chests Fine Hyson, each 40 lb., @ 4/3 per lb, .	42	10	0
	87	10	0
Discount for Cash, 2½ per cent., ...	2	3	9
	85	6	3
—11*th.*—			
Sold for Cash to James Wilson.			
8 pieces Calico, @ £2 15/ each, ...	22	0	0
—11*th.*—			
My Stock of Flour having been damaged by Fire—Sold for Cash to Hill & Sons.			
23 barrels, at 20/ each, ...	23	0	0

	£	s.	d.
12th February 1858.			
Bought of Henry Ellis, Dundee.			
3 chests Fine Hyson, each 40 lb., @ 4/6, . . .	27	0	0
12th.			
Sold Wm. Turner, Manchester.			
15 pieces Calico, each £2, 16/, ...	42	0	0
13th.			
Sold for Cash.			
14 doz. Sherry, @ 65/ per doz., ...	45	10	0
13th.			
Paid Russell & Renton, Liverpool, ...	75	10	0
15th.			
Sold James Cumming, Liverpool.			
7 pieces Calico, @ 56/ each, ...	19	12	0
15th.			
Bought for Cash.			
20 barrels American Flour, @ 34/, ...	34	0	0
16th.			
William Turner has paid me for the Calico sold him on the 12th instant, ...	42	0	0
Discount allowed, at 2½ per cent., ...	1	1	0
	40	19	0
16th.			
Sold George Sands, Glasgow,			
1 pipe Port, ...	76	0	0
17th.			
Sold Francis Simpson, London.			
4 chests Congou, each 60 lbs., @ 4/ per lb., . .	48	0	0
4 „ Fine Hyson, each 40 lb., @ 4/6 per lb., .	36	0	0
	84	0	0
17th.			
Received from F. Simpson a Cheque on Royal Bank for	55	0	0

	£	s.	d.
18th February 1858.			
Sold for Cash to Henry Leslie, Portsmouth.			
5 barrels Flour, @ 36/, ...	9	0	0
5 doz. Sherry, @ 64/, ...	16	0	0
3 chests Congou, each 60 lb., @ 4/3, ...	38	5	0
	63	5	0
18th.			
Sold Henry Ellis, Dundee.			
1 pipe Port, ...	75	0	0
19th.			
George Sands has sent me an order on Walker & Co. for	40	0	0
And a Cheque on the Royal Bank for . . .	20	0	0
	60	0	0
19th.			
Sold for ready money to James Black.			
2 chests Fine Hyson, each 40 lb., @ 4/6, . . .	18	0	0
20th.			
Sold for ready money.			
5 pieces Calico, @ 55/ each, ...	13	15	0
20th.			
Sold William Turner, Manchester.			
5 doz. Cape, @ 39/, ...	9	15	0
4 barrels Flour, @ 36/, ...	7	4	0
	16	19	0
22d.			
Received from James Cumming, Liverpool, to account,	29	0	6
Discount allowed, ...	1	9	0
	27	11	6
22d.			
Sold Francis Simpson, London.			
7 barrels Flour, @ 36/ each, ...	12	12	0

	£	s.	d.
23*d February* 1858.			
Sold for Cash to James Wright.			
14 pieces Calico, at 55/ each, ...	38	10	0
Discount allowed, ...	0	10	6
	37	19	6
24*th*.			
Paid H. Ellis the balance of his Account, . . .	10	5	0
24*th*.			
Bought of Francis Simpson, London.			
13 pieces Calico, @ 53/6 each, ...	34	15	6
26*th*.			
Bought for Cash.			
7 doz. Sherry, @ 60/, ...	21	0	0
26*th*.			
Sold for Cash.			
7 pieces Calico, @ 60/, ...	21	0	0
8 doz. Sherry, 64/, ...	25	12	0
	46	12	0
26*th*.			
Sold Francis Simpson, London.			
1 pipe Port, damaged, ...	56	0	0
27*th*.			
Paid Warehouse Rent, ...	22	0	0
28*th*.			
Bought for Cash of Campbell & Co.			
14 pieces Calico, @ 54/ each, ...	37	16	0
28*th*.			
Paid sundry Counting-house Expenses during this month,	4	17	9

The following entries are not to be journalized and posted from this book. They are inserted here merely to guide the student in closing the accounts in the Ledger.			£	s.	d.
Took Stock, and found on hand—					
Cash,			445	12	9
Wine, 2 pipes Port,	£160 15 0				
„ 3 doz. Cape, @ 36/	5 8 0				
„ 4 doz. Sherry, @ 60/	12 0 0				
			178	3	0
Flour, 4 barrels, @ 34/,			6	16	0
Tea, 1 chest Congou, 60 lb., @ 4/,	£12 0 0				
„ 2 chests Fine Hyson, 40 lb., @ 4/3,	17 0 0				
			29	0	0
Calico, 19 pieces, @ 53/,			50	7	0
			709	18	9

DOUBLE ENTRY.

PART II.

THE object aimed at in this Part, is to lay before the student the method of classifying business transactions on the higher principles of the *English system*:—the usual practice in business being, to enter each transaction as it occurs, in a book specially adapted for the class to which it belongs.

These books usually are,—

1*st*, A Day Book, for the entry of all credit *sales*.

2*d*, An Invoice Book, for the entry of all credit *purchases*.

3*d*, A Cash Book, for the entry of all cash received or paid away.

These may be called preliminary books; the entries in which are collected at the end of each month into the Journal, and finally posted into the Ledger.

The first duty of the student, in entering upon this part, will be to construct these preliminary books from the Transactions of January and February, given on pages 16–23, and 44–50.

THE DAY BOOK.

In this book all the sales on *credit* are to be entered, together with such transactions, not sales, as do not properly belong to either of the other books.

The most complete form of this book, as used in Double Entry, may be seen on page 60. In it are entered the name and address of each party * to whom goods are sold on credit, with a description of their quantity, quality, and price. In a column set apart for the purpose, should be registered the price per piece, per yard, per dozen, or per lb., as the case may be. The first money column ought to contain the amount of each article sold, and the

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* The residence of the party with whom each transaction occurs should be added in the preliminary book where the entry is made, and carried forward to the Journal. This plan prevents confusion in an extensive business, where there are dealings with several persons of the same name.

total of these items should be extended into the outer money column. As each page of this book is completed, both columns should be summed, and the amounts carried forward to the top of the next page. If the columns do not agree in amount, some mistake must have been made in extending the total of the items into the outer column, which may thus be checked and corrected before being carried further into the accounts. The summation ought to terminate at the end of each month, so as to show the amount of sales during that month.

THE INVOICE BOOK.

This book is kept for registering the names and addresses of the parties from whom goods are received on credit, with the value of those goods. The seller usually sends along with the goods a list detailing the quality, quantity, and price of each article, at so much per yard, per lb., &c., calculated and brought to a total. This is technically called an *Invoice*.

There are two methods of keeping the Invoice Book. The one is to copy out in full each of the Invoices received; the other, and more usual practice, is to gum these invoices in a cartridge-paper book, numbering them 1, 2, 3, &c., as they are received, and simply, to enter in the Invoice Book the name and address of the sender, the number of the invoice in the cartridge-paper book, with the total amount as seen there.

In form, this book should be similar to the Day Book already described. It has double money columns; in the inner of which, if the detailed method of keeping it be adopted, the items representing the value of each article should be set down, and the total of each Invoice extended to the outer column; but should the abridged form be adopted, the total of each Invoice should be entered in the inner column, and these totals, according to the extent of the business, extended at the end of each day or week into the outer money column. With this, as with the Day Book, the amount of each page should be ascertained and carried forward to a total at the end of each month.

Both methods of keeping this book may be seen on pages 62, 63.

THE CASH BOOK.

This book, pages 64, 65, has a Debit and a Credit side. On the debit side, all sums of money *received* are to be entered, and on the credit side all sums *paid away*. Cash sales and cash purchases are to be entered in this book *alone*, no notice being taken of them in the Day or Invoice Books.

Abatements.—When any abatement or discount has been allowed or received in settling a personal account, that abatement should be entered in

an inner column, and the *actual sum* received or paid, in the outer column of the Cash Book, but *no notice* should be taken of any abatement on a cash purchase or sale,—simply entering the nett amount received or paid.

At the end of the month, the total amount of the debit side (money received) is found, and likewise the total of the credit side (money paid). The *difference* between these two sides must agree with the money on hand. This balance, should there be any, is entered on the credit side, and carried forward to the debit of next month. The total of the discount is not extended into the outer column, because it does not pass through the hands of the cashier. It is set down as seen at the foot of the discount column.

It has been suggested, as a better means of understanding the nature of this book, that it should be called the *Cashier's Account*, thereby looking upon the cashier as the individual who receives and pays away money, and requiring to account for the balance in his possession.

It may help to explain the peculiar phraseology of the Cash Book, to mention, that before the days of banking, each merchant in Italy kept his money in a chest (Italian, *cássa*), so that the chest, or *cássa*, was looked upon as *debtor* for all the money deposited there, and as *creditor* by all the money taken out of it. Hence arises our English term *cash*, which is *Dr.* to all the money coming into the business, and *Cr.* by all the money going out.

JOURNAL.

Having subdivided the Transactions into a Day Book, an Invoice Book, and a Cash Book, they have thereby been classed into Sales on Credit, Purchases on Credit, and Cash Transactions.

The object aimed at in the Journal of this more advanced set, page 66, is to arrange these different classes of transactions under their proper heads, so that *the whole transactions of one kind*, such as *all* the credit purchases of Flour, *all* the credit sales of Wine, or *all* the sums of money paid to any individual during the month of January, may be posted, *by a single entry*, to the Flour, to the Wine, or to *that person's* account in the Ledger.

Each page of the Journal must be summed and carried forward to the end of the month; so that the total of the *original entries* may be shown, as a test by which the correctness of the Ledger can be proved.

Order of Journalizing.

1. *The Inventory, or Balances from the old Ledger.*—This may, or may not, be passed through the Journal, as the book-keeper thinks advisable. If these balances be not passed through the Journal, they would be transferred at once, from the accounts in the old Ledger to the appropriate sides of the

accounts in the new,* but should they appear in the Journal, they would take the form seen on page 66, consisting of two parts; the first, detailing the accounts to be debited, the sum of which is carried to the credit of Capital, and the second showing the accounts to be credited, of which the total is carried to the debit of Capital.

2. *Day Book.*—By looking at this book, page 60, we find that the first person mentioned, who has purchased on credit, is Henry Ellis.

We therefore write in the Journal—

			Drs.			*Crs.*		
1858.		HENRY ELLIS, ... *Dr.*	194	15	0			
Jan. 1.		To Wine, 1 pipe, . . £80 0 0						
19.		Do. 6 doz., . . 10 10 0	...	...	...	90	10	0
7.		To Calico, 10 pieces, ...	...	...	...	30	0	0
14.		To Flour, 10 barrels, ...	...	...	...	18	0	0
19.		To Tea, 5 chests, ...	...	...	...	56	5	0

That is, we collect under the head "Henry Ellis" all that he has received on credit during the month of January, viz., goods to the value of £194, 15s. Let it be remarked that he received Wine on separate occasions, and the manner in which the total of the Wine received by him is shown. It may be seen from the above example, that the accounts to be credited have the sums carried into the outer column, and those to be debited have the items placed in the first column; the latter, in this instance, is simply Henry Ellis's account. In posting this to the Ledger, we go to the debit side of Henry Ellis's account and say, "Jan. 30. (31*st being Sunday*) To Sundries, £194, 15s."; and to the credit of each of the Goods accounts specified, and say, *such a date*, "By Henry Ellis," *so many pipes, pieces, or barrels*, with the sum belonging to each.

In like manner, the sales made to each party during the month are journalized, and afterwards posted.

3. *Invoice Book.*—The manner of classifying this book in the Journal is similar to that of the Day Book. We find the first article received was Flour, and having an account in the Ledger for that article, we proceed with the Journal as may be seen on page 67.

4. *Cash Book.*—Many merchants prefer transferring the entries in this book to the Ledger without passing them through the Journal. The extra

* As these amounts balance with each other, it will be seen that their omission from the Journal does not interfere with the balancing of the Ledger.

labour of journalizing, however, is compensated by the conciseness of the entries in the Ledger.* (*See method of dispensing with the Journal, stated on page* 22.)

Taking the debit side of the Cash Book, the first entry journalized is a cash sale of Calico (*no notice being taken of the balance entries in the Journal*), farther down on the same side we find another sale of Calico for cash; we therefore group these items *within* the money columns, and extend the total to the *credit* column, taking care to note the number of pieces in each transaction. The next entry in the Cash Book after Calico is Flour: the transactions in this article are grouped in a similar manner. When we come to any transaction of which there is no other of the same class on this side, the amount is placed at once in the *credit* column. Having exhausted the debit side of the Cash Book, we sum the items in the *credit* column of the Journal, and place the total after the heading "Cash —— *Dr.*" in the *debit* column. (Let the discount be journalized, &c., as seen on page 68).

The credit side of Cash is journalized in a similar manner, only the entries in the *debit* and *credit* columns of the Journal are reversed.

Posting.—When we transfer these entries from the Journal to the Ledger, we go, in the first instance, to the debit side of the Cash account and say, "Jan. 30. To Sundries, £696, 14s. 1d.", and to the credit side of each of these Sundries, writing there respectively, "Jan. —— By Cash (so many pieces, barrels, or pipes), £——." When posting to a personal account the *actual* sum received or paid, with the discount, should there be any, *added* to it, is carried into the money column of the Ledger by one entry; thus, for example, in posting to Henry Ellis's account, we should say, "Jan. 28. By Cash and Discount, £92, 5s."

The Closing of the Ledger.

In the Introductory Set, the accounts in the Ledger were closed upon the old system of transferring the balances from one account to another.

In this Part, the student requires to adopt the more business-like method of compiling a Profit and Loss Sheet and a Balance Sheet. These sheets (which may either be made upon separate sheets of paper, or in a book set apart for the purpose) contain the closing entries, which, being journalized, are finally posted into the Ledger.

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* For example, in January there are four cash sales of Flour, which, if journalized, would appear in the Ledger by one entry, viz., "Jan. 31. By Cash, 30 barrels, £57, 8s. 6d." but, if posted directly from the Cash Book to the Ledger, would appear thus:

"Jan.	3.	By Cash,	14	barrels,	. . . .	£27	8	0
,,	6.	By do.	6	,,	. . . .	11	8	0
,,	9.	By do.	6	,,	. . . .	11	8	6
,,	22.	By do.	4	,,	. . . .	7	4	0"

The forms adopted are as follows:—

PROFIT AND LOSS SHEET.*

Feb. 28.	*Amount posted,*	54	6	9	Feb. 28.	*Amount posted,*	56	1	8
	To Wine—loss,	7	2	6		By Sugar—gain,	10	19	6
	To Cotton „	2	3	6		By Calico „	47	2	9
						By Rice „	15	12	0
		63	12	9					
	To Capital a/c for nett gain,	66	3	2					
	£	129	15	11		£	129	15	11

BALANCE SHEET.*

	ASSETS.					LIABILITIES.			
	(I. GOODS IN STOCK.)					(DEBTS DUE BY THE MERCHANT.)			
Feb. 28.	Wine, 3 pipes Port, @ £80, £240 0 0				Feb. 28.	Morris and Holmes, Bristol, ...	29	18	0
	Wine, 5 doz. Sherry, @ 40/, 10 0 0					James Dolby, London,	85	19	6
		250	0	0			115	17	6
	Calico, 24 pieces, @ 60/,	72	0	0					
	Flour, 16 barrels, @ 30/,	32	0	0		*Capital a/c, for nett amount of my Capital in business at this date,*	1094	13	4
	Rice, 5 bags @ 49/ ℔ cwt.,	34	17	0					
	(II. DEBTS DUE TO THE MERCHANT)								
	Bain & Barton, Halifax,	49	17	2					
	Campbell & Co., Leeds,	142	16	8					
	Crosbie Brothers, L'pool,	56	16	0					
	(III. CASH.)								
	Cash—in hand, . . .	29	14	0					
	Bank a/c, ...	542	10	0					
	£	1210	10	10		£	1210	10	10

The best plan to pursue in compiling the above forms, is to begin with the Balance Sheet; and without making any entry in the accounts in the Ledger, simply to collect from them the Assets and Liabilities, arranging

* These sheets do not contain the *closing entries* the learner will meet with in the Ledger. He is simply to adopt the *plan* shown above, with the requisite entries.

them as shown in the example. Under the head "Assets," will then be exhibited the *gross* Capital; and under the head "Liabilities," the amount owing by the Merchant, which, being deducted from the Assets, gives the *nett* Capital.

Having thus completed the Balance Sheet, the learner proceeds to draw up the Profit and Loss Sheet. The first thing done here is to transfer to this sheet the amounts appearing on each side of the Profit and Loss Account in the Ledger. Then finding the amount on each side of the Goods accounts, and adding to the credit amount the "Balance," should there be any, from the Balance Sheet; the difference between the Debit and Credit of each account will then show the *gain* or *loss* that has been made on that account. This gain or loss is placed on the proper side of the *Profit and Loss Sheet*, but not yet entered in the Ledger. Going over all the Goods accounts in this manner, the gains are collected on one side of this sheet, and the losses on the other. When completed, the one side exhibits the *gross* gains, and the other the expenses, losses, &c., by which that gross gain has been diminished, so as to give the *nett* gain—upon the supposition that a gain has been made—as shown in the example.

Following out this plan, the entries on these sheets would then pass through the Journal in the following form, and be posted to the proper accounts in the Ledger:—

JOURNAL.

	Folios of the Ledger.		*Drs.*			*Crs.*		
		FINISHING ENTRIES.						
Feb. 28.		PROFIT AND LOSS, ... *Dr.*	75	9	2			
		To Wine— loss, ...	...	...	...	7	2	6
		To Cotton „	...	...	...	2	3	6
		To Capital Account, for nett Gain, .	...	...	...	66	3	2
„ 28.		Sugar— gain, ... *Dr.*	10	19	6			
		Calico, „ . . . . . „	47	2	9			
		Rice, „ . . . . . „	15	12	0			
		To PROFIT AND LOSS, ...				73	14	3
		Total of Finishing Entries, £	149	3	5	149	3	5

The learner must notice that the "*Amounts posted*" appearing in the Profit and Loss Sheet, do not require to pass through the Journal, having done so before.

JOURNAL.

		Drs.			Crs.		
	BALANCE ENTRIES.						
Feb. 28.	BALANCE ACCOUNT, ... *Dr.*	1210	10	10			
	To Wine, 3 pipes, 5 doz., on hand, .	...	...	...	250	0	0
	To Calico, 24 pieces, „ .	...	...	...	72	0	0
	To Flour, 16 barrels, „ .	...	...	...	32	0	0
	To Rice, 5 bags, „ .	...	...	...	34	17	0
	To Bain & Barton, due by them, .	...	...	...	49	17	2
	To Campbell & Co., „ . .	...	...	...	142	16	8
	To Crosbie Brothers, „ . .	...	...	...	56	16	0
	To Cash Account—in hand, . . .	...	...	...	29	14	0
	To Bank Account, at my credit, . .	...	...	...	542	10	0
	Total Credit Balances, £	1210	10	10	1210	10	10
Feb. 28.	Morris & Holmes, due to them, . *Dr.*	29	18	0			
	James Dolby, „ . . . „	85	19	6			
	Capital Account—nett present Capital, „	1094	13	4			
	To BALANCE ACCOUNT, . . .	—	—	—	1210	10	10
	Total Debit Balances, . . £	1210	10	10	1210	10	10

When the Ledger is closed upon the plan described above, the *result* is exactly similar to that produced by adopting the method described on page 10.

DAY BOOK.

Bristol, January 1858.

—1*st January* 1858.—								
Henry Ellis, Dundee.								
1 pipe Port, ... @		80	0	0	80	0	0
—5*th*.—								
George Sands, Glasgow.								
3 doz. Cape Wine, ... @	40/	6	0	0	6	0	0
—5*th*.—								
James Cumming, Liverpool.								
1 pipe Port, damaged, . . . @		50	0	0	50	0	0
—6*th*.—								
Russell & Renton, Liverpool.								
20 pieces Calico, ... @	60/	60	0	0	60	0	0
—7*th*.—								
Henry Ellis, Dundee.								
10 pieces Calico, ... @	60/	30	0	0	30	0	0
—8*th*.—								
William Turner, Manchester.								
1 pipe Port, ... @		75	0	0			
5 pieces Calico, ... @	57/	14	5	0	89	5	0
—9*th*.—								
James Cumming, Liverpool.								
1 pipe Port, ... @		75	0	0	75	0	0
—11*th*.—								
George Sands, Glasgow.								
8 doz. Cape Wine, ... @	40/	16	0	0	16	0	0
—12*th*.—								
Francis Simpson, London.								
6 doz. Cape Wine, ... @	40/	12	0	0	12	0	0
Carry forward,	£	418	5	0	418	5	0

DAY BOOK—*January* 1858.

Brought forward,		£	418	5	0	418	5	0
14*th January* 1858.								
Henry Ellis, Dundee.								
10 barrels Flour, ...	@	36/	18	0	0	18	0	0
14*th.*								
James Cumming, Liverpool.								
1 chest Tea. 2 qrs., ...	@	4/5	12	7	4			
2 pieces Calico, . . . each	@	56/6	5	13	0	18	0	4
15*th.*								
Russell & Renton, Liverpool.								
5 barrels Flour, ...	@	40/	10	0	0	10	0	0
18*th.*								
George Sands, Glasgow.								
14 pieces Calico, . . . each	@	56/	39	4	0	39	4	0
19*th.*								
Henry Ellis, Dundee.								
5 chests Congou, each 60 lb., . .	@	3/9	56	5	0			
6 doz. Cape, ...	@	35/	10	10	0	66	15	0
21*st.*								
Francis Simpson, London.								
5 doz. Cape, ...	@	35/	8	15	0	8	15	0
23*d.*								
James Cumming, Liverpool.								
10 pieces Calico, . . . each	@	57/	28	10	0	28	10	0
24*th.*								
William Turner, Manchester.								
7 chests Tea, each 60 lb., . .	@	4/3	89	5	0	89	5	0
28*th.*								
Russell & Renton, Liverpool.								
14 chests Tea, each 60 lb., . .	@	4/2	175	0	0	175	0	0
Total credit sales for January,		£	871	14	4	871	14	4

INVOICE BOOK.

Bristol, January 1858.

1*st January* 1858.							
Henry Williams, Bought of J. Cumming, L'pool. 20 barrels American Flour, . . @	34/	34	0	0			
1*st*.							
Henry Williams, Bought of F. Simpson, London. 30 pieces Calico, ... @	54/	81	0	0			
2*d*.							
Henry Williams, Bought of Russell & Renton, L'pool. 60 doz. Cape Wine, ... @	36/	108	0	0	223	0	0
Note.—This being the end of the first week, the total is extended into the outer column, and so on at the end of each week during the month.							
6*th*.							
Henry Williams, Bought of W. Turner, Manchester. 16 pieces Calico, ... @	52/	41	12	0			
8*th*.							
Henry Williams, Bought of James Cumming, L'pool. 24 barrels Flour, ... @	33/	39	12	0	81	4	0
13*th*.							
Henry Williams, Bought of Geo. Sands, Glasgow. 5 chests Tea, each 56 lbs., . . @	4/	56	0	0	56	0	0
20*th*.							
Henry Williams, Bought of James Cumming, L'pool. 16 barrels American Flour, . . @	34/	27	4	0	27	4	0
28*th*.							
Henry Williams, Bought of W. Turner, Manchester. 7 pieces Calico, . . . each @	52/	18	4	0	18	4	0
Total credit purchases for January,	£	405	12	0	405	12	0

INVOICE BOOK.

The more usual form of this book, as explained on page 53, is as follows. It is desirable, however, that the preceding form should be adopted in the class-room, so as to impress the form of an Invoice firmly upon the mind of the student.

INVOICE BOOK—*January* 1858.

1*st January* 1858.							
James Cumming, Liverpool. For amount of Invoice, No. 1,	£	34	0	0			
1*st*.							
Francis Simpson, Glasgow. For amount of Invoice, No. 2,		81	0	0			
2*d*.							
Russell & Renton, Liverpool. For amount of Invoice, No. 3,		108	0	0	223	0	0
6*th*.							
William Turner, Manchester. For amount of Invoice, No. 4,		41	12	0			
8*th*.							
James Cumming, Liverpool. For amount of Invoice, No. 5,		39	12	0	81	4	0
13*th*.							
George Sands, Glasgow. For amount of Invoice, No. 6,		56	0	0	56	0	0
20*th*.							
James Cumming, Liverpool. For amount of Invoice, No. 7,		27	4	0	27	4	0
28*th*.							
Wm. Turner, Manchester. For amount of Invoice, No. 8,		18	4	0	18	4	0
Total credit purchases for January,	£	405	12	0	405	12	0

Dr. CASH ACCOUNT,—

		Discount Allowed.			
1	*To Balance from last year,*	...	450	0	0
3	To Calico, 11 pieces, ...	...	31	18	0
3	To Flour, 14 barrels, ...	...	27	8	0
3	To H. Ellis, Dundee, ...	...	46	10	0
6	To Flour, 6 barrels, ...	...	11	8	0
7	To Wine, 1 pipe, ...	...	49	0	0
7	To H. Ellis, Dundee, ...	...	56	0	0
9	To Flour, 6 barrels, ...	...	11	8	6
9	To Wm. Turner, Manchester, ...	...	60	0	0
12	To Calico, 1 piece, ...	...	2	18	0
15	To James Cumming, Liverpool, ...	...	36	10	0
16	To Tea, 5 chests, ...	...	56	2	6
19	To Wm. Turner, Manchester, ...	...	20	0	0
21	To Profit and Loss, ...	...	5	10	0
22	To Flour, 4 barrels, ...	...	7	4	0
24	To Wine, 1 pipe, ...	...	79	0	0
25	To James Cumming, Liverpool, ...	...	34	4	4
25	To Wine, 10 doz., ...	...	19	2	6
26	To Russell & Renton, Liverpool, . . .	...	60	0	0
28	To H. Ellis, Dundee, ...	194/9	82	10	3
	Discount allowed, £9 14 9				
		£	1146	14	1

ABSTRACT.

Total Debits, ...	£1146 14 1	
Deduct balance brought forward,	450 0 0	
Posted to Cash a/c,	£696 14 1	
Do. Discount a/c,	9 14 9	
Total Credits posted,	£706 8 10	

In the event of the entries in the Cash Book not being passed through the Journal, each entry should be posted separately to the proper a/c in the Ledger. For instance, on the *Dr.* side, the first account affected being Calico, the merchant would turn up that a/c in his Ledger, and say,—"Jan. 2. By Cash, £31, 18s.," doing the same with all the other entries. He would then make the *Abstract* given above, and

(1.)

JANUARY 1858. *Cr.*

1858.			Discount Received.			
January	3	By Russell & Renton, Liverpool, . . .	...	130	0	0
	5	By Geo. Sands, Glasgow, ...	10/	13	7	0
	7	By Wine, 4 pipes, ...	...	289	2	0
	11	By Calico, 32 pieces, ...	...	83	10	6
	11	By Russell & Renton, Liverpool, . .	...	32	0	0
	16	By Tea, 16 chests, ...	...	168	0	0
	26	By Profit and Loss, Salary, ...	...	20	0	0
	28	By Tea, 15 chests, ...	...	168	15	0
	29	By Francis Simpson, London, ...	30/2	37	15	10
	29	By Profit and Loss, Charges, ...	...	5	16	6
				948	6	10
		Balance to February, ...	...	198	7	3
		Discount received, £2 0 2				
			£	1146	14	1

ABSTRACT.

Total Credits, ...	£1146	14	1
Deduct balance, carried forward,	198	7	3
Posted to Cash a/c,	£948	6	10
Do. Discount a/c,	2	0	2
Total Debits posted,	£950	7	0

post to the debit of Cash a/c, .	£696	14	1
and to the debit of Discount a/c, .	9	14	9

Having done the same with the entries on the *Cr.* side, and posted the totals in the abstract in like manner, it will be found that the same result is arrived at as by journalizing, with the disadvantage of less conciseness of statement in the Ledger, but on the whole with a saving of time.

(1)

JOURNAL.

1858.		Journal—*January* 1858.				*Drs.*				*Crs.*	
		(Inventory.)									
Jan. 1.	1	Cash, ...	*Dr.*			450	0	0			
	2	Calico, 5 pieces, ...	,,			15	0	0			
	1	Wine, 3 pipes, ...	,,			225	0	0			
	4	Wm. Turner, Manchester, ...	,,			40	1	9			
	4	Francis Simpson, London, ...	,,			20	19	0			
	1	To Capital Account, ...								751	0 9
,, 1.	1	Capital Account, ...	*Dr.*			69	17	0			
	3	To Russell & Renton, Liverpool, . .				...	...	...		50	0 0
	4	To George Sands, Glasgow, . . .				...	...	...		19	17 0
		Total of Balances from Old Ledger, £				820	17	9		820	17 9
		(Day Book.)									
	4	Henry Ellis, Dundee, ...	*Dr.*			194	15	0			
,, 1.	1	To Wine, 1 pipe, . .		£80	0 0						
19.		,, do. 6 doz., . . .		10	10 0	...	...	...		90	10 0
7.	2	To Calico, 10 pieces, ...				...	...	...		30	0 0
14.	2	To Flour, 10 barrels, ...				...	...	...		18	0 0
19.	3	To Tea, 5 chests, ...				...	...	...		56	5 0
	4	George Sands, Glasgow, ...	*Dr.*			61	4	0			
,, 5.	1	To Wine, 3 doz., . . .		£6	0 0						
11.		,, do., 8 doz., . . .		16	0 0	...	...	...		22	0 0
18.	2	To Calico, 14 pieces, ...				...	...	...		39	4 0
	3	James Cumming, Liverpool, . . .	*Dr.*			171	10	4			
,, 5.	1	To Wine, 1 pipe, . . .		£50	0 0						
9.		,, do. 1 ,, . . .		75	0 0	...	...	...		125	0 0
14.	3	To Tea, 1 chest, ...				...	...	...		12	7 4
14.	2	To Calico, 2 pieces, . . .		£5	13 0						
23.		,, do., 10 ,, . . .		28	10 0	...	...	...		34	3 0
		Carry forward, £				427	9	4		427	9 4

JOURNAL—*January* 1858.				*Drs.*			*Crs.*		
		Brought forward,	£	427	9	4	427	9	4
1858.	3	RUSSELL & RENTON, Liverpool, . .	*Dr.*	245	0	0			
Jan. 6.	2	To Calico, 20 pieces, ...		...	...	...	60	0	0
15.	2	To Flour, 5 barrels, ...		...	...	...	10	0	0
28.	3	To Tea, 14 chests, ...		...	...	...	175	0	0
	4	WM. TURNER, Manchester, . . .	*Dr.*	178	10	0			
„ 8.	1	To Wine, 1 pipe, ...		...	...	...	75	0	0
8.	2	To Calico, 5 pieces, ...		...	...	...	14	5	0
24.	3	To Tea, 7 chests, ...		...	...	...	89	5	0
	4	FRANCIS SIMPSON, London, . . .	*Dr.*	20	15	0			
„ 12.	1	To Wine, 6 doz., . . £12 0 0							
21.		„ do., 5 doz., . . . 8 15 0		...	...	...	20	15	0
		(INVOICE BOOK.)							
	2	FLOUR, ...	*Dr.*	100	16	0			
Jan. 1.	3	To J. Cumming, L'pool, 20 bls., £34 0 0							
8.		„ do. do. 24 „ 39 12 0							
20.		„ do. do. 16 „ 27 4 0		...	...	...	100	16	0
	2	CALICO, ...	*Dr.*	140	16	0			
„ 1.	4	To F. Simpson, London, . . 30 pieces,		...	...	...	81	0	0
6.	4	To Wm. Turner, 16 pieces, . £41 12 0							
28.		„ do. 7 „ . 18 4 0		...	...	...	59	16	0
	1	WINE, ...	*Dr.*	108	0	0			
„ 2.	3	To Russell & Renton, L'pool, 60 doz.,		...	...	...	108	0	0
	3	TEA, ...	*Dr.*	56	0	0			
„ 13.	4	To George Sands, Glasgow, 5 chests,		...	...	...	56	0	0
		Carry forward,	£	1277	6	4	1277	6	4

JOURNAL—*January* 1858.

1858.				*Drs.*			*Crs.*		
		Brought forward,	£	1277	6	4	1277	6	4
		(CASH BOOK.)							
	1	CASH, ...	*Dr.*	696	14	1			
Jan. 2.	2	To Calico, 11 pieces, . £31 18 0							
12.		,, do. 1 ,, . 2 18 0	...	...	...	...	34	16	0
3.	2	To Flour, 14 barrels, . £27 8 0							
6.		,, do. 6 ,, . 11 8 0							
9.		,, do. 6 ,, . 11 8 6							
22.		,, do. 4 ,, . 7 4 0	...	...	...	...	57	8	6
3.	4	To Hy. Ellis, Dundee, . £46 10 0							
7.		,, do. do. 56 0 0							
28.		,, do. do. 82 10 3	194/9	...	...	...	185	0	3
7.	1	To Wine, 1 pipe, . . £49 0 0							
24.		,, do. 1 ,, . . 79 0 0							
25.		,, do. 10 doz., . . 19 2 6	...	...	...	...	147	2	6
9.	4	To W. Turner, M'chester, £60 0 0							
19.		,, do. do. 20 0 0	...	...	...	...	80	0	0
15.	3	To J. Cumming, L'pool, £36 10 0							
25.		,, do. do. 34 4 4	...	...	...	...	70	14	4
16.	3	To Tea, 5 chests, ...	...	...	...	...	56	2	6
21.	5	To Profit & Loss, ...	...	...	...	...	5	10	0
26.	3	To Russell & Renton, Liverpool,	...	...	...	...	60	0	0
30.	5	PROFIT AND LOSS, . . . *Dr.*	———	9	14	9			
		To H. ELLIS' a/c abated as above,*	...	———	———	———	9	14	9
		* This does not require to be carried to the credit of H. E.'s a/c, being posted with the sum of £185, 0s. 3d., mentioned above.							
3.	3	Russell & Renton, *Dr.* £130 0 0							
11.		do. do. ,, 32 0 0	...	162	0	0			
5.	4	G. Sands, Glasgow, *Dr.* . . .	10/	13	7	0			
7.	1	Wine, 4 pipes, . . *Dr.* . . .	...	289	2	0			
11.	2	Calico, 32 pieces, . *Dr.* . . .	...	83	10	6			
16.	3	Tea, 16 chests, . *Dr.* £168 0 0							
28.		do. 15 ,, . ,, 168 15 0	...	336	15	0			
26.	5	Profit & Loss, . . *Dr.* £20 0 0							
29.		do. do. . . ,, 5 16 6	...	25	16	6			
29.	4	Francis Simpson, . *Dr.* . . .	30/2	37	15	10			
	1	To CASH, ...		———	———	———	948	6	10
30.		Sundry Accounts, ... *Dr.*	———	2	0	2			
	5	To Profit & Loss, Abatements,	...	———	———	———	2	0	2
		Total amount of Transactions for January journalized and posted,	... £	2934	2	2	2934	2	2

Exercise on Part II.

The pupil must now proceed to post the above entries from the Journal into the Ledger. When he has done so, he will make the appropriate entries in the *Day Book*, *Invoice Book*, and *Cash Book*, from the Transactions of February. He will then journalize those entries, and post them into the Ledger; make a Trial Balance; construct a Profit and Loss Sheet, and a Balance Sheet;—journalize and post the entries in them, closing thereby the Ledger accounts. The learner should make a *Trial Balance* when he has finished the posting of the January entries; and a second when he has finished the posting of the February entries, so as to detect errors.

END OF PART II.

DOUBLE ENTRY.

PART III.

This Part introduces the student to some of the higher forms of mercantile transactions; such as transactions with Bills, Banking, Shipments, Consignments, &c.

In entering upon the study of this Part, the student should, in the first place, make himself familiar with the form and negotiation of Bills of Exchange, so as to enable him to draw out in full, each Bill in the transactions, and to enter from the Bill so drawn out, the necessary particulars in his Bill Book.

The importance of this step cannot be too strongly impressed upon the learner; for without a thorough knowledge of the nature of Bills before he enters upon the study of the transactions given in this Part, he will find himself lost in a labyrinth of difficulties. We therefore introduce here, for his careful study, the following remarks on

BILLS OF EXCHANGE AND PROMISSORY NOTES.

Definition.—A Bill is an obligation, written upon stamped paper, whereby one party binds himself to pay a certain sum of money to some other party at a specified time.

It may be written in the form of a request, desiring the party to whom it is addressed, to pay the sum specified to the person named in the body of it, to the writer himself, or to any one to whom he may afterwards transfer it, within a certain time,—in this case it is called a Bill. It may also be written in the form of a promise, on the part of the person who signs it, to pay a specified sum to an individual named, or to any person to whom he may transfer it, and in this case it is called a Promissory Note.

The nature of such a document may be more fully understood from the following examples:—

(No. 1.) A Bill.

£76, 10s. Stg. London, 7*th May* 1858.

Three months after date, pay to us or our order, the sum of Seventy-six Pounds, ten shillings Sterling, value received.

Ainsley, Brown, & Co.
Lang & Co.

Messrs. Lang & Co.,
Birmingham.

(No. 2.) A Promissory Note.

£76, 10s. Stg. Birmingham, 7*th May* 1858.

Three months after date, we promise to pay Messrs. Ainsley, Brown, & Co., or order, at Messrs. Barclay, Brown, & Co.'s, Bankers, London, the sum of Seventy-six Pounds, ten shillings Sterling, value received.

Lang & Co.

The Course and Negotiation of Bills.

Lang & Co., Birmingham, owe Ainsley, Brown, & Co., London, £76, 10s., which they agree to pay at the expiry of three months from 7th May. A. B. & Co. either draw up the above form (No. 1) upon stamped paper, and present it to Lang & Co. for their *acceptance*, that is, for their signature ; which may either be placed under the name of the drawers, as in the example—the usual practice in Scotland—or be written across the face of the bill, thus—

£76, 10*s*. Stg. London, 7*th May* 1858.

Three months after date, pay to us or our order, the sum of Seventy-six Pounds, ten shillings Stg., value received.

Accepted payable at Messrs. Barclay, Brown, & Co., Bankers, London. Lang & Co.

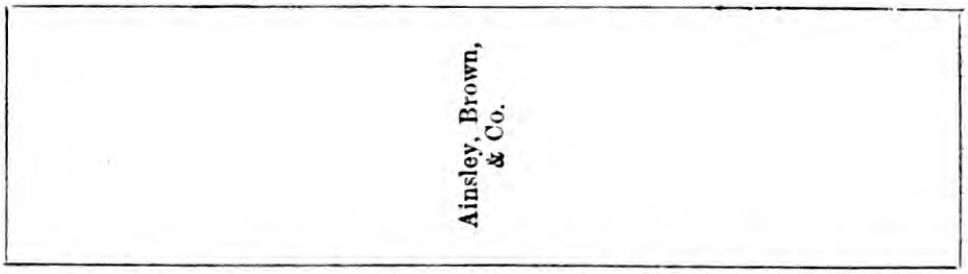
Ainsley, Brown, & Co.

Messrs. Lang & Co.,
Birmingham.

as is customary in England. By Lang & Co. thus signing, they are said to accept the Bill; that is, they accept the obligation to pay the money at the expiry of the three months stipulated ; or Messrs. Lang & Co. write out the Form (No. 2), which must also be written upon stamped paper, and transmit it to Messrs. Ainsley, Brown, & Co.

Let us suppose that A. B. & Co. retain the Bill in their possession until the expiry of the three months, they would then present it to Lang & Co. for payment on 10th August; since the understanding is, that the person who accepts, is allowed three days of grace, from the day on which the Bill becomes

due. Before handing the Bill over to Lang & Co., A. B. & Co. would *indorse* it, by writing the name of their firm *across the back* of the Bill, thus—



Note.—Indorsations do not require to be dated in Great Britain. Dates are only necessary to indorsations *abroad,—i.e.,* in countries not under British rule—United States of America excepted.

Such is the usual course of a Bill, but it may be varied in many ways. The three variations of most frequent occurrence are these—

1*st*, A. B. & Co., being indebted in a like sum to Henry Hill, Glasgow, might have made this Bill payable to him, by saying in the body of it, "Pay to Henry Hill, or order," instead of "Pay to us, or our order." Had this been the case, H. Hill would have received the Bill from A. B. & Co., after Lang & Co. had accepted it.

2*d*, Again, the same thing might have been accomplished in this way. —Allowing the Bill to stand in its original form, A. B. & Co. are the holders of it, and are at liberty to transfer their right to any other party if they please,—the terms being, "Pay to us or our order." They might therefore transfer their right to Henry Hill, by simply signing "A. B. & Co.," the name of their firm, across the back of the Bill, and hand it to him, who would then become the holder. Henry Hill might transfer away his right to it, by indorsing in the same manner; so that, before the Bill falls due, it may have been the property of a number of individuals, who first became holders, and then transferred their right by indorsation.

The holder in whose possession the Bill is when its term expires, is the party to whom Lang & Co. must pay the money.

Note.—From what has been said, it must be apparent that a Bill very much resembles a Bank-Note. The Bank-Note bears in the body of it, an expressed obligation by the bankers, *to pay the bearer so much on demand.* This note, or obligation, can be passed from hand to hand, and he who chooses to demand coin for it at the bank, is entitled to receive it. In like manner, a Bill can be passed from one party to another; the only difference being, that the Bill requires to be indorsed, while the transference of the other is valid without indorsation. Payment for a Bank-Note may be demanded at any time, but a Bill has generally to run a specified time before payment can be demanded.

3*d*, Should A. B. & Co. require cash, it might be obtained by *selling* the Bill to a banker, that is, by *discounting* it. Such being the plan,

A. B. & Co. would place the Bill in the hands of their bankers, who, upon finding that the parties to the Bill were solvent, would pay over the amount mentioned in the Bill to A. B. & Co., deducting from it interest—*discount* at the rate of four, five, or six per cent., or such other rate as might be agreed upon. A. B. & Co. would then indorse the Bill, and leave it in possession of the bankers, whose property it becomes, and to whom Lang & Co. require to pay the £76, 10s. when its term expires. Before handing over the Bill to Lang & Co., the bankers indorse like any other holder; taking care, however, to write the word "*Received*" above their signature, to show their relation to the Bill, else it might become a claim *against them*, in virtue *of their* indorsation.

Classes of Bills.

Bills are of two kinds, Inland and Foreign.

1. Inland Bills *are those drawn and payable in the same country;* such as being drawn and payable in Great Britain, Ireland, or the Channel Islands. See example on page 71.
2. Foreign Bills *are those drawn in one country and payable in another;* such as being drawn in the West Indies, and payable in Great Britain. To prevent inconvenience arising from the loss or miscarriage of Foreign Bills, of which there is considerable risk in their transmission from one country to another, they are generally drawn in sets of two or three, and each sent by a different channel, to insure the safe arrival of at least one of them.

A Foreign Bill—drawn in Sets.

£149, 8s. Stg. Jamaica, 3*d January* 1858.

Sixty days after date, pay this, my first of Exchange (second and third of the same tenor and date not paid), to Messrs. J. & F. Hall, or order, Glasgow, the sum of One hundred and forty-nine Pounds, eight shillings Sterling, value received, which place to the account of,

Messrs. Ainsley, Brown, & Co., London. } Henry Black. Ainsley, Brown, & Co.

The other two Bills of this set would be exactly similar, except the saving clause, which, in the second, would be "first and third of the same tenor and date not paid," and in the third, "first and second of the same tenor and date not paid," thereby any one of them excludes the other from negotiation. The Bill that arrives first is the one negotiated; the others may be destroyed.

A Condensed View of the Law of England and Scotland regarding Bills, and the Manner of their Negotiation.

1. The technical names of the Parties to a Bill—

The *Drawer* is the party who draws up the Bill, either in his own favour, or in the favour of some other individual, mentioned in the body of it.

The *Drawee* is the person to whom it is addressed.

The *Acceptor* is the same individual as the Drawee, after having accepted or signed his name, binding himself to the conditions expressed in the Bill; he may likewise be called the Payer.

The *Payee* is the person named in the body of the Bill, or in an indorsation, who is to receive payment; he may be "the bearer" as in Bank Notes.

The *Holder* is the party having the Bill in his rightful possession for the time being, and who is entitled to demand payment of its contents; he may be the drawer, or he may be named in the body of the Bill, or he may be a person to whom it has been transferred by indorsation.

The *Indorser* and *Indorsee*—the former is the person who transfers his claim for the amount in the Bill to some other party by indorsation; and the latter is the party to whom that right has been transferred.

Note.—The more numerous the indorsers are, the more security the holder of a Bill has, because he can oblige any of the parties through whose hand the Bill has passed to pay the contents of it (should the acceptor fail in the payment of it); this is technically called having *recourse*.

2. The Form of a Bill.

No precise form of words is necessary to constitute a Bill, although merchants have generally adopted the preceding forms. It is enough that any document, bearing the necessary stamp, should clearly express an obligation to pay a definite sum of money at a certain time, in order to claim the privileges of a Bill.

The requisites essential to a Bill are: 1*st*, An engagement to pay. 2*d*, The sum engaged for. 3*d*, The name of the person to whom the amount is to be paid. 4*th*, The time of payment. When this counts from the time of granting, the date must be given. 5*th*, The Stamp.

Every particular in the body of the Bill, such as the sum, the time, &c., ought to be written in full, and no space should be left at the beginning or the end of lines; to guard against alterations or additions being made, to the detriment of the Acceptor, should the Bill come into the hands of any unprincipled person.

If the Bill be in the form of an order or request, the engagement to pay is completed by acceptance; but if in the form of a Promissory Note, it is at once perfect.

3. Who may validly accept Bills.

1. All persons, male or female, of sound mind, above the age of twenty-one, except married females, may grant Bills.
2. A *Minor*, that is a person between fourteen and twenty-one years of age, conducting business on his own behalf, may grant Bills connected with that business, but cannot be sued upon them in England, unless the Bills have been granted for *necessaries*.
3. Any partner of a company may bind that company by signing the name of the firm to a Bill. This does not apply to public companies—only to private firms.
4. Any person acting as agent, on the mandate or authority of another, may bind that person by accepting, *per procuration*.

4. What may vitiate a Bill, or render it invalid.

1. If payment be made to depend upon a condition or contingency.

   Note.—This applies only to the body of the Bill, for the acceptance may be, and sometimes is, given conditionally.

2. Being granted by a person incapable of undertaking the obligation as above explained.
3. Being granted for anything save money, such as for delivery of corn or any other commodity.
4. Being granted under a penalty in case of failure to pay.
5. If for a gaming debt.
6. If written upon an inadequate stamp.
7. If the signature of any of the parties has been forged.
8. And any erasure or alteration made upon the date (when the date is essential), the sum, or term of payment.

The above summary comprehends the principal objections that may be stated against the validity of a Bill, although many other contingencies may arise to vitiate such a document.

5. The Payment of Bills.

1. The time of payment is computed, exclusive of the day on which the Bill is dated; to which, in Great Britain and Ireland three days of grace are added; thus, for example, a Bill, dated 7th May, and due one month after date, would be payable on the 10th of June.
2. Should the last day of grace fall upon a Sunday, or authorized holiday, the Bill would be payable on the preceding day.
3. In the case of Bills payable on demand, no days of grace are allowed; but if payable so many days after sight, the Bill must be presented for payment (reckoning from the day on which presentment for acceptance took place), on the expiry of that time and the days of grace.
4. The holder of a Bill must present it for payment within business hours, at the place specified in the Bill; should no place be mentioned, payment must be demanded at the acceptor's place of business, and if he has none, at his residence.
5. Even should the acceptor have become insolvent, the Bill must be presented on the last day of grace, in order to preserve recourse against the indorsers.
6. Payment, to be valid, must be made to the holder, or to some party acting for him.
7. Payment to, or by a bankrupt, during the period of bankruptcy, is invalid.
8. No holder, on the pain of losing recourse, can make a composition with an acceptor, without permission of the Drawer and Indorsers.

6. The Protesting of Bills.

Bills must be protested for non-acceptance, or for non-payment, by a Notary-Public, so as to preserve the privilege of *Summary Diligence*; but *Recourse* may be preserved to the holder, if presentation be proved by written or parole evidence.—*See* "*The Mercantile Law Amendment Act*, 1856.

When Protest is taken, the Bill is placed in the hands of a Notary-Public for presentation; who, at the proper place and time, either asks the acceptance of it, or payment for it, as the case may be. If the acceptance or payment be refused, he executes a *Protest* before two witnesses, which is a notarial declaration, setting forth that the Bill has been dishonoured, and that the holder intends to demand payment from the drawer and indorsers.

1. Should the last day of grace fall upon a Sunday, or an authorized holiday, it must be protested on the day preceding.
2. Should a Bill, coming from a distance, be overdue when it arrives, and payment be refused, it must be protested at once, and intimation sent to the parties concerned.
3. Where there are only two parties to a Bill, the drawer and acceptor, the protest may be taken any time within six months, so as to enable the holder to raise summary diligence.
4. The holder of a Bill payable at a precise date, is not bound to present it for acceptance before the day on which it is due. He may therefore present it for acceptance and payment on the same day; the usual understanding, however, is, that the drawee should have the Bill in his possession for at least twenty-four hours, in order that he may examine his books, and see if it is drawn for the correct amount. Should the holder, however, present it before the time specified expires, and acceptance be refused, after protesting it, he can demand immediate payment either from the drawer or indorsers.

7. Notice or Intimation for recourse.

It is indispensable that the holder should give notice of dishonour for acceptance or payment, as the case may be, to the indorser from whom he received the Bill; thereby implying that he intends to have recourse, and that each indorser, in order, may take precautions to save himself from loss. By neglecting such notice, the law implies, that he has relinquished his claim upon them.

With Inland and Foreign Bills, the holder should give notice of dishonour to an indorser residing in the same place within a day; or if he resides at a distance, notice should be sent by the first post.—*See "The Mercantile Law Amendment Act*, 1856."

8. Privileges of Bills.

1. Bills are in law considered as granted for value.
2. An accepted Bill, should the acceptor refuse payment, is sufficient evidence of debt, when the necessary legal formalities have been fulfilled.
3. To preserve summary diligence* for six years, the holder must register the protest in a competent court;—that for non-acceptance within six months from the date of the Bill, and that for non-payment within six months from the last day of grace.
4. By neglecting the registration of the protest, the Bill is only looked upon as a voucher, so that the debt must be claimed by an ordinary action.

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* Bills in Scotland have enjoyed the privilege of summary diligence for many years; whereas in England they were only looked upon as vouchers. During the course of the Session of Parliament 1856-57, Lord Brougham introduced and carried a measure, extending this valuable privilege to England.

THE BOOKS OF
MESSRS. AINSLEY, BROWN, & CO.,
GENERAL MERCHANTS, LONDON.

OWING to the nature of the Transactions in this part, the Preliminary Books required are—

1. A DAY BOOK,
2. An INVOICE BOOK,
3. A CASH BOOK,

} as explained in Part II.

4. A BILLS RECEIVABLE BOOK, for noting the particulars of those Bills for which money is to be *received* by A. B. & Co.
5. A BILLS PAYABLE BOOK, for noting the particulars of those Bills for which money must be *paid* by A. B. & Co.
6. A WAREHOUSE BOOK, in which are registered the number of cases, bales, &c., containing Goods, the marks upon the packages, the cost prices, and such other particulars as may be thought desirable.

The entries in the first five of these books are to be journalized and posted into a Ledger.

FORMS OF THE BOOKS.

Full details of the nature and use of the first three of these preliminary books have been given on pages 52–54. We shall therefore proceed to describe the form and use of the BILL BOOKS.

When the learner meets with a Bill of Exchange in the course of the Transactions, he is to draw it out in form, in a small oblong book kept for the purpose, beginning at the one end with the Bills Receivable on hand from the former year, and numbering those for the current year, 1, 2, 3, &c., up to 19. The Bills Payable are commenced at the other end, and numbered in a similar manner.

The Bills Receivable will appear thus in

No. 41 (of 1857).

£543, 7*s*. 6*d*. Stg. LONDON, 15*th October* 1857.

Three months after date, pay to us or our order, the sum of Five hundred and forty-three Pounds, seven shillings and sixpence, Stg., value received.

Ainsley, Brown, & Co.
Fleming & Sons.

Messrs. Fleming & Sons,
Manchester.

No. 42 (of 1857).

£76, 10*s*. Stg. LONDON, 2*d November* 1857.

Three months after date, pay to us or our order, the sum of Seventy-six Pounds, ten shillings, Stg., value received.

Ainsley, Brown, & Co.
Donaldson Brothers.

Messrs. Donaldson Brothers,
Liverpool.

These Bills of Exchange require the following

No.	When Received.		From whom received.	Where drawn.	By whom drawn.	In whose favour.
	1857					
41.	Oct.	15	Fleming & Sons, Manchester,	London, .	Ainsley, Brown, & Co.,	Our Order, .
42.	Nov.	2	Donaldson Brothers, L'pool,	ditto. .	ditto.	ditto. . .
	1858					
1.	Jan.	7	Thomas Allen, Hull, . .	ditto. .	ditto.	ditto. . .
2.	,,	18	William Jones, Dundee, .	Dundee, .	William Jones, . .	His Order, .
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.						
18.						
19.						

the Note Book, when drawn out in form.

No. 1.

£125, 2*s.* 8*d.* Stg. LONDON, 7*th January* 1858.

Three months after date, pay to us or our order, the sum of One hundred and twenty-five Pounds, two shillings and eightpence Stg., value received.

Mr. Thomas Allen, *Hull.*

Accepted payable at the Commercial Bank, London. Lang & Co.

Ainsley, Brown, & Co.

No. 2.

£50 Stg. DUNDEE, 4*th January* 1858.

Two months after date, pay to me or my order the sum of Fifty Pounds Stg., value received.

Mr. James Henderson, *Merchant, York.*

William Jones.
James Henderson.

(Indorsed across the back "William Jones.")

particulars noted in the BILLS RECEIVABLE BOOK.

On whom drawn.	Date of Bill.		Term.	Where and when due.			Amount.			When and how disposed of.		
	1857			In England, Bills are commonly drawn and made payable in London, and contain such a phrase as "Accepted payable at Jones Brs., London." This is an accident, not an essential; so in drawing up Bills, the learner is requested to leave out such particulars: this column in his Bill Book will therefore be blank.	1858		£	*s.*	*d.*	1858		
Fleming & Sons, . .	Oct.	15	3 mo.		Jan.	18	543	7	6	Jan.	18	Taken up by F. & Sons.
Donaldson Brothers,	Nov.	2	3 mo.		Feb.	5	76	10	0	Feb.	5	do. D. Brs.
	1858											
Thomas Allen, . .	Jan.	7	3 mo.		Apr.	10	125	2	8	Mar.	22	Indorsed to Scott & Co. Newcastle.
Jas. Henderson, York,	,,	4	2 mo.		Mar.	7	50	0	0	,,	2	Indorsed to T. Hall, Bristol.

The particulars under this head are not inserted until the occurrence takes place.

The Bills Payable take the

No. 18 (of 1857).

£84, 16*s*. Stg. BRISTOL, 12*th November* 1857.

Two months after date, pay to me or my order, the sum of Eighty-four Pounds, sixteen shillings, Stg., value received.

Thomas Hall.

Messrs. Ainsley, Brown, & Co. *Merchants, London.* } Ainsley, Brown, & Co.

No. 19 (of 1857).

£147, 10*s*. Stg. LEITH, 17*th November* 1857.

Three months after date, pay to Messrs. Wilson & Co., Glasgow, or order, the sum of One hundred and forty-seven Pounds, ten shillings, Stg., value received.

Samuel Hill.

Messrs. Ainsley, Brown, & Co., *Merchants, London.* } Ainsley, Brown, & Co.

BILLS

No.	By whom drawn.	Where drawn.	Date of Bill.	To whom payable.	Where payable.
			1857		
18.	Thomas Hall, .	Bristol, . .	Nov. 12	Thomas Hall, . . .	In England, a Bill is usually payable at the Bankers of the Acceptor. In Scotland, the more general custom is for the Acceptor to pay at his own counting-house—without stating such a fact when he accepts.
19.	Samuel Hill, . .	Leith, . .	,, 17	Wilson & Co., Glasgow,	
			1858		
1.	Scott & Co., . .	Newcastle, .	Feb. 4	Scott & Co., ...	
2.	Fred. Thomson,	Glasgow, .	,, 15	Fred. Thomson, . .	

following form in the Note Book :—

No. 1.

£1687, 10*s.* Stg. NEWCASTLE, 4*th February* 1858.

One month after date, pay to us or our order, the sum of One thousand six hundred and eighty-seven Pounds, ten shillings, Stg., value received.

Scott & Co.

Messrs. Ainsley, Brown, & Co., *Merchants, London.* } Ainsley, Brown, & Co.

No. 2.

£1887, 2*s.* 6*d.* Stg. GLASGOW, 15*th February* 1858.

Two months after date, pay to me or my order, the sum of One thousand eight hundred and eighty-seven Pounds, two shillings and sixpence, Stg., value received.

Frederick Thomson

Messrs. Ainsley, Brown, & Co., *Merchants, London.* } Ainsley, Brown, & Co.

PAYABLE BOOK.

Term	When accepted.		When due.												Amount.			To whom paid.
			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov	Dec.	£	*s.*	*d.*	
2 mo.	Nov.	14	15												84	16	0	T. Hall.
3 mo.	,,	17		20											147	10	0	Wilson & Co.
1 mo.	Feb.	8			7										1687	10	0	Scott & Co.
2 mo.		15				18									1887	2	6	

WAREHOUSE BOOK.

The best explanation that can be given of this book, will be to show the method adopted with the Cotton and Wine Transactions.

Inwards. COTTON. *Outwards.*

Date.	Bales.	Marks.	Weight.	Remarks.	Cost ℔ lb.	Date.	Bales.	Marks.	Weight.	Realized ℔ lb.
			cwt. qrs. lbs.						cwt. qrs. lbs.	
Jan. 1	10	F. M.	29 3 0	Stock from last year,	7½d.	Jan. 4	6	F. M.	18 1 0	8d.
„ 15	23	J. B. & S.	64 1 2	@ 6¾d. ℔ lb. with £17, 4s. 3d. of charges, . .	7⅛d.	„ 18	16	F. M. & J. B. & S.	48 2 5	7⅝d.
Feb. 2	30	J. B. & S.	89 1 5	@ 6½d. ℔ lb. charges £18,17s.6d	7d.	„ 22	7	J. B. & S.	15 2 25	7⅝d.
Mar. 9	10	J. B. & S.	15 3 0	@ 6¼d. ℔ lb., charges £6, 9s.,	7⅛d.	Feb. 13	15	J. B. & S.	44 3 0	7½d.
						„ 22	5	J. B. & S.	14 3 14	7½d.
						Mar. 6	10	J. B. & S.	27 1 0	8d.
						„ 29	10	J. B. & S.	15 3 0	7⅝d.
TOTALS	73		199 0 7			TOTALS	69		185 0 16	
Mar. 1	4	J. B. & S.	13 3 19	Stock brought down,	7 2/5 d.					

Inwards. WINE. *Outwards.*

Date.	Pipes.	Doz.	Name.	Remarks.	Cost per Pipe.	Cost per Doz.	Date.	Pipes.	Doz.	Name.	Remarks.	Realized per Pipe.	Realized per Doz.
Jan. 1	2		Port,		£80		Jan. 6	3		Mad.,		£35	
„ 1	6		Mad.,	In Stock, . . .	£30		„ 14	2		Port,	Injured,	£75	
„ 1		17	Champ.,			80/	Feb. 12	3		Mad.,		£40	
Feb. 3	6		Port,	@ £51 ℔ pipe, with charges of £119, 12s. 6d.,	£71		„ 18	2		Port,	Damaged,	£50	
„ 19	10		Port,	@ £51 ℔ pipe, with charges of £196, 16/, .	£70, 13/		„ 22		10	Champ.,			84/
							„ 26	3		Port,	Injured,	£75, 10/	
							Mar 10	10		do.,		£82	
TOTALS	24	17					TOTALS	23	10				
Mar. 31	1		Port,	In Stock, .	£75								
„ „		7	Champ.,			80/							

WAREHOUSE BOOK.

The object of this Warehouse or Stock Book, is to give the Merchant at a glance a correct knowledge of the *Stock* he has on hand, and the value of each part of it. The preceding forms have been divided into an *Inward* and an *Outward* side; the one containing such information as may guide him to a judicious sale; the other containing the quantities sold, with such particulars as may be thought desirable. When the accounts in the Ledger are being balanced, a line should be drawn across each of these statements, and the total of the bales, pipes, yards, hhds., as the case may be, on the *inward* and *outward* sides, set down as in the examples. The difference between these amounts, should there be any, will show the quantity of goods in stock. Two lines should again be drawn across these forms, and the quantity in stock entered afresh on the *inward* side. These goods are inspected, and a value set upon them, which is entered in the cost column.*

Analysis of Ledger for the more advanced Student.†

However numerous and varied a merchant's transactions may be, all the accounts in his Ledger, when kept upon the principles of Double Entry, can be resolved into three great classes—

1. Property; 2. Personal; and 3. Nominal Accounts.

Let us, by way of further elucidation, analyse these classes of accounts, and learn what each consists of.

1. Property Accounts are statements of *outlay* and *returns*, consisting of such accounts as Cotton, Sugar, &c.; in short, of every account which represents any property, either bought, sold, manufactured, or consigned for sale, and upon which it is necessary to ascertain whether a gain or a loss has been made. Cash, Bills, and Capital may also be classed under this head.

   Property Accounts may be divided into three kinds, viz.:—

   a. The Cash Account, on the *Dr.* side of which all the money coming

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* Some book of this kind is requisite in business, where goods are bought in considerable quantities. There is no arbitrary form, since each statement or account must vary with the nature of the goods described and the information desired.

An acquaintance with the forms and nature of this book will be invaluable to those who enter the counting-house. In adopting or dispensing with the use of it in this Part, the teacher must be guided by the age and intelligence of his pupils.

† Some hints have been given on the form and nature of the Ledger in the Introductory observations; but it is thought desirable, in this more advanced Part, to extend those remarks, and introduce several particulars that might have been beyond the comprehension of the learner when he knew little of the subject.

into the business appears, and on the *Cr.* side all the money paid out.

b. *Goods Accounts*, such as the Wine or the Cotton Account. On the *Dr.* side, say of the Wine Account, is entered all the Wine in *Stock*, together with the additional purchases of that article during the time the account is open, with the price paid; because the Wine Account is looked upon as *Dr.* to the business for the money expended upon it, and on the *Cr.* side, all the Wine sold, with the price received, or to be received for it. When the accounts are being closed, the quantity of this article on hand is valued, and appears on the credit side.

c. *Adventure Accounts*, such as *consignments*, consisting of goods sent to another person to sell on commission, are debited with the cost price of the goods sent, and credited by the nett proceeds of the sale of those articles, so that the gain or loss upon the adventure may be ascertained.

2. Personal Accounts are statements of debts *receivable* or *payable*. An account of this nature is opened for each individual with whom a merchant has credit transactions, in which the *value* of the merchandise purchased from, or sold to, each party is registered, together with the cash or bills, received from, or paid to him.

It may be noticed here, that a *Property Account* and a *Personal Account*, are concerned in every transaction; while the one shows the article dealt in, the other shows with whom that transaction has taken place.

Personal Accounts are only of one kind, yet a merchant's transactions with the individuals whose names appear in his Ledger may take either of three forms:—

a. The merchant may simply *purchase* merchandise on credit, and, after a time, pay with money or bills. In such a case, the debit side of that party's account in the merchant's Ledger would contain what he (the seller) receives, the cash or bills; because, the seller, having received payment, is regarded as owing that amount, and the credit side would contain the value of the goods sold by him to the merchant.

b. Let us suppose that the merchant simply *sells* goods on credit to some other party, and afterwards receives payment from him, as described above. That individual's account would be debited with the value of the goods purchased by him, and credited by the cash or bills paid to the merchant.

c. Again, these two forms of Personal Accounts may be blended

into one, in the case of some person, who not only *sells* goods to the merchant, but who also *purchases* from him, the balance being paid by the party who has received the greater amount of goods periodically, at such terms as may be agreed upon.

This, under certain conditions, may be called an *Account-Current;* for information, see *Appendix.*

3. Nominal Accounts are statements of *income* and *expenditure*, without returns:—arising, for instance, from Personal, Counting-house, or Travelling expenses; bad or doubtful Debts; Brokerage, Interest, and Commission received or paid; Office or Shop Furniture; Gas, Cleaning, and Coal; Insurance, Rent, and Taxes; Wages and Salaries, Discounts, &c. These accounts are all subdivisions of the Profit and Loss Account, into which their results are transferred.

Note.—On the proper management of the *Nominal Accounts*, the failure or success of business frequently depends; for since through these channels alone, the merchant is able to analyse his expenditure, and learn the total outlay on his business, with the returns made him, it is of paramount importance that a proper selection of these accounts should be made to meet the requirements of his business.

Periodical Trial Balances.

On the following sheet, the student will find a specimen of the plan he is to adopt, in making the Trial Balances for this Part.

By inspecting this sheet, it will be found that the method proposed involves no new principle; being simply a more useful arrangement of the plan upon which the Trial Balances were taken in the earlier Parts of this work.

It is requisite to have the title of each account in the Ledger written in the centre of the sheet, with the necessary number of debit and credit money columns, headed as the specimen shows.

At the end of January, when the first monthly Trial Balance is made, to test the accuracy of the postings to the Ledger, let the *Balances* brought from the Old Ledger to the debit side of the New Ledger, be entered in the first money column on the left-hand side of this sheet, in a line with the proper title, and those transferred to the credit side of the New Ledger, be placed in the money column at the extreme right of the sheet. The items in these two columns are then summed, and must agree in amount.

Let the student then sum the items posted to each account in the Ledger for January, and transfer the results to the debit and credit columns, for that month, in the Trial Balance Sheet. The total of the debit column must agree in amount with the total of the credit column; and each of these

totals must also agree with the total of the original entries, as seen at the end of the Journal for January.

At the end of the second and third months, let the same process be gone through; summing the postings in the Ledger for each month, and transferring the results to the appropriate sides and columns of this sheet.

When this plan is carried out, the student will perceive that the *Trial Balance Sheet* is a complete *Abstract* of the Ledger, containing, in a very condensed form, the total debit and credit postings to each account in the Ledger. In business this sheet would consist of four quarterly Trial Balances, taken at the end of March, June, September, and December, and be to the merchant a valuable abstract; showing at a glance the state of each account in his Ledger.

In many mercantile houses, where the Ledger accounts are numerous and the business extensive, merchants object to the labour of opening their accounts anew every year. By such a plan as this, the necessity of so doing is entirely obviated. On this sheet all the materials of a General Balance are at hand. The *profit* or *loss*, on the various Goods and Adventure Accounts has only to be ascertained, and entered in the Profit and Loss column, and the totals of each account found and entered in the proper columns; the differences between those totals will give a most satisfactory Balance Sheet, without closing the accounts in the Ledger at the end of the year.

The student is advised, however, when he has proved the correctness of his Ledger by the three monthly Trial Balances, to close the accounts in the Ledger by a Profit and Loss Sheet and a Balance Sheet, as explained upon page 56, passing the results of these sheets through the Journal into the Ledger. By doing so he will be the more able to take up the Trial Balance Sheet, and complete it on the plan described above.

The following specimen of a *Trial Balance Sheet* is not an *Abstract* of Messrs. Ainsley, Brown, & Co.'s Ledger. It is only given as a sample of the plan upon which that abstract is to be constructed. The accounts in the Abstract of Messrs. Ainsley, Brown, & Co.'s Ledger will be much more numerous.

SPECIMEN OF A TRIAL

Dr.

Balances from Old Ledger.			Postings to Ledger 1858.													Total of each Account.			General Balance.			Folio.	Accounts from
			January.			February.			March.			Profit and Loss.												
£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d	£	s.	d.		£	s	d.	£	s.	d.		
..	..	..	142	17	0	69	16	0	39	17	6	..	..	..		252	10	6	..	..	..	1	James
41	16	0	..	..	..	242	17	0	61	10	0	..	..	..		346	3	0	..	..	..	1	Leslie
..	..	..	75	19	8	347	9	10	42	1	6	..	..	..		465	11	0	..	..	..	1	Longman
472	10	0	..	..	..	263	10	6	59	16	0	..	..	..		795	16	6	107	0	0	2	Thorpe
..	..	..	268	14	6	75	18	4	96	12	0	..	..	..		441	4	10	25	17	4	2	Henry
..	..	..	78	18	6	172	10	6	99	17	0	..	..	..		351	6	0	90	10	6	3	Frederick
87	10	0	146	19	9	..	..	..	324	10	0	..	..	..		558	19	9	..	..	..	3	Charles
-	..	..	36	10	8	78	14	4	249	15	6	..	..	..		365	0	6	..	..	..	4	Willis
114	16	0	87	14	0	32	17	0	58	17	9	..	..	..		294	4	9	..	..	..	4	Collins
..	..	..	210	16	0	74	0	0	87	11	7	..	..	..		372	7	7	..	..	..	5	James
268	4	0	37	10	0	163	10	0	58	17	0	..	..	..		528	1	0	91	5	0	5	Bills
..	..	..	70	14	6	34	10	0	86	10	0	..	..	..		191	14	6	..	..	..	5	Bills
572	10	0	489	17	6	942	11	5	896	11	3	..	..	..		2901	10	2	792	17	4	6	Cash
..	..	..	247	18	0	346	10	0	547	16	3	385	16	9		1528	1	0	151	0	0	6	Wine
86	10	0	247	13	6	487	16	10	738	14	9	329	19	11		1890	15	0	69	7	0	7	Calico
342	10	0	259	18	6	374	12	6	639	10	5	40	10	0		1657	1	5	1203	15	5	7	Sugar
1240	19	0	372	14	0	142	17	4	860	10	3	..	..	..		2617	0	7	1750	6	0	8	Coffee
240	0	0	..	..	..	..	..	..	..	..	..	..	..	..		240	0	0	..	..	..	9	Adventure
..	..	..	460	10	0	..	..	..	..	..	..	119	10	0		580	0	0	..	..	..	9	Adventure
..	..	..	12	16	0	15	4	0	7	10	9	870	2	5		905	13	2	..	..	..	10	Profit &
																			See	*bel*	*ow*	10	Balance
233	13	3	30	0	0	35	0	0	40	0	0	..	..	..		338	13	3	..	..	..	11	J. Bell's
3700	18	3	3278	2	1	3900	5	7	4996	9	6	1745	19	1		17621	14	6	4281	18	7		TOTALS.

BALANCE SHEET.

Cr.

Ledger 1858.	General Balance.			Total of each Account.			Postings to Ledger 1858.												Balances from Old Ledger.		
							Profit and Loss.			March.			February.			January.					
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Lang, . . .	18	19	6	271	10	0	..	..	..	..	..	..	30	4	0	241	10	0	..	..	..
Brothers, . .	81	16	0	427	19	0	..	..	..	387	19	0	..	..	..	40	0	0	..	..	..
& Co., . . .	..	..	..	465	11	0	..	..	..	106	9	0	279	16	0	79	6	0	..	..	..
& Sons, . .	..	..	..	688	16	6	..	..	..	39	10	6	298	16	0	350	0	0	..	..	..
Aylward, . .	..	..	..	415	7	6	..	..	..	42	17	6	372	10	0	..	..	..	..	..	..
Bruce, . . .	..	..	..	260	15	6	..	..	..	88	10	6	..	..	..	172	5	0	..	..	..
Foster, . . .	..	..	..	558	19	9	..	..	..	225	6	6	187	14	3	145	19	0	..	..	..
& Sons, . .	..	..	..	365	0	6	..	..	..	143	12	9	132	10	9	88	17	0	..	..	..
Brothers, . .	13	18	0	308	2	9	..	..	..	..	..	..	58	16	9	249	6	0	..	..	..
Duncan, . .	..	..	..	372	7	7	..	..	..	72	16	3	58	4	11	176	3	8	64	18	9
Receivable, .	..	..	..	436	16	0	..	..	..	149	17	0	110	11	0	176	8	0	..	..	..
Payable, . .	210	16	6	402	11	0	..	..	..	158	17	6	74	19	0	..	..	..	168	14	6
Account, . .	..	..	..	2108	12	10	..	..	..	769	14	0	837	2	6	501	16	4	..	..	..
Account, . .	..	..	..	1377	1	0	..	..	..	849	10	0	278	5	0	249	16	0	..	..	..
Account, . .	..	..	..	1821	8	0	..	..	..	901	10	0	550	4	0	369	14	0	..	..	..
Account, . .	..	..	..	453	6	0	..	..	..	157	2	6	247	16	5	48	7	1	..	..	..
Account, . .	..	..	..	866	14	7	27	5	7	83	9	6	379	9	6	376	10	0	..	..	..
to Melbourne,	..	..	..	240	0	0	15	0	0	225	0	0	..	..	..	..	..	..	..	..	..
to New York,	..	..	..	580	0	0	..	..	..	580	0	0	..	..	..	..	..	..	..	..	..
Loss Account,	..	..	.	905	13	2	875	16	8	14	7	0	3	5	6	12	4	0	..	..	..
Account,	*See below*																				
Capital Account	3956	8	7	4295	1	10	827	16	10	..	..	..	..	..	..	..	..	..	3467	5	0
TOTALS,	4281	18	7	17621	14	6	1745	19	1	4996	9	6	3900	5	7	3278	2	1	3700	18	3

The following Tabular View has been inserted here, as a sheet of reference, should the student feel any difficulty in assigning the various transactions to the different preliminary books.

When the teacher is explaining the theory of Book-keeping, and the method of proving the correctness of one book, by the amount of entries in another, he will find much assistance from the condensed yet comprehensive view presented in this sheet.

TABULAR VIEW of the course taken by the ORIG

Original Entries.	Subdivisions of Original Entries.	Details of the course taken by Original Entries through the *Preliminary Books*.
BALANCES from Old Ledger,	Assets,	Stock on hand of Goods unsold, ... £
		Bills Receivable, ...
		Debts due to the merchant on Personal Accounts,
		Cash on hand and in Bank, ...
	Liabilities,	Debts due by the merchant on Personal Accounts,
		Bills Payable, ...
		(*Total of Balances from Old Ledger*), £
TRANSACTIONS, .	Day Book,	Credit Sales, and Shipments of Merchandise, .
	Invoice Book,	Credit Purchases, and Receipts of Merchandise,
	Cash Book,	*Dr.* side, Receipts on Credit Accounts, . .
		do. on Bills Receivable, . .
		do. on Cash Sales, . . .
		Drawn from Bank Account, . .
		Discounts allowed, ...
		Cr. side, Payments to Credit Accounts, .
		do. on Bills Payable, . .
		do. Cash Purchases, . .
		do. to Bank Account, . .
		Trade Expenses, ...
		Discounts received, ...
	Bill Books,	Receivable, Acceptances and Indorsations in the merchant's favour, . .
		Indorsations by the merchant, .
		Payable, Acceptances by the merchant, .
		(*Grand Total of Original Entries,*) £

NAL ENTRIES, through the Preliminary Books into the Ledger, showing the me
Journal and Ledger, by the *Amount* of those Entries.

Amounts of Original Entries.						Arrangement of Original Entries in the JOURNAL.							
Items.			Totals.			Titles of the Accounts in the Ledger.	*Drs.*			*Crs.*			Items.
2491	6	4				Sundry Goods a/cs, . *Dr.*	2491	6	4				175 1
1452	10	0				Bills Receivable, . . *Dr.*	1452	10	0				14752
175	19	8				Sundry Personal a/cs, *Dr.*	175	19	8				4531 1
2369	15	0				Cash & Bank a/cs, . *Dr.*	2369	15	0				429 1
			6489	11	0	To CAPITAL ACCOUNT,				6489	11	0	2476 1
276	10	0				CAPITAL ACCOUNT, . *Dr.*	1676	10	0				
1400	0	0	1676	10	0	To Sundry Personal a/cs,	...	...	...	276	10	0	
						To Bills Payable, . .	...	...	...	1400	0	0	
8166	1	0	8166	1	0	(*Total Balances Journalized*), £	8166	1	0	8166	1	0	2491
14752	6	5	14752	6	5	Sundry Personal a/cs, *Dr.*	14752	6	5				9659
						To Sundry Goods a/cs,	...	...	...	14752	6	5	1967
9659	10	0	9659	10	0	Sundry Goods a/cs, . *Dr.*	9659	10	0				
						To Sundry Personal a/cs,	...	...	...	9659	10	0	
						Cash, ... *Dr.*	12602	13	3				
5492	14	2				To Sundry Personal a/cs, with abate$^{ts.}$, £27, 18/	...	...	...	5492	14	2	1452 1542
2196	11	4				To Bills Receivable, .	...	...	...	2196	11	4	
1965	17	9				To Sundry Goods a/cs,	...	...	...	1965	17	9	
2947	10	0				To Bank a/c, ...	...	...	...	2947	10	0	
27	18	0											
			12630	11	3	Profit and Loss, . . *Dr.*	27	18	0				356
						To Sundry Personal a/cs,	...	...	...	27	18	0	
4479	16	0				Sundry Personal a/cs, with a$^{bts.}$ of £51, 14/6, *Dr.*	4479	16	0				
3569	14	6				Bills Payable, . . . *Dr.*	3569	14	6				
1967	16	4				Sundry Goods a/cs, . *Dr.*	1967	16	4				
2240	0	0				Bank a/c, ... *Dr.*	2240	0	0				236 1260
279	19	0				Sundry Nominal a/cs, *Dr.*	279	19	0				224
51	14	6				To Cash, ...				12537	5	10	
			12589	0	4	Sundry Personal a/cs, . *Dr.*	51	14	6				
						To Profit and Loss, .	...	...	...	51	14	6	
1542	10	0				Bills Receivable, . . *Dr*	1542	10	0				
						To Sundry Personal a/cs,	...	...	...	1542	10	0	2
429	10	0	1972	0	0	Sundry Personal a/cs, *Dr.*	429	10	0				
						To Bills Receivable, .	...	...	...	429	10	0	
2476	19	6	2476	19	6	Sundry Personal a/cs, *Dr.*	2476	19	6				16
						To Bills Payable, . .	...	...	...	2476	19	6	
62246	8	6	62246	8	6	(*Total Journalized*), £	62246	8	6	62246	8	6	

g the method of testing the correctness of the

[*To face p.* 90.]

Dr. Side.						Ledger.	*Cr.* Side.					
Items.			Totals.			Titles of Accounts.	Totals.			Items.		
175	19	8								276	10	0
14752	6	5								9659	10	0
4531	10	6				Sundry Personal Accounts.				5520	12	2
429	10	0								1542	10	0
2476	19	6										
			22366	6	1		16999	2	2			
2491	6	4								14752	6	5
9659	10	0				Sundry Goods Accounts.				1965	17	9
1967	16	4										
			14118	12	8		16718	4	2			
1452	10	0								2196	11	4
1542	10	0				Bills Receivable.				429	10	0
			2995	0	0		2626	1	4			
3569	14	6								1400	0	0
						Bills Payable.				2476	19	6
			3569	14	6		3876	19	6			
2369	15	0								2947	10	0
12602	13	3				Cash and Bank Accounts.				12537	5	10
2240	0	0										
			17212	8	3		15484	15	10			
27	18	0								51	14	6
279	19	0				Nominal Accounts.						
			307	17	0		51	14	6			
1676	10	0								6489	11	0
						Capital Account.						
			1676	10	0		6489	11	0			
		£	62246	8	6	*Cr.* (*Grand Total*), *Dr.* £	62246	8	6			

TRANSACTIONS.

London, 1st January 1858.

An Inventory of the Assets of Ainsley, Brown, & Co., General Merchants, London, and a list of their Liabilities.	£	s.	d.
ASSETS.			
Counting-house Furniture, as per valuation,	100	0	0
Cash on hand, £49 0 0			
Cash in Commercial Bank, 1300 0 0			
	1349	0	0
Cotton, 10 bales, nett 29 cwt. 3 qrs. each @ 7½d. per lb.,	104	2	6
Tea, 5 chests Fine Hyson, each 3 qrs. 11 lb., @ 5/,	118	15	0
„ 10 „ Congou, 3 „ 4 „ 3/9	165	0	0
Wine, 2 pipes Port, @ £80,	160	0	0
„ 6 „ Madeira, £30,	180	0	0
„ 17 doz. Champagne, @ 80/ per doz.,	68	0	0
Cochineal, 5 bags, each 95 lbs., @ 10/6 per lb.,	249	7	6
Cloth, 40 pieces, each 45 yds., @ 15/ per yd.,	1350	0	0
Cambrics, Shawls, 60, @ 10/ each,	30	0	0
„ Dresses, 140 pieces, @ 10/6 each,	73	10	0
Bills Receivable, running from 1857:—			
No. 41, on Fleming & Sons, Manchester, at three months, dated 15th October,	543	7	6
No. 42, on Donaldson Brothers, Liverpool, dated 2d Nov.,	76	10	0
Balances in our favour from Ledger, 1857:—			
Marshall & Co., Glasgow,	81	9	0
Thomas Hall, Bristol,	123	6	6
	4772	8	0
LIABILITIES.			
Bills Payable—			
No. 18, drawn by Thomas Hall, Bristol, at two months, dated 12th November,	84	16	0
No. 19, drawn by Samuel Hill, Leith (in favour of Wilson & Co., Glasgow), dated 17th November,	147	10	0
Balances against us from Ledger, 1857:—			
Wm. Alder & Co., Glasgow,	304	6	0
Henry Nicholson, London,	84	10	6
	621	2	6

The student will remember that the Inventory does not appear in any of the *Preliminary Books*. In business, the items detailed above would be transferred at once to the new Accounts in Ledger 1858. The student, however, should follow the plan explained and shown on pp. 54 and 66.

London, 1*st January* 1858.

	£	*s.*	*d.*
Bought from Samuel Hill, Leith.			
60 barrels American Flour, @ 34/ per barrel, . .	102	0	0
——— 2*d.* ———			
Received from Marshall & Co., Glasgow.			
A cheque on the Royal Bank, ...	81	9	0
——— 2*d.* ———			
Lodged in Commercial Bank, ...	81	9	0
——— 4*th.* ———			
Sold Thomas Allen, Hull.			
3 bags Cochineal, each 95 lb., @ 12/ per lb., . .	171	0	0
6 bales Cotton, nett 18 cwt. 1 qr., @ 8d. per lb., .	68	2	8
	239	2	8
——— 5*th.* ———			
Drawn from my account in the Commercial Bank, .	240	0	0
——— 5*th.* ———			
Paid Samuel Hill, Leith.			
For Flour received on the 1st instant, . . .	102	0	0
Discount received, 2½ per cent., ...	2	11	0
	99	9	0

Note.—Discounts on credit payments and receipts are noted in an inner column of the Cash Book, and carried to a subdivision of the Profit and Loss Account, called the *Discount Account.*—(*See form of Cash Book*, pp. 64, 65.)

——— 5*th.* ———			
Remitted Wm. Alder & Co., Glasgow, ...	100	0	0
Discount off, 2 per cent., ...	2	0	0
	98	0	0
——— 6*th.* ———			
Sold Wm. Macadam, Inverness.			
5 chests Congou, each 3 qrs. 4 lb., @ 4/5, . .	97	3	4
3 pipes Madeira, @ £35, ...	105	0	0
	202	3	4

London, 7th January 1858.

	£	s.	d.
Thomas Allen, Hull, has accepted our Bill, No. 1, at two months from this date, for.	125	2	8
7th.			
Sold Wm. Jones, Dundee.			
40 barrels American Flour, @ 39/, ...	78	0	0
9th.			
Sold Wm. Alder & Co., Glasgow.			
35 pieces Cloth, each 45 yds., @ 17/9, . . .	1397	16	3
40 Cambric Shawls, @ 11/9, ...	23	10	0
100 pieces Cambric Dresses, @ 13/6, . . .	67	10	0
	1488	16	3
9th.			
Bought of Donaldson Brothers, Liverpool.			
23 hhds. Sugar, each 9 cwt. 3 qrs., @ 53/, . .	594	5	3
5 tierces Jamaica Coffee, each 5 cwt., @ 70/, . .	87	10	0
16 bags Rice, each 2½ cwt., @ 48/, ...	96	0	0
	777	15	3
11th.			
Received from Wm. Jones, Dundee.			
Bill, No. 2, accepted by James Henderson, York, in his (Jones's) favour, at two months from 4th January, for	50	0	0
Cash, ... £27 6 0			
Allowed Discount, 2½ per cent., on £28, . 0 14 0			
	28	0	0
	78	0	0
12th.			
Sold Marshall & Co., Glasgow.			
5 chests Congou, each 3 qrs. 4 lbs., @ 4/5, . .	97	3	4
4 tierces Coffee „ 5 cwt. „ 74/, . .	74	0	0
	171	3	4
13th.			
Lodged in Commercial Bank, ...	60	0	0
13th.			
Sold Smith Brothers, London.			
17 hhds. Sugar, each nett 9 cwt. 3 qrs., @ 59/, . .	488	19	3

London, 13*th January* 1858.

	£	s.	d.
Received from Louis Lafitte, Bordeaux.			
Invoice of Brandy, shipped per the '*Laura*,' Moore, master.			
7 cases marked L.L. Nos. 1 to 7, each 2 doz., @ 42/,	29	8	0
Insurance and Shipping Charges, . . .	1	15	0
	31	3	0
From this Invoice it will be seen that Louis Lafitte not only charges Ainsley, Brown, & Co. with the price of the Brandy, but also with the expenses he has incurred in shipping to them. When the goods arrive, the Freight, &c., is usually paid by the consignee, as may be seen by the following entry.			
13*th*.			
Paid Charges on Brandy, ex '*Laura*,' duty on 10 galls., @ 15/ per gall., ...	21	0	0
Freight and Charges, ...	2	4	0
	23	4	0
Note.—When money is expended on any article in the form of *duty, freight*, &c., that article is thereby increased in value. Consequently this sum will pass through the Cash Book and Journal, and finally appear in the Ledger on the debit side of the account for Brandy, being part of its cost.			
14*th*.			
Sold John Lamb, Liverpool.			
2 pipes Port (damaged), @ £75, ...	150	0	0
14*th*.			
Bought of Fred. Thomson, Glasgow.			
300 pieces Cambrics, @ 11/6, ...	172	10	0
14*th*.			
Drawn from Commercial Bank, ...	90	0	0
14*th*.			
Remitted to Smith & Co., Bankers, in payment of Thomas Hall's Bill, No. 18, due 15th instant, . . .	84	16	0

London, 15*th January* 1858.

	£	s.	d.
Received from John Boyd & Sons, New York. Invoice of 23 bales Cotton, to order, per the '*Français*,' Wilson, Master, for Liverpool:—			
Marked J. B. & S. Nos. 1 to 23.	cwt. qrs. lbs.		
Gross, . . . 69 3 11			
Tare, . . . 5 2 9			
Nett, ... 64 1 2 @ 6¾d. per lb.,	202	0	6
Insurance, Policy, and Shipping Charges,	6	4	9
	208	5	3
——15*th.*——			
Paid Freight, Cartage, &c., on Cotton, ex '*Français*,'	10	19	0
——16*th.*——			
Received from Marshall & Co., Glasgow. For Goods sold on the 12th instant, ...	94	6	4
Discount allowed, 2½ per cent., ...	2	7	4
	91	19	0
——16*th.*——			
Lodged in Commercial Bank, ...	99	10	0
——18*th.*——			
Sold Fleming & Sons, Manchester. 16 bales Cotton, ex '*Français*,'— Nett, 48 cwt., 2 qrs., 5 lbs., @ 7⅝d., . .	172	14	9
——18*th.*——			
Smith Brothers, London, have accepted our Bill, No. 3, at two months, from 13th instant, for	488	19	3
——18*th.*——			
Fleming & Sons, Manchester, have lifted their Bill, No. 41, (1857), due this day, ...	543	7	6
——19*th.*——			
Bought of Thomas Hall, Bristol. 5 hhds. Tobacco, each nett 9 cwt. 2 qrs., @ 90/, .	213	15	0

London, 19*th January* 1858.

	£	s.	d.
Remitted to Louis Lafitte, . . . Bordeaux.	31	3	0
—19*th.*—			
Lodged in Commercial Bank, ...	500	0	0
—20*th.*—			
Wm. Alder & Co., Glasgow, have accepted our Bill, No. 4, at 2 months from this date, for	780	0	0
—20*th.*—			
Indorsed and remitted to Donaldson Brothers, Liverpool, Bill No. 4, ...	780	0	0
—20*th.*—			
Sold Wm. Macadam, Inverness. 10 barrels American Flour, @ 40/, ...	20	0	0
—20*th.*—			
Wm. Macadam, Inverness, has indorsed to us a Bill at 2 months from 7th inst., drawn by him on William Clement, Perth, for	110	0	0
And sent a cheque on the Royal Bank for . £39 7 2			
Retaining Discount at 2½ per cent. on £40, 7s. 4d., 1 0 2			
	40	7	4
	150	7	4
—21*st.*—			
Sold for Ready Money to James Wilson. 4 cases Brandy, each 2 doz., @ 82/, ...	32	16	0
—21*st.*—			
Bought of Donaldson Brothers, Liverpool. 10 bags Cochineal, each 95 lb., @ 9/6, . . .	451	5	0
—22*d.*—			
Sold James Montague, Bradford. 7 bales Cotton, nett 15 cwt. 2 qrs. 25 lb., @ 7⅝d., .	55	19	0
—22*d.*—			
Sold to John Boyd & Sons, New York. 250 pieces, Cambric dresses, @ 13/, . . . (Shipped by their agents.)	162	10	0

London, 23*d January* 1858.

	£	*s.*	*d.*
Received from John Lamb, Liverpool.	70	0	0
Discount allowed, 2½ per cent., ...	1	15	0
	68	5	0
23*d.*			
Lodged in the Commercial Bank, ...	100	0	0
25*th.*			
Sold to Morris, Lamb, & Co., London.			
10 bags Rice, each 2½ cwt., @ 48/9, ...	60	18	9
1 tierce Coffee, 5 cwt., @ 80/, ...	20	0	0
	80	18	9
27*th.*			
Paid for Counting-house Furniture and Alterations, .	36	10	0
27*th.*			
Bought of Henry Nicholson, London.			
20 tierces Coffee, each 4½ cwt., @ 65/, . . .	292	10	0
28*th.*			
Drawn from Commercial Bank, ...	250	0	0
28*th.*			
Bought for Ready Money of Samuel Hill, Leith.			
100 bags Dantzic Flour, @ 34/, ...	170	0	0
40 barrels American do., @ 43/9, ...	87	10	0
	257	10	0
29*th.*			
Sold Thomas Allen, Hull.			
3 hhds. Tobacco, each 9 cwt. 2 qrs., @ £5, . .	142	10	0
29*th.*			
Sold Norris, Lamb, & Co., London.			
10 tierces Coffee, each 4½ cwt., at 72/, . . .	162	0	0
30*th.*			
Drawn from Commercial Bank, ...	200	0	0

London, 30*th January* 1858.

	£	s.	d.
Norris, Lamb, & Co., London, have indorsed to us Bill, No. 6, at 2 months, from 13th January, drawn by them on Thomas Buchanan, Edinburgh, for	200	0	0
And paid Cash, ...	42	18	9
	242	18	9
——— 30*th*. ———			
Remitted to Frederick Thomson, Glasgow.	172	10	0
Retaining for Discount, ...	4	6	0
	168	4	0
——— 30*th*. ———			
Sundries paid this Month,—			
Wages, ...	14	10	0
Postages, ...	3	5	0
Cleaning, ...	1	10	0
Packing Cases, &c., ...	8	10	10
Storage Charges, ...	4	0	0
	31	15	10
Note.—When entering these sums in the Cash Book, we say, in two entries, "By Wages and Salaries, £14, 10s.," and taking all the others in one group, "By Trade Charges, £17, 5s. 10d."—*See remarks on Nominal Accounts*, p. 85.			
——— 30*th*. ———			
Charles Ainsley, has drawn for his private expenses, .	30	0	0
Henry Brown, „ „ „ .	30	0	0
	60	0	0

London, 1st February 1858.

	£	*s.*	*d.*
Cash on hand from last month, ...	13	18	7
—1*st.*—			
Drawn from Commercial Bank, ...	40	0	0
—2*d.*—			
Received from John Boyd & Sons, New York. Invoice of 30 bales Cotton, shipped per the '*Comet*,' Holmes, Master, to our order,—			
Marked J. B. & S. Nos. 1 to 30. cwt. qrs. lbs. Gross, . . . 98 3 15 Tare, . . . 9 2 10 Nett, ... 89 1 5 @ 6½d. per lb., .	270	17	2
Insurance and Charges, ...	7	10	0
	278	7	2
—2*d.*—			
Paid Freight of Cotton, per the '*Comet*,' . . .	8	16	0
Charges for Cartage, &c., ...	2	11	6
	11	7	6
—2*d.*—			
Sold Thomas Allen, Hull. 6 bags Cochineal, each 95 lb., @ 12/, . . .	342	0	0
—3*d.*—			
Drawn from Commercial Bank, ...	120	0	0
—3*d.*—			
Received from Moore & Gordon, Oporto. Invoice of 6 pipes Port, shipped to our order, per the '*Fanny*,' Cameron, Master, marked ◇M.&G.◇ Nos. 1 to 6, of 65 gallons each, @ £51 per pipe, . . .	306	0	0
Insurance and Charges, ...	4	10	0
	310	10	0

London, 3d February 1858.

	£	s.	d.
Paid Duty on Wine, per the '*Fanny*,' @ 5/6 per gallon,	107	5	0
„ Freight, do.	6	6	0
„ Charges for Cartage, &c.,	1	11	6
	115	2	6
3d.			
James Montague, Bradford, has indorsed to us,—			
Bill No. 7, drawn by him at 2 months, from 4th January, on Campbell & Co., Glasgow, for	40	0	0
And remitted Cash,	15	19	0
	55	19	0
4th.			
Bought of Scott & Co., Newcastle.			
50 pieces Cloth, each 45 yards, @ 15/,	1687	10	0
4th.			
Lodged in Commercial Bank,	50	0	0
5th.			
Consigned to Gonzales & Co, Naples, per the '*Staffa*,' Lang, Master, to sell on Commission,—			
40 pieces Cloth, each 45 yards, @ 15/,	1350	0	0
20 Cambric Shawls, @ 10/,	10	0	0
90 pieces Cambric Dresses, 11/6,	51	15	0
	1411	15	0
(These articles are entered here at cost price, see *Adventure Account*, p. 84.)			
5th.			
Paid Charges on Consignment to Naples,—			
Freight,	11	16	0
Insurance and Duty on Policy,	17	16	6
	29	12	6
5th.			
Donaldson Brothers, Liverpool, have taken up their Bill, No. 42,	76	10	0

London, 5th February 1858.

	£	s.	d.
Lodged in Commercial Bank, ...	30	0	0
—— 6*th*. ——			
Indorsed and remitted to Donaldson Brothers, Liverpool. Bill No. 9, ...	448	5	0
—— 6*th*. ——			
Bought of Delacour & Co., Dublin. 15 chests Congou, each nett 3 qr. 14 lb., @ 3/9, .	275	12	6
—— 6*th*. ——			
Drawn from Commercial Bank, ...	350	0	0
—— 6*th*. ——			
Paid Henry Nicholson, London. By a draft on Coutts & Co., in full of his Account, .	367	11	11
Retained Discount of 2½ per cent., . . .	9	8	7
	377	0	6
Note.—The amount that A. B. & Co. owe H. N., is £377, 0s. 6d., but according to agreement, an allowance of 2½ per cent. is deducted at settlement, therefore A. B. & Co. simply pay £367, 11s. 11d.			
—— 8*th*. ——			
Sold for Ready Money. 4 hhds. Sugar, each 9 cwt. 3 qrs. @ 60/, . . .	117	0	0
Discount 2½ per cent., ...	2	18	6
	114	1	6
—— 8*th*. ——			
Lodged in Commercial Bank, ...	100	0	0
—— 8*th*. ——			
Bought of Frederick Thomson, Glasgow. 250 pieces Cambrics, @ 15/9, ...	196	17	6
—— 8*th*. ——			
John Lamb, Liverpool, has accepted Bill No. 8, drawn at 2 months, from 14th January, for	80	0	0
—— 8*th*. ——			
Accepted Bill No. 1, drawn by Scott & Co., Newcastle, at 1 month from 4th February, for	1687	10	0

London, 9th February 1858.

	£	s.	d.
Received from Blackwood Brothers, Trinidad.			
Invoice of 10 bags Cochineal, shipped to our order, per the '*Canada*,' Hadley, Master, 10 bags, each 90 lb., @ 9/,	405	0	0
Insurance and Charges,	10	10	0
	415	10	0
9th.			
Paid Freight of Cochineal, per the '*Canada*,'	7	10	0
Wharfage, Cartage, &c.,	0	10	9
	8	0	9
9th.			
Received from Thomas Allen, Hull.			
A cheque on the Union Bank for	420	0	0
9th.			
Bought of Frederick Thomson, Glasgow.			
300 pieces Cambrics, @ 19/,	285	0	0
500 „ Wigan Calicos, @ 72/,	1800	0	0
	2085	0	0
10th.			
Shipped to Blackwood Brothers, Trinidad.			
To their order per the '*Jane*,' Laurence, Master,			
250 pieces Wigan Calicos, @ 74/,	925	0	0
10th.			
Paid Insurance and Policy Stamp on Shipt. to Blackwood Brs.,	17	10	0
Wharfage, Cartage, &c.,	6	0	0
	23	10	0
10th.			
Lodged in the Commercial Bank,	400	0	0
11th.			
Bought of Delacour & Co., Dublin.			
57 pieces Linen, each 26 yds., @ 2/6 per yd.,	185	5	0

London, 11*th February* 1858.

	£	s.	d.
Received from Thomas Allen, Hull. 2 hhds. Sugar, each nett 9 cwt., @ 54/, . . .	48	12	0
11*th.*			
Wm. Alder & Co., Glasgow, have accepted my Bill, No 9, at 1 month from this date, for	448	5	0
12*th.*			
Sold Delacour & Co., Dublin. 3 pipes Madeira, @ £40, ...	120	0	0
12*th.*			
Indorsed Bill, No. 9, to Donaldson Brothers, . . .	448	5	0
12*th.*			
Received from Fleming & Son, Manchr., the balance of their Account, ...	172	14	9
Discount allowed them, ...	2	14	9
	170	0	0
12*th.*			
Lodged in the Commercial Bank, ...	170	0	0
12*th.*			
Bought of Thomas Hall, Bristol. 3 hhds. Tobacco, each nett 8 cwt., @ 85/, . .	102	0	0
13*th.*			
Shipped to the order of John Boyd & Co., New York, per the '*Europa*,' Foster, Master,—			
100 pieces Wigan Calicos, @ 74/, ...	370	0	0
16 „ Linen, each 26 yards, @ 3/ per yard, .	62	8	0
	432	8	0
13*th.*			
Paid Insurance and Policy Stamp on shipment per the '*Europa*,'	5	10	0
Cartage, Wharfage, &c., ...	1	10	6
	8	0	6

London, 13th February 1858.

	£	s.	d.
Sold Lamont & Pringle, Manchester.			
15 bales Cotton, nett 44 cwt. 3 qrs., @ 7½d., . .	156	12	6
15th.			
Accepted Bill, No. 2, drawn by Fred. Thomson, Glasgow, at 2 months from this date, for	1887	2	6
15th.			
Sold Norris, Lamb, & Co., London.			
5 bags Rice, each 2½ cwt., @ 49/, ...	30	12	6
15th.			
Sold Smith Brothers, London.			
20 pieces Calicos, each 74/, ...	74	0	0
16th.			
Drawn from the Commercial Bank, ...	150	0	0
16th.			
Bought from Samuel Hill, Leith, for ready money,			
24 bags Rice, each 2¾ cwt., @ 45/, ...	148	10	0
Discount for Cash, ...	3	10	0
	145	0	0
17th.			
Sold Wm. Macadam, Inverness.			
10 pieces Cloth, each 45 yards, @ 18/, . . .	405	0	0
17th.			
Received from Thomas Allen, Hull.			
Cash on account, ...	50	0	0
Discount allowed, ...	1	5	0
	48	15	0
17th.			
Lodged in the Commercial Bank, ...	50	0	0
18th.			
Sold John Lamb, Liverpool.			
2 pipes Port, damaged, @ £50, ...	100	0	0

London, 19*th February* 1858.

	£	*s.*	*d.*
Drawn from Commercial Bank, ...	190	0	0
19*th.*			
Received from Moore & Gordon, Oporto.			
Invoice of Wine, shipped to our order, per the '*Irlandais*,' Ray, Master,—			
10 pipes Port, @ £51 per pipe, of 65 gallons each,	510	0	0
Insurance and Shipping Charges, ...	8	10	0
	518	10	0
19*th.*			
Paid Duty on Wine, ex '*Irlandais*,' @ 5/6 per gallon,	178	15	0
Freight and Charges, ...	9	11	0
	188	6	0
19*th.*			
Accepted Moore and Gordon's Bill, No. 3, in favour of James Leslie, Hull, at 2 months from 22d January, for .	200	0	0
19*th.*			
Sold Wm. Macadam, Inverness.			
50 bags Dantzic Flour, @ 35/9, ...	89	7	6
20*th.*			
Drawn from the Commercial Bank, ...	150	0	0
20*th.*			
Paid into the Royal Bank for Bill No. 19, (1857), in favour of Samuel Hill, due this day, ...	147	10	0
20*th.*			
Sold Norris, Lamb, & Co., London.			
6 bags Cochineal, each 95 lb., @ 12/, . . .	342	0	0
22*d.*			
Lamont & Pringle, Manchester.			
Have paid me in full, ...	156	12	6
Discount allowed them, ...	3	12	6
	153	0	0

London, 22d February 1858.

	£	s.	d.
Sold Wm. Macadam, Inverness.			
10 doz. Champagne, @ 84/, ...	42	0	0
22d.			
Lodged in Commercial Bank, ...	150	0	0
22d.			
Sold James Montague, Bradford.			
5 bales Cotton, nett 14 cwt. 3 qrs. 14 lb., @ 7½d., .	52	1	3
22d.			
Shipped to Blackwood Brothers, Trinidad.			
To their order per the '*Albion*,' Duncan, Master,			
30 pieces Linen, each 26 yards, @ 3/, . . .	117	0	0
22d.			
Paid Insurance and Policy Stamp on shipment, per the '*Albion*,'	1	17	6
Shipping Charges, ...	0	16	4
	2	13	10
23d.			
Sold Wm. Jones, Dundee.			
30 barrels American Flour, @ 40/, ...	60	0	0
23d.			
Bought of Delacour & Co., Dublin.			
50 pieces Linen, each 26 yards, @ 2/6, . . .	162	10	0
24th.			
Drawn from Commercial Bank, ...	30	0	0
24th.			
Accepted Bill No. 4, drawn by Delacour and Co., Dublin, at 1 month from this date, in favour of James Ellis, Belfast, for	100	17	6

London, 24th February 1858.

	£	s.	d.
Received from Louis Lafitte, Bordeaux, Invoice of 14 cases Brandy, shipped to our order per the '*Eliza*,' Jones, Master, for London,			
14 cases marked ◇ L. L. Nos. 1 to 14, each 2 doz., at 42/ per doz., ...	58	16	0
Insurance and Shipping Charges, . . .	2	17	0
	61	13	0
——— 24*th.* ———			
Paid Duty on Brandy, ex '*Eliza*,' at 15/ per gallon, .	42	0	0
Freight and Charges, ...	4	19	0
	46	19	0
——— 24*th.* ———			
Accepted Bill, No. 5, drawn by Moore & Gordon, Oporto, at 2 months from 3d February, in favour of Buchanan & Co., York, for	629	0	0
——— 24*th.* ———			
Sold for Cash.			
15 bags Rice, each 2¾ cwt., @ 50/, ...	103	2	6
Discount allowed, ...	2	10	2
	100	12	4
——— 24*th.* ———			
Lodged in Commercial Bank, ...	90	0	0
——— 25*th.* ———			
Received from Barclay & Co., Hamburg, to sell for them on Commission,			
60 Casks Tallow, each 8½ cwt., valued at 54/ per cwt.			
——— 25*th.* ———			
Sold Delacour & Co., Dublin.			
5 pieces Cloth, each 45 yards, @ 18/, . . .	202	10	0

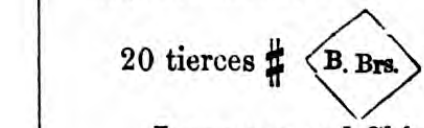
London, 25th February 1858.

	£	s.	d.
Sold Smith Brothers, London.			
100 pieces Cambrics, @ 20/, ...	100	0	0
26th.			
Smith Brs., London, have paid the balance of their Acct.,	174	0	0
Discount allowed, ...	4	10	0
	169	10	0
26th.			
Lodged in Commercial Bank, ...	150	0	0
26th.			
Sold Wm. Macadam, Inverness.			
3 pipes Port (injured), at £75, 10s., ...	226	10	0
26th.			
Sold to Samuel Hill, Leith.			
15 casks Tallow (Barclay & Son's), each 8½ cwt., @ 59/,	376	2	6
27th.			
Samuel Hill, Leith, has accepted Bill, No. 10, at 1 month from this date, for the Tallow, as above, . . .	376	2	6
27th.			
Sold Wm. Jones, Dundee.			
5 chests Congou, each 3 qrs. 14 lb., @ 4/5, . .	108	10	2
27th.			
Paid Wages for this month, ...	11	17	0
Clerk's Salary, ...	15	0	0
Postages, Packing Cases, Storage Charges, &c., . .	5	9	0
	32	6	0
27th.			
Drawn from Commercial Bank, ...	70	0	0
27th.			
Charles Ainsley has taken for his private expenses, .	30	0	0
Henry Brown, „ „ „ . .	30	0	0
	60	0	0

London, 1st March 1858.

	£	s.	d.
Cash on hand from last month, ...	6	5	11
—1st.—			
Drawn from Commercial Bank, ...	100	0	0
—1st.—			
Remitted Louis Lafitte, Bordeaux, in full of his Account of £61, 13/. Cash, ... £60 14 6 Retaining 1½ per cent. Discount, . 0 18 6	61	13	0
—2d.—			
Sold Delacour & Co., Dublin. 50 bags Dantzic Flour, @ 38/, ...	95	0	0
—2d.—			
Indorsed to Thomas Hall, Bristol, Bill, No. 2, on William Jones, Dundee, for	50	0	0
—2d.—			
Bought of Wm. Alder & Co., Glasgow. 20 pieces Linen, each 26 yds., @ 45/ per piece, .	45	0	0
—3d.—			
Received by telegraph advice of the Sale of Goods consigned to Gonzales & Co., Naples, Realizing, ... £1620 9 0 Charges and Commission, . . 34 6 0	1586	3	0
Note.—When information is received of the sale of Goods on commission, the party selling is debited with the nett proceeds.			
—3d.—			
Sold for Cash, (Barclay & Co.'s A/Gs.) 30 casks Tallow, each 8½ cwt., @ 60/ per cwt., . .	765	0	0
—3d.—			
Lodged in Commercial Bank, ...	750	0	0
—4th.—			
Wm. Jones, Dundee, has accepted Bill No. 11, at 3 months from this date, for	168	10	2

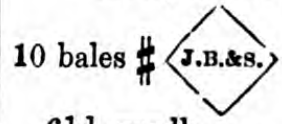
London, 4th March 1858.

	£	s.	d.
Drawn from Commercial Bank, ...	100	0	0
4th.			
Received from Blackwood Brothers, Trinidad, Invoice of 20 tierces Jamaica Coffee, shipped per the '*Gertrude*,' Walker, Commander.			
20 tierces  Nos. 1 to 20, each 4½ cwt., @ 24/,	108	0	0
Insurance and Shipping Charges, . . .	4	19	6
	112	19	6
4th.			
Paid Charges on Coffee, ex '*Gertrude*.'			
Duty on 10,080 lbs., at 3d. per lb., . . £126 0 0			
Freight, ... 6 10 0			
Sundry Charges, ... 2 11 0			
	135	1	0
5th.			
Wm. Macadam, Inverness, has accepted Bill, No. 12, at 2 months from this date, for	500	0	0
And sent, in full of bal. of £334, 13/6, Cash, £327 19 8			
Retaining Discount on said sum, @ 2%, 6 13 10			
	334	13	6
	834	13	6
5th.			
We have learned that James Montague, Bradford, has become Bankrupt.			
5th.			
Sold for Cash.			
3 hhds. Sugar, each 9 cwt., @ 60/, . . £81 0 0			
Discount allowed for Cash, . . . 1 10 0			
	79	10	0
6th.			
Lodged in Commercial Bank, ...	400	0	0

London, 6th March 1858.

	£	s.	d.
Sold Lamont & Pringle, Manchester. 10 bales Cotton, in all, 27 cwt. 1 qr., @ 8d. per lb., .	101	18	10
6th.			
Received from Thomas Allen, Hull, the balance of his Account, £79, 8/. Cash, ... £78 4 2 Allowed Discount for ready money, 1½ per cent., ... 1 3 10	79	8	0
6th.			
Discounted at the Commercial Bank. Bill, No. 12, ... £500 0 0 Discount charged, ... 12 10 0 (For an explanation of this transaction, see Sec. 3, p. 72.)	487	10	0
6th.			
Drawn from Commercial Bank, ...	1150	0	0
6th.			
Remitted, through the Commercial Bank, to Scott & Co., Newcastle, for Bill, No. 1, due 7th instant, . .	1687	10	0
6th.			
The Bill due this day, indorsed to us by James Montague, Bradford, has been duly presented to Messrs. Campbell & Co., Glasgow, and payment refused. *Note.*—Since James Montague indorsed this Bill to us within sixty days of his insolvency, his creditors can recall it, under the Act of 1696, and oblige us to rank on his estate as creditors. Campbell & Co. will thereby be obliged to pay to James Montague's creditors, and not to us.			
8th.			
Sold John Lamb, Liverpool. 10 chests Congou, each 3 qrs. 14 lbs., @ 4/4 per lb., .	212	6	6
8th.			
Sold for Cash, (Barclay & Co.'s A/Gs.) 15 casks Tallow, each 8½ cwt., @ 60/ per cwt., .	382	10	0

London, 8th March 1858.

	£	s.	d.
Remitted to Thomas Hall, Bristol, in full of his Account of £52, ... £50 14 0 Retaining 2½ per cent. Discount, as agreed upon, ... 1 6 0	52	0	0
8th.			
Lodged in Commercial Bank, ...	330	0	0
9th.			
Received from John Boyd and Sons, New York. Invoice of 10 bales Cotton, shipped to our order, per the '*Hero*,' Maclaren, Commander.			
10 bales  Nos. 1 to 10, in all 15 cwt. 3 qrs., @ 6¼d. per lb., ...	45	18	9
Insurance and Shipping Charges, . . .	2	10	0
	48	8	9
9th.			
Paid Freight and Charges on Cotton, ex '*Hero*,' . .	3	19	0
9th.			
Sold Lamont and Pringle, Manchester. 10 bags Cochineal, each 90 lb., @ 12/ per lb., . .	540	0	0
9th.			
Lamont and Pringle have accepted our Bill, No. 13, at 2 months from this date, for	641	18	10
10th.			
William Clement, Perth, has lifted his acceptance, No. 5, due this day, for	110	0	0
10th.			
Lodged in Commercial Bank, ...	100	0	0
10th.			
Sold Frederick Thomson, Glasgow. 10 pipes Port, @ £75 per pipe, ...	750	0	0

London, 11*th March* 1858.

	£	s.	d.
Received from Norris, Lamb, & Co., London.			
Bill No. 14, drawn by them on Henry Summers, Bristol, at 2 months from 15th February, for . . .	200	0	0
Cash, on balance of their account of £172, 12s. 6d., £170 0 0			
Discount allowed as agreed upon, . . . 2 12 6			
	172	12	6
	372	12	6
——— 11*th.* ———			
Paid Storage and Charges on Tallow consigned to me by Barclay & Co., Hamburg, ...	16	18	4
——— 11*th.* ———			
Lodged in Commercial Bank, ...	160	0	0
——— 11*th.* ———			
Note of Account Sales transmitted this day to Barclay & Co.			
Feb. 26. 15 casks, each 8½ cwt., @ 59/, . £376 2 6			
Mar. 3. 30 „ „ 8½ „ „ 60/, . 765 0 0			
„ 8. 15 „ „ 8½ „ „ 60/, . 382 10 0			
	1523	12	6
Our Commission @ 2 per cent. on £1523, 12s. 6d., £30 9 6			
Charges, &c., as above, ... 16 18 4			
	47	7	10
Nett proceeds, . .	1476	4	8

An Account Sales is a statement showing the proceeds of the sale of Goods on Commission, after the necessary charges have been deducted. It is drawn up with full details, as may be seen in Part VI. of this work, under the head—*Account Sales*.

The only part of this statement that requires to be carried to our Ledger, is the Commission that we charge for the selling of the Tallow. This charge *alone* will be entered in the Day Book, and take the usual course into the Ledger, appearing in the Profit and Loss, and James Barclay's A/Gs.

——— 12*th.* ———			
Drawn from Commercial Bank, ...	1480	0	0
——— 12*th.* ———			
Transmitted to Messrs. Barclay & Co., nett proceeds of the sales of Tallow consigned to us, ...	1476	4	8

London, 13*th March* 1858.

	£	s.	d.
Sold Wm. Jones, Dundee.			
16 tierces Coffee, each 4½ cwt., at 70/, . . .	252	0	0
13*th.*			
Sold for Cash.			
5 cases Brandy, each 2 doz., @ 85/ per doz., . .	42	10	0
15*th.*			
Lodged in Commercial Bank, ...	50	0	0
15*th.*			
Sold Marshall & Co., Glasgow.			
2 hhds. Tobacco, each 9 cwt. 2 qrs., @ £5, per cwt.,	95	0	0
16*th.*			
Marshall & Co., Glasgow.			
Have indorsed to us Bill No. 15, drawn by them on Henry Lawson, Leeds, at 3 months, from 22d February, for	150	0	0
And remitted Cash in full of their account, . .	21	17	0
	171	17	0
16*th.*			
Smith Brs., London, have taken up their Bill, No. 3, due this day, for	488	19	3
16*th.*			
Sold Wm. Macadam, Inverness.			
100 pieces Calico, @ 75/ per piece, ...	375	0	0
16*th.*			
Lodged in Commercial Bank, ...	500	0	0
17*th.*			
Received from Gonzales & Co., Naples.			
Account Sales of Goods consigned to them, and			
Bill No. 16, drawn by them, in our favour, at 1 month, from March 2, on James Johnston, Liverpool, for .	824	10	0
Bill No. 17, drawn by them in our favour, at 1 month, from March 2, on Jones, Lloyd & Co., London for .	761	13	0
	1586	3	0

See Appendix—*Account Sales.*

London, 17*th March* 1858.

	£	*s.*	*d.*
Received from Frederick Thomson, Glasgow.			
In part payment of his Account, ...	250	0	0
Discount for Cash 2½ per cent., ...	6	5	0
	243	15	0
——— 17*th.* ———			
John Lamb, Liverpool, has taken up his Bill, No. 8, due this day for	80	0	0
——— 17*th.* ———			
Lodged in Commercial Bank, ...	330	0	0
——— 18*th.* ———			
Received from Blackwood Brothers, Trinidad.			
Invoice of 10 bags Cochineal, shipped per the '*Theresa*,' Jaffray, Commander, from Barbadoes to London.			
10 bags, # B.Brs. Nos. 1 to 10, each 95 lb., @ 9/ per lb.,	427	10	0
Insurance and Charges, ...	11	4	0
	438	14	0
——— 18*th.* ———			
Paid Freight and Charges on Cochineal, ex '*Theresa*,' .	9	4	0
——— 18*th.* ———			
Norris, Lamb, & Co., London, have taken up their Bill, No. 6, due this day, for	200	0	0
——— 19*th.* ———			
Lodged in Commercial Bank, ...	200	0	0
——— 19*th.* ———			
Bought of Scott & Co., Newcastle.			
30 pieces Cloth, each 45 yards, @ 15/ per yard, .	1012	10	0

London, 20th March 1858.

		£	s.	d.
Sold Henry Nicholson, London.				
5 bags Cochineal, each 95 lb., @ 12/ per lb., . .		279	0	0
10 barrels Flour, each @ 41/ per barrel, . . .		20	10	0
		299	10	0
20th.				
Sold for Cash.				
4 pieces Cloth, each 45 yards, @ 17/9, . . .		159	15	0
50 „ Cambrics, „ 22/ per piece, .		55	0	0
30 pieces Linen, each 26 yds., „ 3/ per yd., . .		117	0	0
		331	15	0
22d.				
Drawn from Commercial Bank, ...		40	0	0
22d.				
Remitted to Scott & Co., Newcastle.				
Bill No. 1, Indorsed in their favour, . .	£125 2 8			
„ „ 10, „ „ . . .	376 2 6			
„ „ 11, „ „ . . .	168 10 2			
		669	15	4
Cash in full of their account of £342, 14s. 8d., .	£334 3 4			
Discount on said sum at 2½ per cent., . .	8 11 4			
		342	14	8
		1012	10	0
23d.				
Sold Donaldson Brothers, Liverpool.				
12 pieces Linen, each 26 yards, @ 3/ per yard, .		46	16	0
20 „ Wigan Calico, @ 75/ per piece, . . .		75	0	0
		121	16	0
23d.				
Shipped to the order of Boyd & Sons, New York, per the '*Fernando*,' Wilson, Master, from London to New York.				
20 pieces Cloth, each 43 yards, @ 18/ per yard, .		810	0	0
80 „ Cambrics, „ 21/ per piece, .		84	0	0
10 „ Linen, each 26 yards, „ 3/ per yard, .		39	0	0
		933	0	0

London, 23*d March* 1858.

	£	s.	d.
Paid Charges on shipment per the '*Fernando.*'			
Insurance and Policy, ... £10 14 0			
Shipping Charges, ... 4 17 0			
	15	11	0
—— 24*th.* ——			
Bought of Frederick Thomson, Glasgow.			
250 pieces Wigan Calico, @ 61/ per piece, . .	762	10	0
280 pieces Cambrics, @ 16/ „ . .	224	0	0
	986	10	0
—— 25*th.* ——			
Drawn from Commercial Bank, ...	200	0	0
—— 25*th.* ——			
Remitted through the Royal Bank to James Leslie, Hull, in payment of Bill No. 3, due this day, . . .	200	0	0
—— 25*th.* ——			
Received from John Boyd & Sons, New York.			
Bill No. 18, drawn by them at 1 month from 15th March, in our favour, on Charles Hadfield, Liverpool, for .	786	5	4
Bill No. 19, drawn by them at 2 months from 15th March, in our favour, on Wilson, Hazlett, & Co., London, for	230	3	0
	1016	8	4
—— 25*th.* ——			
Sold Wm. Jones, Dundee.			
10 barrels American Flour, @ 39/6, ...	19	15	0
—— 26*th.* ——			
Received from Louis Lafitte, Bordeaux.			
Invoice of 10 cases Brandy, shipped per the '*Emma*,' Ross, Commander, from Bordeaux to London.			
10 cases # L.L. Nos. 1 to 10, each 2 doz., @ 42/,	42	0	0
Insurance and Shipping Charges, . . .	3	19	0
	45	19	0
—— 26*th.* ——			
Drawn from Commercial Bank, ...	40	0	0

London, 26th March 1858.

		£	s.	d.
Paid Charges on Brandy, ex '*Emma.*'				
Duty on 40 gallons, @ 15/ per gallon, . .	£30 0 0			
Freight, ...	4 17 0			
Cartage, Wharfage, &c., ...	1 4 0			
		36	1	0
27th.				
Drawn from Commercial Bank, ...		90	0	0
27th.				
Paid William Smith, Glasgow.				
Bill No. 4, drawn by Delacour & Co. in favour of James Ellis, Belfast, ...		100	17	6
Note.—This Bill has been indorsed by James Ellis, in whose favour it was drawn, to William Smith, Glasgow, to whom Messrs. Ainsley, Brown, & Co., require to pay the contents.				
29th.				
Sold Lamont & Pringle, Manchester.				
10 bales Cotton, nett 15 cwt. 3 qrs., @ 7⅝d. per lb., .		57	19	8
30th.				
Sold for Cash.				
100 pieces Cambrics, @ 20/ per piece, . . .		100	0	0
30th.				
Paid Rent of Warehouse, ...	£20 0 0			
„ Taxes, ...	8 19 0			
„ Gas Account, ...	3 2 6			
„ Wages for present month, ...	11 19 0			
„ Storage Charges, ...	5 2 9			
„ Postages, Cleaning, &c., ...	3 10 0			
		52	13	3
Note.—In transferring these sums to the Cash Book, enter the Rent and Taxes under *Profit and Loss.* Gas, Storage Charges, Postages, Cleaning, &c., by one entry under the head *Trade Charges,* and Wages under *Wages and Salaries.*				
31st.				
Mr. Ainsley has taken for private expenses .	£30 0 0			
Mr. Brown „ „ „ . .	30 0 0			
		60	0	0

Exercise on Part III.

From the above Transactions the student is required to construct a Day Book, an Invoice Book, a Cash Book, a Bills Receivable Book, a Bills Payable Book, a Warehouse Book, and a Ledger. It is recommended that he take each transaction as it occurs, and enter it in the book to which it belongs, until he has exhausted a month's Transactions. He should then Journalize each book, and having posted the entries, proceed to make his Trial Balance for the month. After going through this process for each of the three months, and ascertaining the correctness of the Ledger by means of his Trial Balances, the student should then construct his *Profit and Loss Sheet* and *Balance Sheet*, Journalize and post the entries, and so close the Ledger. He will always bear in mind, that when he comes to actual business, and wishes to save time and labour, he can attain the same result, and insure perfect accuracy, by modifying the plan here given to the extent of *not Journalizing the Balance Sheet*, and so abandoning the Balance Account in the Ledger. In this way the Balances of Goods on hand will merely be brought forward to the debit of the same Goods Account in the new year, and *Personal* Accounts need not be closed except so far as it is considered desirable for other reasons to bring forward the Balances. The Balance Sheet will, if this plan be adopted, constitute an inventory of the open accounts in the Ledger.

END OF PART III.

SINGLE ENTRY.

PART IV.

SINGLE ENTRY is the method usually adopted by Retail Dealers and Shopkeepers for registering their daily transactions.

It receives the designation of *Single Entry*, from the circumstance, that in books kept by this system, each transaction appears only once in the Ledger. This principle is very defective in its *results;* being incapable of proving the correctness of the Ledger, and, what is equally important to the merchant, of showing the amount of *Gain* or *Loss* upon his whole transactions.

In the following books the student will find a modification of this system, which, while it does not materially increase labour, embraces the means of proving the correctness of the Ledger, by the agreement of its Debits and Credits, and also by its agreement with the total of the original entries; besides showing the amount of Gain or Loss that has been made on the whole transactions, up to the time of Balancing.

The following set consists of one month's transactions exemplifying the method by which the Books of JAMES WOOD, *Ironmonger, London*, may be kept, so as to gain the advantages of this valuable modification.

The BOOKS required in this set of Single Entry are:—

1. A *Day Book*, for Goods sold on Credit.
2. An *Invoice Book*, for Goods purchased on Credit.
3. A Cash Book.
4. A Ledger.

THE DAY BOOK.

This book contains a register of all the credit sales, the prices charged for the various articles, and the names of the persons to whom those articles have been sold.

The most perfect form of this book may be seen on p. 141. The first column is for the folio in the Ledger where that individual's account is kept, which is filled in on the entry being *posted* to the Ledger; the next contains the name of the party to whom the goods have been sold, with a description of their quantity and quality. The third column contains the price per doz., per yard, or per lb., as the case may be. The fourth column contains the price of each item sold, and the fifth the total of each transaction. When one page of this Day Book has been completed, the fourth and fifth divisions ought to be summed and carried forward to the next page. These columns must agree in amount, otherwise some mistake has been made in extending the amounts into the outer column.

The total amount of the money columns in the Day Book, will show, at the end of the month, the amount of goods sold on credit. The only error that can occur in a book kept upon this plan, is in calculation of the value of the articles sold; the book-keeper should therefore revise his calculations.

Day Book for Goods returned. It is sometimes necessary, where the business is extensive, to keep a book for articles returned.

INVOICE BOOK.

This Book may be kept upon the same plan as the Day Book; but as it would be found too expensive and laborious in an extensive business, to copy out each Invoice in full, the more usual practice is to register only the name and address of the individual from whom goods have been received, with the amount of the Invoice in the first money column, extending the total of the Invoices received each day, or each week, into the outer column, as the business is more or less extensive.

When this abridged form of keeping the Invoice Book is adopted, it is necessary to construct a cartridge paper book, into which the Invoices are gummed and numbered as they arrive.

The money columns are summed, and carried forward, as already explained in the method of keeping the Day Book; so the total of the Invoice Book will show the amount of credit purchases at the end of each month. For the form of this book by both plans, see pp. 146-148.

CASH BOOK.

The Cash Book here, is similar in its nature to the Cash Book used in Double Entry, although slightly different in form. To obtain the full advantages of the English system, it is necessary to construct the Cash Book as may be seen upon pp. 150, 151, with the usual date, folio, and abatement columns; then follow on the *Dr.* and *Cr.* sides inner money columns, into which the receipts, and payments affecting the *Trade* account, are alone to be entered, and the total extended at the end of the month into outer columns, which are for general entries.

In the example of the Cash Book, Bank transactions have been given. This is not usual in a business Cash Book; but since it would be too much to ask a pupil to keep a Bank Book, this plan has been considered the easiest method of overcoming the difficulty.

At the end of each month, it is useful for the book-keeper to make an abstract, to aid him in posting correctly. This is more necessary in Single Entry than in Double Entry, because by the former there is no Journal in which to classify the items before they appear in the Ledger.

JOURNAL OR ABSTRACT.

This Book, or Abstract, as seen on p. 152, is very rare in business, owing to the imperfect method in which merchants generally keep their books.

The advantages of such a plan are self-evident; because it affords an easy check upon the correctness of the Ledger, with very little extra labour, and at the same time greatly aids the book-keeper in posting from the preliminary books.

By examining this sheet, the student will find that it consists of double money columns, into the first of which he will find all the debits carried; and into the outer, all the credits.

In opening a new set of Books, the first thing to be done is the transferring of the Balances from the old Ledger; the method adopted in debiting and crediting the various accounts is shown in the Abstract. An Abstract of the Day Book and Invoice Book can be made, of each, in two lines. The Cash Book may require a little more space, owing to the different nature of the items appearing there.

By summing these abstracts, the total amount of the entries transferred to the Ledger from the preliminary Books is found, and affords an excellent proof of the correctness of the Ledger, by its agreement with the total of the original entries, and, at the same time, an effectual check against fraudulent entries.

LEDGER.

In an extensive business, there ought to be three separate Ledgers, or at least one Ledger divided into three parts; consisting of a SALES LEDGER, for the accounts of the parties who *purchase on credit;* a BOUGHT LEDGER, for the accounts of the individuals from whom the merchant *receives* his merchandise; and a PRIVATE LEDGER, containing such accounts as Capital or Partner's accounts, Trade, Cash, Profit and Loss, and any of its subdivisions.

The first thing done by the book-keeper, as stated above, on opening a new Ledger kept on this system, is the bringing forward of the balances from the old Ledger to the respective accounts in the new. He then posts, daily if possible, the various entries from the Day Book, Invoice Book, and Cash Book, and at the end of each week, or month, as may be most convenient, he makes a total of the entries in each of these preliminary books, and posts these totals to the appropriate accounts in the Ledger, on the opposite side to which the items composing these totals have been carried. By this plan, the advantages of Double Entry are gained.

When a Trial Balance is made, the total of the debit side of the Ledger will not only agree in amount with the total of the credit side, but it will also agree with the amount of the original entries, as shown by the ABSTRACT of the preliminary books, which may, if you please, be denominated a JOURNAL.

Having proved the correctness of the entries in the Ledger by the Trial Balance, as seen upon page 171, and taken stock as shown upon page 127, the accounts are then closed thus:—

Dr. JAMES WILSON, Halifax. *Cr.*

1858.						1858.					
Jan.	4	To Trade Account,	41	6	9	Jan.	4	By Cash & abate^{t}.,	41	6	9
	11	To do.	24	1	6		15	By Cash, . .	20	0	0
	19	To do.	41	6	0			£61 6 9			
		£106 14 3					30		45	7	6
								By Bal. forward,			
		£	106	14	3			£	106	14	3
	30	*To Bal. brought down,*	45	7	6						

The accounts in the Ledger having been summed for the Trial Balance, and the amounts set down in pencil, or in red ink, as seen by the smaller figures in the above example, each account is easily closed by writing the difference on the less side, and carrying that sum down, thereby opening the account *de novo*.

By looking at the TRADE ACCOUNT, on folio 6 of the Ledger, it will be seen that the same method is pursued here as has already been explained in closing a *Property Account* in Double Entry, by inserting on the credit side the value of the Stock on hand, as shown by the Stock Book, page 127. The debit side of this account will then contain the value of Stock on hand, when it was opened, with the expense attending the additions that have subsequently been made, and the credit side, the value of the sales, and Stock on hand at the time of closing; consequently, the difference between the two sides will show the gross amount of *Gain* made on the transactions since the account was opened. This gain is transferred, as seen, to the PROFIT AND LOSS ACCOUNT, and the *balance* of the Profit and Loss is then transferred to the Capital Account.

In the Capital, or James Wood's Account, on folio 7, it will be seen that the Capital carried to his credit from the old Ledger was £2112, 14s. 9d. This Capital has been increased by £143, 7s. 11d., brought from the Trade Account; and, at the same time, decreased by £34, 1s. 6d., in the form of goods and cash which he has taken from the business; making, therefore, the nett amount of his capital, when the books are closed, £2222, 1s. 2d., showing that he has increased the capital in business to the extent of £109, 6s. 5d., by his transactions.

The correctness of the sum of £2222, 1s. 2d.—being the present nett Capital—may be proved by constructing a *Balance Sheet*, as shown upon page 171, on the one side of which all the Assets are collected, and on the other all the Liabilities. This Balance Sheet shows that the total of the

Assets, minus the total of the Liabilities, equals a nett Capital of £2222, 1s. 2d., thereby proving the correctness of the Capital Account.

THE TRIAL BALANCE SHEET.

The plan explained on page 85, by which the Trial Balances may be converted into a very useful Abstract of the Ledger, can be applied to this modification of Single Entry with great advantage.

The student may post both months' transactions into the Ledger before closing the accounts, and use the Trial Balance Sheet as the means of closing the Ledger.

STOCK BOOK.

To gain a true estimate of the value of the Goods on hand, the Merchant requires to take Stock at least once a year. He details all the articles he has on hand, valuing them at the price he *could purchase them for.* Some of them may have deteriorated or increased in value since he purchased them.

Stock ought to be carefully taken, for on this depends a true knowledge of whether the merchant is Gaining or Losing by his business.

STOCK BOOK, 31*st December* 1857.

	£	s.	d.
ARTICLES IN THE SHOW ROOM.			
3 Bright Register Stoves, @ 157/6, 122/6, 172/3, . .	22	12	3
4 Berlin Black do., „ 40/, 35/, 26/, 20/6, .	6	1	6
1 Exhibition Bath, ...	8	10	0
4 Sitz Baths, each 18/, ...	3	12	0
2 Sets Electro-plated Dish Covers, @ £10, 10/, £13, .	23	10	0
5 Burnished Steel Fenders, @ 50/, 60/, 70/, 80/, 90/, .	17	10	0
With many more Articles which need not be mentioned here, although it would be necessary in actual business; valued at	87	19	4
IN THE WINDOWS.			
1 Set Papier-Maché Trays, ...	5	10	0
2 Sets elegant Japanned do., @ 50/, 60/, . . .	5	10	0
1 Electro-plated Tea Set, ...	10	10	0
2 do. Cruet Frames, @ 45/, 55/, . . .	5	0	0
1 Coloured Lobby Lamp, ...	4	15	0
1 Handsome Drawing-room Lustre, ...	7	7	0
3 Dressing Cases, @ 49/, 80/, 94/, ...	11	3	0
With many Articles not entered here, valued at . .	86	6	0
IN THE FRONT SHOP.			
6 doz. Electro-plated Forks, 3 doz. @ 36/, 3 doz. @ 34/,	21	0	0
4 doz. Ivory-handled Table Knives, @ 26/, . . .	5	4	0
2 Sets Block-Tin Dish Covers, @ 30/, 50/, . . .	4	0	0
&c. &c. Including all the Articles of an Ironmonger's Stock, even down to any pieces of old Metal, valued at .	1293	4	8
Total Value of Goods on hand, .	1629	4	9

Stock Book, 30*th January* 1858.

	£	*s.*	*d.*
Took Stock, as detailed above, at this date, and found the Value of my Goods on hand unsold to amount to .	1542	9	10
27th February 1858.			
Took Stock as detailed above at this date, and found the Value of my Goods on hand to be	1502	3	11

Note.—The sums given above are supposed to be the result of a detailed statement, similar to that given on the preceding page.

These amounts are required for the closing of the Trade Account in January and February.

TRANSACTIONS.

London, 1st January 1858.

Inventory of the Effects of James Wood, Ironmonger.		£	s.	d.
Assets.				
Cash on hand,	£49 16 6			
Cash in Union Bank,	483 10 0			
		533	6	6
Stock in Trade valued as per Stock Book,		1629	4	9
Balances in my favour from Old Ledger,—				
James Murray, Sunderland,	£15 16 0			
Bell & Fenton, Doctors' Commons,	32 6 0			
Robert Harrison, Islington,	16 19 6			
		65	1	6
		2227	12	9
Note.—Before attempting to post the items of the Inventory, the pupil is desired to study the Abstract given on p. 152.				
Liabilities.				
Balances against me from Old Ledger, 1857,—				
Charles Pringle, Glasgow,	£42 10 0			
Muir & Co., Sheffield,	15 18 0			
William Scott, Birmingham,	56 10 0			
		114	18	0
Nett Capital,		2112	14	9
Friday, 1st January 1858.				
Sold Henry Lawson,	Camberwell.			
1 Bright Register Grate,		10	10	0
1 Fender to match,		3	3	0
		13	13	0
1st.				
Sold Wm. Hunter,	Inkerman Terrace.			
1 Iron Bedstead, 6 × 3 ft.,		1	15	0

London, Friday, 1st January 1858.

	£	s.	d.
Sold Wm. Morris, Enfield Place.			
1 Drawing-Room Lustre,	6	10	0
1 Pair Girandoles,	2	15	0
	9	5	0
1st.			
Cash Sales this day,	4	19	6
Saturday, 2d.			
Bought of Charles Pringle, Glasgow.			
1 Shower Bath,	5	10	0
6 Sets Fire-Irons, @ 20/, 24/, 29/, 35/, 42/, 50/,	9	10	0
4 Sets Papier Maché Tea Trays, each 110/,	22	0	0
	37	0	0
2d.			
Sold Bell & Fenton, Doctors' Commons.			
2 Charter Boxes, each 55/,	5	10	0
2d.			
Sold Bruce & Bain, Chelsea.			
2 Bronzed Tea Urns, each 30/,	3	0	0
2 Sets Papier Maché Trays, each £6	12	0	0
1 Patent Kitchen Range,	10	10	0
	25	10	0
2d			
Paid Wages to Workmen for present Week,	9	7	0
2d.			
Cash Sales this day,	6	19	4
Monday, 4th.			
Sold James Murray, Sunderland.			
1 Electro-plated Cruet Frame,	2	10	0
1 Do. Butter Cooler,	1	15	0
	4	5	0

London, Monday, 4th January 1858.

		£	s.	d.
Received from James Murray, Cash on Account, . .		16	0	0
4th.				
Sold Samuel Wallace, Brighton.				
1 Polished Kinnaird Stove, ...		5	0	0
1 Iron Bedstead, 6 ft. 6 in. × 4 ft. 3 in. . . .		3	3	0
		8	3	0
4th.				
Paid Charles Pringle, Glasgow, balance of last year's Account, ...	£42 10 0			
Discount allowed, . . .	0 10 0			
		42	0	0
4th.				
Sold Henry Hill, Nottingham Square.				
1 Shower Bath, ...	£5 10 0			
2 Sets Fire-Irons, ...	4 16 6			
		10	6	6
4th.				
Cash Sales this day, ...		5	19	6
Tuesday, 5th.				
Sold Robert Harrison, Islington.				
1 Three-light Lustre, ...	£2 18 0			
2 Dressing-Cases, @ 15/9 & 27/6, . . .	2 3 3			
		5	1	3
5th.				
Robert Harrison has paid his Account in full, .	£22 0 9			
Discount allowed, . .	0 7 6			
		21	13	3
5th.				
Sold Thomas Curtis, Thornhill Square.				
1 doz. Electro-plated Dinner Forks, . .	£2 4 0			
1 „ do. Dessert do. . .	1 18 0			
1 „ Ivory-handled Dinner Table Knives,	1 8 0			
1 „ do. Tea, do. .	1 2 0			
		6	12	0

London, Tuesday, 5th January 1858.

	£	s.	d.
Cash Sales this day, ...	4	11	6
Wednesday, 6th.			
Bought for Cash at a Sale in Mr. Nisbet's Rooms.			
2 Bronzes, "Hercules," @ 105/, "Mazeppa," 122/, .	11	7	0
6th.			
Sold Henry Hill, Nottingham Square.			
1 Moderator Lamp, ... £1 10 0			
1 Ornamental Coal Vase, ... 1 3 0			
	2	13	0
6th.			
Cash Sales this day, ...	4	6	11
Thursday, 7th.			
Received to order from Howard & Sons, Sheffield.			
5 Drawing Room Grates, @ £3, 10/, . £17 10 0			
3 Gas Lustres, @ £2, 16/, . . . 8 8 0			
1 doz. pair Scissors, @ 21/, . . . 1 1 0			
	26	19	0
7th.			
Received from Henry Lawson, in payment of his Account, ... £13 13 0			
Discount allowed, . . . 0 7 6			
	13	5	6
7th.			
Lodged in the Union Bank, ...	40	0	0
7th.			
Wm. Cooper, Edith Grove.			
For Repairs on Kitchen Range, . . £0 10 6			
,, do. to 5 locks, with new Keys, . . 0 4 9			
,, Gasfitting, ... 1 6 0			
	2	1	3
7th.			
Cash Sales this day, ...	5	11	9

London, Friday, 8th January 1858.

		£	s.	d.
Received from Thomas Curtis, Thornhill Square, .	£6 5 6			
Discount allowed him, . . .	0 6 6			
		6	12	0
8th.				
Drawn from the Union Bank, ...		20	0	0
8th.				
Paid Howard & Sons, Sheffield, their Acct. in full,	£26 19 0			
Discount allowed, ...	0 13 6			
		26	5	6
8th.				
Sold Thomas Curtis, Thornhill Square.				
1 Set Block-Tin Covers, 30/, 1 Dinner Bell, 7/6,	£1 17 6			
1 Bronzed Kettle, 30/6, 1 Letter Balance, 36/,	3 6 6			
		5	4	0
8th.				
Cash Sales this day, ...		4	2	9
Saturday, 9th.				
Received from Bruce & Bain on account, . . .		15	0	0
9th.				
Sent Wm. Hunter, to order, Inkerman Terrace.				
2 Tin Cases, each 26/, ...		2	12	0
9th.				
Received from Wm. Morris, Enfield Place.				
Payment in full, ...	£9 5 0			
Discount, ...	0 2 6			
		9	2	6
9th.				
Cash Sales this day, ...		11	15	0
Monday, 11th.				
Lodged in Union Bank, ...		50	0	0

London, Monday, 11th January 1858.

	£	s.	d.
Sent James Murray, Sunderland, to order			
1 elegantly cast Garden Seat, . . . £5 10 0			
3 Sets Garden Implements, @ £2, 10/, . 7 10 0			
	13	0	0
11th.			
Cash Sales this day, ...	3	11	9
Tuesday, 12th.			
Sold Wm. Cooper, Edith Grove.			
1 pair Elegant Girandoles, . . . £5 10 0			
1 Patent Chubb's Latch, ... 0 18 6			
1 Iron Crib Bedstead, ... 1 2 6			
	7	11	0
Received from him, in payment of the above and former			
Account, ... £9 12 3			
Discount allowed, ... 0 5 3			
	9	7	0
12th.			
Received from Bell & Fenton an Order on the Royal Bank for	35	0	0
12th.			
Lodged in the Union Bank, ...	50	0	0
12th.			
Bought of Robertson & Co., Birmingham.			
2 cast-iron Umbrella and Hat Stands, @ 83/, . .	8	6	0
1 „ „ „ @ 93/, . .	4	13	0
	12	19	0
12th.			
Cash Sales this day, ...	2	19	0
Wednesday, 13th.			
Sold Wm. Morris, Enfield Place.			
1 Sitz Bath, ... £0 19 0			
1 doz. Ivory-handled Table Knives and Forks, 2 14 0			
	3	13	0

London, Wednesday, 13th January 1858.

	£	s.	d.
Sold Henry Lawson, Camberwell. 1 Cash Box, with Chubb's Lock, . . . £1 10 0 1 Camp Oven, ... 3 19 0	5	9	0
13th.			
Cash Sales this day, ...	2	18	4
Thursday, 14th.			
Received from James Murray, Sunderland, an Order on Buchanan & Son, Brompton, which I cashed, . .	15	0	0
14th.			
Sold Henry Hill, Nottingham Square. 1 Japanned Travelling Box, ...	0	18	0
14th.			
Received from Henry Hill, Cash on account, . .	10	0	0
14th.			
Cash Sales this day, ...	5	16	8
Friday, 15th.			
Drawn from Union Bank, ...	20	0	0
15th.			
Remitted Wm. Scott, Birmingham, a Cheque on Benson Brothers, Bankers, ...	50	0	0
15th.			
Made to order, and sent this day to R. Taylor, Bristol. 250 yards Iron Fence for Garden, @ 2/ per yard, .	25	0	0
15th.			
Cash Sales, ...	3	18	8
Saturday, 16th.			
Received from Bruce & Bain, a Cheque for . . .	10	15	0

London, Saturday, 16th January 1858.

		£	s.	d.
Taken for private use,				
1 Moderator Lamp, ...	£1 7 6			
Cash, ...	10 0 0			
		11	7	6
16th.				
Paid this day,—Workmen's Wages, . . .	£8 4 6			
Postages and Receipt Stamps, .	0 4 9			
New Ledger and Note Paper, .	0 10 6			
		8	19	9
16th.				
Cash Sales, ...		12	14	5
Monday, 18th.				
Lodged in Union Bank, ...		20	0	0
18th.				
Sold William Cooper, Edith Grove.				
1 set Enamelled Goblets, Nos. 1 to 9, .	£1 12 0			
1 Brass Fender, ...	0 14 0			
1 set Garden Implements, . . .	2 5 0			
		4	11	0
18th.				
Cash Sales, ...		5	13	4
Tuesday, 19th.				
Paid Gas Account, ...		6	11	0
19th.				
Received from Thomas Curtis, Thornhill Square,	£5 4 0			
Discount, ...	0 2 6			
		5	1	6
19th.				
Drawn from Union Bank, ...		50	0	0
19th.				
Sold Robt. Harrison, Islington.				
1 Three-Light Gas Lustre, ...		3	10	0

London, Tuesday, 19th January 1858.

	£	s.	d.
Paid to Mr. Morrison, Traveller for Mr. Chas. Pringle, Glasgow, ... £37 0 0 Discount, ... 1 7 6	35	12	6
19th.			
Cash Sales, ...	4	1	0
Wednesday, 20th.			
Paid Income Tax, ...	11	16	4
20th.			
Sold Bruce & Bain, Chelsea. 2 Bright Drawing-room Grates, . . . £11 14 0 3 Cast-iron Garden Seats, ... 4 11 0 1 Bronze "Mazeppa," 8 0 0	24	5	0
20th.			
Made to order, and sent Wm. Hunter, Inkerman Terrace. A Brass-Wire Fence for Fireplace, ...	0	19	6
20th.			
Cash Sales, ...	2	9	11
Thursday, 21st.			
Thomas Curtis, Thornhill Square. Gasfitting and Repairs, ...	6	15	6
21st.			
Received Invoice from Howard & Son, Sheffield. 1 Superior Set Electroplt. Dish Covers, . £10 19 0 3 do. Iron Bedsteads, 6 ft. 6 in. × 4 ft. 3 ft., 9 0 0 3 doz. Shell Pat. Electropl. Dinner Forks, @ 40/, 6 0 0 3 „ do. do. Dessert „ @ 30/, 4 10 0	30	9	0
21st.			
Received from Bruce & Bain, Chelsea.	14	0	0
21st.			
Cash Sales, ...	5	7	11

London, Friday, 22d January 1858.

				£	s.	d.
Paid Taxes,—Police Money on Shop, . .			£4 10 0			
Do. on Dwelling-house,			2 7 6			
Poors' Rate on Shop, . .			4 10 0			
Do. on Dwelling-house,			2 5 0			
				13	12	6
22d.						
Sold Wm. Morris, Enfield Place.						
1 Patent Kitchen Range, ...				8	10	0
22d.						
Remitted to Robertson & Co., Birmingham.				12	19	0
22d.						
Cash Sales, ...				5	16	8
Saturday, 23d.						
Lodged in Union Bank, ...				25	0	0
23d.						
Received from R. Taylor, Bristol.						
Cash, ...			£25 0 0			
Discount, ...			0 10 6			
				24	9	6
23d.						
Sold Samuel Wallace, Brighton.						
1 Exhibition Bath, ...			£8 16 0			
1 Bronze "Hercules,"			7 10 0			
				16	6	0
23d.						
Received from Muir & Co., Sheffield, Invoice of Goods.						
5 Bronzes, @ 89/, 85/, 120/, 111/, 145/, .			£27 10 0			
3 Coloured Lobby Lamps, @ 63/, . .			9 9 0			
				36	19	0
23d.						
Cash Sales, ...				12	1	4
Monday, 25th.						
Lodged in Union Bank, ...				30	0	0

London, Monday, 25th January 1858.

		£	s.	d.
Took for private use.				
2 Bronzes, @ 105/, 89/, ...	£9 14 0			
Cash, ...	13 0 0			
		22	14	0
25th.				
Received from Wm. Morris, Enfield Place, on A/c,	£12 3 0			
Discount, ...	0 3 0			
		12	0	0
25th.				
Cash Sales, ...		5	17	8
Tuesday, 26th.				
Sold H. Lawson, Camberwell.				
1 Superior Lobby Lamp, ...	£5 10 0			
1 Patent Letter Balance, ...	2 7 0			
		7	17	0
26th.				
Drawn from Union Bank, ...		20	0	0
26th.				
Remitted to Howard & Son, Sheffield.		30	9	0
26th.				
Cash Sales, ...		5	4	0
Wednesday, 27th.				
Sold Bell & Fenton, Doctors' Commons.				
1 Patent Letter-Box, ...	£1 10 0			
A large Brass Plate, with Name, &c., .	5 18 0			
2 Charter Boxes, @ 26/, ...	2 12 0			
1 Milner's Patent Fire Safe, . . .	16 0 0			
		26	0	0
27th.				
Received from Wm. Hunter, Inkerman Terrace.		5	6	6
27th.				
Cash Sales, ...		3	7	6

London, Thursday, 28th January 1858.

	£	s.	d.
Received from H. Hill, Nottingham Square.	3	17	6
28th.			
Sold Bruce & Bain, Chelsea.			
1 Drawing-room Lustre, ... £10 10 0			
1 do. Bright Steel Grate, . . 18 18 0			
	29	8	0
28th.			
Sold Samuel Wallace, Brighton.			
2 Bronzes, @ 128/, 160/, ...	14	8	0
28th.			
Cash Sales, ...	5	11	6
Friday, 29th.			
Bought of Robertson & Co., Birmingham.			
280 yards Iron Fencing, @ 1/6 per yard, . . .	21	0	0
29th.			
Sold Wm. Cooper, Edith Grove.			
1 doz. Ivory Table Knives, . . . £1 6 0			
1 „ do. Forks, . . . 1 1 0			
	2	7	0
29th.			
Cash Sales, ...	4	11	6
Saturday, 30th.			
Sold Robert Harrison, Islington.			
1 Double Tin Plunge Bath, . . . £1 18 0			
1 Set Patent Dish Covers, . . . 5 5 0			
1 Letter Balance and Weights, . . . 1 5 0			
	8	8	0
30th.			
Received from Bell & Fenton a Cheque for the Balance of their Account, ...	28	16	0
30th.			
Paid Workmen's Wages, ...	10	6	0

London, Saturday, 30th January 1858.

	£	s.	d.
Paid Cleaning Shop and Show Room for this month, .	0	15	0
30th.			
Cash Sales this day, ...	4	11	9

DAY BOOK.

London, January 1858. (1.)

	1*st January* 1858.								
3	Henry Lawson, Camberwell. *Dr.*								
	To 1 Bright Register Grate, . .		£	10	10	0			
	„ 1 Fender to match, . . .			3	3	0	13	13	0
	1*st.*								
3	Wm. Hunter, Inkerman Terrace. *Dr.*								
	To 1 Iron Bedstead, ...			1	15	0	1	15	0
	1*st.*								
3	Wm. Morris, Enfield Place. *Dr.*								
	To 1 Drawing Room Lustre, . .			6	10	0			
	„ 1 Pair Girandoles, . . .			2	15	0	9	5	0
	2*d.*								
1	Bell & Fenton, Doctors' Commons. *Dr.*								
	To 2 Charter Boxes, . . . @	55/		5	10	0	5	10	0
	2*d.*								
1	Bruce & Bain, Chelsea. *Dr.*								
	To 2 Bronzed Tea Urns, . . each	30/		3	0	0			
	„ 2 Sets Papier-Maché Trays, . „	£6		12	0	0			
	„ 1 Patent Kitchen Range, . .			10	10	0	25	10	0
	4*th.*								
4	James Murray, Sunderland. *Dr.*								
	To 1 Electro-plated Cruet Frame, .			2	10	0			
	„ 1 do. Butter Cooler, .			1	15	0	4	5	0
	4*th.*								
4	Samuel Wallace, Brighton. *Dr.*								
	To 1 Polished Kinnaird Stove, . .			5	0	0			
	„ 1 Iron Bedstead, 6 ft. 6 in. × 4 ft. 3 in.,			3	3	0	8	3	0
	Carry forward,		£	68	1	0	68	1	0

(2.) DAY BOOK—*London, January* 1858.

	Brought forward,	£	68	1	0	68	1	0
	4th January 1858.							
2	Henry Hill, Nottingham Square. *Dr.*							
	To 1 Shower Bath, ...		5	10	0			
	,, 2 Sets Fire-Irons, ...		4	16	6	10	6	6
	5th.							
2	Robert Harrison, Islington, *Dr.*							
	To 1 Three-Light Lustre, . . .		2	18	0			
	,, 2 Dressing Cases, @ 15/9, and 27/6,		2	3	3	5	1	3
	5th.							
2	Thomas Curtis, Thornhill Square. *Dr.*							
	To 1 doz. Electro-plated Dinner Forks,		2	4	0			
	,, 1 ,, do. Dessert do.		1	18	0			
	,, 1 ,, Ivory-handled Din. Tab. Knives,		1	8	0			
	,, 1 ,, do. Tea do.,		1	2	0	6	12	0
	6th.							
2	Henry Hill, Nottingham Square. *Dr.*							
	To 1 Moderator Lamp, . . .		1	10	0			
	,, 1 Ornamental Coal Vase, . .		1	3	0	2	13	0
	7th.							
1	Wm. Cooper, Edith Grove. *Dr.*							
	To Repairs on Kitchen Range, .		0	10	6			
	,, do. 5 Locks, with New Keys,		0	4	9			
	,, Gasfitting, ...		1	6	0	2	1	3
	8th.							
2	Thomas Curtis, Thornhill Square. *Dr.*							
	To 1 Set Block-Tin Covers, . .		1	10	0			
	,, 1 Dinner Bell, ...		0	7	6			
	,, 1 Bronzed Kettle, . . .		1	10	6			
	,, 1 Letter Balance, . . .		1	16	0	5	4	0
	9th.							
3	Wm. Hunter, Inkerman Terrace. *Dr.*							
	2 Tin Cases, ... each	26/	2	12	0	2	12	0
	Carry forward,	£	102	11	0	102	11	0

DAY BOOK.—*London, January* 1858. (3.)

	Brought forward,		£	102	11	0	102	11	0
	——— 11*th January* 1858. ———								
4	James Murray, Sunderland.	*Dr.*							
	To 1 Elegantly Cast Garden Seat, .			5	10	0			
	,, 3 Sets Garden Implements, .	@	50/	7	10	0	13	0	0
	——— 12*th*. ———								
1	Wm. Cooper, Edith Grove.	*Dr.*							
	To 1 Pair Elegant Girandoles, . .			5	10	0			
	,, 1 Patent Chubb Latch, . .			0	18	6			
	,, 1 Iron Crib Bedstead, . .			1	2	6	7	11	0
	——— 13*th*. ———								
3	Wm. Morris, Enfield Place.	*Dr.*							
	To 1 Sitz Bath, ...			0	19	0			
	,, 1 doz. Ivory-handled Table Knives and Forks, ...			2	14	0	3	13	0
	——— 13*th*. ———								
3	Henry Lawson, Camberwell.	*Dr.*							
	To 1 Cash Box, with Chubb's Lock, .			1	10	0			
	,, 1 Camp Oven, ...			3	19	0	5	9	0
	——— 14*th*. ———								
2	Henry Hill, Nottingham Square.	*Dr.*							
	To 1 Japanned Travelling-Box, .			0	18	0	0	18	0
	——— 15*th*. ———								
4	R. Taylor, Bristol.	*Dr.*							
	To 250 yards Iron Garden Fence, per yd.		2/	25	0	0	25	0	0
	——— 16*th*. ———								
7	Capital Account.	*Dr.*							
	1 Moderator Lamp, . . .			1	7	6	1	7	6
	——— 18*th*. ———								
1	Wm. Cooper, Edith Grove.	*Dr.*							
	To 1 Set Enamelled Goblets, Nos. 1 to 9,			1	12	0			
	,, 1 Brass Fender, ...			0	14	0			
	,, 1 Set Garden Implements, . .			2	5	0	4	11	0
	Carry forward,		£	164	0	6	164	0	6

(4.) DAY BOOK—*London, January* 1858.

			£				£		
	Brought forward,		£	164	0	6	164	0	6
	19*th January* 1858.								
2	Robert Harrison, Islington,	*Dr.*							
	To 1 Three-Light Gas Lustre,			3	10	0	3	10	0
	20*th*.								
1	Bruce & Bain, Chelsea.	*Dr.*							
	To 2 Bright Drawing-Room Grates,			11	14	0			
	,, 3 Cast-Iron Garden Seats,			4	11	0			
	,, 1 Bronze "Mazeppa,"			8	0	0	24	5	0
	20*th*.								
3	Wm. Hunter, Inkerman Terrace.	*Dr.*							
	To a Brass Wire Fence for Fireplace,			0	19	6	0	19	6
	21*st*.								
2	Thomas Curtis, Thornhill Square.	*Dr.*							
	To Gasfitting and Repairs,			6	15	6	6	15	6
	22*d*.								
3	William Morris, Enfield Place.	*Dr.*							
	To 1 Patent Kitchen Range,			8	10	0	8	10	0
	23*d*.								
4	Samuel Wallace, Brighton.	*Dr.*							
	To 1 Exhibition Bath,			8	16	0			
	,, 1 Bronze "Hercules,"			7	10	0	16	6	0
	25*th*.								
7	Capital Account.	*Dr.*							
	To 2 Bronzes, @ 105/, 89/,			9	14	0	9	14	0
	26*th*.								
3	H. Lawson, Camberwell.	*Dr.*							
	To 1 Superior Lobby Lamp,			5	10	0			
	,, 1 Patent Letter Balance,			2	7	0	7	17	0
	Carry forward,		£	241	17	6	241	17	6

DAY BOOK—*London, January* 1858. (5.)

			£				£		
	Brought forward,			241	17	6	241	17	6
	27th January 1858.								
1	Bell & Fenton, Doctors' Commons.	*Drs.*							
	To 1 Patent Letter Box, . . .			1	10	0			
	,, A large Brass Plate, with Name, &c.,			5	18	0			
	,, 2 Charter Boxes, . . .	@	26/	2	12	0			
	,, 1 Milner's Patent Fire Safe, .			16	0	0	26	0	0
	28th.								
1	Bruce & Bain, Chelsea.	*Drs.*							
	To 1 Drawing-Room Lustre, . .			10	10	0			
	,, 1 do. Bright Steel Grate,			18	18	0	29	8	0
	28th.								
4	Samuel Wallace, Brighton.	*Dr.*							
	To 2 Bronzes,	@ 128/ and 160/,		14	8	0	14	8	0
	29th.								
1	Wm. Cooper, Edith Grove.	*Dr.*							
	To 1 doz. Ivory-handled Table Knives,			1	6	0			
	,, 1 ,, do. do. Forks,			1	1	0	2	7	0
	30th.								
2	Robert Harrison, Islington.	*Dr.*							
	To 1 Double-Tin Plunge Bath, .			1	18	0			
	,, 1 Set Patent Dish Covers, . .			5	5	0			
	,, 1 Letter Balance and Weights, .			1	5	0	8	8	0
6	Total of Credit Sales for January carried to Trade Account, . . .		£	322	8	6	322	8	6

INVOICE BOOK.

(1.) *London, January* 1858.

GLASGOW, 2*d January* 1858.

James Wood,

Bought of Charles Pringle.

		£	s	d	£	s	d
5	1 Shower Bath,	5	10	0			
	6 Sets Fire Irons, 20/, 24/, 29/, 35/, 42/, & 50/,	9	10	0			
	4 Sets Papier Maché Trays, each 110/,	22	0	0	37	0	0

SHEFFIELD, 7*th January* 1858.

James Wood,

Bought of Howard & Sons.

		£	s	d	£	s	d
4	5 Drawing-room Grates, @ £3, 10/,	17	10	0			
	3 Gas Lustres, @ £2, 16/,	8	8	0			
	1 doz. pairs Scissors,	1	1	0	26	19	0

BIRMINGHAM, 12*th January* 1858.

James Wood,

Bought of Robertson & Co.

		£	s	d	£	s	d
5	2 Cast-Iron Umbrella and Hat Stands, @ 83/,	8	6	0			
	1 do. do. do. @ 93/,	4	13	0	12	19	0

SHEFFIELD, 21*st January* 1858.

James Wood,

Bought of Howard & Sons.

		£	s	d	£	s	d
4	1 Superior Set Electro-plated Dish Covers,	10	19	0			
	3 do. Iron Bedsteads, 6ft. 6in. × 4ft. 3in.,	9	0	0			
	3 doz. Shell Pat. Elecpl. Dinner Forks, @ 40/,	6	0	0			
	3 „ do. do. Dessert „ @ 30/,	4	10	0	30	9	0
	Carry forward, £	107	7	0	107	7	0

INVOICE BOOK—*London, January* 1858. (2.)

	Brought forward,	£	107	7	0	107	7	0
	SHEFFIELD, 23*d January* 1858.							
	James Wood,							
	Bought of Muir & Co.							
5	5 Bronzes, @ 89/, 85/, 120, 111/, and 145/,		27	10	0			
	3 Coloured Lobby Lamps, @ 63/, . .		9	9	0	36	19	0
	BIRMINGHAM, 29*th January* 1858.							
	James Wood,							
5	Bought of Robertson & Co.							
	280 yards Iron Fencing, @ 1/6 per yard, .		21	0	0	21	0	0
6	Total of Credit Purchases for January, carried to Trade Account, ...	£	165	6	0	165	6	0
	INVOICE BOOK.							
	By the Abridged method (see page 121).							
	—2*d January* 1858—							
	Charles Pringle Glasgow.							
	For amount of Invoice, No. 1, . . .		37	0	0			
	— 7*th*. —							
	Howard & Sons, Sheffield.							
	For amount of Invoice, No. 2, . . .		26	19	0			
	—12*th*.—							
	Robertson & Co., Birmingham.							
	For amount of Invoice, No. 3, . . .		12	19	0			
	—21*st*.—							
	Howard & Sons, Sheffield.							
	For amount of Invoice, No. 4, . . .		30	9	0			
						107	7	0
	Carry forward,	£	107	7	0	107	7	0

Invoice Book—*London, January* 1858.

Brought forward,	£	107	7	0	107	7	0
23d January 1858.							
Muir & Co., Sheffield. For amount of Invoice, No. 5, . . .		36	19	0			
29th.							
Robertson & Co., Birmingham. For amount of Invoice, No. 6, . . .		21	0	0	57	19	0
Total of Credit Purchases for January, carried to Trade Account, ...	£	165	6	0	165	6	0

CASH BOOK.

DAILY CASH SALES FOR JANUARY.

Monday.	Tuesday.	Wednesday.	Thursday.	Friday.	Saturday.	Weekly Totals.
				£4 19 6	6 19 4	11 18 10
5 19 6	4 11 6	4 6 11	5 11 9	4 2 9	11 15 0	36 7 5
3 11 9	2 19 0	2 18 4	5 16 8	3 18 8	12 14 5	31 18 10
5 13 4	4 1 0	2 9 11	5 7 11	5 16 8	12 1 4	35 10 2
5 17 8	5 4 0	3 7 6	5 11 6	4 11 6	4 11 9	29 13 11
			Total Cash Sales for January, . .		£	145 9 2

Note.—**The cash taken each evening from the *Till*, as receipts on ready-money sales during that day, should be arranged, as above, on a spare leaf of the Cash Book, and transferred into the Cash Account at the end of each week or month, as the book-keeper thinks most desirable.**

(1)

Dr. CASH ACCOUNT,—

1858				Abatements.	Trade Account.					
Jan.	1		*To Balance on hand from Dec. /57,*	...	...	...	...	49	16	6
	2		To Trade, Retail, ...	...	11	18	10			
	4	4	To James Murray, Sunderland, .	...	...	...	...	16	0	0
	5	2	To Robert Harrison, Islington, .	7/6	...	...	...	21	13	3
	7	3	To Henry Lawson, Camberwell, .	7/6	...	...	...	13	5	6
	8	2	To Thomas Curtis, Thornhill Square,	6/6	...	...	...	6	5	6
	8		To Union Bank, ...	...	...	...	...	20	0	0
	9	1	To Bruce & Bain, Chelsea, . .	...	...	...	...	15	0	0
	9	3	To Wm. Morris, Enfield Place, .	2/6	...	...	...	9	2	6
	9		To Trade, Retail, ...	...	36	7	5			
	12	1	To Wm. Cooper, Edith Grove, .	5/3	...	...	...	9	7	0
	12	1	To Bell & Fenton, Doctors' Commons,	...	...	...	...	35	0	0
	14	4	To James Murray, Sunderland, .	...	...	...	...	15	0	0
	14	2	To H. Hill, Nottingham Square, .	...	...	...	...	10	0	0
	15		To Union Bank, ...	...	...	...	...	20	0	0
	16	1	To Bruce & Bain, Chelsea, . .	...	...	...	...	10	15	0
	16		To Trade, Cash Sales, ...	...	31	18	10			
	19	2	To Thomas Curtis, Thornhill Square,	2/6	...	...	...	5	1	6
	19		To Union Bank, ...	...	...	...	...	50	0	0
	21	1	To Bruce & Bain, Chelsea, . .	...	...	...	...	14	0	0
	23	4	To R. Taylor, Brighton, . . .	10/6	...	...	...	24	9	6
	23		To Trade, Cash Sales, . . .	...	35	10	2			
	25	3	To Wm. Morris, Enfield Place, .	3/	...	...	...	12	0	0
	26		To Union Bank, ...	...	...	...	...	20	0	0
	27	3	To Wm. Hunter, Inkerman Terrace,	...	...	...	...	5	6	6
	28	2	To H. Hill, Nottingham Square, .	...	...	...	...	3	17	6
	30	1	To Bell & Fenton, Doctors' Commons,	...	...	...	...	28	16	0
	30		To Trade, Cash Sales, ...	...	29	13	11			
	30	6	To Trade Account,—*Total,* . .					145	9	2
			Trade Account *Dr.* to Sundries for abatements allowed, . .	45/3			£	560	5	5

POSTING.

			Drs.			*Crs.*		
	Total Received, ...	£560 5 5						
	Deduct Balance from last month, . . .	49 16 6						
7	Posted to Debit of Cash, ...		510	8	11			
6	,, do. Trade Account,—abatements, . .		2	5	3			
	,, Credit of Personal A/cs, £254, 19/9, with abts., £2, 5/3,		..	..	..	257	5	0
6	,, do. Bank Account, ...		..	..	..	110	0	0
6	,, do. Trade Account, ...		..	..	..	145	9	2
		£	512	14	2	512	14	2

JANUARY 1858. *Cr.*

1858				Abatements.	Trade Account.					
Jan.	2		By Trade, Wages, ...	...	9	7	0			
	4	5	By Charles Pringle, Glasgow, .	10/	...	...	...	42	0	0
	6		By Trade, Cash Purchase, . .	...	11	7	0			
	7		By Union Bank, ...	...	...	...	...	40	0	0
	8	4	By Howard & Sons, Sheffield, .	13/6	...	...	...	26	5	6
	11		By Union Bank, ...	...	...	...	...	50	0	0
	12		By Union Bank, ...	...	...	...	...	50	0	0
	15	6	By Wm. Scott, Birmingham, . .	...	...	...	...	50	0	0
	16		By Capital Account, ...	...	...	...	...	10	0	0
	16		By Trade, Wages, ...	...	8	4	6			
	16		By Trade, Charges, ...	...	0	15	3			
	18		By Union Bank, ...	...	...	...	...	20	0	0
	19		By Trade, Charges, Gas, . . .	...	6	11	0			
	19	5	By Charles Pringle, Glasgow, .	27/6	...	...	...	35	12	6
	20	7	By Profit & Loss, Income Tax, .	...	...	...	...	11	16	4
	22		By Trade, Taxes on Shop, . .	...	9	0	0			
	22	7	By Profit & Loss, Taxes on House,	...	...	...	...	4	12	6
	22	5	By Robertson & Co., Birmingham,	...	...	...	...	12	19	0
	22		By Union Bank, ...	...	...	...	...	25	0	0
	25		By Union Bank, ...	...	...	...	...	30	0	0
	25		By Capital Account, ...	...	...	...	...	13	0	0
	26	4	By Howard & Sons, Sheffield, .	...	...	...	...	30	9	0
	30		By Trade, Wages, ...	..	10	6	0			
	30		By Trade, Charges, ...	...	0	15	0			
	30	6	By Trade Account,—*Total*, . .	...				56	5	9
			Sundries, *Drs.* to Trade Account, for abatements received, . .	51/				508	0	7
			Balance carried to February,	...	...	...	...	52	4	10
							£	560	5	5

ABSTRACT.

			Drs.			*Crs.*		
7	Posted to Credit of Cash, ...		..	..	..	508	0	7
6	,, do. Trade Account,—abatements, . .		..	..	..	2	11	0
	,, Debit of Personal A/cs, £197, 6/, with abatets., £2, 11/,		199	17	0			
6	,, do. Bank Account, ...		215	0	0			
	,, do. Profit and Loss, ...		16	8	10			
	,, do. Trade Account, ...		56	5	9			
7	,, do. Capital Account, ...		23	0	0			
		£	510	11	7	510	11	7

JOURNAL FOR SINGLE ENTRY.

It is not usual to introduce a Journal in Single Entry, yet an Abstract of the former books, showing the total debtors and creditors, is desirable, both as a help to the correct posting of those books, and as a proof of the correctness of the Ledger when the balance is being struck.

	Debtors.			*Creditors.*		
Abstract of Inventory.—(See page 128.)						
Cash Account for Balance in hand, £49 16 6						
Union Bank, for do. in my favour, 483 10 0						
	533	6	6			
Trade Account for Stock, as per Stock Book,	1629	4	9			
Personal A/cs for Balances from Old Ledger,	65	1	6			
Debit Balances,	2227	12	9			
To James Wood's Capital Account, . .	...	...	...	2112	14	9
To Personal A/cs, Balances from Old Ledger,	...	...	...	114	18	0
Credit Balances,				2227	12	9
30th January 1858.						
Day Book.						
Sundry Personal Accounts, . . . *Dr.*	322	8	6			
To Trade Account for Credit Sales, .	...	...	...	322	8	6
Invoice Book.						
Trade Account, ... *Dr.*	165	6	0			
To Sundry Account for Credit Purchases,	...	...	...	165	6	0
Cash Book. (*Debit.*)						
Cash A/c for Sundries received this month, *Dr.*	510	8	11			
Trade A/c for Abatements allowed ,, *Dr.*	2	5	3			
To Sundry Accounts, £254, 19/4, with abatements, 45/3, . . £257 5 0						
To Union Bank Account, . 110 0 0						
To Trade Account, . . 145 9 2	...	...	...	512	14	2
Forward, £	3228	1	5	3228	1	5

		Debtors.			*Creditors.*		
Brought forward,	£	3228	1	5	3228	1	5
——— 30*th January* 1858. ———							
CASH BOOK. (*Credit.*)							
Sundry A/cs, £197, 6/, with ab$^{ts.}$ of 51/,	*Dr.*	199	17	0			
Bank Account, ...	*Dr.*	215	0	0			
Profit and Loss Account, . . .	*Dr.*	16	8	10			
Trade Account, ...	*Dr.*	56	5	9			
Capital Account, ...	*Dr.*	23	0	0			
To Cash, paid this month, . . .		...	...	...	508	0	7
To Trade Account, for abatements received,		...	...	...	2	11	0
Total *Drs.* and *Crs.* of January,	£	3738	13	0	3738	13	0

Note.—Should the book-keeper consider this Abstract too laborious for actual business, he is recommended to adopt at least the *Posting Abstract* at the foot of the Cash Account.

LEDGER.

INDEX.

	Folio
Bruce & Bain, Chelsea,	1
Bell & Fenton, Doctors' Commons,	1
Cooper, Wm., Edith Grove,	1
Curtis, Thomas, Thornhill Square,	2
Cash,	7
Harrison, Robert, Islington,	2
Hill, H., Nottingham Square,	2
Hunter, Wm., Inkerman Terrace,	3
Howard & Sons, Sheffield,	4
Lawson, H., Camberwell,	3
Morris, Wm., Enfield Place,	3
Murray, James, Sunderland,	4
Muir & Co., Sheffield,	5
Pringle, Charles, Glasgow,	5
Profit & Loss,	7
Robertson & Co., Birmingham,	5
Scott, Wm., Birmingham,	6
Taylor, Robt., Bristol,	4
Trade Account,	6
Union Bank,	6
Wallace, Samuel, Brighton,	4
Wood, James, Capital Account,	7

(1)

Dr. BRUCE & BAIN,

1858.						
January	1	To Trade,	1	25	10	0
	20	To do.	4	24	5	0
	28	To do.	5	29	8	0
		£79 3 0				
			£	79	3	0
	30	*To Balance brought forward,*		39	8	0

Dr. BELL & FENTON,

1858.						
January	1	To Balance from Old Ledger,		32	6	0
	2	To Trade,	1	5	10	0
	27	To do.	5	26	0	0
		£63 16 0				
			£	63	16	0

Dr. WM. COOPER,

1858.						
January	7	To Trade,	2	2	1	3
	12	To do.	3	7	11	0
	18	To do.	3	4	11	0
	29	To do.	5	2	7	0
		£16 10 3				
			£	16	10	3
	30	*To Balance brought forward,*		6	18	0

(1)

CHELSEA. *Cr.*

1858.						
January	9	By Cash,		1	15	0 0
	16	By do.		1	10	15 0
	21	By do.		1	14	0 0
			£39 15 0			
	30	*By Balance carried forward,*			39	8 0
				£	79	3 0

DOCTORS' COMMONS. *Cr.*

1858.						
January	12	By Cash,		1	35	0 0
	30	By do.		1	28	16 0
			£63 16 0			
				£	63	16 0

EDITH GROVE, *Cr.*

1858.						
January	12	By Cash and abatement,		1	9	12 3
	30	*By Balance, forward,*			6	18 0
				£	16	10 3

Dr. THOMAS CURTIS,

1858.						
January	5	To Trade,	2	6	12	0
	8	To do.	2	5	4	0
	21	To do.	4	6	15	6
		£18 11 6				
			£	18	11	6
	30	*To Balance brought forward,*		6	15	6

Dr. ROBERT HARRISON,

1858.						
January	1	To Balance from Old Ledger,		16	19	6
	5	To Trade,	2	5	1	3
	19	To do.	4	3	10	0
	30	To do.	5	8	8	0
		£33 18 9				
			£	33	18	9
	30	*To Balance brought forward,*		11	18	0

Dr. HENRY HILL,

1858.						
January	4	To Trade,	2	10	6	6
	6	To do.	2	2	13	0
	14	To do.	3	0	18	0
		£13 17 6				
			£	13	17	6

THORNHILL SQUARE. *Cr.*

1858.						
January	8	By Cash and Abatement, . . .	1	6	12	0
	19	By do. do. . . .	1	5	4	0
		£11 16 0				
	30	*By Balance, forward,*		6	15	6
			£	18	11	6

ISLINGTON. *Cr.*

1858.						
January	5	By Cash and Abatement, ...	1	22	0	9
	30	*By Balance, forward,*		11	18	0
			£	33	18	9

NOTTINGHAM SQUARE. *Cr.*

1858.						
January	14	By Cash, ...	1	10	0	0
	28	By do.	1	3	17	6
		£13 17 6				
			£	13	17	6

Dr. WM. HUNTER,

1858.					
January	1	To Trade,	1	1 15	0
	9	To do.	2	2 12	0
	20	To do.	4	0 19	6
		£5 6 6			
			£	5 6	6

Dr. H. LAWSON,

1858.					
January	1	To Trade,	1	13 13	0
	13	To do.	3	5 9	0
	26	To do.	4	7 17	0
		£26 19 0			
			£	26 19	0
	30	*To Balance brought forward,*		13 6	0

Dr. WM. MORRIS,

1858.					
January	1	To Trade,	1	9 5	0
	13	To do.	3	3 13	0
	22	To do.	4	8 10	0
		£21 8 0			
			£	21 8	0

INKERMAN TERRACE. *Cr.*

1858.					
January	27	By Cash, ...		5 6	6
			£	5 6	6

CAMBERWELL. *Cr.*

1858.					
January	7	By Cash and Abatement, ...	1	13 13	0
	30	*By Balance, forward,*		13 6	0
			£	26 19	0

ENFIELD PLACE. *Cr.*

1858.					
January	9	By Cash and Abatement, ...	1	9 5	0
	25	By do. do.	1	12 3	0
		£21 8 0			
			£	21 8	0

(4)

Dr. JAMES MURRAY,

1858.						
January	1	To Balance from Old Ledger, . . .		15	16	0
	4	To Trade, ...	1	4	5	0
	11	To do.	3	13	0	0
		£33 1 0				
				33	1	0
	30	*To Balance brought forward,* . . .		2	1	0

Dr. ROBERT TAYLOR,

1858.						
January	15	To Trade, ...	3	25	0	0

Dr. SAMUEL WALLACE,

1858.						
January	4	To Trade, ...	1	8	3	0
	23	To do.	4	16	6	0
	28	To do.	5	14	8	0
		£38 17 0				
			£	38	17	0
	30	*To Balance brought forward,* . . .		38	17	0

Dr. HOWARD & SONS,

1858.						
January	8	To Cash and Abatement, . . .	1	26	19	0
	26	To Cash, ...	1	30	9	0
		£57 8 0				
			£	57	8	0

SUNDERLAND. *Cr.*

1858.				£	s.	d.
January	4	By Cash, ...	1	16	0	0
	14	By do.	1	15	0	0
		£31 0 0				
	30	*By Balance,*		2	1	0
			£	33	1	0

BRISTOL. *Cr.*

1858.				£	s.	d.
January	23	By Cash and Abatement, ...	1	25	0	0

BRIGHTON. *Cr.*

1858.				£	s.	d.
January	30	*To Balance, forward,*		38	17	0
			£	38	17	0

SHEFFIELD. *Cr.*

1858.				£	s.	d.
January	7	By Trade, ...	1	26	19	0
	21	By do.	1	30	9	0
		£57 8 0				
			£	57	8	0

(5)

Dr. MUIR & Co.,

1858.					
January	30	*To Balance, forward,*		52	17 0
				52	17 0

Dr. CHARLES PRINGLE,

1858.					
January	4	To Cash and Abatement, ...	1	42	10 0
	19	To do. do.	1	37	0 0
		£79 10 0			
			£	79	10 0

Dr. ROBERTSON & Co.,

1858.					
January	22	To Cash, ...	1	12	19 0
	30	*To Balance, forward,*		21	0 0
			£	33	19 0

SHEFFIELD. *Cr.*

1858.						
January	1	By Balance from Old Ledger, . . .		15	18	0
	23	By Trade, ...	2	36	19	0
		£52 17 0				
			£	52	17	0
		By Balance brought forward, . . .		52	17	0

GLASGOW. *Cr.*

1858.						
January	1	By Balance from Old Ledger, . . .		42	10	0
	2	By Trade, ...	1	37	0	0
		£79 10 0				
			£	79	10	0

BIRMINGHAM. *Cr.*

1858.						
January	12	By Trade, ...	1	12	19	0
	29	By do.	2	21	0	0
		£33 19 0				
			£	33	19	0
	30	*By Balance brought forward,* . . .		21	0	0

(6)

Dr. WM. SCOTT,

1858.				£	s	d
January	15	To Cash, ...	1	50	0	0
	30	*To Balance, forward,*		6	10	0
			£	56	10	0

Dr. UNION BANK,

1858.				£	s	d
January	1	To Balance from Old Ledger, . . .		483	10	0
	22	To Cash, ... £698 10 0	1	215	0	0
			£	698	10	0
	30	*To Balance brought forward,* . . .		588	10	0

Dr. TRADE

1858.				£	s	d
January	1	To Balance, Stock as per Inventory, .		1629	4	9
	30	To Sundry Accounts, for Goods, . .	2	165	6	0
	30	To do. for Abatements, .	1	2	5	3
	30	To Cash, for Goods, &c., . £1853 1 9	1	56	5	9
	30	*To Profit and Loss for gross Gain,* . .		159	16	9
			£	2012	18	6
	30	*To Trade, Old Account, Stock,* . . .		1542	9	10

BIRMINGHAM. *Cr.*

1858.					
January	1	By Balance from Old Ledger, . . .		56	10 0
			£	56	10 0
	30	*By Balance brought forward,* . . .		6	10 0

CONTRA. *Cr.*

1858.					
January	26	By Cash, ...	1	110	0 0
	30	*By Balance forward,*		588	10 0
			£	698	10 0

ACCOUNT. *Cr.*

1858.					
January	30	By Sundry Accounts, Sales, . . .	5	322	8 6
	30	By Cash, do. . . .	1	145	9 2
	30	By Sundry Accounts, Abatements, . .	1	2	11 0
		£470 8 8			
	30	*By Trade, New Account (for value of Goods in Stock),*		1542	9 10
			£	2012	18 6

(7)

Dr. CASH

1858.							
January	1	To Balance from 1857, ...			49	16	6
	30	To Sundry Accounts, ...	£560 5 5	1	510	8	11
				£	560	5	5
	30	*To Balance brought forward,* . . .			52	4	10

Dr. PROFIT & LOSS

1858.							
January	20	To Cash, Income Tax, ...		1	11	16	4
	22	To do. Taxes on House, . . .	£16 8 10	1	4	12	6
	30	*To Capital Account,*			143	7	11
				£	159	16	9

Dr. JAMES WOOD'S

1858.							
January	16	To Trade, ...		3	1	7	6
	25	To do.		4	9	14	0
	25	To Cash, ...	£34 1 6	1	23	0	0
	30	*To Nett Capital, forward,* . . .			2222	1	2
				£	2256	2	8

ACCOUNT. *Cr.*

1858.						
January	30	By Sundry Accounts, ...	1	508	0	7
	30	*By Balance, forward,*		52	4	10
			£	560	5	5

ACCOUNT. *Cr.*

1858.						
January	30	*By Trade Account,*		159	16	9
			£	159	16	9

CAPITAL ACCOUNT. *Cr.*

1858.						
January	1	By Balance from Old Ledger, . . .		2112	14	9
	30	*By Profit and Loss,* . . .		143	7	11
			£	2256	2	8
	30	*By Balance brought forward,* . . .		2222	1	2

TRIAL BALANCE.

Drs.			Folio.	Accounts.	*Crs.*		
£	*s.*	*d.*			£	*s.*	*d.*
79	3	0	1	Bruce & Bain,	39	15	0
63	16	0	1	Bell & Fenton,	63	16	0
16	10	3	1	William Cooper,	9	12	3
18	11	6	2	Thomas Curtis,	11	16	0
33	18	9	2	Robert Harrison,	22	0	9
5	6	6	2	Wm. Hunter,	5	6	6
13	17	6	3	H. Hill,	13	17	6
26	19	0	3	Henry Lawson,	13	13	0
21	8	0	3	Wm. Morris,	21	8	0
33	1	0	4	James Murray,	31	0	0
25	0	0	4	Robert Taylor,	25	0	0
38	17	0	4	Samuel Wallace,	...	...	...
57	8	0	4	Howard & Sons,	57	8	0
...	...	...	5	Muir & Co.,	52	17	0
79	10	0	5	Charles Pringle,	79	10	0
12	19	0	5	Robertson & Co.,	33	19	0
50	0	0	6	Wm. Scott,	56	10	0
698	10	0	6	Union Bank,	110	0	0
1853	1	9	6	Trade Account,	470	8	8
560	5	5	7	Cash Account,	508	0	7
16	8	10	7	Profit & Loss,	...	...	...
34	1	6	7	James Wood's Capital Account,	2112	14	9
3738	13	0		Totals,	3738	13	0

Note.—The correctness of this Trial Balance may be proved by reference to the total of the Abstract on page 153.

BALANCE SHEET.—30TH JANUARY 1858.

1858.	ASSETS.				1858.	LIABILITIES.			
	1. Property.					*Debts owing by me.*			
Jan. 30	To Trade Account (Value of Goods in Stock at this date from Stock Book, p. 127),		1542	9 10	Jan. 30	By Muir & Co.,	£52 17 0		
						By Robertson & Co.,	21 0 0		
						By Scott & Co.,	6 10 0		
								80 7 0	
	2. Debts due to me.					*By Capital Account,—(nett value of Capital in Business at this date,)*		2222 1 2	
	To Bruce & Bain,	£39 8 0							
	To Wm. Cooper,	6 18 0							
	To Thomas Curtis,	6 15 6							
	To R. Harrison,	11 18 0							
	To H. Lawson,	13 6 0							
	To James Murray,	2 1 0							
	To Samuel Wallace,	38 17 0							
			119	3 6					
	3. Cash.								
	To Cash—*in hand*,	£52 4 10							
	To Union Bank,	588 10 0							
			640	14 10					
		£	2302	8 2			£	2302	8 2

EXERCISE ON PART IV.

The student is requested to frame, from the following Transactions, an Invoice Book, a Day Book, and a Cash Book, similar to those given in the preceding pages; to construct an abstract of those books, and then to post into a Ledger, and close it in the manner already described.

TRANSACTIONS—*London, February* 1858.

An Inventory of the Effects of James Wood, Ironmonger. London.	£	s.	d.
ASSETS.			
Cash on hand, ... £52 4 10			
Cash in Union Bank, ... 588 10 0			
	640	14	10
Stock in Trade, as per Stock Book, ...	1542	9	10
Balances in my favour from Old Ledger,—			
Bruce & Bain, Chelsea, ... £39 8 0			
Thomas Curtis, Thornhill Square, . . 6 15 6			
William Cooper, Edith Grove, . . . 6 18 0			
Robert Harrison, Islington, ... 11 18 0			
H. Lawson, Camberwell, ... 13 6 0			
James Murray, Sunderland, ... 2 1 0			
Samuel Wallace, Brighton, ... 38 17 0			
	119	3	6
	2302	8	2
Before posting, the student should make an Abstract of this Inventory, similar to that of last month, on page 152.			
LIABILITIES.			
Balances against me from last month,—			
Muir & Co., Sheffield, ... £52 17 0			
Robertson & Co., Birmingham, . . . 21 0 0			
William Scott, Birmingham, . . . 6 10 0			
	80	7	0
Nett Capital in Trade, . .	2222	1	2
1st February.			
Sold Wm. Morris, Enfield Place.			
1 Three-light Lustre, ...	2	18	0
2 Dressing-Cases, @ 40/ & 42/10, ...	4	2	10
	7	0	10

London, 1st February 1858.

	£	s.	d.
Sold Thomas Curtis, Thornhill Square.			
1 doz. Electro-plated Dinner Forks, ...	2	15	0
1 „ do. Dessert do.	1	19	0
1 Moderator Lamp, ...	1	18	0
	6	12	0
1st.			
Sold Robert Harrison, Islington.			
1 Exhibition Bath, ...	9	10	0
1st.			
Cash Sales this day, ...	5	19	4
2d.			
Received from Bruce & Bain, Chelsea.			
In part payment, ...	17	10	0
2d.			
Sold Henry Hill, Nottingham Square.			
1 Japanned Travelling Box, ...	2	10	0
2d.			
Sold Wm. Hunter, Inkerman Terrace.			
1 Electro-Silver Tea Set, ...	15	10	0
2d.			
Received from Howard & Sons, Sheffield.			
3 doz. Ivory-handled Dinner Table Knives, @ 22/, .	3	6	0
3 „ do. do. Forks, @ 18/, .	2	14	0
4 „ do. Dessert Knives, @ 16/, . .	3	4	0
4 „ do. do. Forks, @ 16/, . .	3	4	0
5 Sets Dish Covers, @ 49/, 72/, 78/, 90/, 95/, . .	19	4	0
	31	12	0
2d.			
Cash Sales this day, ...	4	11	6
3d.			
Remitted to Muir & Co., Sheffield,	40	0	0

London, 3*d February* 1858.

	£	s.	d.
Received from Thomas Curtis, Thornhill Square.			
Cash in full, ...	13	5	6
Discount allowed, ...	0	5	6
	13	0	0
3*d.*			
Sold James Murray, Sunderland.			
1 Pair elegant Girandoles, ...	7	10	0
1 Patent Chubb's Latch, ...	1	2	0
2 Iron Crib Bedstead, @ 22/6, ...	2	5	0
	10	17	0
3*d.*			
Sold Robert Taylor, Bristol.			
1 Shower Bath, ...	5	10	6
2 Sets Fire-Irons, @ 54/, & 72/, ...	6	6	0
	11	16	6
3*d.*			
Received from Robert Harrison, Islington,	20	0	0
3*d.*			
Lodged in Union Bank, ...	30	0	0
3*d.*			
Cash Sales this day, ...	5	6	0
4*th.*			
Remitted to Robertson & Co., Birmingham.	21	0	0
Retaining, as agreed upon, 2½ per cent. Discount, .	0	10	6
	20	9	6
4*th.*			
Received from Muir & Co., Sheffield.			
3 elegant Cast-Iron Garden Seats, @ 80/, . .	12	0	0
3 ,, ,, Hat Stands, @ 72/, . . .	10	16	0
15 Cash Boxes, @ 18/, ...	13	10	0
	36	6	0

London, 4th February 1858.

	£	s.	d.
Sold Bell & Fenton, Doctors' Commons.			
3 Charter Boxes, @ 30/, ...	4	10	0
1 Patent Letter-Balance, ...	1	10	0
	6	0	0
4th.			
Sold Wm. Morris, Enfield Place.			
1 Cast-iron Garden Seat, ...	4	10	0
2 Iron Bedsteads, @ 72/, ...	7	4	0
	11	14	0
4th.			
Cash Sales this day, ...	4	19	8
5th.			
Received from Samuel Wallace, Brighton,	30	0	0
5th.			
Sold Wm. Cooper, Edith Grove.			
1 Drawing-room Grate & Fender, ...	12	10	0
5th.			
Took for private use,			
1 Shower Bath, valued @	5	10	0
Cash, ...	12	0	0
	17	10	0
Note.—For the method in which this should appear in the Preliminary Books, trace a similar transaction given on the 16th January.			
5th.			
Received from Wm. Morris, Enfield Place.			
In full of his Account, ...	18	14	0
Allowed Discount of	0	7	6
	18	6	6
5th.			
Lodged in Union Bank, ...	50	0	0
5th.			
Cash Sales this day, ...	9	15	8

London, 6th February 1858.

	£	s.	d.
Sold Henry Lawson, Camberwell.			
1 Patent Kitchen Range, ...	8	10	0
6th.			
Received from James Murray, Sunderland,	12	18	0
Allowed Discount of	0	6	6
	12	11	6
6th.			
Sold Samuel Wallace, Brighton.			
1 Bright Drawing-room Grate, ...	11	10	0
1 Fender to match, ...	4	15	0
1 Set Fire-Irons, ...	2	10	0
	18	15	0
6th.			
Cash Sales this day, ...	8	17	2
8th.			
Lodged in the Union Bank, ...	40	0	0
8th.			
Sold Bruce & Bain, Chelsea.			
4 Coloured Lobby Lamps, @ 80/, ...	16	0	0
1 Four-light Drawing-room Lustre, ...	6	10	0
4 Cash Boxes, @ 22/, ...	4	8	0
	26	18	0
8th.			
Sold Bell & Fenton, Doctors' Commons.			
1 Patent Letter-Box, ...	3	16	0
1 Milner's Patent Fire Safe, ...	14	10	0
3 Charter Boxes, @ 30/, ...	4	10	0
	22	16	0
8th.			
Cash Sales this day, ...	5	16	4

London, 9th February 1858.

	£	s.	d.
Drawn from Union Bank, ...	50	0	0
9th.			
Paid this day,—Taxes on Shop, Police Money, . .	5	4	0
Poor's Rate, ...	2	16	0
	8	0	0
9th.			
Paid Muir & Co., Sheffield.			
In full of their Account, ...	49	3	0
Discount received, ...	1	3	0
	48	0	0
9th.			
Henry Hill, Nottingham Square.			
For Gasfittings and Repairs, ...	5	10	0
9th.			
Cash Sales this day, ...	3	11	4
10th.			
Sold Robert Taylor, Bristol.			
2 Bronzes, @ 114/ & 132/, ...	12	6	0
1 Garden Seat, ...	5	0	0
	17	6	0
10th.			
Received from Wm. Hunter, Inkerman Terrace.			
A Cheque on Barclay, Brown, & Co., Bankers, for	15	10	0
10th.			
Sold Wm. Hunter, Inkerman Terrace.			
1 Set Papier-Maché Trays, ...	6	10	0
1 Electro-plated Cruet Frame, ...	2	10	0
1 Do. Butter Cooler, ...	2	15	0
	11	15	0
10th.			
Cash Sales this day, ...	4	2	6

London, 11*th February* 1858.

	£	s.	d.
Bought of Charles Pringle, Glasgow.			
2 Shower Baths, @ 110/,	11	0	0
4 Sets Fire-Irons, @ 22/, 24/, 28/, & 50/,	6	4	0
	17	4	0
11*th*.			
Sold Robt. Harrison, Islington.			
1 Double-tin Plunge Bath,	1	15	0
2 Bronzes, @ 120/,	12	0	0
	13	15	0
11*th*.			
Received from Bell & Fenton, Doctors' Commons,	25	0	0
Allowed Discount	0	10	6
	24	9	6
11*th*.			
Lodged in Union Bank,	50	0	0
11*th*.			
Cash Sales this day,	4	2	3
12*th*.			
Sold Bruce & Bain, Chelsea.			
3 sets Enamelled Goblets, Nos. 1 to 9, @ 32/,	4	16	0
2 Cast-Iron Garden Seats, @ 100/,	10	0	0
	14	16	0
12*th*.			
Drawn from Union Bank,	25	0	0
12*th*.			
Remitted to Howard & Sons, Sheffield.			
In full of their Account of	31	12	0
Retaining 2½ per cent. Discount,	0	15	9
	30	16	3
12*th*.			
Cash Sales this day,	5	9	8

London, 13*th February* 1858.

	£	s.	d.
Sold Thomas Curtis, Thornhill Square.			
1 Three-light Lustre, ...	3	6	0
1 Patent Letter-Balance and Weights, . . .	1	15	0
	5	1	0
13*th*.			
Drawn from Union Bank, ...	10	0	0
13*th*.			
Paid Workmen's Wages, ...	16	10	0
Cleaning, &c., ...	2	4	0
(Carried to the Trade Account.)	18	14	0
13*th*.			
Cash Sales this day, ...	4	16	9
15*th*.			
Sold James Murray, Sunderland.			
3 Sets Dish Covers, @ 40/, 45/, and 60/, . . .	7	5	0
4 Dinner Bells, @ 2/6, 3/9, 5/, and 7/6, . . .	0	18	9
2 Sitz Baths, @ 25/, ...	2	10	0
	10	13	9
15*th*.			
Received from William Scott, Birmingham.			
4 Sets Papier-Maché Trays, @ 100, ...	20	0	0
2 Ornamental Drawing-room Coal Vases, @ 80/, .	8	0	0
100 feet Gas Tubing, ...	3	0	0
	31	0	0
15*th*.			
Cash Sales this day, ...	5	1	0
16*th*.			
Paid Income Tax, ...	9	16	0
(Carried to the Profit and Loss Account.)			

London, 16th February 1858.

	£	s.	d.
Took for private use 2 Bronzes, valued at 100/, 110/, ...	10	10	0
—16*th.*—			
Received from Robert Taylor, Bristol, a Cheque on Glyn Brothers, Bankers, for	29	2	6
—16*th.*—			
Lodged in Union Bank, ...	20	0	0
—16*th.*—			
Cash Sales, ...	3	18	4
—17*th.*—			
Sold Thomas Curtis, Thornhill Square. 1 Polished Kinnaird Stove, ... 1 Iron Bedstead, ...	5 3	0 3	0 0
	8	3	0
—17*th.*—			
Drawn from Union Bank, ...	30	0	0
—17*th.*—			
Remitted to William Scott, Birmingham.	37	10	0
—17*th.*—			
Cash Sales this day, ...	4	1	0
—18*th.*—			
Received from Charles Pringle, Glasgow. 1 Case Gas Brackets, Fittings, &c., ...	12	14	0
—18*th.*—			
Received from Henry Hill, Nottingham Square.	8	0	0
—18*th.*—			
Cash Sales this day, ...	3	17	4

London, 19*th February* 1858.

	£	s.	d.
Sold Henry Lawson, Camberwell.			
1 Camp Oven, ...	3	14	0
1 doz. Electro Dinner Forks, ...	1	2	0
	4	16	0
19*th*.			
Bought a new Ledger and Day Book, ...	0	10	6
(*Trade Account.*)			
19*th*.			
Lodged in Union Bank, ...	20	0	0
19*th*.			
Cash Sales, ...	3	6	8
20*th*.			
Sold Wm. Morris, Enfield Place.			
1 Set Garden Implements, ...	2	10	0
300 sq. yds. tinned Wire Fence for Green-house, @ 9d.,	11	5	0
	13	15	0
20*th*.			
Received from H. Lawson, Camberwell.			
In full of his Account of £26 12 0			
Discount allowed, ... 1 12 0			
	25	0	0
20*th*.			
Lodged in Union Bank, ...	30	0	0
20*th*.			
Cash Sales, ...	9	14	5
22*d*.			
Received from Thomas Curtis, Thornhill Square, . .	8	0	0

London, 22d February 1858.

	£	s.	d.
Sold Wm. Hunter, Inkerman Terrace.			
Brass Plate for Door Bell,	0	10	0
Do. do. Name,	0	18	0
Door Letter-Box, with Fittings,	2	0	0
	3	8	0
22d.			
Cash Sales this day,	6	10	11
23d.			
Remitted to Charles Pringle, Glasgow,	20	0	0
23d.			
Received from Robertson & Co., Birmingham.			
5 Bronzes, @ 48/, 72/, 96/, 120/, 130/,	23	6	0
3 Gas Lustres, @ 90/,	13	10	0
	36	16	0
23d.			
Sold Robert Taylor, Bristol.			
1 Set Garden Implements,	2	5	0
1 „ Papier-Maché Trays,	5	10	0
	7	15	0
23d.			
Cash Sales,	5	10	6
24th.			
William Cooper, Edith Grove.			
To Repairs on Front Door, Lock, Hinges, &c.,	1	18	0
New Rails for Landing,	4	10	0
	6	8	0
24th.			
Received from Bruce & Bain, Chelsea,	63	12	0

London, 24th February 1858.

	£	s.	d.
Lodged in the Union Bank, ...	70	0	0
—— *24th.* ——			
Cash Sales, ...	11	14	0
—— *25th.* ——			
Sold Bell & Fenton, Doctors' Commons.			
1 Patent Stove for Office, ...	6	0	0
1 Chubb's Lock, ...	1	2	0
	7	2	0
—— *25th.* ——			
Received from William Cooper, Edith Grove,	25	16	0
Discount Allowed, ...	0	10	6
	25	5	6
—— *25th.* ——			
Cash Sales, ...	4	19	6
—— *26th.* ——			
Received from Wm. Hunter, Inkerman Terrace,	15	3	0
—— *26th.* ——			
Remitted to Robertson & Co., Birmingham,	36	16	0
—— *26th.* ——			
Sold James Murray, Sunderland.			
1 Exhibition Bath, ...	9	10	0
2 Sets Garden Implements, @ 45/, ...	4	10	0
	14	0	0
—— *26th.* ——			
Lodged in the Union Bank, ...	20	0	0
—— *26th.* ——			
Cash Sales this day, ...	11	4	6

London, 27*th February* 1858.

	£	s.	d.
Received from Samuel Wallace, Brighton,	27	12	0
27*th*.			
Received from Wm. Morris, Enfield Place,	13	15	10
27*th*.			
Paid this day.			
Workmen's Wages, ...	16	19	0
Clerk's Salary, one quarter, ...	15	0	0
Cleaning, &c., ...	4	19	0
	36	18	0
The Workmen's Wages and Cleaning are in one sum carried into the Trade Account, and the Clerk's Salary into the Profit and Loss Account.			
27*th*.			
Cash Sales, ...	10	5	0

END OF PART IV.

APPENDIX.

PART V.

QUESTIONS FOR SOLUTION.

CHAPTER I.

ON THE THEORY AND PRACTICE OF BOOK-KEEPING BY DOUBLE ENTRY.

THE Questions regarding Double Entry are framed upon the supposition, that the Merchant keeps a Day or Sales Book, an Invoice Book, a Bill Book, a Cash Book, a Journal, and a Ledger, in which the Goods Accounts are subdivided into classes.

At the same time, let the student understand, that he is to consider himself the Merchant, and use his own name, wherever the name of the Merchant may be necessary.

PRELIMINARY BOOKS.

QUESTIONS.

1. What do you understand by the phrase *Preliminary Book*, in Book-keeping?
2. What is its converse?
3. What benefit does the merchant derive from entering different classes of transactions in different *preliminary books*?
4. Are the same books adapted for every business? The reason?
5. What classes of transactions are entered—(1.) in the Day Book?—(2.) in the Invoice Book?—(3.) in the Bill Book?—(4.) in the Cash Book?
6. Mention some of the *subsidiary books*, and their uses.
7. What does the debit side, and what does the credit side of the Cash Book contain?
8. Which side of the Cash Book is usually the greater in amount? And why?
9. Could the two sides of the Cash Book be equal in amount? And why?

10. When the two sides of the Cash Book do not agree in amount, how is it closed at the end of the month; and what would you do with the difference?
11. Could more money be entered on the credit side of the cash *as paid away*, than has been entered on the debit side *as received*, during any month? If so, prove your assertion by giving a short example.
12. Name the preliminary books in which you ought to insert the following transactions, and show the forms in which these entries should be made.

NOTE.—*In answering the following questions, let the student understand that he is to represent himself as the Merchant, and the place where he resides as the place where the transactions take place. All transactions are supposed to be on credit, unless ready money is mentioned.*

Jan. 5. Henry Willis has purchased from me 11 bags Rice, @ £1, 14/ per bag.

Jan. 8. Sold for Cash to Francis Monteith, 1 puncheon Rum, of 60 gallons, @ 6/9 per gallon.

Jan. 12. Henry Ellis has purchased from me 4 chests Tea, each 40 lb., @ 3/9 per lb.; for which he has paid me, and received a discount of £1, 4/6 for Cash.

Jan. 17. Thomas Cay has paid me £41, 7/, as part payment of his account.

Jan. 21. Accepted James Graham's draft at 1 month from this date, for £56, 7/6.

Jan. 27. Charles Fraser has sold me 100 barrels fine Flour, at 34/ per barrel; for which I have paid him in Cash £25, and the rest by a Bill at 3 months from this date.

Jan. 29. Received from Francis Monteith, a draft at sight on Watson & Co., for £29, 10/.

Feb. 1. Sold for Cash to F. Black & Co. 172 yards Superfine Cloth at 13/4.

Feb. 2. James Lamont has returned the Cloth purchased on the 4th January, for which he was charged £49, 19/, and received another piece of 60 yards @ 18/9 per yard.

Feb. 4. Bought of Marshall & Co. 50 chests Bohea, each 60 lb. @ 3/9.

Feb. 6. Sold for Cash to Lewis & Son, 6 of the chests purchased February 4th, on which I charged him an advance of 5d. per lb. allowing him a discount of 2½ per cent.

Feb. 11. James Lamont has accepted a Bill drawn by me in my own favour, at 3 months from this date, for £27, 16/.

Feb. 16. Shipped to the order of James Wilson, Naples, 5 bales Cotton, each 3½ cwt., @ 7⅜d. per lb.
Feb. 17. Paid Income Tax, £20, 14/8.
Feb. 20. Sold to Henry Ellis, 1 chest Tea, 45 lb., @ 3/8½ per lb.
Feb. 27. James Hill owes me £80; at this date he has paid me £25.
Mar. 1. When present at a sale by auction, 10 chests of Tea were knocked down to me. I resigned my claim to Wm. Campbell for £4, 10/.
Mar. 3. Bought for Cash 1 pipe Port, £70.
Mar. 5. Sold for Cash, 6 chests of the Tea, each 48 lb., at 3/9 per lb., consigned to me for sale by Dawson & Hill, London.
Mar. 7. Took for my private expenses, £17, 10/.
Mar. 9. My stock of Flour consists of 18 barrels, which cost me 34/ per barrel; but having received damage, I have sold it at a reduction of 25 per cent. for Cash.
Mar. 15. Paid Postages & Cleaning, 30/.
Mar. 18. Davidson & Co. having become bankrupt, I received this day 8/7 in the pound in full of my claim of £80, 10/.

JOURNAL.

13. What is meant by classifying accounts in the Journal?
14. Is the Journal absolutely necessary? The reason?
15. When are the preliminary books journalized?—or, What time is usually allowed to elapse before the transactions are collected together in the Journal preparatory to posting?
16. Under what heads, and in what form, would the following transactions appear in the Journal? *(The student must supply names, quantities, &c.)*
    a. There have been three purchases of Sugar on credit from different parties in the month of January. Note.—*Each hhd. 8½ cwt., @ 49/ per cwt.*
    b. To one individual, Tea has been sold on credit at four separate times in the same month. Note.—*Each chest 60 lbs., at 3/9 per lb.*
    c. In January, 3 Bills Receivable, and 4 Bills Payable, appear in the Bill Books.
17. Given the following Cash transactions: 1*st.* To construct and close a Cash Account. 2*d.* To give a *posting* Abstract of that account.—(See pp. 64, 65.) And, 3*d.* To show how the Cash Book should be journalized, with especial regard to classification.

Jan. 1.	I have on hand, ...	£529	9	6
,, 1.	Lodged in Royal Bank, ...	480	10	0
,, 2.	Received from Green & Co., ...	40	0	0
,, 2.	Paid Fraser Brothers, ...	11	19	0

Jan. 4.	Received for Sugar,		£50	10	0
,, 4.	Lodged in Royal Bank,		50	0	0
,, 4.	Received for Wine,		70	0	0
,, 4.	Paid H. Lawson,		50	19	8
,, 5.	Received from J. Hill,	(*Discount*, 8/6,)	5	8	6
,, 5.	Paid Taxes and Gas,		38	7	6
,, 6.	Received for Rice,		11	17	0
,, 6.	Paid Fraser Brothers,	(*Discount*, 10/6,)	16	0	0
,, 6.	Lodged in Royal Bank,		36	0	0
,, 7.	Received from H. Wilson,		8	17	5
,, 7.	Received from Green & Co.,	(*Discount*, 5/,)	4	16	9
,, 7.	Paid H. Lawson,		10	17	6
,, 8.	Received for Sugar,		27	5	6
,, 9.	Lodged in Royal Bank,		30	10	0
,, 11.	Drawn from Royal Bank,		50	0	0
,, 11.	Paid Jones & Co.,		49	16	0
,, 12.	Taken for family use,		20	0	0
,, 13.	Received for Rice,		18	4	9
,, 14.	Received from John Hill,		8	17	4
,, 15.	Lodged in Royal Bank,		15	0	0
,, 16.	Received for Wine,		48	17	0
,, 16.	Paid Jones & Co.,	(*Discount*, 23/,)	30	17	0
,, 18.	Received from H. Wilson,		5	11	6
,, 18.	Lodged in Royal Bank,		25	0	0
,, 20.	Received from Green & Co.,		7	10	0
,, 21.	Received for Wine,		15	7	6
,, 22.	Paid Fraser Brothers,	(*Discount*, 10/3,)	17	18	9
,, 23.	Received from John Hill,		4	17	9
,, 23.	Paid for Wine,		15	18	0
,, 25.	Received from H. Wilson,	(*Discount*, 26/,)	32	6	4
,, 26.	Lodged in the Royal Bank,		15	0	0
,, 28.	Received for Sugar,		18	14	7
,, 28.	Lodged in Royal Bank,		30	0	0
,, 29.	Received for Rice,		5	1	4
,, 30.	Paid for Cleaning and sundry small charges,		4	19	4

18. If the Cash Book be not passed through the Journal, which sum would be carried to the Debit of the Cash Account in the Ledger, and which to the Credit?

19. Suppose the Discount on the Debit side of the Cash Book for January amounts to £9, 14/6. How should that be passed through the Journal?

20. Journalize the following finishing entries:—

Losses and Expenses,—

Cotton, loss of	£7	14	0
Tea, „	18	4	0
Wages and Salaries,	24	17	0
Trade Expenses,	17	19	0

Gains,—

Sugar, gain of	249	17	9
Calico,	496	18	0
Linen,	150	18	7
Cambrics,	542	10	0

Stock on hand—30th December 1858,—

14 bales Cotton, each 4 cwt., 1 qr., @ 7⅝d. per lb.
24 chests Tea, each 3 qrs. 11 lbs., @ 3/9 per lb.
14 hhds. Sugar, each 8 cwt. 2 qrs., @ 53/ per cwt.
16 pieces Calico, each 48 yards, @ 10d. per yard.
11 „ Linen, „ 26 „ @ 2/9 „
146 „ Cambric, „ 42 „ @ 1/9 „

Balances due by—

James Moncreiff & Co.,	£142	10	6
Henry Lee,	16	15	0
Lawson Brothers,	17	12	9
Jones & Son,	50	19	8

Balances due by us to,—

Simpson & Boyle,	30	16	6
Wm. Auld,	81	14	0
Frederick Holt,	27	19	0

21. How may the correctness of the Journal be proved, when all the preliminary books are passed through it?
22. Supposing the Cash Book not passed through the Journal, how can the amount of the original entries be found?
23. If the total amount of the entries in the Journal does not agree with the total amount of the original entries, where must the mistake lie?

LEDGER.

24. What does the Ledger consist of?
25. How many classes of accounts appear in a Ledger kept on the principles of Double Entry?
26. What may appear on the Debit, and what on the Credit, of a Goods Account, say Cotton, when closed?

27. What may appear on the Debit, and what on the Credit, of a Personal Account when closed?
28. What appears on the Debit, and what on the Credit, of the Profit and Loss Account?
29. What may appear on the Debit, and what on the Credit, of the Capital or Stock Account?
30. Construct and close a Wine Account from the following particulars, supplying names, dates, &c.:—
    Bought 4 pipes, each @ £75; 5 pipes, each @ £72; 42 doz., @ 72/ per doz.; 1 pipe, @ £63.
    Sold 2 pipes, each @ £76; 1 pipe, @ £80; 2 pipes, each @ £70; 14 doz., each @ 56/; 2 pipes, each @ £59.
31. Construct and close a Cotton Account from the following particulars:—
    Bought 5 bales, each 617 lbs., @ 6¾d. per lb.; 17 bales, each 680 lbs., @ 7⅛d. per lb.; 6 bales, each 740 lbs., @ 6⅞d. per lb.
    Sold 7 bales, each 680 lbs., @ 7¼d. per lb.; 3 bales, each 617 lbs., @ 7⅛d. per lb.; 5 bales, each 740 lbs., @ 7½d. per lb.; 9 bales, each 680 lbs., @ 6¾d. per lb.
32. Construct and close a Sugar Account from the following particulars:—
    Bought 3 hhds., each 9½ cwt., @ 32/ per cwt.; 5 hhds., each 8½ cwt., @ 27/; 16 hhds., each 7¾ cwt., @ 32/6.
    Sold 2 hhds., each 9½ cwt., @ 35/; 3 hhds., each 8½ cwt., @ 31/6; 10 hhds., each 7¾ cwt., @ 40/.
33. Construct a Personal Account with three entries on each side, and close it, showing a balance of £42, 1s. 6d. against that individual.
34. Construct a Personal Account with four entries on each side, and close it, showing a balance of £21, 12s. 6d. in that person's favour.
35. Construct and close an Adventure Account from the following particulars:—
    Consigned to John Boyd & Sons, New York.
    14 pieces Calico, each 72 yds., valued (cost price) @ 2/ per yd.
    13 „ Linen, each 26 yds., „ „ 3/ „
    15 „ Broad Cloth, each 45 yds., „ 15/ „
    Shipping Charges and Insurance, £22, 14s.
    Two months afterwards, the *nett* proceeds of the sale of these articles is remitted by two Bills, drawn upon parties in England. J. B. & Sons deduct 4½ per cent. from the gross proceeds as Commission, with £11, 17s. as expenses. Let the remittance yield a fair profit.
36. Construct and close an account of Goods sold by you on Commission from the following particulars:—
    Received from A. B., Hamburg, on Commission—
    50 casks Tallow, each 8½ cwt.

Sold 10 casks, @ 51/ per cwt.; 13 casks, @ 57/6 per cwt.; 20 casks, @ 55/ per cwt.; 7 casks, @ 59/ per cwt.

Charges, £14, 19s. Commission 5 per cent. on gross proceeds.

Balance remitted by Bills.

37. Construct a Profit and Loss Account, with a few current entries on each side, with three finishing entries on the credit, and two on the debit, showing a gain of £59, 16s. 6d.
38. How may the correctness of the Ledger be proved before closing the accounts composing it?
39. Show why no fraud could be committed when the correctness of the Ledger is proved by the amount of the original entries.
40. How often should the correctness of the Ledger be tested?
41. Since the accounts in the Ledger do not necessarily require to be closed at the end of each year, what is the best method of finding the true state of the business when the accounts are kept open?
42. What advantages may the merchant derive from the sheet of Trial Balances explained on pp. 88, 89?
43. Give a tabular view of the *course* taken by the original entries through the preliminary books into the Ledger.

CHAPTER II.

QUESTIONS ON BILLS OF EXCHANGE AND PROMISSORY NOTES.

1. What does *exchange* mean?
2. What is meant by the *course of a Bill?*
3. Explain the phrase, *the term of a Bill.*
4. Define the following *technical* designations of the parties to a Bill:—
   1. Drawer. 2. Indorser. 3. Acceptor. 4. Drawee. 5. Indorsee. 6. Holder. 7. Payer.
5. What are the *essentials* of a Bill?
6. Explain the meaning of the phrase, *drawn on.*
7. What does *accepting a Bill* mean? and how is it accomplished?
8. What is understood by *at usance?*
9. What is *indorsation?* and how is it accomplished?
10. What is the difference between a *Foreign* and an *Inland* Bill?
11. In what does a *Promissory Note* differ from a Bill?
12. Why are Foreign Bills drawn in sets?

13. Give the forms of *Inland* and *Foreign* Bills to suit the following particulars :—

(When a blank occurs, the particulars are to be supplied at the discretion of the student.)

a. Place, London; date, 15th December 1858; sum, £29, 17s. 4d.; term, 3 months; drawer, H. Hill, London; drawee, Wm. Ford, Hull. Accepted.

b. Place, Leeds; date, 1st June 1858; sum, £149, 10s.; term, 2 months; drawn by Willis and Simpson & Co., Leeds; in favour of Harris Brs., Liverpool, on Jones & Co., Liverpool. Accepted.

c. Place, ——; date, ——; sum, ——; term, ——; drawn by Wm. Freming, Glasgow, on James Cumming, London. Accepted, and blank indorsation in favour of H. Hill, Leith.

d. Show what form the particulars under *a* should take, when the one party grants the other a Promissory Note.

e. Place, ——; date, ——; sum, ——; term, ——; drawn by Henry Ellis, Hull; drawee, Moore & Willis, Manchester; blank indorsation, in favour of Thomas Laidlaw, Bristol.

f. Adam Brown, Edinburgh, on 16th August 1858, draws on James Lang, Liverpool, at 2 months after date, for £150, which is accepted.

g. Simpson & Co., Belfast, on 16th August 1858, draw on James Holmes, Bradford, for £60, 10s., in favour of Jones & Son, London. Accepted.

h. Instead of drawing (in *g*) on James Holmes in favour of Jones & Son, Simpson & Co. ***indorse*** to them. Show the form.

i. Wilson & Co., Glasgow, on the 16th August 1858, drawn on Fleming Brothers, Manchester, which is accepted, and indorsed to Young & Son, Glasgow, who again indorse to James Black, Hull.

j. Place, Edinburgh; date, 16th August 1858; sum, £72, 18s.; term, 2 months; drawer, Henry Alder; drawee, Moncrieff & Co., Leeds. Accepted.

k. Place, Bristol; date, 16th August 1858; drawn by H. Smith & Co. in favour of Black Brothers, Hull, on Jones & Co., Manchester. Which is accepted and indorsed by the holder to James Lewis, Liverpool.

l. Drawn by Blackwood Brs., Trinidad, on the 15th August 1858, at 60 days after date, for £1496, 10s., on Hadley, Horne, & Co., Bristol, in favour of William Boyd, London. (Set of three. Give the third of the set.)

m. Drawn by Holmes Brothers, London, 17th May 1858, on Martin & Sons, Bombay, at 90 days after date, for £2640, in favour of Moncrieff & Co., Madras. (Set of three. Give the second, indorsed to Williams & Boyle, Calcutta.)

n. Drawn by Crum & Co., London, at 60 days after date, on James F. Eccles, Charleston, in favour of Fred. Jones, New York, for £1429, 10s. (Set of three. Give the third, indorsed to Simpson, Long, & Co., Cincinnati, who again indorse to James Dobson, New Orleans.)

END OF PART V.

PART VI.

CONTAINING SPECIMENS OF ACCOUNTS, EXPLANATIONS OF COMMERCIAL FORMS, &c.

ABATEMENT—see DISCOUNT.

ACCEPTANCE—see BILLS, pp. 70, 73.

ADVANCE.—Commission agents frequently advance from one-half to two-thirds of the value of Goods sent to them for sale, upon the receipt of the Invoice, or Bill of Lading.

AN ACCOUNT—in the phraseology of commerce, may be defined as a narrative of debts, sales, or expenses. In business, there are different kinds of accounts, of which the most important are *Simple* Accounts, Accounts-Sales, and Accounts-Current. The following are examples of these,—

1. A *Simple* Account.—It has already been said, that the Ledger is made up of accounts arranged under their respective heads, in the form of *Dr.* and *Cr.*, showing, for example, on the debit side James Leslie's Account, all that he has received; and on the credit side all that he has given to the merchant, of whose Ledger we speak.

In business, it is usual for a merchant to render accounts half-yearly or yearly, to those persons who are indebted to him; giving in this account a clear statement of the amount owing, with the particulars of it.

Let us suppose James Wood, Ironmonger, renders the following account, at the end of the year, to James Leslie.

LONDON, 31*st December* 1858.

JAMES LESLIE, Esq.

Bought of JAMES WOOD, Ironmonger.

(*Terms*—6 *Months, or* 5 *per cent. for Cash.*)

1858			£	s.	d.
Aug.	1	1 Three-light Drawing-room Lustre, 90/; Fitting up, 7/6,	4	17	6
„	9	1 Shower Bath, ...	5	10	0
Sep.	26	2 Garden Seats, @ 110/, ...	11	0	0
Dec.	3	1 doz. Electroplated Dinner Forks, . . .	1	12	0
		£	22	19	6
		By Cash, . .	10	0	0
		January 15, 1859. J. W.	12	19	6

This statement is drawn up from James Leslie's Account in the Ledger; but should the totals of each month only appear there,

the particulars are found by reference to the Day Book. The phrase, "Terms—6 months, or 5 per cent. for Cash," means, that if he pay at once, 5 per cent. will be deducted from the amount charged, but should he delay the settlement for six months, he will require to pay the whole amount without any deduction being made. When a part payment is made, it is entered on the account as seen in the example.

2. An ACCOUNT-SALES is a statement of the sales and proceeds of Goods sent by one merchant to another to sell on Commission.

EXAMPLE.

ACCOUNT-SALES of 7 bags COCHINEAL, per the '*Eliza*,' FRASER, Commander, from Trinidad, sold on Account of Messrs. BLACKWOOD BRS., Merchants.

1858 June 11

SOLD AT PUBLIC SALE.

	cwt.	qr.	lb.
No. 1. . .	1	1	4
,, 2. . .	1	0	13
,, 3. . .	1	0	5
,, 4. . .	1	0	14
,, 5. . .	0	3	21
,, 6. . .	1	1	0
,, 7. . .	0	3	17
Gross, .	7	2	18
Tare, .	0	1	4
Nett, .	7	1	14 = 816 lbs. @ 8/6, . .	£	346	16	0
			Discount 2½ per cent.,		8	13	9
			Gross Proceeds,	£	338	2	3

CHARGES.

Warehousing Entry, ...	£0	4	0	
Dock Rates, ...	1	1	6	
Freight, @ 1d. per lb., . . .	3	8	0	
Insurance on £350, @ 35/, . .	6	2	6	
Policy Stamp, ...	0	7	6	
Advertising and Charges, . . .	1	3	9	
Brokerage, ½ per cent. on £346, 16/, .	1	14	8	
Commission, 2½ ,, £338, 2/3, .	8	9	1	
				22	11	0
E.E. Nett Proceeds,	£			305	11	3

London, 12*th June* 1858. (JAMES LANG.)

This statement shows the proceeds of 7 bags Cochineal, sent by Messrs. Blackwood Brothers, Merchants, Trinidad, to be sold on Commission by a merchant in London. When this merchant has

effected the sale, he draws up the foregoing statement, giving the full particulars, and transmits it to Messrs. Blackwood Brothers. The learner will observe that there are several charges requiring to be deducted from the *gross proceeds* of the sale, making the *nett sum* due by the merchant in London, £305, 11/3. Messrs. Blackwood Brothers would in all likelihood draw upon this London merchant for the sum mentioned in favour of some other person in Great Britain, to whom they are indebted.

A *pro forma* Account Sales is a statement of imaginary transactions, required in the adjustment of *Averages*, or drawn up for the purpose of showing the ordinary allowances deducted from the *Gross* value of a given quantity of Goods, so as to find their *Nett* value, should these Goods be disposed of as detailed in the statement.

EXAMPLE.

(100 *hhds. Sugar, supposed to be shipped to the London market.*)

1858.				£	s.	d.
Nov. 1.	100 hhds. landed, .	cwt. qr. lb. 16 2 14 each.				
	100 do. re-weighed,	16 2 4 do. probable loss 10 lb. each.				
	cwt. qr. lb.		cwt. qr. lb.			
	1653 2 8	Average market tare,	1 2 14			
	Tare & draft, 165 1 4	Draft, . . .	0 0 2			
	1489 1 4	nett, . . @ 38/ per cwt.,		. . .		2824 13 1
	CHARGES.			£	s.	d.
	Warehousing entry, ...			0	4	6
	Sea Insurance, valuing at £14 per hhd., 50/ per cent on £1400, ...		£35 0 0			
	Policy, 3/6 per cent., £2, 9/; Commission, ½ per cent., £7		9 9 0			
				44	9	0
	Fire Insurance on £1850, 3 months at 3/ . .			2	15	6
	Customs duty on 1504 cwts. 3 qrs. 18 lbs. nett, @ 13/, and entries, ...			978	17	4
	Freight on 1512 cwts. 2 qrs. nett, @ 4/6 per cwt., ...		£340 6 3			
	Primage at 6d. each, £2, 10/, Pierage @ 4½d., £1, 17/6, . . .		4 7 6			
				344	13	9
	Consolidated Dock rates on 1512 cwt. 2 qrs., @ 8d. p. cwt.,			50	8	4
	Stamp, &c., 40/, ...			2	0	0
	Interest upon duty and dock rates, 73 days,		£10 5 7			
	Interest upon freight, 25 days, . .		1 3 8			
				11	9	3
	Brokerage, @ ½ per cent.			14	2	6
	Del credere, @ 1 per cent., ...			28	4	11
	Commission @ 2½ per cent., ...			70	12	4
						1547 17 5
	Nett proceeds, Cash 13th January 1849, .					£1276 15 8
	London, 1st January 1859.	Errors excepted.				

3. An ACCOUNT-CURRENT represents a series of transactions between two persons or firms, where a settlement takes place yearly or half-yearly, which may be illustrated as follows by a Banker's Account.

COMMERCIAL BANK in Account with Messrs. AINSLEY, BROWN, & Co.

(Bank allows 3½ per cent.) (Bank charges 5 per cent.)

Dr.							*Cr.*						
1858							1858						
Jan.	1	To Cash, . .	£	420	0	0	Jan.	25	By Cash, . .	£	230	0	0
Apr.	2	To Cash, . .		100	0	0	Mar.	8	By Cash, . .		420	10	0
June	10	To Cash, . .		542	10	0	May	7	By Cash, . .		120	0	0
Oct.	7	To Cash, . .		70	0	0	Aug.	2	By Cash, . .		260	0	0
,,	27	To Cash, . .		140	0	0	,,	28	By Cash, . .		194	0	0
Dec.	31	*To Bal.—forward*		75	11	4	Sep.	27	By Cash, . .		50	0	0
							Dec.	3	By Cash, . .		72	10	0
							,,	31	*By Interest*, .		1	1	4
			£	1348	1	4				£	1348	1	4

On the *Dr.* side of this account, the Bankers note the different sums received from Messrs. Ainsley, Brown, & Co., and on the *Cr.* the sums paid to them. It may be observed, that Messrs. Ainsley, Brown, & Co. have the privilege of overdrawing their account; that is, of receiving more money from the Bankers than they have deposited with them. The Bankers allow 3½ per cent. when any of Messrs. Ainsley, Brown, & Co.'s money is in their hands, but charge 5 per cent. on over-drafts.

It may be useful to show here the method of calculating the Interest on the foregoing account.

						Drs.	*Crs.*
Jan.	1	(In Bank)	£420	× 25 days,		8,610	
,,	25	. .	230				
		In	190	× 42 ,,		7,980	
Mar.	8	. .	420 10				
		Out	230 10	× 25 ,,		. .	5,762
Apr.	2	. .	100				
		Out	130 10	× 35 ,,		. .	4,567
May	7	. .	120				
		Out	250 10	× 34 ,,		. .	8,517
June	10	. .	542 10				
		In	292	× 53 ,,		15,476	
Aug.	2	. .	260				
		In	32	× 26 ,,		832	
,,	28	. .	194				
		Out	162	× 30 ,,		. .	4,860
Sep.	27	. .	50				
		Out	212	× 10 ,,		. .	2,120
Oct.	7	. .	70				
		Out	142	× 20 ,,		. .	2,840
,,	27	. .	140				
		Out	2	× 37 ,,		. .	74
Dec.	3	. .	72 10				
		Out	74 10	× 28 ,,		. .	2,086
						32,898	30,826
Multiplied by double the rate per cent,						7	10
						230,286	308,260
							230,286

73,000)77,974(£1, 1/4, Interest in favour of the Bank.
73

4,974
20

99,480
73

26,480
12

317,760
292 &c.

Having found the Interest, the Bankers enter it on the credit side of the Account, since it is in their favour, and carry forward the Balance to a new Account.

AN ADVENTURE may be defined as the transmission of Goods from one party to another for sale, at the risk of the sender.

The nature of an Adventure may be understood more clearly by following out the particulars of the consignment to Naples, by Messrs. Ainsley, Brown, & Co.—See TRANSACTIONS, Part IV., p. 100.

AN AFFIDAVIT is a written oath or declaration to the truth of any statement. In Commerce, it is used to prove claims upon Bankrupt estates, and requires to be lodged along with accounts setting forth the particulars of the claim.

ARBITRATION OR SUBMISSION.—In order to save the expense and delay of a law-suit, when any question arises between merchants, they frequently agree to *submit* the point in dispute to referees qualified to judge in the matter, and bind themselves to adhere to their decision.

This decision must be given in writing, and since the merchants agree to adhere to its conditions, it has the force of a contract. In England it is called an *Award*, in Scotland a *Decreet-Arbitral*.

ASSETS.—This term denotes the whole Capital a merchant has in business, consisting of, I. Property—warehouses, machinery, goods in stock, ships, &c.; II. Debts owing to him; III. Cash in his possession, or that he has deposited with his Bankers.

AVERAGE.—"A term used in commerce and navigation to signify a contribution made by the individuals, when they happen to be more than one, to whom a ship or the goods on board it belong, or by whom it or they are insured, in order that no particular individual or individuals amongst them, who may have been forced to make a sacrifice for the preservation of the ship or cargo, or both, should lose more than others."—*M'Culloch's Com. Dictionary.*

It may be interesting to notice here, that the principle of average is recognised in the Rhodian law in these words: "If, for the sake of lightening a ship in danger at sea, goods be thrown overboard, the loss incurred for the sake of all shall be made good by a general contribution." This principle was adopted in the Roman law, and from that source has been adopted in all maritime codes.

Chief-Justice Tenterden's work on the Law of Shipping gives this example:—"The reader will suppose it became necessary in the Downs to cut the cable of a ship destined for Hull; that the ship afterwards

struck upon the Goodwin, which compelled the master to cut away his mast, and cast overboard part of his cargo, in which operation another part was injured; and that the ship, being cleared from the sands, was forced to take refuge in Ramsgate harbour to avoid the further effects of the storm."

Amount of Losses.			Value of Articles to Contribute.		
Goods of A, cast overboard,	£	500	Goods of A, cast overboard,	£	500
Damage of the Goods of B, by jettison,		200	Sound value of the Goods of B, deducting Freight and Charges,		1000
Freight of the Goods cast overboard,		100	Goods of C,		500
Price of a new Cable, Anchor, and Mast, £300			,, D,		2000
Deduct one-third, 100			,, E,		5000
		200	Value of Ship,		2000
Expense of bringing the Ship off the Sands,		50	Clear Freight, deducting Wages, Victuals, &c.,		800
Pilotage and Port Dues going into the harbour and out, and Commission to the agent who made the disbursements,		100			
Expenses there,		25			
Adjusting this Average,		4			
Postage,		1			
Total of Losses,	£	1180	Total of Contributory Values,	£	11800

Then, £11,800 : £1180 : : £100 = £10

That is, each person will lose 10 per cent. upon the value of his interest in the cargo, ship, or freight. Therefore A loses £50, B £100, C £50, D £200, E £500, the owners £280; in all, £1180. Upon this calculation, the owners are to lose £280, but they are to receive from the contribution £380, to make good their disbursements, and £100 more for the freight of the goods thrown overboard; or £480 minus £280.

They therefore are actually to receive,	£200
A is to contribute £50, but has lost £500, therefore A is to receive,	450
B is to contribute £100, but has lost £200, therefore B is to receive,	100
Total to be actually received,	£750

On the other hand, C, D, E have lost nothing, and are to pay as before, viz.,	C, £50 D, 200 E, 500
Total to be actually paid,	£750

Average is either *general*, that is, distributed over all the parties connected with the vessel, &c., or *particular*, that is, confined to a few of them as contributors. The former comprehends all loss arising out of a voluntary sacrifice of a part of either vessel or cargo for the benefit of the whole; while the latter comprehends all loss occasioned to ship, freight, or cargo, which is not of so serious a nature as to debar them from reaching their port of destination, and when the damage to the ship is not so extensive as to render her unworthy of repair.

A Bank Cheque is an order upon a banker, sent by some party who has deposited with him, to pay a specified sum to the bearer on its presentation.

A cheque ought to be presented for payment at latest within a day after its receipt, or the holder may lose recourse.

Specimens.

No. 47.

21*st Oct.* 1858.

James Lang.

£59, 10s.

£59, 10/.

Edinburgh, 21*st Oct.* 1858.

The Manager for
The Commercial Bank of Scotland.

Pay to James Lang, or Bearer, the sum of Fifty-nine Pounds, ten shillings, Stg., which charge to
Bruce & Bain.

Bank of England.

$\frac{G}{V}$14903.

London, *the* 30*th Oct.* 1854.

To the Cashiers of the Bank of England.

*Pay to*_____, *or Bearer,*

_____

_____

£_____

BANKRUPTCY.—The meaning of this term differs in England and in Scotland.

In ENGLAND, a person is not bankrupt till he applies to a Court of Bankruptcy to be relieved of his debts on the ground of inability to pay them. Before doing so he is merely said to be insolvent. The *process* is termed *Fiat in Bankruptcy*, and requires the concurrence of certain of his creditors. When resorted to, an investigation takes place as to the causes of his embarrassment; and if it should appear that he has not been culpable, guilty of fraud or of concealment, the Court grants him a first, second, or third class certificate, entitling him to be relieved of all debts due by him at the time, by resigning all his effects for the behoof of his creditors.

His affairs are placed in the hands of an accountant, called an *Assignee in Bankruptcy*, for the purpose of being wound up. The assignee then proceeds to realize and distribute the estate equally among the creditors who have ranked their claims.

This process, by the law of England, is intended only as a relief for persons engaged in trade.

In SCOTLAND, a person is not said to be bankrupt until his insolvency becomes *notour*, *i.e.*, notorious; such as his imprisonment on horning and caption, absconding, or taking shelter in the sanctuary, &c. From this point, counting back sixty days, has been fixed as the commencement of legal bankruptcy.

The process in Scotland by which a person may be freed from his debts is called *Sequestration*, and is *not* restricted (19 and 20 Vict.) to any particular class of individuals as in England, being open alike to professional men, to traders, or to any one who chooses to avail himself of it.

Either the debtor himself, or his creditors, may apply for sequestration.

By this process, the bankrupt's affairs are legally examined, as in a *Fiat of Bankruptcy* in England. He obtains his discharge on similar conditions, his estate being placed in the hands of a trustee nominated by the creditors, who realizes and distributes the proceeds among them according to their claims.

BILL OF ENTRY.—When goods are entered for home consumption, Clement's *Custom-house Guide* says: "The importer of any goods liable to duties of customs, and intended for home use on landing, or his agent, shall, before unshipment, make perfect entry thereof, and pay the full duties due thereon, by delivering a *Bill of Entry* containing the several particulars, and such entry shall correspond with the particulars given in the report of the ship."

Bill of Entry.

Port of (*Name of Port of Importation*).

*Whether Prime or Post, and if Post, Date of Prime Entry,*_____

Importer's Name,_____

Wharf, Dock, or Station.	Ship's Name.	Whether British or Foreign Ship. If Foreign, the Country.	Master's Name.	Port or Place from whence Imported.
	(*Here state the particulars according to the above Headings.*)			

Marks.	Numbers.	Number of Packages, Quantities, and Descriptions of Goods, as charged in Table of Duties.	If Charged at value, Value to be stated in words at length.
	(*Here state the particulars according to the above Headings.*)		

Total Amount of Duty payable on this Entry, . . £ *s.* *d.*

Dated this day of 18

(Signed)

Importer or Agent.

I (*Name of Importer or Agent*), of (*Place of Abode*), do hereby declare that I am (*the Importer or Agent duly authorized by the Importer*) of the Goods contained in this Bill of Entry, and that I enter the same Goods, therein stated, as Goods charged at value at the sum of (*Money, in words at length*).

Witness my hand the day of 18

(Signed)

Importer or Agent.

Bill of Exchange.—see page 70.

Bill of Sight.—When the importer or his agent is unable to give the full particulars of the Goods, they may be landed by a Bill of Sight, but the full particulars of the Goods must be indorsed on this Bill within three days of the unshipment.

Bill of Sight.

Port of (*Name of Port of Importation*).
Importer (*Name of Importer*).

Wharf, Dock, or Station.	Ship's Name.	Whether British or Foreign. If Foreign, the Country.	Master's Name.	Port or Place from whence Imported.	Name of Importer or of his Agent.
(*Here state the particulars according to the above Headings.*)					

Marks.	Numbers.	Number of Packages, with the best Descripti on of the Goods the Importer is able to give.
(*Here state the particulars according to the above Headings.*)		

I, , the Importer (*or* agent to the Importer) of the Goods above mentioned, do hereby declare that I have not (*if Importer*), or to the best of my knowledge he has not (*if Agent*), received sufficient Invoice, Bill of Lading, or other advice from whence the quality, quantity, or value of the Goods above-mentioned can be ascertained.

Dated this day of 18

(Signed)

Importer or his Agent.

(Signed) *Coll. or Comptr.*

Bill of Store.—"All British goods re-imported into the United Kingdom shall be deemed to be, and be entered as Foreign, and shall be liable to the same duties, restrictions, &c., as such goods would be liable to on the first importation thereof, unless the same shall be re-imported within ten years, and it shall be satisfactorily proved that the property has continued and still remains in the person by whom the same have been exported, in which case they may be entered by *Bill of Store* containing such particulars as may be directed."

A Bill of Lading is a stamped document granted by the master of a vessel to a shipper of Goods in which he acknowledges the receipt of certain articles mentioned therein. There are usually four of these forms drawn, —one to be retained by the master of the vessel, another by the shipper, and two for transmission by the shipper to the parties to whom the shipment is made, thereby authorizing them to receive the goods. A Bill of

lading may be indorsed like a Bill of Exchange; by such an act, the indorser conveys the right of receiving the goods to the indorsee.

FORM OF A BILL OF LADING.

Shipped in good order and well-conditioned, by _____, in and upon the good Ship or Vessel called the_____, whereof_____is Master for the present voyage, and now lying in the Port of_____, and bound for _____; _____ being marked and numbered as in the margin, and are to be delivered in the like good order and condition at the Port of_____, (all and every the dangers and accidents of the seas, rivers, and navigations of whatever nature and kind excepted), unto_____,or to_____ Assigns. Freight for the said Goods to be paid by the_____, viz., at the rate of_____ _____, with Primage and Average accustomed. In witness whereof, the Master or Purser of the said Ship hath affirmed to_____ Bills of Lading, all of this tenor and date, one of which Bills being accomplished, the other_____ to stand void.

Dated in Leith, _____185 } (Signed) _____ (*The Master's Name.*)

BONDED GOODS, are goods placed in a Government warehouse, without paying the duty specified in the tariff. A merchant can obtain samples of these goods for commercial purposes. When the goods are sold, the purchaser requires to pay the necessary duty before removing them from the warehouse.

BOTTOMRY—signifies the mortgaging of a vessel. When any accident happens to a vessel obliging the master to put into port for repairs, it is sometimes necessary for him to grant a bond upon the vessel, stipulating that the sum lent shall be repaid with 30 or 40 per cent. interest, if it arrive in safety at its destination; but should the vessel be lost, the lender to receive nothing.

BROKERAGE—is the technical name of the charge made by brokers for assisting merchants in the purchase or sale of goods, stocks, &c.

CAPITAL—is the difference between a merchant's Assets and Liabilities; in other words, the nett value of his property after his debts have been deducted.

CASH—see under CASH BOOK, p. 53.

CASHIER.—The person whose duty it is to superintend the receiving and paying of money.

CESSIO BONORUM, see INSOLVENCY.

CHARTER PARTY—is a contract drawn up between the owners of a vessel and the freighter, detailing the conditions upon which a vessel is hired.

CLEARING A VESSEL.—"Before any ship shall be cleared outwards with any

goods, the master shall deliver a *content* of such ship to the searcher containing all particulars, as far as the same can be known, and shall subscribe a declaration in the presence of the collector or comptroller, and answer such questions concerning the ship, cargo, or intended voyage, as may be demanded."—Clement's *Custom House Guide.*

CONTENT.

Port of

Ship's Name.	Tonnage and Number of Guns.		If British, Port of Registry; if Foreign, the Country.	Number of Crew.	Name of Master.	Number of Passengers or Troops.
	Tons.	Guns.				
	(*Here state the Particulars according to the above Headings.*)					

Warehoused Goods.	Drawback and restricted Goods.	British Goods and Foreign Goods free of Duty, and Foreign Goods not for Drawback.
(*Here state the Particulars according to the above Headings.*)		

Cleared _____ Examined _____

(Signed) _____ *Searcher.*

Dated _____.

I do declare that the above Content is a true account of all goods shipped or intended to be shipped on board the above-named ship, and correct in all other particulars.

(Signed) _____ *Master.*

Signed and declared, this _____ day of _____ before me,

(Signed) _____ *Collector or Comptroller.*

COMMISSION,—in commerce, signifies the charge made by an agent for the trouble he has taken in selling goods for some other person.

COMPANY.—Persons united in a joint trade or partnership. Companies are either public or private.

Public Companies are joint-stock companies, such as banks, gas companies, &c., composed of a number of individuals who hold *shares*. These shares can be sold by the holder when he pleases; and by such an act he ceases to be a partner.

Private Companies are composed of two or more individuals who unite to carry on a trade or profession under a particular *firm* for their mutual profit. Each partner, according to agreement, participates in

the gains or losses that arise during the partnership; and each is liable to the creditors of the company in his whole effects for the debts of the firm.

Limited liability, in public companies, is permitted, under certain conditions, by recent Act of Parliament.

COMPOSITION—signifies the percentage accepted by the creditors of a bankrupt in lieu of the whole amount due them.

CONSIGNMENT,—see ADVENTURE.

CUSTOMS,—are duties levied upon certain articles imported into, or exported from the United Kingdom.

DEBENTURE—is a writ or note granted in proof of advances entitling the holder to recovery.

In the Customs, this term is applied to the certificate granted by the collector to a party exporting goods that have paid duty, entitling him to receive back such part of the duty *paid* as the regulations allow. This repayment is called the *drawback*.

This term is also applied to the writ or note granted to parties lending money upon railways, docks, gas-works, &c.

DEMURRAGE,—an allowance made by the freighter to the master of a vessel for detaining the vessel in port longer than the time stipulated in the charter party.

DISCOUNT—is an allowance of so much per cent. for the payment of the money before it is due. The discounts on cash transactions, and the discounting of Bills, are of the same nature.

DRAWBACK,—see DEBENTURE.

EMBARGO,—the arresting of ships or their cargoes.

ERRORS EXCEPTED—is a phrase inserted as a proviso, that the person who renders any statement may have the power of correcting any mistake that he may have committed.

EXCHANGE—is a term used to designate the method adopted in mercantile transactions, by which the debt of an individual residing in one country can be cancelled in another country, without the transmission of money, through the medium of Bills of Exchange.

Bills of Exchange have been fully explained on pp. 70-76.

A Course of Exchange, is a list of the rates of Exchange of a certain place on the different places where it transacts exchange business. The course of exchange is said to be at *par* when money is of the same value in both countries; that is, when no premium is exacted.

A Rate of Exchange, is the value of the money of one country reckoned in that of another.

Exchanges are either direct, cross, or arbitrated.

Direct Exchanges, refer to the operation of bills of exchange between two countries without the medium of any other country; such as between Great Britain and France.

Cross Exchanges, are the exchanges between foreign countries; thus, at London, the exchanges between Paris and Lisbon, or between St. Petersburg and Paris, are termed Cross Exchanges.

Arbitrated or *Indirect* Exchanges, are operations of exchange between two countries through the medium of other countries. It is often advantageous for a merchant to send money by a circuitous route, such as sending money from London to Paris through the medium of Amsterdam and Hamburg, should the rates of exchange be in favour of such a route.

TABLE showing the Values of the Monies of Account of the principal places with which this country has Exchange transactions, and specifying also the *par* of Exchange with such places—taking Silver at 5s. an ounce.

Petersburg	100 copecks	= 1 rouble	= 3s. 1½d.	giving	6 roub. 40 cop.	= £1.
Berlin	30 sil. groschen	= 1 Pruss. doll.	= 2s. 10¾d.	—	6 doll. 27 s. g.	= £1.
Copenhagen	96 skillings	= 1 Rig. doll.	= 2s. 2⅓d.	—	9 doll. 10 sk.	= £1.
Hamburg	16 schillings	= 1 mark	= 1s. 5½d.	—	13 mks. 10½ sch.	= £1.
Amsterdam	100 centimes	= 1 florin	= 1s. 8d.	—	11 fl. 97 cents	= £1.
Antwerp	100 centimes	= 1 florin	= 1s. 8d.	—	11 fl. 97 cents	= £1.
Paris	100 centimes	= 1 franc	= 9½d.	—	25 fr. 57 cents	= £1.
Frankfort	24½ guld. or flor.	= 1 mark	= 1s. 7⅞d.	—	$12\frac{3}{40}$ guldens	= £1.
Vienna	60 kreusers	= 1 florin	= 2s. $0\frac{4}{10}$d.	—	9 fl. 50 kr.	= £1.
Venice	100 centisimi	= 1 lira Austriaca	= 8·13d.	—	29 li. 52 cent.	= £1.
Genoa	100 centisimi	= 1 lira Nuova	= 9½d.	—	25 li. 57 cent.	= £1.
Leghorn	100 centisimi	= 1 lira Toscana	= 7·82d.	—	30 li. 69 cent.	= £1.
Madrid	8 reals	= 1 dollar of Plate	= 3s. 1¾d.	—	6 doll. 2¾ reals	= £1.
Lisbon	1000 reis	= 1 milreis	= 4s. 8d.	—	4 mil. 285 reis	= £1.
New York	100 cents	= 1 dollar	= 4s. 2d.	—	4 doll. 80 cents	= £1.
Rio Janeiro	1000 reis	= 1 milreis	= 2s. 7d.	—	7 mil. 777 reis	= £1.
Havannah	100 cents	= 1 dollar	= 4s. $6\frac{13}{22}$d.	—	4 dolls. 44 cents	= £1.

It is easy from this Table to calculate the value of any of the above coins, taking silver at 5s. 2d., 5s. 6d. an ounce, or any other price, and thence to deduce the *par* of Exchange at such rates.—(See M'Culloch's *Dictionary*, and Tate's *Cambist.*)

EXCISE DUTIES are taxes levied upon articles produced and consumed in the United Kingdom.

FIRM, a term used to designate a copartnery.

FOLIO usually signifies the left and right hand pages of the Ledger, numbered alike, on which the *Dr.* and *Cr.* sides of the same account are placed.

FREIGHT sometimes signifies the cargo of a vessel, but more generally the *charge* made for the transporting that cargo from one place to another.

INDORSATION, &c., see page 71.

INSOLVENCY is a term applied to individuals who are unable to pay their debts. A bankrupt is insolvent, but a person may be in a state of insolvency, without having committed any of the specified acts which constitute him a bankrupt.

The process by which an insolvent person may be freed from arrestment differs in England and Scotland.

In ENGLAND, the insolvent party can petition the "Court for the Relief of Insolvent Debtors" for his discharge from prison. Should his petition be granted, all his effects are vested in an assignee of the Court for the benefit of his creditors, and he receives his liberty. He cannot in future be incarcerated for any of the debts included in his petition, but should he afterwards accumulate property, it may be seized by his creditors.

In SCOTLAND a similar process is called *cessio bonorum*, whereby any person imprisoned for debt, who has not been guilty of fraud, and has given a true statement of his affairs, may obtain his liberty, and freedom from future arrest by handing over all his property for the benefit of his creditors. His future property can be attached as in England.

INSURANCE is a contract whereby one party or company binds himself, or itself, to indemnify another, upon payment of a percentage against certain accidents arising within a specified time.

In Marine Insurance, the owners of ships or cargoes effect a contract for indemnification against loss, with chartered companies, or separate individuals, called *underwriters*.

The percentage paid to the assurers is called the *premium*.

The document containing the terms of the contract is termed the *policy of insurance*.

> *Note.*—"Policies of insurance effected with the former (*i.e.*, with underwriters), are said to be done at *Lloyd's*, a name given to a place of general insurance business, from that of the proprietor of a coffee-house formerly used for the same purpose in Lombard Street. The concern was afterwards removed to Pope's Head Alley, where it was called *New Lloyd's*, and subsequently, in 1773, to some rooms in the upper part of the Royal Exchange [London]."—*Tate.*

INTEREST is the sum paid by the borrower of a sum of money to the lender for its use.

Until lately, the law of England and Scotland prohibited a higher rate than 5 per cent. being charged. This restriction has now been withdrawn, although the term *legal interest* still signifies 5 per cent.

INVENTORY is a list detailing the assets of a merchant.—(See ASSETS.)

INVOICE.—An invoice is a list of the goods transmitted from one person to another, detailing their quantity, quality, and price. The Invoice may either be sent along with the goods, or separately by post.

Example of an Inland Invoice.

Messrs. Ainsley, Brown, & Co., London.

Manchester, 28*th Oct.* 1858.

Bought of Henry Durnford & Co.

Oct.	27	15	pieces	Wigan Calico,	each	50	yds.,	@	1/6,	56	5	0
		29	,,	Linen,		26	,,		3/,	113	2	0
		15	,,	Broad-Cloth,		45	,,		15/,	506	5	0
		24	,,	Black Silk,		13	,,		7/6,	117	0	0
									£	792	12	0

When goods are shipped from one country to another, the Invoice not only details the price of the goods but the charges attending the shipment.

Specimen.

Invoice of Goods shipped by Ainsley, Brown, & Co., per the 'Comet,' Marshall, Master, from London to New York, on account and risk of Messrs. John Boyd & Sons.

A. B. & Co.

		£ s. d.	£ s. d.
# 1 & 2.	2 bales Calico (marked and numbered as per margin).		
	14 pieces, each 50 yds., at 1/10, . .	64 3 4	
	10 ,, ,, 70 ,, at 2/, . .	70 0 0	
	10 ,, ,, 72 ,, at 1/6, . .	54 0 0	
			188 3 4
# 3 & 4.	2 packages Linen (marked and numbered as per margin).		
	20 pieces, each 26 yds., at 3/, . .	78 0 0	
	15 ,, ,, 26 yds., at 2/9, . .	53 12 6	
	50 ,, ,, 26 yds., at 2/6, . .	162 10 0	
			294 2 6
			482 5 10
	Charges.		
	Custom House Entry and Clearance, .	0 12 6	
	Cartage, Wharfage, and Shipping Charges,	1 13 9	
	Freight & Primage, £6, 19/; Bill of Lading, 3/6,	7 2 6	
	Insurance on £520, at 40/ per cent., .	10 8 0	
	Policy Duty, ...	1 6 3	
	Commission, 2½ per cent., on £491, 14/7,	12 6 0	
	Do. ½ per cent., on £520 insured,	2 12 0	
			36 1 0
			£518 6 10

At six months' credit, due 14th December.
London, 14*th June* 1858.

Errors excepted.
Ainsley, Brown, & Co.

JETTISON is the act of throwing goods overboard when a vessel is in danger.

LEDGER.— See pages 3-10; 83-85; 123-125.

LETTER BOOKS.—In business, a merchant may frequently find it advantageous to refer to the instructions he has sent to his correspondents. Copies, or rather impressions, of all important letters are therefore taken before being despatched.

When the correspondence of any mercantile house is very extensive, a a *Letter Received Book* may be kept with advantage thus:—

LETTER RECEIVED BOOK.

Date.		No.	Address of Sender.	Subject.	Answer.		
1858.							
Dec.	3	17	Jas. Montague, Bradford,	Order, ...	Goods sent, . . .	Dec.	15
	3	18	Barclay & Co., Hamburg,	Market for Grain,	Answered, . . .		3
	3	19	Smith Brs., London, .	Advice with Invoice,	No answer required.		
	4	20	J. Holmes, Hull, . .	Order, ...	None in Stock, . .		4
	4	21	J. Mylne, Edinburgh, .	Insurance on '*Hero*,'	No answer required		

By such a plan as this, a merchant can learn at once if any order stands unfulfilled, or any letter unanswered.

LETTER OF CREDIT, is a letter written by one merchant or correspondent to another, desiring him to give a specified person credit to a certain amount. Advice should also be sent by post, giving a duplicate of the Letter of Credit, and some description of the bearer.

LLOYD'S, see INSURANCE.

MANIFEST, is a document signed by the master of a vessel, stating where the goods on board have been laden, and where destined; the name and tonnage of the vessel, the name of the master, with a full description of the packages, marks, numbers, shippers, consignees, &c., so far as known to the master.

PAR OF EXCHANGE, see EXCHANGE.

PARTNERSHIP, see COMPANY.

PER CENT.—sometimes written %, is an allowance or charge of so much for every £100.

PREMIUM, see INSURANCE.

PRICE CURRENT, is a list published in commercial cities detailing the market price of various articles, the duties on importation or exportati-

and the drawbacks allowed by the customs, when such articles are exported.

PRIMAGE is an allowance made by the shippers to the master or crew of the vessel, varying from 1d. per pound sterling of the value of the shipment, to 6d. per package, according to the regulation of the port at which the goods are shipped.

POSTING, see p. 15.

RECEIPT, is a document signed by a person in acknowledgment of having received a certain sum of money. This document requires a stamp when the money specified amounts to £2 or upwards.

FORM.

£70, 10/. LONDON, 23*d November* 1858.

Received from Messrs. Ainsley, Brown, & Co., the sum of Seventy Pounds, ten shillings Sterling, as per account rendered.

JOHN HUNT & SONS.

REGISTRY.—No ship can enjoy the privileges of a British-built ship, until registered by the collector or comptroller of customs at the port to which such vessel belongs.

SALVAGE, as the term is now used, signifies the remuneration granted to uninterested parties by whose exertions ships or property *at sea* have been saved from shipwreck, fire, pirates, or enemies.

SEQUESTRATION, see BANKRUPTCY.

STAMP DUTIES, are specified legal charges levied upon receipts, cheques, bills, contracts, &c.

STOCK may be defined as the amount, or rather value, of the goods a merchant has on hand, unsold.

TARE is a deduction made from the gross weight of goods, as an allowance for the chest, cask, bag, &c., in which they are contained.

TARIFF, is a list alphabetically arranged, detailing the various duties, drawbacks, bounties, &c., charged or allowed on the importation or exportation of articles of foreign or domestic produce.

USANCE, signifies the customary *term* of a Bill of Exchange between two places.

In the following Table, the merchant will find the *usance* and *days of grace* of the principal commercial cities.

Explanation of Contractions.—m/d, m/s, d/d, d/a, signify respectively—*months after date, months after sight, days after date, days after acceptance.*

London on	Usance.	Days of Grace.	London on	Usance.	Days of Grace.	London on	Usance.	Days of Grace.
Amsterdam,	1 m/d.	0	Geneva,	30 d/d.	5	Vienna,†	14 d/a.	3
Rotterdam,	1 m/d.	0	Madrid,	2 m/s.	14	Malta,	30 d/d.	13
Antwerp,	1 m/d.	0	Cadiz,	60 d/d.	6	Naples,	3 m/d.	3
Hamburg,	1 m/d.	12	Bilboa,	2 m/d.	14	Palermo,	3 m/d.	0
Altona,	1 m/d.	12	Gibraltar,	2 m/s.	14	Lisbon,	30 d/s.	6
Dantzic,	14 d/a.	10	Leghorn,	3 m/d.	0	Oporto,	30 d/s.	6
Paris,*	30 d/d.	0	Leipsic,	14 d/a.	0	Rio Janeiro,	30 d/d.	6
Frankfort,	14 d/s.	4	Genoa,	3 m/d.	30	Dublin,	21 d/s.	3
Bremen,	1 m/d.	8	Venice,	3 m/d.	6	New York,	60 d/s.	3
Barcelona,	60 d/d.	14						

* In France, days of grace were suppressed by the *Code de Commerce*, art. 135.

† In Austria, bills payable at sight, or on demand, or at less than 7 days after sight or date, are not allowed any days of grace.—M'Culloch's *Commercial Dictionary.*

UNDERWRITERS, see INSURANCE.

VOUCHER is a document in proof of a payment having been made.

WHARFAGE, a charge upon the shipment of goods for the use of a wharf or pier.

END OF PART VI.

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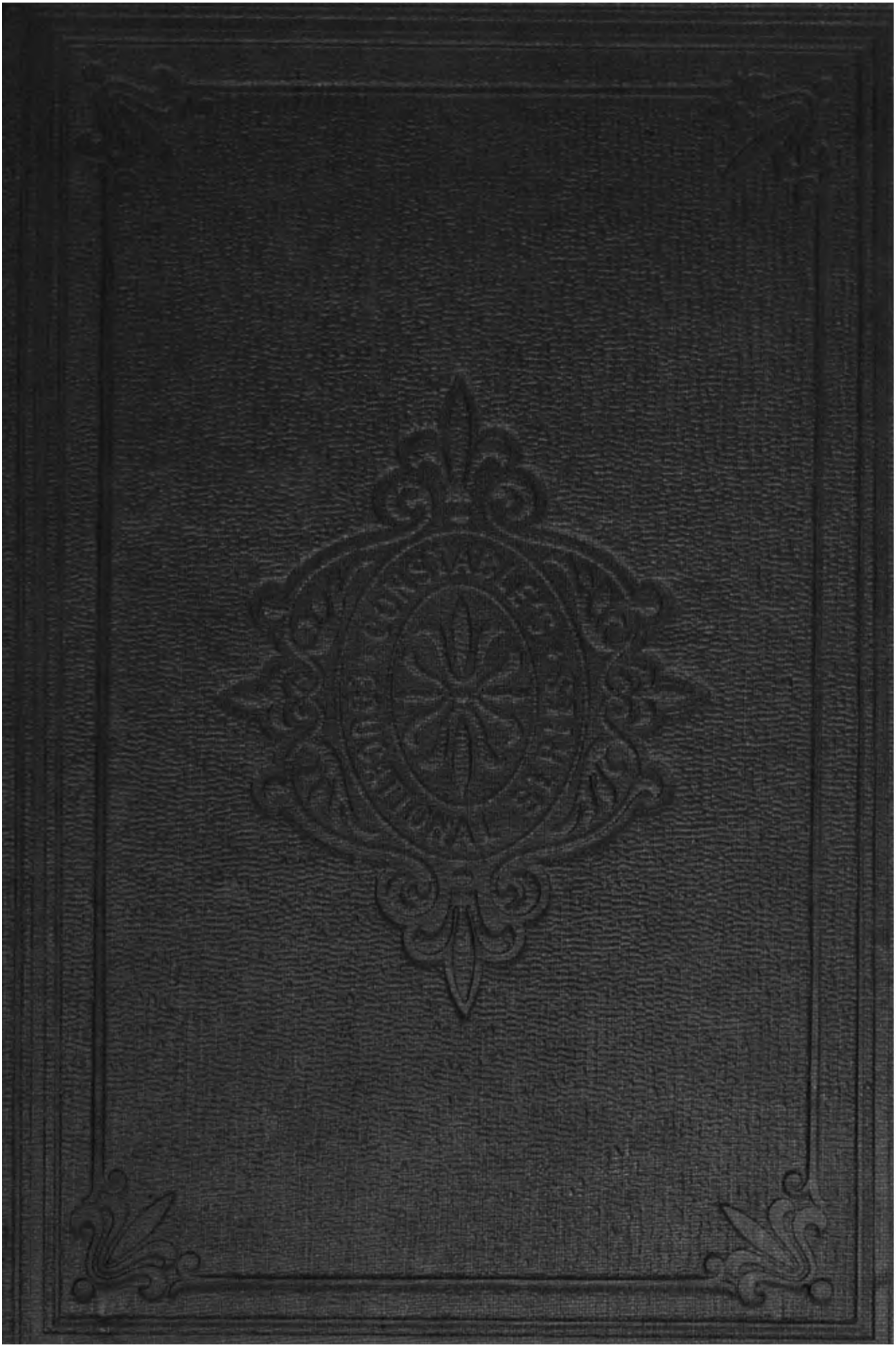
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