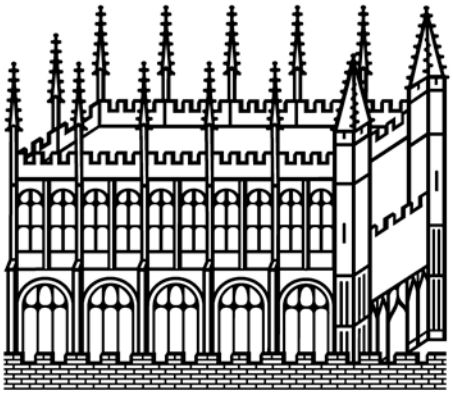

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Book-Keeping.

MANUAL OF BOOK-KEEPING.

BOOK-KEEPING

TAUGHT BY NUMEROUS EXAMPLES

OF

COMPLETE ANNUAL ACCOUNTS.

BY THE

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PREFACE.

BOOK-KEEPING, although very much taught in schools, is seldom truly mastered. This arises probably not so much from the dryness of it as from the absence of examples in the treatises on the subject, the working out of which would be interesting to students.

A mere essay on Arithmetic, unsupplemented with progressive examples, would be too tedious for perusal, and so with Book-keeping: the student frequently finds that he is required to toil through pages of transactions, and to weary himself with a clerk's work, before he has gained an intelligent notion of the subject. In the accompanying pages it is proposed to treat Book-keeping as Arithmetic—to teach it by progressive lessons—supplemented by numerous examples.

The examples will illustrate the various problems that occur in Book-keeping, and, being written originally for agriculturists, will deal with agricultural matters. As, however, the principles of the subject are the same in all trades—the use of any class of commodities is a matter of no importance—the theory could be thoroughly taught even by symbols.

Hence it must not be assumed that the examples given will

bear a practical criticism, it being no part of the object of this book to teach the prices of articles.

It might also be expected that in a work issuing from the College at Cirencester an attempt would be made to exhibit a good form of Book-keeping for farmers. In the following pages nothing of the kind will be found, chiefly because it is not considered advisable to attempt to draw up a system which would be universally applicable or approved by all accountants. When a man has thoroughly mastered the principles of Book-keeping, his own requirements in after-life, whatever business he may be engaged in, will be his best guide in the selection of that system which is most suited to his wants.

THE AGRICULTURAL COLLEGE,
CIRENCESTER, *July* 1874.

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BOOK-KEEPING

HAS three distinct objects: first, a merchant or tradesman must have a record of what he owes to individuals, and of what those he deals with owe him; in the second place, he must desire to know by his Books whether he is gaining money or losing it; in the third place, he must wish to satisfy his mind as to what part of his business pays him or the contrary, *i.e.* as to the commodities on which he is gaining or losing money.

To attain these three objects, it is necessary that the Account Books be kept upon the Double Entry or Italian system.

If object No. three is not a desirable one, the system called **Single Entry** will answer the merchant's purpose—indeed, as in some businesses it is difficult to arrive at any conclusion on this point, Single Entry is all that can be desired.

Double Entry can scarcely be explained at the outset of a treatise, as the very explanation must involve terms with which the inquirer is not conversant, and yet, perhaps, the following remarks may commend themselves to the understanding of even a novice.

When a transaction takes place, two persons or two accounts must be affected by it:—for example, I sell wheat for £20 cash—'Wheat' and 'Cash' are the two accounts affected; or I buy a horse from Jones for £10, here 'Horses' and 'Jones' are affected, and as in every transaction one of these two must receive, whilst the other gives up—the one is termed Debtor, the other Creditor, and hence it comes to be said

that each transaction is entered twice, or the Books are kept by Double Entry.

And it may at once be seen how such a system enables a tradesman to ascertain whether he is gaining or losing on a particular article: take for example wheat. If all the wheat bought is written Debtor in the Wheat account, as well as everything that is paid on the Wheat account, whilst all the wheat that is sold is written down on the Creditor side, the difference between these sides will show the trader whether he has gained or lost by his wheat.

The most important expressions, therefore, to understand fully at the outset are **Debtor** and **Creditor**, and the learner is cautioned not to attach to these words the ideas of gain or loss; in the abstract the special account in the business may be debtor, whereas the owner of the business may lose by the very transaction which is written down as Debtor; for example, a man may buy a horse for more than it is worth, and therefore in the abstract it is a transaction on which he will lose money, while the Horse account is Debtor for the horse either to Cash or to an individual. Again, take the account **Interest and Discount**; a tradesman gives a customer £5 discount, here 'Discount' is Debtor to the customer (say Smith), whereas the tradesman absolutely loses £5 in giving up his right to it.

Too much stress cannot be laid upon this point. It is the first stumbling-block in understanding Book-keeping. The question of profit or loss should never be before the mind of the person entering particular transactions under their respective accounts. The only question to be solved is, Does the account A receive from the account B, or the contrary? It is either A debtor to B, or B debtor to A.

A number of examples are added, copied from a record which is termed a merchant's transactions; and this brings us to explain the most important Book in Book-keeping, namely, the

JOURNAL.

It is ruled with two money columns—the one being called the Debtor, the other the Creditor, and each transaction is entered in it as follows :—

		Dr.			Cr.		
		£	s.	d.	£	s.	d.
Baily, Dr.,		100	0	0			
	To Cash,				100	0	0

The Baily account having been increased by the instrumentality of the Cash.

We recommend then that the student ask himself two questions when he has to journalise a transaction—

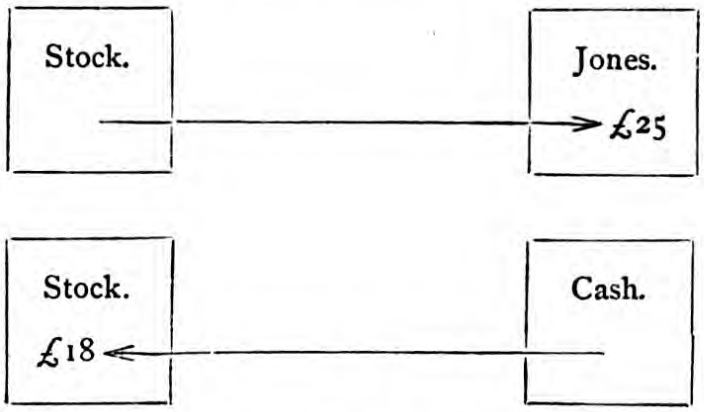
1. What are the two accounts affected?
2. Which is the account that receives?

The answer to the first question gives the names of the accounts for entry in the Journal. The answer to the second gives the one which is Debtor.

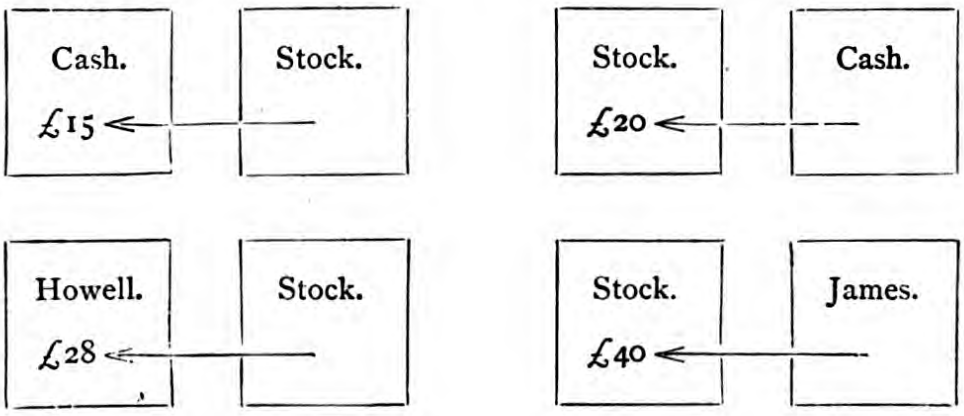
Example.—I sell stock to Heighton for £50. The two accounts are Stock and Heighton; Heighton receives, therefore the entry is—

		Dr.			Cr.		
		£	s.	d.	£	s.	d.
Heighton, Dr.,		50	0	0			
	To Stock,				50	0	0

It may simplify the matter if the learner regards such accounts as receptacles; and that when a commodity passes from one receptacle to another, the one receiving is debtor to the one giving. The following diagram will explain this :—



The first diagram shows that Jones is Debtor to Stock for £25, *i.e.* that the trader has sold Jones Stock on credit; the second shows that Stock is Debtor to Cash for £18, *i.e.* that the trader has increased his Stock by means of his Cash, *i.e.* bought Stock. There are four elementary transactions—a sale or a purchase for Cash—a sale or a purchase on Credit. In the first two the name of the person with whom the business is transacted is immaterial, because, if goods are sold in the market, and cash is paid at once for them, the name of the purchaser is unimportant; but if, on the contrary, cash is not paid, the name is essential, as it is the only thing the seller has in lieu of his goods. The appended diagrams represent these four transactions—



which are thus journalised :—

	£	s.	d.	£	s.	d.
Cash, Dr.,	15	0	0			
To Stock,				15	0	0
Stock, Dr.,	20	0	0			
To Cash,				20	0	0
Howell, Dr.,	28	0	0			
To Stock,				28	0	0
Stock, Dr.,	40	0	0			
To James,				40	0	0

LEDGER.

After the transactions are thus journalised, they are re-written in another book called the Ledger; the technical word for the re-writing being "posted" :—

Dr. CASH. **Cr.**

	£	s.	d.		£	s.	a.
To Stock,	15	0	0	By Stock,	20	0	0

STOCK.

To Cash,	20	0	0	By Cash,	15	0	0
To James,	40	0	0	By Howell,	28	0	0

HOWELL.

To Stock,	28	0	0				

JAMES.

				By Stock,	40	0	0

It will be seen without much explanation that all the sums entered under the Debtor money column in the Journal are entered in the Ledger under the same column, or the left-hand side, are in fact copied verbatim into the Ledger, while those in the right column or Creditor column are entered reversing the words, and substituting "By" for "To."

Ex.—Cash Dr. to Stock, £15, becomes

Stock Cr. by Cash, £15.

Under Cash account is written "To Stock;" under Stock account is written "By Cash."

The difficulty of transcription will vanish as soon as the learner perceives that he has to make the first entry a verbatim transcript from the Journal, and that then he has to turn to the account in the Ledger, before which he has just written the word "to," and under that account write on the Credit side the name of the last account with "by."

When all the transactions are posted into the Ledger, it will be seen that the Debtor side and Creditor side of any particular account may, or may not, have equal amounts on them: if they have not, the difference is called the Balance, for it is the sum which would have to be added to make the accounts, as it is called, balance—in the above account Stock, on the Debtor side there is £60, on the Creditor side £43, the Balance therefore is £17, which would have to be added to the Creditor side to make the sides agree.

The student is recommended to proceed no further till he has mastered these four entries—a Sale and a Purchase on Credit, a Sale and a Purchase for Cash, journalised them, transferred them into a Ledger, and balanced the Ledger accounts.

TRIAL BALANCE.

It is important to ascertain whether the copying from the Journal to the Ledger has been done correctly. If it has, the totals in the Journal will agree with the totals in the Ledger. If they do not, there must be an error. Let it be thoroughly understood that the Trial Balance tests only the accuracy of the copying from the Journal to the Ledger, not the accuracy of the Journal. Any error in the Journal will subsequently be repeated in the Ledger.

VALUATION.

After a whole year's transactions have been journalised and posted into the Ledger, and a Trial Balance made, the merchant must estimate the property he has in hand before he can ascertain whether he has made or lost money, for his profits may be represented by Stock and not by Cash. When this valuation is made it must be entered in the Journal under the head of Valuation Dr. to the various commodities of which his stock-in-trade consists. Example :—

	Dr.			Cr.		
	£	*s.*	*d.*	£	*s.*	*d.*
Valuation, Dr., ...	3500	0	0			
To Sundries, viz. :—						
Grain, ...				1500	0	0
Horses, ...				500	0	0
Dead Stock, ...				1500	0	0

In the following example a whole year's transactions will be concisely represented :—

I commence business with £5000. Purchase of the outgoing tenant live stock to the value of £2400, and dead stock to the value of £2000. During the year live stock is purchased to the extent of £600, and live stock sold to the

value of £1500. Expenses are incurred and discharged on account of live stock to the amount of £1000. Dead stock is purchased to the value of £380 from Smith. Sums spent on account of dead stock, £1500. My live stock being valued at the end of the year, is found to be £2600, and my dead stock £3600.

THE JOURNAL OF THE ABOVE.

	Dr. £	s.	d.	Cr. £	s.	d.
Cash, Dr.,	5000	0	0			
To Capital,				5000	0	0
Live Stock, Dr.,	2400	0	0			
To Cash,				2400	0	0
Dead Stock, Dr.,	2000	0	0			
To Cash,				2000	0	0
Live Stock, Dr.,	600	0	0			
To Cash,				600	0	0
Cash, Dr.,	1500	0	0			
To Live Stock,				1500	0	0
Live Stock, Dr.,	1000	0	0			
To Cash,				1000	0	0
Dead Stock, Dr.,	380	0	0			
To Smith,				380	0	0
Dead Stock, Dr.,	1500	0	0			
To Cash,				1500	0	0
Valuation, Dr.,	2600	0	0			
To Live Stock,				2600	0	0
Valuation, Dr.,	3600	0	0			
To Dead Stock,				3600	0	0
	20,580	0	0	20,580	0	0

LEDGER.

Dr. CAPITAL. **Cr.**

	£	s.	d.		£	s.	d.
				By Cash,	5000	0	0

Dr. CASH. **Cr.**

	£	s.	d.		£	s.	d.
To Capital, . .	5000	0	0	By Live Stock, .	2400	0	0
To Live Stock, .	1500	0	0	By Dead Stock, .	2000	0	0
				By Live Stock, .	600	0	0
				By Live Stock, .	1000	0	0
				By Dead Stock, .	1500	0	0

LIVE STOCK.

To Cash, . .	2400	0	0	By Cash, . .	1500	0	0
To Cash, . .	600	0	0	By Valuation, .	2600	0	0
To Cash, . .	1000	0	0				

DEAD STOCK.

To Cash, . .	2000	0	0	By Valuation, .	3600	0	0
To Smith, . .	380	0	0				
To Cash, . .	1500	0	0				

SMITH.

				By Dead Stock, .	380	0	0

VALUATION.

To Live Stock, .	2600	0	0				
To Dead Stock, .	3600	0	0				

Dr.	TRIAL BALANCE.	*Cr.*
	Capital, ...	£5000
£6500	Cash, ...	7500
4000	Live Stock, . . .	4100
3880	Dead Stock, . .	3600
	Smith, ...	380
6200	Valuation, . . .	
£20,580		£20,580

From the above it will be seen that the Cash account has spent £1000 more than it has received, and that the Live Stock has produced £100 more than it has cost, while the Dead Stock has cost £280 more than it has produced, and Smith's account has received nothing and yielded £380, so that I owe Cash £1000, and Smith £380; having made £100 by Live Stock, and having lost £280 by Dead Stock. So that on the whole I have lost £180, and owe £1380; and this will appear in the Ledger as under :—

Dr. CASH. **Cr.**

	£	s.	d.		£	s.	d.
To Capital, ...	5000	0	0	By Live Stock, . .	2400	0	0
To Live Stock, . .	1500	0	0	By Dead Stock, . .	2000	0	0
To Balance Account				By Live Stock, . .	600	0	0
for Balance, . . .	1000	0	0	By Live Stock, . .	1000	0	0
				By Dead Stock, . .	1500	0	0
	7500	0	0		7500	0	0

LIVE STOCK.

To Cash, ...	2400	0	0	By Cash, ...	1500	0	0
To Cash, ...	600	0	0	By Valuation, . .	2600	0	0
To Cash, ...	1000	0	0				
To Profit and Loss for							
Balance, . . .	100	0	0				
	4100	0	0		4100	0	0

Dr. DEAD STOCK. **Cr.**

	£	s.	d.		£	s.	d.
To Cash, ...	2000	0	0	By Valuation, . .	3600	0	0
To Smith, ...	380	0	0	By Profit and Loss			
To Cash, ...	1500	0	0	for Balance, . .	280	0	0
	3880	0	0		3880	0	0

SMITH.

To Balance Account for Balance, . . .	380	0	0	By Dead Stock, . .	380	0	0
	380	0	0		380	0	0

VALUATION.

To Live Stock, . .	2600	0	0	By Balance Account			
To Dead Stock, . .	3600	0	0	for Balance, . .	6200	0	0
	6200	0	0		6200	0	0

Now as I have made money on Live Stock and lost money on Dead Stock, it is necessary to open another account, called **Profit and Loss,** and make this account Debtor for all losses and Creditor for all gains.

The Journal of the above will be—

	Dr.			**Cr.**		
	£	s.	d.	£	s.	d.
Profit and Loss, Dr., ...	280	0	0			
To Dead Stock, . .				280	0	0
Live Stock, Dr., ...	100	0	0			
To Profit and Loss, .				100	0	0

and the Ledger account—

Dr. PROFIT AND LOSS. **Cr.**

	£	s.	d.		£	s.	d.
To Dead Stock, .	280	0	0	By Live Stock, . . .	100	0	0
				By Capital for Balance,	180	0	0
	280	0	0		280	0	0

The total loss being £180, my Capital must be diminished by that sum; *i.e.* I charge the Capital with it and journalise it—

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Capital, Dr., ...	180	0	0			
To Profit and Loss, . .				180	0	0

and the Ledger account for the Capital will be—

Dr. CAPITAL. **Cr.**

	£	s.	d.		£	s.	d.
To Profit and Loss, .	180	0	0	By Cash, ...	5000	0	0
To Balance Account for Balance, .	4820	0	0				
	5000	0	0		5000	0	0

making my Capital at the end of the year to be £4820, as it is, because my debts are, Cash £1000, and Smith £380—total £1380; and my assets are, Live Stock £2600, Dead Stock £3600—total £6200; and the former subtracted from the latter will leave £4820.

It must be remembered that properly no entry should be made in the Ledger but such as comes from the Journal, and therefore all the balances which are added to each account to equalise the amounts are supposed to come from some account; the accounts which have supplied our balances are Profit and

Loss, Capital and Balance Account; those from the latter are journalised thus—

	Dr. £	s.	d.	Cr. £	s.	d.
Cash, Dr., ...	1000	0	0			
To Balance Account, . .				1000	0	0
Smith, Dr., ...	380	0	0			
To Balance Account, . .				380	0	0
Balance Account, Dr., ...	6200	0	0			
To Valuation, . .				6200	0	0
Capital, Dr., ...	4820	0	0			
To Balance Account, . .				4820	0	0

the Ledger account of which would be—

Dr. BALANCE ACCOUNT. **Cr.**

	£	s.	d.		£	s.	d.
To Valuation, . . .	6200	0	0	By Cash, ...	1000	0	0
				By Smith, ...	380	0	0
				By Capital, . . .	4820	0	0
	6200	0	0		6200	0	0

The entries, made after the trial Balance is complete, are called **Closing Entries**, and the student should specially note the order in which they are made; *1st*, all trade accounts balanced from Profit and Loss; *2d*, Profit and Loss from Capital; *3d*, Capital and all other accounts from Balance account. This Balance account shows the state of the business at the end of the year, and the Balance-sheet made from it appears as—

Dr. **Cr.**

LIABILITIES.	£	s.	d.	ASSETS.	£	s.	d.
To Cash, ...	1000	0	0	By Valuation, . .	6200	0	0
To Smith, ...	380	0	0				
To Capital, ...	4820	0	0				
	6200	0	0		6200	0	0

Before adding a series of examples similar to the above, the student's attention is directed to two methods of closing a Horse account.

If at the end of the year the horses are valued, the account is treated in the same way as the Stock account in the example given; but sometimes the statement is that the horses are depreciated, say 10 per cent. on their value at the commencement of a particular time,—say 10 per cent. on £450. In this case the owner is said to have lost £45 by his Horse account, and therefore the Journal entry is—

	Dr.			Cr.		
	£	*s.*	*d.*	£	*s.*	*d.*
Profit and Loss, Dr., ...	45	0	0			
To Horses, . .				45	0	0

and the Horse account in the Ledger appears as—

	Dr.				Cr.		
	£	*s.*	*d.*		£	*s.*	*d.*
To Valuation at commencement of year, ...	450	0	0	By Profit and Loss,	45	0	0
				By Balance Account for Balance,	405	0	0
	450	0	0		450	0	0

whereas, had the horses been valued at £405, the account in the Ledger would have been—

	£	*s.*	*d.*		£	*s.*	*d.*
To Valuation at commencement of year, ...	450	0	0	By Valuation at end of year, . .	405	0	0
				By Profit and Loss for Balance	45	0	0
	450	0	0		450	0	0

It will be seen that the difference in the above is one merely of words; but it is here fully pointed out, because frequently mistakes are made in this account. In the examples added both these methods will be found.

1. Samuel Mason commences business with £5000. He buys stock for £3800; horses for £800; he pays on trade account £2500; receives on trade account £3900; he writes off 10 per cent. for depreciation of horses, and values his stock at £2900.

2. I appropriated £5000 to the working of a farm. I bought stock for £4000, horses and implements for 800. Sold stock for £900, and bought stock for £120. Sold stock to James for £200, and bought stock from Smith for £50; received from James £100 in cash, and paid cash to Smith £40. During the year I paid for sundry expenses £25. I valued my stock at £3500, and my horses at £720.

3. I appropriate £6000 to the working of a farm. I pay the outgoing tenant £4500 for stock, and £1750 for horses and implements. During the year I sell stock, etc., to the value of £3500, having bought to the extent of £800, and implements to the amount of £1200. The wages for the year, paid in cash, are £1100. The rent is £700, of which, at the end of the year, I had paid only half. I write off 10 per cent. (on £2000) for depreciation of horses and implements, and value my stock at £3500.

4. I appropriate £6000 to the working of a farm. I pay the out-going tenant £5500 for stock, and £750 for horses and implements. I sell stock, etc., to the value of £3500, having bought to the extent of £800, and implements to the amount of £1250. I sell wheat to James, 120; I buy a horse from Thompson, £30. The wages for the year, paid in cash, are £1100. The rent paid is £700. I write off 10 per cent. (on £2000) for depreciation of horses and implements, and value my stock at £3500.

5. I commence business with £6500—to the out-going tenant I pay for stock and tillages, £4300; for horses and implements, £670; during the year I buy implements from Howard, £240; I

sell horses to Ellis, £50; the rent is paid, £900; and wages, £1200; stock is bought for £800, and wheat, stock, etc., sold to the amount of £2500; I pay Howard on account, £200; the horses are depreciated in value to the amount of £100. The valuation of the stock is £4250.

6. Williams commences business with £4000—he purchases stock for £2500; horses and implements, £800; he pays in wages during the year, £450; in rent, £600; he buys stock from Jenkins for £320; he sells a horse to Hawkins for £35; he buys sheep for £120; sells stock for £1000; he pays Jenkins £320; and Hawkins pays him £35. The valuation of the stock is £3200; and of the horses £655.

7. Phillips commences business with £4760—he buys stock from the out-going tenant for £4200; horses for £400, paying him in cash. He sells sheep to Radley for £125; he buys pigs from Jamieson for £35; he pays rent, £650; wages, £800; he sells stock for £1500; he receives from Radley £115; he pays Jamieson £30; he draws out for petty cash purposes £120; he pays away on petty cash account, £104; his horses are depreciated £10 per cent. The valuation of the stock is £4054.

8. Gibbons commences business with £4800—he buys stock for £3800; horses for £700. During the year he pays—labour, £400; and rent, £350; purchases stock, £250; sells stock, £1800; he buys pigs from Jenkyns, £20; sells wheat to Smith for £180; pays cash to Jenkyns, £20; receives from Smith £180. The valuation of the stock is £2970; and of the horses, £630.

9. Rogers commences business with £3000—he purchases stock from an out-going tenant, £2400; during the year he pays in wages, £500; and in rent, £300; he buys stock to the value of £1800, and sells stock to the value of £2250; he sells to Lloyd and Co. goods, £950; he buys stock from Howell, £350. The valuation of the stock is £2300.

10. Carter commences business with £3180—he buys stock, £2670; horses, £220; he sells stock to Jones for £125; he buys stock from Thomson for £400; he pays on stock account, £1350;

he sells stock, £1890; Jones pays him £100; he pays Thomson £300; he writes off 10 per cent. depreciation of horses, and values his stock at £2327.

11. I appropriated £6820 to the working of a farm. I paid the outgoing tenant £5500 for stock, etc., and £1750 for horses and implements. During the year I sold stock, etc., to the value of £4500; having bought of Smith for cash to the value of £800, and implements, £1200; my rent was £900, of which at the end of the year I had paid only a quarter; the wages amounted to £1400; I wrote off 10 per cent. (on £2000) for depreciation of implements; and valued my stock at £5600.

12. Hewitt commences business with £6000; he buys stock from Webster £5200; pays in cash £4000; pays rent, etc., £2400; sells stock to Archer £1080; pays Webster £1200; receives from Archer £1080; sells stock £3850; sells goods to Robinson £890; for which Robinson pays £855; the balance being lost through Robinson's failure. Valuation of Stock is £4311.

The foregoing accounts are presumed to represent the first year's transactions; it is necessary to explain to the student the method of journalising transactions which take place year after year.

In all the above instances the trader is indebted to Capital for the Cash with which he makes his first purchases:—that is to say, his Cash account has been called Debtor to Capital, but at the commencement of a second year, this cash is split up as it were, into produce, such as stock, horses, debts by individuals for goods received, all which may be called Sundries, and then the entry is no longer 'Cash Debtor to Capital,' but 'Sundries Debtor to Capital,' so that when a man is said to have Assets, namely, cash £450, stock £3800, horses £220, and a debt owed by Hawkins £120, these are journalised:—

	Dr.			Cr.		
	£	*s.*	*d.*	£	*s.*	*d.*
Sundries, Dr., viz.:—						
Cash, ...	450	0	0			
Stock, ...	3860	0	0			
Horses, ...	220	0	0			
Hawkins, ...	120	0	0			
To Capital, ...				4650	0	0

and, on the other hand, should he at the commencement of any year be in debt to persons with whom he trades, as his Capital has been benefited by the goods these persons have supplied him with, the entry must be 'Capital Debtor to Sundry Persons.'

Ex.—Should he owe Hutton £306, Darby £25, Dashwood £80, these are journalised:—

	Dr.			Cr.		
	£	*s.*	*d.*	£	*s.*	*d.*
Capital, Dr., ...	411	0	0			
To Sundries, viz.:—						
Hutton, ...				306	0	0
Darby, ...				25	0	0
Dashwood, ...				80	0	0

The student must observe that the Cash account represents the Bank account, and therefore that it can either appear among the Assets or Liabilities, according as the trader has a balance in his favour or against him.

13. Joseph Baker's Assets at the commencement of the year were as follows:—Stock, £3900; Cash, £450. During the year he bought stock for £400; he sold stock for £1850; he paid wages, etc., £900; he bought stock from Jones for £150; sold stock to Thomson for £700; he paid Jones on account, £100; Thomson paid him £700. The valuation of his stock is £2700.

14. At the commencement of a year, Evans's Balance-sheet is as follows:—He owns stock, £4500; Thomson owes him £180; he owes Jones £200, and his bankers £350. During the year he sells stock, £3200; he buys stock, £400; he pays away in

stock or on trade account, £1750; Thomson pays him £150; he pays Jones £200. Valuation of Stock is £4200.

15. At the commencement of a year Brewer's Assets were as follows:—Stock, £3850; horses, £320; Debt owed by Evans, £120. His Liabilities were—Cash, £50; Debt owed to Scott, £280. During the year he bought stock, £300; sold stock, £2100; paid rent and wages, £1000: received cash from Evans, £120; paid cash to Scott, £280; bought horses from Scott, £170; sold stock to Evans, £190; paid Scott £120; Evans paid £100; he wrote off 10 per cent. depreciation on horses (£320). Valuation of Stock is £2792.

16. Simpson's Assets, at the commencement of the year, are as follows:—Cash, £85; stock, £4500. Due to him by Owen, £190.

His Liabilities are as follows:—Graham, £400; Naylor, £90. Sold stock, £1600. Bought stock, £300. Paid rent, £400. Paid wages, £500. Paid taxes, £25. Received from Owen, £190. Paid Graham, £300. Paid Naylor, £60. Make Valuation so as to lose £450.

17. I commence a year with the following Liabilities:—Cash, £180; sum due to Thomson £300. And Assets:—Stock, £4500; horses and implements, £750; and due by Jones, £220.

The following are my transactions:—I sell stock for £2000; buy stock for £250; pay wages, rent, etc., £1200; receive from Jones 5s. in the £, the balance being carried to Profit and Loss; pay Thomson £300; draw out for petty cash purposes, £120; disburse £108; buy from Scott horses valued at £56; buy from Howard implements valued at £89; sell stock to Thomson for £620; receive from Thomson, £420; the depreciation on horses (£895) is 10 per cent.

Make a Valuation from the above, showing a loss of £100.

18. On commencing a new year my Liabilities were:—Due to Penfold, £250; to Carr, £100. My Assets:—Cash, £25; stock, £4700; due by James, £300.

The following were my transactions during the year:—I bought stock from James for £280, and from Penfold for £150; I sold stock to Carr for £500; I sold stock for £1050; I received from Carr £600; I paid on account of stock, £900; I paid Penfold £380, and Carr £150. Valuation of Stock is £4900.

19. William Jones's Assets at the commencement of the year were as follows :—Stock, £4500 ; horses, £1200 ; due to him by Thomson, £250. His Liabilities were :—Hemming, £400 ; cash, £180 ; Scott, £250.

His transactions were as follows :—Stock sold for £2500 ; bought stock for £300 ; received from Thomson, £200 ; paid Hemming £380 ; paid Scott £250 ; Paid rent, rates, and taxes, £1250 ; sold wheat to Lane for £800 ; sold horses to Thomson for £125 ; received cash from Lane, £600 ; bought pigs of Scott, £25. He received from Thomson the cash owed. Sold old iron for £5 ; paid sundry small charges, £25. The Valuation of the stock is £2910, and of horses £1050.

20. At the commencement of the year Edward Miles's Liabilities and Assets were as follows :—Liabilities—Howard, £400 ; Jones, £180 ; bank, £160. Assets :—Stock, £3500 ; petty cash, £8 ; Seymour, £105.

His transactions were as follows :—Sold stock for cash, £1650 ; bought stock for cash, £120 ; received cash from Howard, £300 ; Seymour paid cash, £105 ; sold stock to Jones, £120 ; sold stock to Howard, £100 ; received cash from Jones, £50 ; bought stock from Seymour for £160 ; paid wages, etc., £1200 ; drew out for petty cash, £60 ; disbursed £75. The Valuation of the stock is £2985.

INTEREST.

An account is opened in the Ledger for this.

If the Capital invested is required to pay Interest, say £280 per annum, the Interest account is supposed to receive this from the Capital, and the transaction is journalised thus :—

	£	*s.*	*d.*	£	*s.*	*d.*
Interest, Dr., ...	280	0	0			
To Capital, ...				280	0	0

The only other transaction in general use under this head is that which has to be made when the partners are charged interest on the sums of money drawn out from time to time

for their own use: thus if Hopkins is to be charged £25 interest, Hopkins' private current account is Dr. for this sum, and the Journal Entry is—

	Dr.			Cr.		
	£	*s.*	*d.*	£	*s.*	*d.*
Hopkins' Private Current Account, Dr., .	25	0	0			
To Interest, ...				25	0	0

DISCOUNT.

Discount is the abatement made for the payment of money before it is due.

Ex.—Hetley owes you £80, and you express a willingness to receive £75 at once, and remit the £5 in consideration of immediate payment.

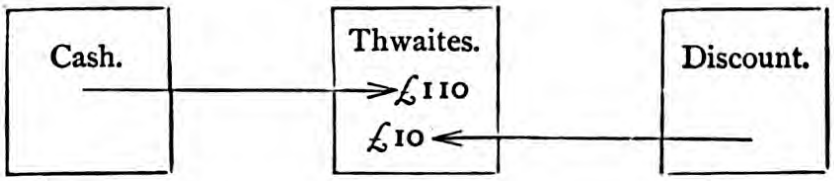
Or, you owe Thwaites £120, and he consents to receive £110 now, and to remit the £10 balance.

These transactions are journalised thus:—

	Dr.			Cr.		
	£	*s.*	*d.*	£	*s.*	*d.*
Cash, Dr., ...	75	0	0			
To Hetley, ...				75	0	0
Discount, Dr., ...	5	0	0			
To Hetley, ...				5	0	0

Cash.	Hetley.	Discount.
£75		£5

	Dr.			Cr.		
	£	*s.*	*d.*	£	*s.*	*d.*
Thwaites, Dr., ...	110	0	0			
To Cash, ...				110	0	0
Thwaites, Dr., ...	10	0	0			
To Discount, . . .				10	0	0



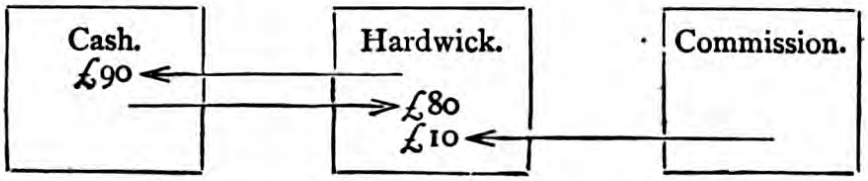
CONSIGNMENTS.

The trader can either make Consignments or receive Consignments. As regards his Books, the former are the more important, because his profit or loss will depend upon the sum realized by the sale of his goods, whereas, in the latter case, he has only to account for the cash which he receives for the sale, and is not answerable for the profit or loss.

As an illustration of the latter case, Hardwick consigns hay to you to be sold, it matters very little to you what Hardwick values his hay at. The only question is, 'What can you obtain for it?' and whatever sum you receive from a purchaser, your Cash account is indebted for to Hardwick. Say that the sum is £90, before remitting this amount you pay yourself £10 as commission for your trouble.

The Journal Entries are—

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Cash, Dr.,	90	0	0			
To Hardwick,				90	0	0
Hardwick, Dr.,	80	0	0			
To Cash,				80	0	0
Hardwick, Dr.,	10	0	0			
To Commission,				10	0	0

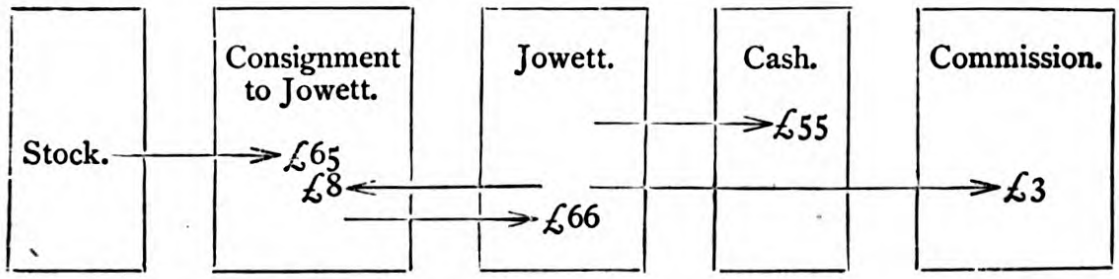


When the trader makes Consignments, the consignee generally pays certain expenses incurred, and retains commission for his trouble.

Ex.—You consign Sheep to Jowett of the value of £65. The railway and other expenses paid by Jowett amount to £8. The sheep realize when sold, £66. Jowett retains £3 commission, and remits the balance to you.

In your Journal these transactions appear thus :—

	Dr.			Cr.		
	£	*s.*	*d.*	£	*s.*	*d.*
Consignment to Jowett, Dr.,	65	0	0			
To Stock,				65	0	0
Consignment to Jowett, Dr.,	8	0	0			
To Jowett,				8	0	0
Jowett, Dr.,	66	0	0			
To consignment to Jowett,				66	0	0
Commission, Dr.,	3	0	0			
To Jowett,				3	0	0
Cash, Dr.,	55	0	0			
To Jowett,				55	0	0



In this case, the Consignment has realized for you £65, and all that has been returned is £55 cash, so that there is a loss of £10, of which £7 appears as lost in the Consignment account, and £3 as lost in the Commission account.

From the above it may be seen that whenever a consignment is made (say to A), the Consignor should open an account

in his Ledger 'Consignment to A,' in order that he may have a record of his gain or loss on this Consignment.

CHEQUES.

When neither coin nor bank notes are used in monetary transactions, Cheques and pieces of paper on which are written promises to pay, are accepted and given in lieu. A Cheque is of the following form :—

CIRENCESTER, *June* 27, 1871.

To the County of Gloucester Bank, Cirencester.

On demand, pay to John Griffiths or order the sum of Eight pounds Fifteen shillings.

£8, 15s. WILLIAM GRAHAME.

This presumes that Grahame has money in the Bank, and that he wishes the Bank to pay John Griffiths £8, 15s. for him. The above Cheque can only be cashed after John Griffiths has signed it on the back : it would have been payable to any one had the word 'bearer' been in the place of 'order.'

Sometimes it is necessary to send Cheques through the post ; if so, they should be written across with the name of a Banker, as in the above case with the name of Griffiths' Bank. The advantage of this is, that the Cheque will not be paid over the counter, but must be paid through a private account, so that if it should be intercepted in its transmission, and ultimately cashed, it can be traced and the thief discovered.

All Cheques require a penny stamp, and are immediately payable on presentation.

BILLS.

It is sometimes necessary when a person cannot pay for an article at once, that he should bind himself by signing a piece of paper to pay for it on a certain day. Such a piece of paper is called a 'Bill,' and when received by a man in lieu of cash, is in his Account Books considered a Bill Receivable, while on the other hand, if he gives such away instead of Cash, it is a Bill Payable.

Bills are sometimes called Acceptances, and the student is cautioned against attaching to this mercantile phrase the ordinary signification, because, when a man is said to accept a Bill, it does not mean that he receives it, but that he 'accepts the responsibility' of paying it.

Thus, T. Jacobs owes you £80, and he gives you a Bill Receivable instead of £80 cash. The mercantile phraseology is that you draw on him, and he accepts the responsibility of paying you by attaching his name.

You (R. A. C. & Co.) write—

£80. *July* 1871.

Pay to us or our order, two months after date, Eighty pounds for value received.

To T. JACOBS. R. A. C. & Co.

Accepted. T. JACOBS.

Which T. Jacobs has written across, and it is called his acceptance.

Instead of the above, T. Jacobs might have given you a Promissory-note, in the following form :—

£80. *July* 1871.

'I promise to pay two months after date, Eighty pounds for value received. T. JACOBS.'

'To R. A. C. & Co.'

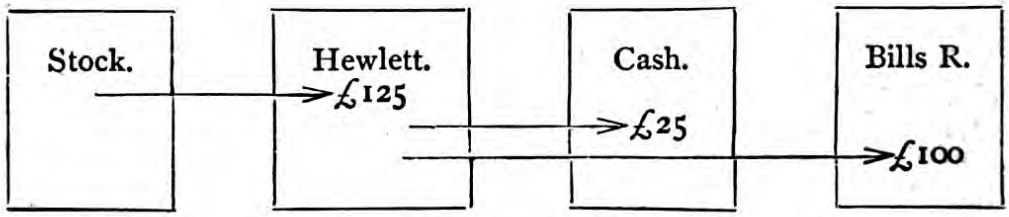
Should T. Jacobs fail to have lodged money at his Banker's

to meet either of these when they become due, the Bill is said to be dishonoured. Three days' grace are given from the date when the Bill is due.

As an example of the method of journalising Bill transactions—

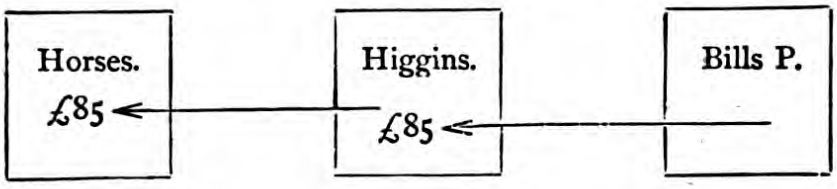
You sell goods to Hewlett of the value of £125. He pays £25 cash and accepts your draft payable in two months for £100.

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Hewlett, Dr.,	125	0	0			
To Stock,				125	0	0
Cash, Dr.,	25	0	0			
To Hewlett,				25	0	0
Bills Receivable, Dr.,	100	0	0			
To Hewlett,				100	0	0



You buy a horse from Higgins for £85, and give a Promissory-note to pay in one month.

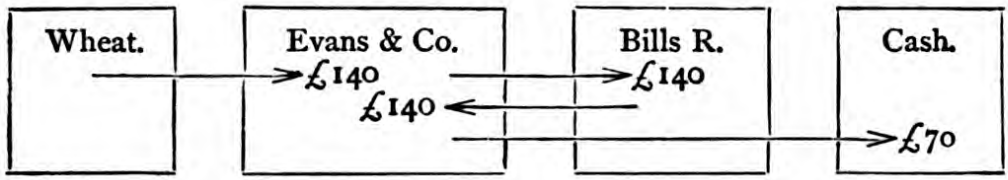
	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Horses, Dr.,	85	0	0			
To Higgins,				85	0	0
Higgins, Dr.,	85	0	0			
To Bills Payable,				85	0	0



DISHONOURED BILLS.

You sell wheat to Evans and Co. for £140. You draw on them. They accept the draft payable in three months. At the end of the three months the Bill is dishonoured. Ultimately, Evans and Co. being bankrupt, the Bill is paid at the rate of 10s. in the £.

	Dr.			Cr.		
	£	*s.*	*d.*	£	*s.*	*d.*
Evans and Co., Dr., ...	140	0	0			
To Wheat, ...				140	0	0
Bills Receivable, Dr., ...	140	0	0			
To Evans and Co., . .				140	0	0
Evans and Co., Dr., ...	140	0	0			
To Bills Receivable, . .				140	0	0
Cash, Dr., ...	70	0	0			
To Evans and Co., . .				70	0	0



The learner must remember that whenever a trader (A) dishonours his acceptance, he becomes debtor for the amount to Bills Receivable, as is shown above.

As Bills pass through several hands, being regarded somewhat in the light of bank notes, you may receive Bills drawn and accepted by strangers. Thus: You sell Stock to Longwind for £250. He pays you £50 cash and gives you two Bills, one accepted by Howell and Co. for £120, having been drawn by Hill and Co., the other accepted by Thomson and Co. for £80, having been drawn by Judd and Co.

These transactions are journalised thus—

	Dr.			Cr.		
	£	*s.*	*d.*	£	*s.*	*d.*
Longwind, Dr., ...	250	0	0			
To Stock, ...				250	0	0
Cash, Dr., ...	50	0	0			
To Longwind, . . .				50	0	0
Bills Receivable, Dr., ...	200	0	0			
To Longwind, . . .				200	0	0

Stock.	Longwind.	Bills R.	Cash.
	£250	£200	£50

This shows the necessity of having a Bill Book in which are recorded the circumstances of the Bills which you either receive or give away.

You purchase Stock from Tovey and Co. for £385, for which you pay by giving them two Bills, one drawn by Avery on Cummings at two months for £185, the other drawn by Isaacs on Simpson for £100 at three months.

	Dr.			Cr.		
	£	*s.*	*d.*	£	*s.*	*d.*
Stock, Dr., ...	385	0	0			
To Tovey and Co., .				385	0	0
Tovey and Co., Dr., ...	385	0	0			
To Bills Receivable, .				385	0	0

Stock.	Tovey & Co.	Bills R.
£385	£385	

The Bill Payable Book contains the Bills for which you yourself have become responsible. You may, however, accept a customer's draft payable to a friend of his. Thus, you, R. A. C. & Co., owe Hawkins £200: he draws on you thus—

£200.

Pay to Lawson or order, two months after date, Two hundred pounds. HAWKINS.

To R. A. C. & Co.

This you accept by indorsing it as above, and it is registered in your Bill Book.

A proper comprehension of the following words used with reference to Bills is important:—The Drawer, the Acceptor, the Payee, the Holder, the Indorser, the Indorsee.

Pay to Sweeting or his order Eighty pounds.

WALLETT & CO.

Here Wallett and Co. are the drawers; Vassall is the acceptor; Sweeting is the original payee, and has become the indorsee by transferring his claim for the amount in the Bill to Upton, who is the indorser. Upton may also transfer his claim to some one else by indorsing. It may be remarked that the more numerous the indorsers are, the more security the holder of a Bill has, because he can oblige any of them to pay if the

acceptor fails, provided the essential words 'to order,' or 'to bearer,' have been inserted.

BAD DEBTS.

In the example on page 27 Evans and Co. cause you a loss of £70, and you balance their Ledger account by writing on the credit side, 'By Profit and Loss for balance, £70.'

If a firm has many bad debts, it is advisable to open an account in the Ledger with the heading 'Bad Debts,' which account will be Dr. for all bad debts.

21. At the commencement of a year my Assets and Liabilities are:—Cash, £450; Stock, £2500: horses and implements, £550; James owes me £120: and I owe Trollope £80, I also owe Tomkins £25; I buy stock for £850; sell stock for £2000; pay for labour, £480; pay for rent, £600; receive from James £118, allowing him £2 discount; pay Trollope £79, and receive £1 discount; I pay Tomkins £25, and sell sheep to him for £75; buy from James horses for £68; buy from Trollope cattle, £250; I value my stock at £2964; and my horses at £560.

22. On commencing business my Assets were:—Stock, £1800; horses, £150; due by Evans, £40. My Liabilities were:—Cash, £15; due to Jones, £60.

My transactions were the following:—Expended on trade account £1100; received on trade account, £1500; received from Evans, £40; paid Jones £50; sold stock to Evans valued at £25; bought stock from Jones valued at £15; my horses depreciated in value 2 per cent. Valuation of Stock, £1505.

23. I had £5000 in cash of my own, and my father ('a friend') lent me 5000 more at 5 per cent. per annum interest. On the 1st October 1867 I entered on a farm at an annual rent of £520, and paid the outgoing tenant for the valuation, including live

stock, horses, harness, implements, corn, hay, etc., and fallows, £8648, 4s.

1867		£	s.	d.
Oct.	Sold 22 Hereford Steers, @ £25, 15s. each, .	566	10	0
„	„ 16 Scots, @ £24, 15s. each, . . .	396	0	0
„	Bought 20 Herefords, @ £17, 10s. each, .	350	0	0
„	„ 130 Sheep, @ 50s. each, . . .	325	0	0
„	„ 30 qrs. Barley, @ 39s. p. qr., . .	58	10	0
„	„ 77 qrs. Oats, @ 28s. p. qr., . .	107	16	0
„	„ 12 qrs. Beans, @ 46s. p. qr., . .	27	12	0
„	„ 20 qrs. Seed Wheat, @ 72s. p. qr., .	72	0	0
Nov.	Sold 4 Pigs, 152½ Stone, @ 3s. 8d. p. stone, .	27	19	2
„	Bought 10 Store Pigs, @ 25s. each, . .	12	10	0
„	„ 1 Grey Cart Horse for . . .	50	0	0
„	„ of Garford and Co. 15 tons Oil Cake, @ £10, 15s. per ton, . . .	161	5	0
„	„ of Stove and Co. 31 cwt. 3 qrs. 14 lbs. Guano, @ 12s. 6d. per cwt., . .	19	18	5
„	„ of G. Wright 1 ton Blood Manure for	6	10	0
Dec.	Sold 3 fat Herefords, @ £41 each, . .	123	0	0
„	„ 1 fat Cow for	31	10	0
„	„ 70 qrs. Wheat, @ 70s. p. qr., . . .	245	0	0
„	„ 75 qrs. Barley, @ 40s. p. qr., . . .	150	0	0
„	„ 14 qrs. Peas, @ 44s. p. qr., . . .	30	16	0
„	Bought 24 loads Straw, @ 26s. p. load, . .	31	4	0
„	„ 1 Boby's Corn Separator and Screen for	16	5	0
„	Paid Wages and Labour, 3 mos., as per book,	215	14	0
„	Bank Interest allowed on Current Account, .	4	12	0
1868				
Jan.	Bought 10 Store Pigs for	13	5	0
„	„ of Garford and Co. 13 tons, 13 cwt. Oil Cake, @ £11, 5s. p. ton, . .	153	11	3
„	„ 28 qrs. Barley, @ 42s. p. qr., . .	58	16	0
„	„ 35 qrs. Oats, @ 29s. 6d. p. qr., . .	51	12	6
„	„ of Smith and Co. Clover and Sainfoin Seed, ...	42	10	0
„	„ of Sutton and Son Turnip Seed, .	4	5	0
„	Sold 3 Steers, @ £24 each, . . .	72	0	0
„	„ 2 Heifers, @ £23 each, . . .	46	0	0
„	„ 2 Calves, @ £4, 15s. each, . . .	9	10	0
„	„ 34 Sheep, @ 52s. each, ...	88	8	0
„	„ 75 qrs. Wheat, @ 70s. p. qr., . .	262	10	0

1868		£	s.	d.
Feb.	Bought 1 load Meadow Hay for . . .	5	15	0
„	„ of Aveling and Co. a Land Roll, .	12	0	0
„	„ 1 Shorthorn Milch Cow, . . .	22	10	0
„	„ 10 Store Pigs for	9	0	0
„	Sold 12 Pigs, 368 Stone, @ 3s. 8d. p. stone, .	67	9	4
„	„ 18 Sheep, @ 61s. each, ...	54	18	0
„	„ 19 Sheep, @ 47s. each, ...	44	13	0
March	Bought 43 Sheep, @ 38s. each, . . .	81	14	0
„	Sold 8 Pigs, 162 stone, @ 3s. 9d. p. stone, .	30	7	6
„	„ 80 qrs. Wheat, @ 72s. p. qr., . . .	288	0	0
„	„ 64 qrs. Barley, @ 45s. p. qr., . . .	144	0	0
„	„ 20 qrs. Peas, @ 46s. p. qr., . . .	46	0	0
„	Bought 10 loads Clover, @ 90s. p. load, .	45	0	0
„	Paid Wages and Labour, 3 mos. as per book,	238	16	0
April	Bought 18 Hereford Steers, @ £18 each, .	324	0	0
„	„ 42 qrs. Oats, @ 27s. 6d. p. qr., . .	57	15	0
„	„ 10 tons Oil Cake, @ £11, 10s. p. ton,	115	0	0
„	Sold 20 Sheep, @ 47s. each, ...	47	0	0
„	Paid half-year's Rent, J. Bullion, Esq., to Lady-day, ...	260	0	0
„	„ Sundry Tradesmen's Bills, . . .	85	0	0
May	Paid a friend Half-year's Interest due 1st April,	125	0	0
„	Bought a Stack of Sainfoin Hay, . . .	120	0	0
„	„ 40 qrs. Barley, @ 43s. p. qr., . .	86	0	0
„	Sold 20 Sheep, @ 50s. each, ...	50	0	0
„	„ 100 qrs. Peas, @ 44s. p. qr., . . .	220	0	0
June	Sold 6 Steers, @ £25 each, ...	150	0	0
„	„ 30 Sheep, @ 51s. each, ...	76	10	0
„	„ Wool, 2143 lbs., @ 1s. 5d. per lb., . .	151	15	11
„	Bought 40 qrs. Oats, @ 29s. p. qr., . .	58	0	0
„	Paid Wages and Labour, 3 mos., as per book,	245	0	0
„	Interest allowed by Bank on Current Account,	5	8	0
July	Sold 20 Sheep, @ 52s. each, ...	52	0	0
„	„ 40 Lambs, @ 35s. each, ...	70	0	0
„	Bought a Turnip Drill for	6	16	0
„	„ 20 qrs. Oats, @ 28s. p. qr., . .	28	0	0
Aug.	Bought 12 tons Oil Cake, @ £11, 10s. p. ton,	138	0	0
„	Sold 20 Sheep, @ 50s. each, ...	50	0	0
„	„ 23 Lambs @ 37s. 6d. each, . .	43	2	6

1868		£	s.	d.
Sep. 30	Paid Wages and Labour, 3 mos., as per book,	386	0	0
„	Paid sundry Tradesmen's Bills and Expenses,	100	0	0
	Mem.—Half-year's Rent is due to Michaelmas,	260	0	0
	„ Half-year's Interest on £5000 is due to a friend, ...	125	0	0
	The Valuation taken at this time was £9981, 6s. 9d.			
	Charge Interest on Capital at 5 per cent.			

24. I commence business with £4000. To the former tenant I pay for stock, £3800, and for implements, £500; during the year I sell stock for £2500, and buy stock for £800; I sell Thomson stock for £350, and buy from Hewer stock for £600. I receive cash from Thomson, £300, and pay cash to Hewer, £600. Valuation, Stock, £2500. Implements, £450.

25. Thomas Moore commences business with £6000. He buys from Jones, the out-going tenant, stock, £4300; horses and implements, £1100; tenant-right, £350; for these he pays cash down, £5000, and agrees to give 5 per cent. on the balance, paying it and the balance at the end of the year. He sells wheat for £480; he buys pigs from Hill for £75; he sells a horse to Scott for £35; buys wheat from Lawson for £60; he pays wages, £850; he pays half his rent, £350; he receives for stock sold to sundry persons, £1800; his implements and horses depreciate 10 per cent. He draws out for petty cash purposes, £120, and expends £105; he pays Jones what he owes him, and he remains in debt to the landlord, £350, and in debt to sundry tradespeople, £120. He pays Hill £75; Scott pays him £20. The tenant-right is depreciated 50 per cent. Make a valuation to show a profit of £440.

26. At Lady Day 1865 I appropriated £5000 to the working of a farm. I paid the out-going tenant, on the 2d of April, for horses, etc., £250; implements, £750; and stock and tillages £3600. On the 15th of April I bought two calves, at two guineas each, of C. Thompson. On the 28th of May I sold for cash 30 bullocks at £17; and bought for cash 10 tons of oil-cake at £7 a ton. On the 2d of June I bought of C. Thompson 8 heifers at £12, 4 bullocks

at £13, and 70 sheep at 40s. On the 23d of June I sold for cash a quantity of old iron for £5, 5s. On the 18th of July I purchased of Samuelson and Co. a reaping machine for £27, 10s., and paid for it on the 28th of the same month. On the 8th of September I paid C. Thompson £250 on account. At Michaelmas the wages paid for the half-year were £340, 10s. 8d., and my private drawings had been £50. On the 5th October I sold for cash 150 quarters of wheat at 65s., and 300 quarters of oats at 28s. On the 1st of November I bought of C. Thompson 20 bullocks at £12, and paid him £250; paid also for half-year's rent, £375. On the 31st of December my bankers placed £12, 10s. 6d. to my credit for interest. On the 10th of January 1866 I sold 15 pigs at £3, 10s. for cash, and sold likewise for cash 1 horse for £28. On the 23d of February I bought a cart of John Wright for £12. On the 14th of March I sold for cash 16 tons of hay at £6 per ton. At Lady-Day £375 were due for rent; the amount paid for the last six months' labour was £270, 7s. 2d., and I wrote off 10 per cent. depreciation on implements (£790), and valued my horses at £235, and stock and tillages at £3580.

27. On the 1st of January 1867, John Jones, farmer, had stock on his farm of the value of £2150, and implements, horses, harness, etc., to the value of £1500, his banking account was overdrawn £720; he owed on a bill he had given to Howard and Co., due on the 4th April, £130, and William Hughes owed him £50 for oats supplied. On February 3d he purchased for cash 20 quarters of tares, at 50s. per quarter, £50. On March 15th he purchased at market 100 bullocks at £15 each, for which he paid in cash £1500. On April 4th he paid Howard and Co., for bill due on this day, £130. On May 25th he purchased of James Warren a waggon, for which he agreed to give £20. On August 19th he received of Wm. Hughes £50. On September 23 he sold for cash 100 quarters of wheat at 70s., £350; 150 quarters of barley at 45s., £337, 10s.; 200 quarters of oats at 30s., £300. On October 21st he bought of Charles Willis 90 tons of oil-cake at £6 per ton, £540. On November 29th he sold for cash 800 fat hoggets at 47s. each, £1880. On December 15th he sold for cash 70 fat bullocks at £30 each, £2100. He paid during the year for wages £1098, 17s. 9d., and for the rent of his farm, £400; his bankers charged him £115,

for interest and commission. His stock on hand at the 31st December was of the value of £2030, and his implements, horses, harness, etc., he valued at £1368, after writing off 10 per cent. on £1520 for depreciation.

28. At the commencement of a year Henderson's Liabilities were: —Cash, £110; Bills payable, £200; Marsden, £340. Assets— Stock, £5750; horses and implements, £1120; Bills receivable, £445; Petty Cash, £18, 10s. During the year the following transactions took place:—Stock sold, £1650; Stock bought, £420; Cash paid on trade account, £2500; Cash received on trade account, £1850; Marsden was paid, less £10 discount; Bills payable were cashed, £5 less discount; Bills receivable were cashed, less £15 discount; Cash drawn for petty cash purposes, £208; Petty Cash disbursed, £180; Charge 5 per cent. interest on capital; Take off 10 per cent. as depreciation on horses, and make a Balance-sheet to show a profit of £200, besides interest on capital.

29. I give Scott a Promissory-note for £120; Hewitt accepts my draft for £180; Scott accepts my draft for £50; I give Hewitt a Promissory-note for £90; my Promissory-note to Scott is cashed, less £10 discount; Hewitt's acceptance is cashed, less £20 discount; Scott's acceptance is cashed in full, and my Promissory-note to Hewitt is cashed, less £5 discount.

30. At the commencement of a year Hamilton's Liabilities were —Cash, £210; Bills payable, £280; Jackson, £340. Assets— Stock, £5750; horses and implements, £1120; Bills receivable, £445; petty cash, £18, 10s.

During the year the following transactions took place:—Stock sold, £1650. Stock bought, £420. Cash paid on trade account, £2500. Cash received on trade account, £1850. Jackson was paid, less £20 discount. Bills payable were paid, £5 less discount. Bills receivable were paid, less £15 discount. Cash drawn for petty cash purposes, £408. Petty Cash disbursed, £415. Charge 5 per cent. interest on Capital. Take off 10 per cent. as depreciation on horses, and make a Balance-sheet to show a loss of £200, besides interest on Capital.

31. I consign sheep to Haddon valued at £305; Haddon expends on them £10; sells them for £320; retains £20 as com-

mission ; and sends the balance in the form of a Bill which Drosier and Co. have accepted ; this Bill is ultimately dishonoured.

I consign to Griffiths stock valued at £180 ; the expenses on them are £15 ; they realize £200 ; the commission retained is £10, he remits £25 in cash, and a Promissory-note of Smith's for £150.

Jones consigns to me stock, valued at £380, which sells for £300 ; the expenses are £20, and commission £15 ; he draws on me for £100, I accept his draft, and send him Smith's Promissory-note for £150, and the balance in cash.

32. At the commencement of a year Hughes has Assets—Stock, live and dead, £4600, and is owed by Smith £360. Liabilities —Bills payable, £290 ; owes Thomson £380, and the Bank £250.

During the year he pays away on trade account, £2900, and receives on trade account, £3000 ; draws on Smith for £260, Smith accepts the Bill, having paid £100 in cash.

The Bills payable are cashed, less £20 discount : Thomson is paid, less £30 discount ; the Bank charges £3 interest ; Thomson purchases stock valued at £80 ; Hughes consigns stock to Jones valued at £450 ; expenses on them paid by Jones, £20 ; sells for £440 ; Jones retains £22 as commission, and remits the balance ; Smith's Bill of £260 is cashed, less £10 discount ; Thomson pays £80 cash. Valuation of Stock is £4585.

33. At the commencement of a year my Assets are—Stock £5600 ; horses and implements, £380 ; Bills receivable, £300. Liabilities— Cash, £150 ; Bills payable, £450 ; during the year I buy from Thomson stock to the value of £700, paying £500 in cash, and accepting his draft for £200; the Bills receivable are cashed, less £10 discount ; my bankers cash the Bills payable when due, retaining £25 discount ; the sales of stock amount to £3000 ; I consign sheep to Kimber of the value of £150 ; expenses on them come to £10 ; the sheep realize £148 ; Kimber remits £100, and a Promissory-note for the balance ; I buy a horse from Kimber, value £45 ; I pay for rent and labour during the year, £1600 ; my horses are depreciated £40 ; the Valuation of Stock is £5237.

34. At the commencement of the year my Assets were as follows :

—Trade account, £7800; Hall, £160; Kerr, £182; Bills receivable £1312. My Liabilities were:—Cash, £106; Ibbotson, £250; Hewer, £400; Bills payable £1650.

During the year the following were my transactions:—Paid on trade account, £3250; received on trade account, £4000; received Hall's acceptance at two months for £160; received Kerr's acceptance at three months for £182; received cash on account of Bills receivable £1200, the balance, £112, being discount: paid Ibbotson £230, being allowed £20 discount. Sent by Promissory-note to Hewer at one month for £365; paid on account of Bills payable, £1500, the balance, £150, being discount; Kerr's acceptance discounted at the Bank; discount allowed, £12; Hall's acceptance returned dishonoured; my Promissory-note to Hewer paid at the Bank, less 5 per cent. discount.

I consigned cattle of the value of £500 to Hawkins, who expended on them £20, sold them for £510, and remitted me the balance.

I received a consignment of sheep from King of the value of £200; I expended on them £15, sold them for £250, and remitted the balance after deducting £8 commission. Valuation of Stock, £7700.

35. At the commencement of the year Howell has Assets:—Stock, live and dead, £4600; Bills receivable, £120; and is owed by Smith, £360. His Liabilities are—Bills payable, £290; owes Thomson £380, and the Bank £250.

During the year he pays away on trade account, £2955; receives on trade account, £4060; draws on Smith for £200; Smith accepts the Bill, having paid £160 in cash. The Bills payable are cashed, less £30 discount; Thomson is paid, less £18 discount; the Bank charges £13 interest.

Thomson purchases stock valued at £180. Howell consigns stock to Jones valued at £450; the expenses on them are £20, which Jones pays; he sells for £440, retains £22 commission, and remits the balance. Smith's Bill for £200 is cashed, less £10 discount. Valuation of Stock is £5566.

36. Jamieson commences business with £6600. He buys stock from Amos for £4500, for which he pays £2500 in cash, and accepts Bills to the value of £2000, one-half due in six months, the other half in nine months, bearing five per cent. interest; he buys horses

and implements from Jones for £1000, for which he pays £800 in Cash, and gives a Promissory-note for the balance at one month. He consigns during the year to Lawrence, salesman, stock, £1800; the expenses on the consignments are £60; they realize on the whole £1750, and after deducting commission, 2½ per cent. on the nett sum, the balance is remitted. Jamieson buys from Scott stock for £380; the Bills held by Amos are cashed when they fall due; the Promissory-note is cashed, less £5 discount. Rent, wages, etc., are paid, £1500; horses and implements are depreciated 12½ per cent. Scott is paid £300; there is drawn out for petty cash purposes, £150, the disbursements on petty cash account are £156. Jamieson receives a consignment of hay from Evans valued by invoice at £60; he pays expenses £4, retains £5 commission, sells the hay for £70, and remits the balance. Valuation of Stock is £4765, 15s.

37. At the commencement of the year, Callender has Assets :—Live stock, £3000; dead stock, £2500; horses, £420; Bills receivable, £350; cash, £110, and due by Hewitt, £150. His Liabilities are—Bills payable, £200; due to Jones, £390, and to Bullock, £80.

His transactions for the year are as follows :—He buys cattle for £220, and implements £180. He sells cattle for £1600, and wheat, etc., £2000; pays wages and rent, £2250. Bills receivable cashed, less £25 discount.

Hewitt pays his debt, less £10 discount. Bills payable are cashed less £5 discount. Jones is paid, less £30 discount; Bullock is paid £80; Callender draws out for petty cash purposes £170; disburses £165; consigns pigs to Bullock of the value of £30; who expends on them £2; they sell for £25, and the balance is remitted, less £1 commission: receives a consignment of potatoes from Jones (valued at £400); expenses on them, £10; they realize £420; commission retained, £25, and balance remitted; he charges £5 per cent. interest on Capital, and writes off 10 per cent. depreciation on horses. Valuation—Live stock, £1655; dead stock, £3848.

38. Simpkins has Liabilities on commencing business in a new year as follows :—Cash, £180; Bills payable, £350, and due to Scott, £120. His Assets are—Dead stock, £3560, and live stock, £1680. He buys during the year—Dead stock, £356; and live

stock, £890. He sells during the year—Dead stock, £2160; and live stock, £1450.

He consigns live stock to Jennings valued at £650; the expenses are £40, and commission £30; they realize £625; balance remitted, £255 in Cash, the rest in Promissory-notes. Bills payable are cashed, less £25 discount. Scott is paid £100, less discount £20.

Simpkins pays away on trade account, £2100; receives on Trade account £400. Interest at 4 per cent. to be charged on Capital. Valuation so as to lose £200, together with interest on Capital.

39. I commence business with £7500. To the out-going tenant I pay £6800 for stock, and £600 for implements and horses. During the year, I pay rent £700; for labour, £1200, and for stock, £350. I sell stock for £1800; I consign stock to Evans of the value of £450; he expends on them £35, sells them for £440, and remits me the balance. I accept my landlord's draft for £100 rent due. The implements and horses are depreciated in value 10 per cent. The Valuation of the Stock is £6940.

40. When I commenced the business of a new year my Assets were as follows:—Cash, £1150; Stock, £6800; due by Orlebar, £209, and Bills receivable, £98. My Liabilities were:—Due to Carew, £450, and Bills payable, £185.

During the year I sold stock, etc. for £3000, and bought stock for £1850. I received from Orlebar £200, allowing him £9 discount; received for Bills receivable, £58. I paid Carew £425, discount being £25, and cashed Bills payable, £185.

Jennings accepted my draft for £320. Ivey drew on me, and I accepted for £300. I consigned goods to Villar valued at £600; the expenses on them paid by him were £30; he sold them for £550, and remitted the balance.

Jamieson consigned to me goods to the value of £350. I sold them for £480; my commission being £15; I remitted him the balance. Valuation of Stock £5199.

41. My Assets at the commencement of a year are:—Cash, £800; Stock, £4000; Bills receivable, £250; due by Jones, £300. My Liabilities are:—Bills payable, £400; due to Tomkins, £100.

I buy stock from Hewitt for £450, and sell stock for £1800; I cash the Bill payable, less £10 discount; receive Cash for

the Bill receivable, less £5 discount. Jones pays me £280, being allowed £20 discount; I pay Tomkins £100, and sell Stock to Hewitt for £600; I consign stock to Jacobs valued at £500; he expends on them £20, and sells them for £510, and remits the balance. Samuels consigns to me stock, which I sell for £400, deducting my commission, £15, I remit the balance. My Valuation is £2075.

42. At the commencement of the year my Assets are:—Cash, £590; trade account, £4700; due by Simpkins, £308; and Bills receivable, £165. My Liabilities are:—Due to Evans, £45; and Bills payable, £129. I sell stock for £1800, and buy stock for £100; I pay wages and rent, £1950; receive from Abel Smith for bills due this day, £165; pay Evans £44, being allowed £1 discount; paid to Wales our acceptance due this day, £129; receive from Simpkins, £300, allowing £8 discount; accept Evans's draft for £80. Valuation of Stock, £5000.

43. I commence business with £4600. I buy Stock from Evans for £4000, paying him £2500 in Cash, and giving him Promissory-notes for £1500; I sell stock to Hutton for £380; I draw on him and he accepts the Bill; I buy stock from Mason for £600, and pay him £350 in Cash, and accept his Bill for £250; I cash the Promissory-notes given to Evans; Hutton's Bill is cashed when due, also my acceptance to Mason; I buy stock for £800, and pay away on trade account £2000; I sell Stock for £1500. My Valuation of Stock is £4520.

44. I commence business with £4400. I buy stock for £3800; during the year I pay on trade account £3000; receive for the sale of stock £4800; I allow discount on £520 to various persons, amounting to £60, and am allowed discount on same amount from others to the amount of £40. At the end of the year my Bills payable are £800, and Bills receivable £400; I put my interest on Capital at 5 per cent., and value my stock, etc., at £3740.

45. At the beginning of the year my circumstances were the following:—I had in stock, etc., £4080; in implements and horses, £1100; and held Jones's acceptance for £750; my banker's account was overdrawn £120; I owed my landlord £125; during the year I sold stock, etc., amounting to £1150, and bought to the amount of £974; Jones's acceptance was paid, less £10 discount;

I paid my landlord £125, also for rent, £850; I paid for wages £1050; I sold James stock to the value of £609, and he accepted my Bill on him for the amount; I bought implements of Burgess and Key for £35, for which I gave them a Bill which I shortly afterwards cashed, being allowed £5 discount; 10 per cent. depreciation on implements (£1100); Stock valued at £4190. I charge 5 per cent. on a capital of £6000.

46. At the commencement of the year my Assets were :—Cash, £400; Bills receivable, £600; due by Hemming, £150; Stock, £5500. My Liabilities were :—Bills payable, £380; sum due to Scammell, £1100. The following were my transactions during the year :—I sold stock for £2800; bought stock for £350; received from Hemming £140, allowing £10 discount; the Bills receivable were all cashed when due, less £30 discount; the Bills payable were all cashed when due, less £12 discount; I received from Scammell £900 in Cash, and a Bill for £200; I consigned stock valued at £80 to Hemming; the expenses on them by him were £5; he sold for £82, and remitted the balance; I paid Scammell £2000. Make Valuation so as to gain £1166.

47. I commence business with £3650. I buy stock from Jones for £3000, paying him £2000 in Cash, and giving him a Promissory-note for £500, and accepting his draft for £500. I consign cattle to Hawkins valued at £600; on them the expenses are £50; they realize £580; the balance is remitted; Jenkins consigns to me 4 horses, which he values in a letter at £180; the expenses on them are £8, and commission £10; they realize when sold £200; I remit him the balance; my Promissory-note to Jones is cashed, less £20 discount; my acceptance of his draft is also cashed, less £15 discount; I pay on trade account, £2200, and receive on trade account £3000; for stock sold to Hemming, valued at £250, he gives me a Promissory-note for £250; for stock purchased from Hawkins I accept his draft for £180. Valuation of Stock is £2485.

48. Wilson commences business with £6000. He buys stock from the out-going tenant, £4800; horses and implements, £800. He sells to Jones stock, £600; buys stock from Hewitt, £400; accepts Hewitt's draft; draws on Jones for £300, and he accepts, and Jones gives him £100 Cash and £200 in a Promissory-note; he buys stock, £1200, and pays on trade account, £1600; sells

stock, £2000 ; Jones's Promissory-note is cashed, less £20 discount ; Wilson's acceptance to Hewitt is cashed, less £25 discount ; charge the Capital £300 interest ; depreciation of horses 10 per cent. Make a Valuation so as to gain £500.

49. George Gill commences business with £4800. He buys stock, £3000 ; he buys horses and implements, £800. During the year he sells stock, £1600, and he buys stock, £700. He sells Howell a horse for £45. He buys from Thomson wheat, £85. Howell pays him £35 ; the balance is a bad debt. He pays Thomson £80 ; the balance is discount. He buys stock from Scott for £450. Scott draws on him and he accepts his Bill. He sells stock to Thomson for £300. Thomson gives him his Promissory-note for £200, and cash, £100. Interest on capital to be £240. Valuation —stock £2700 ; horses £700.

50. Shergold commences business in 1870 with Assets :—Stock £6600 ; Bills receivable, £450, and a debt due by Evans, £280. Liabilities :—Bills payable, £300 ; a debt due to Scott, £320, and account overdrawn at Bank, £180. Shergold sells stock for £3500 ; buys stock for £450 ; pays away for rent, wages, and other things, £2000 ; receives £270 from Evans, allowing £10 discount ; Bills receivable cashed, less £30 discount ; Bills payable cashed, less £15 discount ; Scott is paid £100 in cash, and a Promissory-note for £220 ; buys horses from Thomas for £200 ; at the end of the year, £300 of the rent is unpaid ; Scott's Bill is cashed, less £10 discount ; pays Thomas £100, and Thomas draws a Bill for £100, which is accepted. Let the Valuation be such as to show a profit of £1000.

51. On commencing the year my Assets are :—Cash, £250 ; Stock, £7050 ; Bills receivable, £180. Liabilities :—Bills payable, £400 ; Hutton, £80. During the year I buy stock for £1200 ; sell stock for £2000 ; receive on Bills receivable, £180 ; pay on Bills payable, £400, and pay Hutton £75, taking £5 discount. Valuation of Stock is £6000.

52. At the commencement of a year Pearson's Assets were :—Trade, £5387, 15s. 6d. ; horses and implements, £890 ; Watt, £256 ; cash, £105, 6s. 8d. Liabilities :—Whitney, £425 ; Furnival, £282, 10s. 6d.

During the year the following transactions took place :—Stock bought, £350. Stock sold, £1260. Paid on trade account, £1820,

9s. 6d. Received on trade account, £356, 5s. Received cash from Watt, £256. Paid Whitney, £425. Paid Furnival, £282, 10s. 6d. Bought a horse from Watt for £35. Sold wheat to Furnival, £126. Wrote off £90 as depreciation on horses. Owed at the end of the year half-year's rent, £420. Let the Balance-sheet show a loss of £500.

53. Simpkins had on commencing business in 1870:—Stock valued at £5655; horses and implements valued at £1250; Bills receivable. £425; due by Cowan, £128; cash, £180. His Liabilities were :— Bills payable, £320; due to his landlord, £400, and to Scott, £183.

His transactions were as follows :—Sold stock for £1600; bought stock for £250; expended on trade account, £2400; received on trade account, £1500; Bills receivable cashed, less £25 discount; bought from Cowan wheat valued at £150; paid his landlord £400. Bills payable cashed, less £13 discount; consigned goods to Scott valued at £450; expenses on them paid by him, £25; they realized £440, he paid himself what was owed him, retained £20 commission, and remitted the balance; Cowan drew on Simpkins for £200, and had his draft accepted; take off 10 per cent. on horses; charge 4 per cent. on capital; make a Valuation, and show, besides the interest, £250 profit.

As an exercise for the student, it is recommended that Balance-sheets be written out direct from the Trial Balance.

Ex.—Make a Balance-sheet from the following Trial Balance, Stock being valued at £4663 :—

Dr.		*Cr.*
£100	Capital, . . .	£4200
1600	Cash, . . .	1800
6600	Trade account, .	3080
28	Sundries, . .	
15	Profit and Loss, .	
120	Tomkins, . .	80
790	Jones, . . .	93
£9253		£9253

At a glance it can be seen which of the personal accounts will give a liability balance and which an asset balance. The Cash

account balance will be among the liabilities; Tomkins's and Jones's balances among the assets. The balance is arrived at as follows :—

The entries on the Dr. side under Trade, Sundries, Profit and Loss, in fact, all the accounts on which profit and loss can accrue, amount to £6643; while the entries on the Cr. side, together with the valuation, £4663, amount to £7743; and therefore the difference, £1100, shows a profit of that amount; consequently the Capital, which was £4100 at the beginning of the year, is now £5200, and the Balance-sheet appears as—

Dr. **Cr.**

LIABILITIES.	£	*s.*	*d.*	ASSETS.	£	*s.*	*d.*
To Cash, . .	200	0	0	By Tomkins, . .	40	0	0
To Capital, . .	5200	0	0	By Jones, . .	697	0	0
				By Valuation, .	4663	0	0
	5400	0	0		5400	0	0

When the exercise is to write out a Balance-sheet from a Trial Balance so as to show a certain fixed gain or loss, the work is as easy: for example :—

It is required to make a Balance-sheet from the following Trial Balance, and show a loss of £1000 :—

£200	Capital, . . .	£7,500
2,800	Cash, ...	2,600
80	Petty Cash, . .	85
7,800	Trade, . . .	1,200
400	Horses, . . .	10
60	Discount, . . .	75
40	Profit and Loss, . .	
200	Scott, ...	100
150	Jones, . . .	420
360	Evans, . . .	100
£12,090		£12,090

In this case the Liabilities are seen to be—Capital, £7300; Petty Cash, £5; Jones, £270. The Assets—Cash, £200; Scott, £100; Evans, £260; and as soon as the Valuation is found, the Balance-sheet is completed.

The Dr. sides of the Assets—Trade, Horses, Discount, Profit and Loss—amount to £8300; while the Cr. sides amount to £1285; the difference between which is £7015. Should the Valuation amount to this sum, there will be neither gain nor loss; but as there is to be by the question a loss of £1000, the Valuation must be £6015, and the Balance-sheet will then be—

Dr. **Cr.**

LIABILITIES.	£	s.	d.	ASSETS.	£	s.	d.
To Petty Cash, .	5	0	0	By Cash, . .	200	0	0
To Jones, . .	270	0	0	By Scott, . .	100	0	0
To Capital, . .	6300	0	0	By Evans, . .	260	0	0
				By Valuation, .	6015	0	0
	6575	0	0		6575	0	0

54. From the following Trial Balance make a Balance-sheet showing a loss of £300 :—

Dr.		*Cr.*
	Capital, . . .	£6000
£9500	Cash, ...	9700
7100	Stock, ...	3500
2950	Horses, . . .	200
	Landlord, . . .	350
200	Profit and Loss, . .	

55. Make a Balance-sheet from the following Trial Balance :—

£174	Capital, ...	£5763
2855	Cash, ...	2223
6750	Trade Account, . .	1800
300	Hewer	308

£165	Bills Receivable, . .	£160
125	Evans, ...	45
129	Bills Payable, . . .	209
16	Discount, ...	6

The Valuation of the Stock being £5000.

56. TRIAL BALANCE.

	Capital, ...	£3650
£7380	Cash, ...	5355
5380	Trade, ...	3850
1000	Bills Payable, . . .	1180
250	Bills Receivable, . .	
3000	Jones, ...	3000
650	Consignment to Hughes, .	580
760	Hawkins, ...	760
200	Jenkyns, ...	200
	Interest, ...	45
250	Hemming, ...	250

Make a Valuation so as to show a gain of £1000.

57. TRIAL BALANCE.

£560	Capital, ...	£7020
3250	Cash, ...	3380
180	Petty Cash, . . .	165
480	Bills Receivable, . .	200
300	Bills Payable, . . .	560
1560	Horses, ...	320
1760	Cattle, ...	280
250	Pigs, ...	100
2600	Grain, ...	1200
320	Potatoes, ...	290
400	Consignment to A, . .	295
160	Interest and Discount, .	100
65	Commission, . . .	80
2500	Trade, ...	180
400	Consignment to B, . .	615

Make a Balance-sheet to exhibit a gain of £1222.

58. TRIAL BALANCE.

£920	Capital, ...	£4960
7503	Trade, ...	4530
4828	Cash, ...	3773
32	Interest, ...	50
360	Bills Receivable, . .	260
190	Bills Payable, . . .	300
460	Smith, ...	450
410	Thomson, . . .	460
520	Consignment to Jones, .	440
440	Jones, ...	440

Make such a Valuation as to show a loss of £300.

59. TRIAL BALANCE.

£200	Capital, ...	£8,500
4,700	Cash, ...	3,900
10,550	Trade, ...	3,600
110	Interest, ...	25
160	Consignment to A, . .	135
250	Consignment to B, . .	225
200	Scott, ...	315
600	Jones, ...	200
230	Sundry persons, . .	100

Make a Balance-sheet showing a loss of £400.

60. TRIAL BALANCE.

£800	Capital, ...	£7330
4190	Cash, ...	4125
9550	Trade, ...	3500
450	Bills Receivable, . .	450
520	Bills Payable, . . .	620
40	Discount, ...	25
280	Evans, ...	380
420	Scott, ...	320
200	Thomson, . . .	250
50	Landlord, ...	300
150	Profit and Loss, . .	60
400	Farm House, . . .	25
410	Buildings, . . .	75

Make a Balance-sheet to show a gain of £500.

61. TRIAL BALANCE.

£250	Capital, ...	£3560
1800	Cash, ...	1920
5000	Trade, ...	1500
420	Horses, ...	35
80	Profit and Loss, . .	10
45	Discount, . . .	120
180	Consignment to A, . .	280
650	Consignment to B, . .	600
	Sundry persons, . .	400

Make a Balance-sheet showing a loss of £1000.

62. TRIAL BALANCE.

£125	Capital, ...	£6780
3250	Cash, ...	3100
6700	Trade, ...	1100
850	Thomas, ...	100
105	Consignment to A, . .	80
120	Consignment to B, . .	160
250	Consignment to C, . .	200
320	Consignment to D, . .	180
100	Consignment to E, . .	120

Make a Balance-sheet showing a profit of £500.

63. Make Balance-sheets from the following Trial Balance:—

1st, Showing a profit of £330, 10s. 6d.

2d, Showing a loss of £169, 9s. 6d.

£565 7 0	Capital, . . .	£8,341 0 0
3,560 12 6	Cash, ...	4,008 10 0
10,809 15 9	Trade, ...	3,674 15 0
1,260 10 0	Horses and Implements,	160 5 6
245 8 0	Petty Cash, . . .	240 3 6
456 7 10	Sedgwick, . . .	670 9 4
405 8 6	Wayman, . . .	308 10 6
100 4 3	Profit and Loss, . .	

64.

£245 10 6	Capital, . . .	£6892 15 0
3758 17 6	Cash, ...	3542 12 6
8977 12 0	Trade, ...	2433 19 2
964 2 6	Consignments, . .	1144 19 6
202 10 0	Discount, . . .	188 12 0
177 16 8	Commission, . .	191 10 4
256 8 0	Farm House, . .	15 10 8

£350	10	0	Private account, . .			
426	12	0	Horses, . . .	£350	0	0
			Bills payable, . .	600	0	0

Make a valuation so as to show a gain of 5 per cent. interest and £20.

65.

£156	10	6	Capital, . . .	£5688	17	6
2344	15	0	Cash, ...	2189	10	6
8991	12	6	Trade, ...	4676	6	9
850	0	0	Horses, . . .	120	10	6
1245	8	6	Consignments, . .	1660	18	9
108	0	0	Discount, . . .	177	0	0
210	10	6	Commission, . .	104	15	6
280	17	6	Farm House, . .	10	2	6
125	10	0	Petty Cash, . . .	120	2	6
350	0	0	Private account, . .	276	12	4
85	0	0	Profit and Loss, . .			
276	12	4	Interest, . . .			

Make a Valuation to show a profit of £800, including interest.

66.

£610	18	6	Capital, . . .	£7425	9	6
3420	15	0	Cash, ...	3160	10	0
9950	0	0	Trade, ...	3788	7	6
1268	17	6	Consignments, . .	1640	4	6
145	10	0	Commission, . .	102	6	0
84	15	0	Discount, . . .	99	10	0
322	16	0	Farm House, . .	12	4	6
425	0	0	Private account, . .	340	14	6
340	14	6	Interest, . . .			

Make a Valuation so as to show a total profit of £500.

67.

£205	18	6	Capital, . . .	£9433	17	6
3,420	7	6	Cash, ...	3520	9	6
11,456	15	0	Trade, ...	3083	18	6
156	12	6	Discount, . . .	177	10	0
764	15	0	Consignments, . .	810	12	0
456	12	0	Bad Debts, . . .	108	9	0
324	7	0	Commission, . .	333	11	6
456	10	0	Farm House, . .	23	9	6

	£250	0	0	Private account, . .		
				Interest, . . .		

Make a Valuation to show a profit of £650, including 5 per cent. interest on Capital.

68.	£185	6	8	Capital, . . .	£7433	18	6
	2560	15	0	Cash, ...	2490	10	0
	9432	17	6	Trade, ...	2795	11	2
	108	10	0	Discount, . . .	91	4	0
	677	17	6	Consignments, . .	850	10	0
	196	0	0	Bad Debts, . . .	15	15	0
	240	8	0	Farm House, . .	24	6	0
	300	0	0	Private account, . .			

Make a Valuation to show a gain of £400, including 4 per cent. interest on Capital.

69.	£269	10	6	Capital, . . .	£7433	17	6
	3568	12	0	Cash, ...	3377	10	6
	9621	18	6	Trade, ...	2857	10	6
	566	15	0	Consignments, . .	710	12	6
				Landlord, . . .	350	0	0
	129	7	6	Discount, . . .	108	12	0
	320	0	0	Bills payable, . .	680	0	0
	246	15	0	Commission, . .	266	12	6
	825	0	0	Bills receivable, . .	415	0	0
	180	0	0	Bad Debts, . . .	25	6	0
	155	10	6	Farm House, . .	8	7	6
	350	0	0	Private account, . .			

Make a Valuation to show a gain of £400, excluding 4 per cent. interest on Capital.

70.	£304	10	0	Capital, . . .	£7625	12	6
	2933	17	0	Cash, ...	3124	10	6
	9625	12	0	Trade, ...	2377	17	4
	145	15	0	Discount, . . .	108	12	0
	367	17	6	Commission, . .	425	18	0
	774	18	0	Consignments, . .	926	12	6
	195	0	0	Farm House, . .	8	6	8
	250	0	0	Private account, . .			

Make a Valuation to show a gain of £400, including 5 per cent. interest on Capital.

71.

£250	0	0	Capital, . . .	£6540	0	0
2380	0	0	Cash, ...	2260	0	0
9420	0	0	Trade, ...	3850	0	0
396	0	0	Consignments, . .	460	0	0
172	0	0	Discount, . . .	105	0	0
88	0	0	Petty Cash, . . .	81	0	0
377	0	0	Farm House, .	37	0	0
250	0	0	Private account, . .			

Make a Valuation to show a total profit of £600.

72.

£280	10	6	Capital, . . .	£6796	17	6
2445	8	0	Cash, ...	2500	6	6
9421	15	0	Trade, ...	3408	15	0
667	10	6	Consignments, . .	810	12	6
560	0	0	Bills receivable, . .	240	0	0
188	12	6	Farm House, . .	2	15	0
195	10	0	Private account, . .			

Make a Valuation showing a profit of £350, including 5 per cent. interest on Capital.

73.

£185	2	6	Capital, . . .	£8954	17	6
2,430	10	6	Cash, ...	2324	15	0
10,491	18	6	Trade, ...	2160	8	6
469	10	0	Consignments, . .	600	8	6
199	12	6	Discount, . . .	154	19	0
225	18	6	Farm House, . .	15	16	6
208	12	6	Private account, . .			

Make a Valuation showing a gain of £500, excluding interest 5 per cent.

74.

£108	4	6	Capital, . . .	£7942	10	6
2566	15	0	Cash, ...	2433	8	6
9980	17	6	Trade, ...	3005	19	0
125	10	6	Discount, . . .	104	7	0
765	8	0	Consignments, . .	924	10	0
199	2	6	Commission, . .	176	5	0
340	0	0	Bad Debts, . . .	16	8	0
220	0	0	Farm House, . .	10	10	0
308	0	0	Private account, . .			

Make a Valuation showing profit of £300, including 5 per cent. interest on Capital.

The following paper in Book-keeping was set in the yearly Examination held by the Royal Agricultural Society of England, April 1875.

Candidates are required to Journalise and post by double entry the following transactions, to make out a Trial Balance, Profit and Loss Account, and Balance-sheet :—

75. On January 1, 1875, John Chiltern obtained a loan from his father G. Chiltern of £2000 cash, and purchased the business of R. Avon, a Coal Merchant, for which he paid him £1326 in cash, and accepted his draft, due 4th April, for £500. The Assets handed over by R. Avon consisted of—

Coals, 500 tons,	£675	0	0
Coke, 180 chaldrons,	81	0	0
Peat,	20	0	0
Horses and Carts,	475	0	0
Stable fittings, etc.,	50	0	0
Office Furniture,	25	0	0
Goodwill,	500	0	0
	£1826	0	0

The Transactions for the month of January were as follows :—

		£	s.	d.
1st.	Sold for cash 40 tons of Coal,	66	0	0
3d.	Sold to J. Griffiths on credit, 100 tons of Coal,	150	0	0
9th.	Sold for cash 70 tons of Coal,	115	8	0
12th.	Sold for cash 25 chaldrons of Coke,	15	0	0
18th.	Sold to J. Tod 80 tons of Coal,	112	0	0
	J. Tod gave his acceptance for £80, due April 7, and cash to balance, £32,			
23d.	Bought of the Eden Colliery Company 400 tons of Coal,	520	0	0
	Accepted the Eden Colliery Company's draft due 9th April, £520,			
24th.	Discounted J. Tod's acceptance and received cash,	78	16	0
	Deducted for discount,	1	4	0
31st.	Paid cash for Wages,	9	10	0
	Paid for new Office furniture,	5	13	4
	John Chiltern drew out on private account,	35	0	0

Stock on hand at the end of the month, viz. :—

Coals, 610 tons,	. . .	£809	0 0
Coke, 155 chaldrons,	. .	69	15 0
Peat,	. . . . .	20	0 0

JOURNAL.

1875.		Dr. £	Dr. s.	Dr. d.	Cr. £	Cr. s.	Cr. d.
Jan. 1	Cash, Dr., ...	2000	0	0			
	To G. Chiltern, .				2000	0	0
„ „	Sundries, Dr., viz. :—						
	Coals, ...	675	0	0			
	Coke, ...	81	0	0			
	Peat, ...	20	0	0			
	Horses, ...	475	0	0			
	Stable, ...	50	0	0			
	Office, ...	25	0	0			
	Goodwill, ...	500	0	0			
	To Avon, . .				1826	0	0
„ „	Avon, Dr., ...	1326	0	0			
	To Cash, . .				1326	0	0
„ „	Avon, Dr., ...	500	0	0			
	To Bills payable, .				500	0	0
„ „	Cash, Dr., ...	66	0	0			
	To Coal, . .				66	0	0
„ 3	Griffiths, Dr., ...	150	0	0			
	To Coal, . .				150	0	0
„ 9	Cash, Dr., ...	115	8	0			
	To Coal, . .				115	8	0
„ 12	Cash, Dr., ...	15	0	0			
	To Coke, . .				15	0	0
„ 18	J. Tod, Dr., ...	112	0	0			
	To Coal, . .				112	0	0
„ „	Bills receivable, Dr., . . .	80	0	0			
	To J. Tod, . .				80	0	0
„ „	Cash, Dr., ...	32	0	0			
	To J. Tod, . .				32	0	0
„ 23	Coal, Dr., ...	520	0	0			
	To Eden Company,				520	0	0
„ „	Eden Company, Dr., . . .	520	0	0			
	To Bills payable, .				520	0	0
„ 24	Cash, Dr., ...	78	16	0			
	To Bills receivable,				78	16	0
„ „	Discount, Dr., ...	1	4	0			
	To Bills receivable,				1	4	0

1875.		£	s.	d.	£	s.	d.
Jan. 31	Wages, Dr., ...	9	10	0			
	To Cash, . . .				9	10	0
„ „	Office, Dr., ...	5	13	4			
	To Cash, . . .				5	13	4
„ „	Private Account, Dr., . . .	35	0	0			
	Dr. to Cash, . .				35	0	0
„ „	Valuation, Dr., ...	898	15	0			
	To Sundries, viz.:—						
	Coals, . .				809	0	0
	Coke, . .				69	15	0
	Peat, . .				20	0	0
1875.	CLOSING ENTRIES.						
Jan. 31	Profit and Loss, Dr., . . .	1	4	0			
	To Discount, . .				1	4	0
„ „	Profit and Loss, Dr., . . .	9	10	0			
	To Wages, . .				9	10	0
„ „	Coals, Dr., ...	57	8	0			
	To Profit and Loss, .				57	8	0
„ „	Coke, Dr., ...	3	15	0			
	To Profit and Loss, .				3	15	0
„ „	Profit and Loss, Dr., . . .	50	9	0			
	To Private Account,				50	9	0
„ „	Private Account, Dr., . . .	15	9	0			
	To Capital, . .				15	9	0
„ „	Capital, Dr., ...	15	9	0			
	To Balance Account,				15	9	0
„ „	G. Chiltern, Dr., ...	2000	0	0			
	To Balance Account,				2000	0	0
„ „	Balance Account, Dr., . .	475	0	0			
	To Horses, . .				475	0	0
„ „	Balance Account, Dr., . .	50	0	0			
	To Stable, . .				50	0	0
„ „	Balance Account, Dr., . .	30	13	4			
	To Office, . .				30	13	4
„ „	Balance Account, Dr., . . .	500	0	0			
	To Goodwill, . .				500	0	0
„ „	Balance Account, Dr., . .	150	0	0			
	To Griffiths, . .				150	0	0
„ „	Balance Account, Dr., . .	931	0	8			
	To Cash, . . .				931	0	8
„ „	Bills payable, Dr., . . .	1020	0	0			
	To Bill Account, .				1020	0	0
„ „	Balance Account, Dr., . .	898	15	0			
	To Valuation, . .				898	15	0

TRIAL BALANCE.

Cr.				Dr.		
			Capital,			
			G. Chiltern,	£2000	0	0
£1195	0	0	Coals,	1252	8	0
81	0	0	Coke,	84	15	0
20	0	0	Peat,	20	0	0
475	0	0	Horses,			
50	0	0	Stable,			
30	13	4	Office,			
500	0	0	Goodwill,			
1826	0	0	Avon,	1826	0	0
2307	4	0	Cash,	1376	3	4
			Bills payable,	1020	0	0
150	0	0	Griffiths,			
112	0	0	J. Tod,	112	0	0
80	0	0	Bills receivable,	80	0	0
520	0	0	Eden Company,	520	0	0
1	4	0	Discount,			
9	10	0	Wages,			
35	0	0	Private Account,			
898	15	0	Valuation,			
£8,291	6	4		£8,291	6	4

LEDGER.

CAPITAL.

Dr.						Cr.				
1875.		£	*s.*	*d.*	1875.		£	*s.*	*d.*
Jan. 31	To Balance Account for Balance,	15	9	0	Jan. 31	By Private Account,	15	9	0
		15	9	0			15	9	0

Dr. G. CHILTERN. **Cr.**

1875.		£	s.	d.	1875.		£	s.	d.
Jan. 31	To Balance Account for Balance, .	2000	0	0	Jan. 1	By Cash, . .	2000	0	0

COALS.

Jan.					Jan.				
1	To Avon, . .	675	0	0	1	By Cash, . .	66	0	0
23	To Eden Co., .	520	0	0	3	By Griffiths, .	150	0	0
31	To Profit and Loss for Balance, . .	57	8	0	9	By Cash, . .	115	8	0
					18	By J. Tod, . .	112	0	0
					31	By Valuation, .	809	0	0
		1252	8	0			1252	8	0

COKE.

Jan.					Jan.				
1	To Avon, . .	81	0	0	12	By Cash, . .	15	0	0
31	To Profit and Loss for Balance, . .	3	15	0	31	By Valuation, .	69	15	0
		84	15	0			84	15	0

PEAT.

Jan.					Jan.				
1	To Avon, . .	20	0	0	31	By Valuation, .	20	0	0

HORSES.

Jan.					Jan.				
1	To Avon, . .	475	0	0	31	By Balance Account for Balance, .	475	0	0

Dr. STABLE FITTINGS. **Cr.**

1875.		£	s.	d.	1875.		£	s.	d.
Jan. 1	To Avon, . .	50	0	0	Jan. 1	By Balance Account for Balance .	50	0	0

OFFICE FURNITURE.

Jan.					Jan.				
1	To Avon, . .	25	0	0	31	By Balance Account for Balance, .	30	13	4
31	To Cash, . .	5	13	4					
		30	13	4			30	13	4

GOODWILL.

Jan.					Jan.				
1	To Avon, . .	500	0	0	31	By Balance Account for Balance, .	500	0	0

AVON.

Jan.					Jan.				
1	To Cash, . .	1326	0	0	1	By Sundries, .	1826	0	0
„	To Bills payable,	500	0	0					
		1826	0	0			1826	0	0

CASH.

Jan.					Jan.				
1	To G. Chiltern,	2000	0	0	1	By Avon, . .	1326	0	0
„	To Coal, . . .	66	0	0	„	By Wages, . .	9	10	0
„	To Coal, . . .	115	8	0	„	By Office furniture, . .	5	13	4
„	To Coke, . . .	15	0	0					
„	To J. Tod, . .	32	0	0	„	By Private Account, .	35	0	0
„	To Bills receivable, .	18	16	0					
					„	By Balance Account for Balance, .	931	0	8
		2307	4	0			2307	4	0

Dr. BILLS PAYABLE. **Cr.**

1875.		£	s.	d.	1875.		£	s.	d.
Jan. 31	To Balance Account for Balance, .	1020	0	0	Jan. 1	By Avon, . .	500	0	0
					23	By Eden Co., .	520	0	0
		1020	0	0			1020	0	0

GRIFFITHS.

Jan. 3	To Coal, . . .	150	0	0	Jan. 31	By Balance Account for Balance, .	150	0	0

J. TOD.

Jan. 18	To Coal, . . .	112	0	0	Jan. 18	By Bills receivable, .	80	0	0
					„	By Cash, . .	32	0	0
		112	0	0			112	0	0

BILLS RECEIVABLE.

Jan. 18	To J. Tod, . .	80	0	0	Jan. 24	By Cash, . . .	78	16	0
					„	By Discount, .	1	4	0
		80	0	0			80	0	0

EDEN COMPANY.

Jan. 23	To Bills payable,	520	0	0	Jan. 23	By Coal, . . .	520	0	0

Dr. DISCOUNT. **Cr.**

1875.		£	s.	d.	1875.		£	s.	d.
Jan. 24	To Bills receivable, .	1	4	0	Jan. 31	By Profit and Loss for Balance, .	1	4	0

WAGES.

Jan.					Jan.				
31	To Cash, . .	9	10	0	31	By Profit and Loss for Balance, .	9	10	0

PRIVATE ACCOUNT.

Jan.					Jan.				
31	To Cash, . . .	35	0	0	31	By Profit and Loss, . .	50	9	0
„	To Capital for Balance, .	15	9	0					
		50	9	0			50	9	0

VALUATION.

Jan.					Jan.				
31	To Coals, . .	809	0	0	31	By Balance Account for Balance, .	898	15	0
„	To Coke, . .	69	15	0					
„	To Peat, . . .	20	0	0					
		898	15	0			898	15	0

PROFIT AND LOSS.

Jan.					Jan.				
31	To Discount, .	1	4	0	31	By Coals, . .	57	8	0
„	To Wages, . .	9	10	0	„	By Coke, . .	3	15	0
„	To Private Account, per Balance, .	50	9	0					
		61	3	0			61	3	0

Dr. BALANCE ACCOUNT. **Cr.**

1875. Jan.		£	s.	d.	1875. Jan.		£	s.	d.
31	To Horses, . .	475	0	0	31	By Bills payable, . .	1020	0	0
„	To Stable, . .	50	0	0	„				
„	To Office, . .	30	13	4	„	By G. Chiltern,	2000	0	0
„	To Goodwill, .	500	0	0		By Capital, . .	15	9	0
„	To Griffiths, .	150	0	0					
„	To Cash, . .	931	0	8					
„	To Valuation, .	898	15	0					
		3035	9	0			3035	9	0

BALANCE-SHEET.

Jan.	LIABILITIES.				Jan.	ASSETS.			
31	To Bills payable, . .	1020	0	0	31	By Horses, . .	475	0	0
„	To G. Chiltern,	2000	0	0	„	By Stable, . .	50	0	0
„	To Capital, . .	15	9	0	„	By Office, . .	30	13	4
					„	By Goodwill, .	500	0	0
					„	By Griffiths, .	150	0	0
					„	By Cash, . . .	931	0	8
					„	By Valuation, .	898	15	0
		3035	9	0			3035	9	0

76. P. Searle took stock on the 1st January 1869, and found his capital to consist of Assets, viz. :—

	£	s.	d.
Cash at Banker's, ...	250	0	0
Petty Cash in hand, ...	20	0	0
Stock of Wheat, 350 quarters, ...	925	0	0
„ Barley, 300 „	675	0	0
Fixtures and implements, ...	500	0	0
Debt due by J. Harwood, ...	450	0	0

		£	s.	d.
Subject to Liabilities, viz :—				
	My acceptance due on 26th January, .	350	0	0
	Amount owing to Ransome and Sims, .	100	0	0
During the month of January the following transactions occurred, viz :—				
Jan. 8	Sold to W. Harper 220 quarters Wheat, .	682	0	0
„	W. Harper paid for such Wheat by J. Good's acceptance due 11th March, . .	350	0	0
	And his own acceptance at three months from this date, ...	332	0	0
„ 12	Purchased of C. Green, seeds, . .	50	0	0
„ 15	Paid C. Green, cash, ...	47	10	0
„	C. Green allowed discount, . . .	2	10	0
„ 21	Purchased of Ransome and Sims farm implements, ...	150	0	0
„	Accepted Ransome and Sims's draft on me at three months' date, ...	150	0	0
„ 22	Discounted W. Harper's acceptance for £332 ; received cash, ...	326	9	8
	And allowed discount, ...	5	10	4
„ 24	Sold to J. Fisher, 250 quarters of Barley,	640	0	0
„	Received cash from J. Fisher, . .	624	0	0
„	Allowed discount to J. Fisher, . .	16	0	0
„ 26	Cash paid, my acceptance due this day, .	350	0	0
„ 29	Cash drawn for private expenditure, .	25	0	0
„ 31	Cash paid for wages during the month, .	50	0	0
„	Sundry trade expenses paid out of petty cash,	12	10	0
„	Stock on hand at this date—			
	130 quarters of Wheat, . . .	343	0	0
	50 „ Barley, . . .	112	10	0
	Seeds, ...	50	0	0
„	Depreciation of Fixtures and Implements, at the rate of 10 per cent. per annum, on £500,	4	3	4
	Amounts due 31st January to—			
	Farrier, ...	1	5	0
	Harness-maker, ...	4	10	0
	One month's Interest on Capital, . .	9	17	6

77. Wood commences the year with Liabilities and Assets as follows :—Liabilities—Due to Baily, £150 ; to Tavener, £200; Bills payable, £450 ; and petty cash, £5.

Assets—Trade, £3950 ; horses, £290 ; Bills receivable, £180 ; cash, £160 ; and due by Willis, £210.

His transactions are :—Sells stock, etc., for £1980 ; pays rent, etc., £1600 ; pays Tavener, less 10 per cent. discount ; cashes Bills pay-

able, less 4 per cent. discount; consigns to Willis stock valued at £300; expenses on the stock, £15, and commission, £10; it realizes £290; Willis pays £100 in cash, and accepts Wood's draft for £110, which is ultimately dishonoured. Bills receivable are cashed, less 10 per cent. discount; horses are depreciated 10 per cent. Interest on capital to be charged at £4 per cent.

Stock is sold to Tavener for £150, for which Tavener pays by remitting a bill for £150, accepted by one Green; write the valuation out such that the gain may be, exclusive of Interest on Capital, £350. The petty cash drawn out was £85, of which £70 was disbursed.

78. I commence business with Stock, £5000, and Cash, £300. I sell stock to Jones for £180; I buy stock from Hemming for £450; I give Hemming £200, and a Promissory-note for £250; I draw on Jones for £180, and he accepts. I consign stock to Smith valued at £400; he pays expenses, £18; sells for £430; retains £10 commission, and remits the balance, £402. Jones's Bill is cashed, less £10 discount; my Promissory-note to Hemming is cashed, less £20 discount. I pay rent and wages, £2100; I sell stock to Hemming for £350; he pays me £250 in cash, balance written off as a bad debt. I sell the farm-house sundry goods for £280; the farm-house returns 1 cwt. of cheese as bad, 50s. I sell stock to Jones for £150; he accepts my draft, but dishonours the draft when due. Valuation of Stock is £7280.

79. At the commencement of a year my Assets are:—Stock, £8000; Bills receivable, £400; Jones, £300. Liabilities:—Bills payable, £600; Scott, £250, and cash £80. During the year I buy stock valued at £1400, and sell stock for £2800; pay wages, £900; rent, £600, leaving owing on rent, £100; Bills receivable cashed, £380, the balance discount; Jones pays £200, the balance, £100, being a bad debt; Bills payable are cashed, less £40 discount; Scott is paid £225, the balance discount. I consign sheep to Smith valued at £85; he expends on them £3; sells for £87, and remits the balance. I sell stock to Thomson for £800, and he accepts my draft for the amount. I give Hewitt a Promissory-note for £25, having bought a horse of him. Jones consigns horses to me of the value of £120. I sell them for £110, retain £10 commission, and remit the balance.

Thomson's Bill is cashed, less £40 discount; my note to Hewitt is paid in full. I consign to Howell stock valued at £700, expenses on them come to £80; they sell for £750; I draw on him for £600; he accepts the Bill, the balance he remits in cash; when the Bill is due it is dishonoured, ultimately he pays 10s. in the £, and the balance is written off as a bad debt. The petty cash drawn out in the year is £1600, and the petty cash disbursed is £1450; there are sundry Bills owing to tradesmen amounting to £120; £400 charged as interest on capital. Valuation of Stock is £7626.

80. I commence a year with stock valued at £2750, and implements valued at £870, with an overdrawn account at bank of £120; owe on a Bill to James and Co., £200, and am owed on a Bill by Jenkins, £300. I sell stock to Hemming for £150; pay for stock bought, £760; cash the Bill due to James and Co., less £5 discount.

Jenkins's Bill is dishonoured; I ultimately get £100 for it, and the balance I write off as a bad debt; Hemming fails, and I receive £100, the balance being a bad debt. I sell stock for £700. I sell implements to Hancock for £25; this is also a bad debt. I sell stock to Howell for £380. I receive from him £200, and I draw on him for £180; the Bill he accepts, but ultimately dishonours. Valuation—stock, £2717; implements, £783.

81. I commence business in 1869 with £8500:—I buy stock, etc., from Humbert for £7000, for which I give him £5000 in cash, a Promissory-note for £500, and I accept sundry Bills of his for £1500. I consign during the year stock to Jones for £2200; expenses on which paid by him come to £180; Jones realizes on them £2100, retains £40 commission, and sends me the balance in Promissory-notes, two of equal value; my Promissory-note to Humbert is cashed, less £20 discount, and the Bills he holds are cashed in full as they become due; one of Jones's Bills is cashed, less £30 discount; the other is dishonoured, but ultimately cashed at 50 per cent. discount.

I sell stock to sundry persons during the year for £1800, of which all is paid, ultimately, except £50 written off as a bad debt. Evans consigns sheep to me which he values at £120; I pay expenses on them £5, retain commission £5, and remit the balance out of £125, for which they were sold. Trade expenses amount to £2500; trade purchases, £560; trade sales, £4000; I owe my

landlord £300, for which I accept his draft; and I owe sundry small tradesmen £85. Valuation of Stock is £4790.

82. On commencing business my Assets were:—Trade, £600, Bills receivable, £200; and my Liabilities were—Bills payable, £400.

During the year I received cash for Bills receivable, less £10 discount; and cashed Bills payable, less £20 discount.

I consigned cattle to Hawkins valued at £600; he paid expenses on them £25, realized on their sale £550, and remitted me the balance in cash.

I received a consignment from Hawkins, which I sold for £280, deducted commission £10, and remitted him the balance in cash.

83. Fanshawe's Assets on commencing business were as follows:—Bills receivable, £120; Stock, £4600; horses and implements, £760; and due by Askew, £145. His Liabilities were:—Cash, £208; Bills payable, £160; and due to Jennings, £85.

His transactions were the following:—He sold stock for £2850; bought stock for £400; paid Jennings £80, balance being discount; cashed Bills payable, £160; received from Askew £135, balance discount; cashed Bills receivable. Bought wheat from Jennings for £300; sold stock to Askew for £650, for which £450 was paid in cash, and the balance by a Promissory-note; placed out at the end of six months, £500, in a deposit-account at 4 per cent; consigned stock to James, valued at £84; expenses on them were £3, sold for £85, commission £2, balance remitted. Askew's Bill was dishonoured, but two months afterwards was cashed at the rate of 7s. 6d. in the pound; expenses on this transaction were 2s. 6d.; the balance was a bad debt. At the end of the year the debts due to small tradesmen were £104; the cash payments on account of trade, £1500; half the rent, namely £400, was due to landlord.

The balance of Askew's account was written off as a bad debt (£125, 2s. 6d.) Interest on capital, 5 per cent. Show £500 profit in addition, presuming that the horses are depreciated 10 per cent.

84. Holley's Assets at the commencement of a year were:—Cash £256, 10s. 6d.; Stock, £6560, 8s. 6d.; horses and implements, £1005; Howes, £425; Bills receivable, £360. Liabilities:—Bills payable, £680; Thorold, £275, 8s. 6d.

During the year the following transactions took place—Stock bought, £480. Stock sold, £1560. Bills receivable, £360, cashed.

Bills payable, £680, cashed. Howes paid his debt, less £15 discount. Thorold was paid, less £5, 8s. 6d. discount. Sheep were consigned to Howes of the value of £85. The expenses on them paid by Howes, £7. They sold for £82. Howes deducted £5 commission. Remitted the balance. Tombs consigned to Holley stock, on which Holley paid expenses, £25. The stock realized £250. He deducted £12 commission, and accepted Tombs's draft for the balance. Wheat was sold to Tombs valued at £260, for which he paid by remitting Holley's acceptance and the balance in cash. Wages and other expenses were paid, £2200. On trade account the receipts were £2010. Holley drew out for petty cash purposes, £257. Disbursed £252. At the end of the year the moiety of the rent was due to the landlord, the rent being £750. Holley wrote off £150 as depreciation on horses and implements. Charged 5 per cent. interest on his capital. His Balance-sheet showed that besides his interest on capital he had realized £100.

85. Liabilities and Assets of John Holmes, corn merchant, on 31st December, 1870:—

	LIABILITIES.	£	*s.*	*d.*
	Amount due B. Jones, ...	175	0	0
	Bill payable, due January 31, 1871, .	150	0	0
	ASSETS.			
	Stock of corn in hand, ...	1300	0	0
	Amount in deposit at Alliance Bank, .	750	0	0
	J. Brown's Promissory-note, due 14th January 1871, ...	150	0	0
	Cash in current banking account, . .	320	0	0
	Business premises, valued at . . .	560	0	0
1871.				
Jan. 4	Drawn from bank for petty cash, . .	25	0	0
„ 6	Bought for cash, 40 quarters corn, at 49s. per quarter, ...	98	0	0
„ 9	Sold corn for cash, ...	750	0	0
„ 12	Bought of J. Smith, corn, value . .	300	0	0
„ 13	Accepted J. Smith's draft at 3 months, being in payment of above purchase, . .	300	0	0
„ 15	J. Brown's Promissory-note, due 14th inst., returned dishonoured, . . .	150	0	0
„	Paid out of petty cash for noting ditto, .	0	1	6
„ 16	Sold to B. Jones, corn, value . . .	235	0	0
„ 17	Consigned to D. Bell to be sold by him for my account and risk, corn, invoiced at	435	0	0

1871.		£	s.	d.
Jan. 18	Received from J. Brown composition of 18s. in the £,	135	0	0
	And wrote off as a bad debt the balance at his debit.			
„ 19	Transferred from current to deposit account at Alliance Bank,	250	0	0
„ 20	Received from D. Bell advice that he had sold the corn consigned to him to L. Brook for	505	0	0
„ 21	Paid cash for insurance of business premises,	12	10	0
„ 23	Received from L. Brook his Promissory-note, being in payment of corn sold to him by D. Bell on my account,	505	0	0
„ 24	Discounted L. Brook's Promissory-note, receiving in cash	498	10	0
	And allowed for discount,	6	10	0
„ 25	Bought corn valued at	315	0	0
	And paid in cash	310	0	0
	Discount allowed me,	5	0	0
„ 27	Sold to J. Smith, corn, value	300	0	0
	And received in exchange my acceptance cancelled.			
„ 27	Amount drawn from bank for private expenses,	25	0	0
„ 31	Paid Bill due this day,	150	0	0
„	Paid salary of clerk,	15	0	0
„	Paid out of petty cash this month for stationery, etc.,	5	15	0
„	Estimated wear and tear of premises for month,	2	0	0
„	Interest allowed by Alliance Bank on cash in deposit, and added to the amount of principal,	2	3	6
„	Stock of corn in hand,	400	0	0

86. John Simmons, farmer, took stock on January 1st, 1869, and found that his affairs were in the following condition :—

ASSETS.	£	s.	d.
Cash at Banker's,	1250	0	0
Cash lent on mortgage of Fonthill Farm,	3000	0	0
Live Stock and Grain, valued at	1650	0	0
Fixtures, Implements, Horses, and Harness, valued at	1150	0	0
Debt due by Peter Wilkins, £418; estimated worth 10s. in the £,	209	0	0
Debt due by John Soames,	484	0	0
Petty cash in hand,	62	0	0

	LIABILITIES.	£	s.	d.
	His acceptance due 4th March, . .	225	0	0
	Amount owing to Howard & Co., .	80	0	0
	During the half-year ending 30th June 1869, the following transactions took place :—			
Jan. 15	Sold to Wm. Jones, 300 quarters of wheat for	750	0	0
„ „	Wm. Jones pays for such wheat by his acceptance at two months from this date,	750	0	0
„ 17	Bought of Ransome & Sims, farm implements, ...	175	0	0
„ „	Accepted Ransome & Sims's draft at three months' date, ...	175	0	0
„ 18	Paid Howard & Co. amount due to them,	80	0	0
March 4	Paid acceptance due this day, . .	225	0	0
„ „	Discounted W. Jones's acceptance for £750— Received cash	748	11	3
	And allowed discount, . . .	1	8	9
„ 12	Bought 100 bullocks at £13, 10s. each, and paid cash for same, . . .	1350	0	0
„ „	Received from John Soames, Wm. Smith's acceptance due 3d June, . .	371	0	0
April 18	Sold to Wm. Jones, 150 quarters barley,	262	10	0
„ „	Received from Wm. Jones, Thomas Smart's acceptance due July 4th, . .	200	0	0
„ „	Received on account of mortgage of Fonthill, ...	1000	0	0
„ „	Bought 500 sheep at 30s. each for cash,	775	0	0
„ 20	Paid acceptance due this day, . .	175	0	0
June 3	Received cash for Wm. Smith's acceptance,	371	0	0
„ 19	Received composition in settlement of Peter Wilkins's debt, . . .	313	10	0
„ 25	Received half-year's interest on mortgage,	63	3	10
„ 30	Drawn out of Bank during the half-year by sundry cheques to self, . .	750	0	0
„ „	Received during the half-year for poultry, milk, and sundry articles, . .	88	15	0
„ „	Paid during the half-year for wages, .	337	8	9
„ „	Paid during the half-year for trade expenses and taxes, ...	118	9	7
„ „	Paid during half-year for rent of farm,	225	0	0
	Leaving petty cash in hand, . . the residue having been expended in housekeeping.	43	10	0
	Value of live stock and grain on hand,	3200	0	0
	Value of fixtures, implements, horses, etc., £1325, less 5 per cent. on £1150 for depreciation, £57, 10s., . . .	1267	10	0

87. Write out the closing entries, and make a balance-sheet from the following trial balance—valuation such as to show a profit of £700 in addition to interest :—

£86	6	8	A.'s capital, . . .	£3,433	17	6
465	16	8	B.'s capital, . . .	8,584	13	9
4,342	10	10	Cash, ...	4,450	15	0
12,196	10	6	Trade, ...	4,026	4	11
145	15	9	Discount, . . .	120	10	6
233	10	6	Commission, . .	388	15	9
1,268	17	6	Consignments, . .	1,642	12	6
125	10	6	Profit and Loss, . .			
2,260	19	6	A.'s pri. cur. a/c., . .			
1,421	11	6	B.'s pri. cur. a/c., . .			
568	6	4·75	Interest, . . .			

88. Journalise, post into a ledger, make a trial balance, and a balance-sheet, from the following transactions :—

Drake and Meadows are partners, their shares being in the ratio of 2 : 3.

At the commencement of a year their assets were—Cash at bankers, £1250 ; money lent on Mortgage of the Hill Farm stock, £1000 ; live stock and grain, valued at £2825 ; fixtures, implements, and horses, at £1160 ; a debt due by Adkins, £480, valued at 5s. in the £ ; petty cash in hand, £25.

Liabilities—Their acceptances due at various times, £800 ; amount owing to Ransome, £80.

During the year the following transactions took place—Sold stock, £2800. Bought stock, £500. Bought of Ransome an implement, £195. Paid Ransome £265, retaining £10 as discount. The firm's acceptances paid when due, less £40 discount. Received per Adkins, £120. Received on account of the mortgage, £800. Drew out for petty cash purposes, £1500. Paid out of petty cash for labour and other things, £1450. Sheep are consigned to Todd, value £250. The expenses on them are £25. The sheep realise £240. Todd's commission is £12. The firm draw on him for the balance (£203), which draft he accepts. A. draws out £600 for private purposes. And is charged £25 for interest. B. draws out £800 also for private purposes. And is charged £35 interest. Wheat is sold to Lane, £800. Lane pays £200 in cash. The balance is paid in promissory-notes. Half of these are paid in full. And half are dishonoured. The depreciation on the horses amounts to £135. £255 is placed to capital for interest on capital. And the stock is valued at £3252.

89. Write out the closing entries, and make a balance-sheet from the following trial balance :—

£162	7	6	A.'s capital, . . .	£3,564	16	6
216	10	0	B.'s capital, . . .	4,753	2	0
378	17	6	C.'s capital, . . .	8,317	18	6
8,964	10	6	Cash, ...	8,756	15	0
22,977	17	6	Trade, ...	9,177	18	6
120	10	6	Discount, . . .	84	9	6
3,480	10	0	Consignments, . .	3,970	15	6
886	12	0	A.'s pri. cur. a/c., . .			
345	6	6	B.'s pri. cur. a/c., . .			
1,092	13	6	C.'s pri. cur. a/c., . .			
793	16	0	Interest, . . .			

N.B.—The interest, £793, 16s., on the capital, has to be divided among the partners, and a valuation made to show a profit of £1400 in addition.

90. Journalise, post into a ledger, draw out a trial balance, profit and loss account, and balance-sheet of the following :—

At the commencement of a year Heavyheart set up in business as a wine-merchant—having cash £500 of his own, and a credit of £500, guaranteed by his father, at his banker's.

His transactions for a certain period were as follows :—

Bought of Brown and Co., port wine, £680, giving them £200 in cash, and accepting their draft for the balance.

Bought of Jennings and Co., spirits, £210, paying ready money, less an abatement of 10 guineas as discount.

Sold to Shirley, port wine, £35, spirits, £20.

Sold old casks, £19, 8s. 6d. ; consigned to Vince, £180 of port and £90 of spirits, the dock charges and freight amounting to £6, 6s. 9d. ; some months afterwards Vince pays £100 on account ; and is ultimately bankrupt ; an examination of his books shows that the consignment realized £210.

Bought of Henry Temple, Madeira wine, £800 ; Teneriffe wine, £100, which is so damaged in the transit that the ship-owners pay 75 per cent. of the value.

Sold for cash to various customers, Port, £96, 19s. 6d. ; Spirits, £25, 10s. 6d. ; Madeira, £110, 15s.

Temple draws on Heavyheart for £300 and £600 ; and the drafts are accepted.

The acceptance held by Brown and Co. is paid, less £30 discount ; and the £600 acceptance held by Temple is paid in full. Sundry expenses are paid, namely, Rent £95, 10s. 6d. ; Wages £125, 12s. 6d. ; Interest to bankers, as agreed, £25.

Stock in hand was found to be worth—

	£	s.	d.
Port wine, ...	441	12	6
Spirits, ...	99	7	4
Madeira, ...	98	3	0
Teneriffe, ...	30	0	0

91. Journalise, post into a ledger the following transactions, drawing out a trial balance, profit and loss account, and balance-sheet :—

On the 1st of January 1873, A. Jacobs sets up in business as a cake and manure merchant, his father, John Jacobs, advancing him for that purpose £2000 in cash, and an acceptance of one Stephen for £500.

His transactions for a definite time were as follows :—

Bought of E. Airy, cake valued at £850, 10s. 6d. Paid E. Airy in cash £200, Stephen's acceptance for £500, and a promissory-note for £130, the discount allowed by E. Airy being £20, 10s. 6d.

Bought of G. Smith, superphosphate of lime valued at £790 ; accepted G. Smith's draft for the same.

Bought of J. Evans, corn valued at £419, paying £400 in cash, the balance being allowed as discount.

Sold to E. Howell, £360 of cake, for which he paid £160 in cash, and accepted A. Jacobs's draft for £200. A. Jacobs's acceptance for £790 cashed, 5 per cent. discount being allowed.

Sold to E. Airy, corn valued at £185, 10s. 6d., for which he paid £170 cash, the balance being allowed as discount.

Sold to B. Fowler, cake valued at £206, 18s. 6d. Bought of B. Fowler, superphosphate of lime valued at £255, 15s. 6d.

Consigned to G. Hemming, £800 worth of superphosphate of lime ; the dock charges, £25, paid on shipping. The freight, £34, 6s. 6d., paid by G. Hemming on receipt of the goods. G. Hemming sold the lime for £900, retained £35 as commission, and remitted the balance in cash.

Sold G. Smith, £85, 5s. 6d. of corn, the one moiety of which he paid in cash, the other being written off as a bad debt.

Howell's acceptance for £200 was cashed when due.

A. Jacobs drew out for private expenses £120, consumed in his private stable £125 worth of corn, paid £35 as interest to his father, and when he balanced his books, owed £110 for rent. The valuation of the stock was as follows :—

Cake, £425, 10s. 6d. ; superphosphate of lime, £355, 18s. 6d. ; corn, £194, 10s. 6d.

92. Journalise, post into a ledger, make a trial balance and balance-sheet of the following transactions :—

At the commencement of a year Jonathan Akroyd had Assets—Stock, £5493, 10s. 6d. ; Bills R., £260 ; Cash, £108, 16s. 8d. ; Horses, £385, 12s. 6d. And Liabilities—Bills P., £400 ; Evans, £196, 18s. 6d.

His transactions were as follows :—He consigned Stock to Jacobs, valued at £425 ; Jacobs, on receipt of the Stock, paid Railway and other expenses, £22, 8s. 6d. ; he sold the consignment for £470, retained £25 as commission, and remitted the balance in cash.

Akroyd paid for labour £750, 10s. ; sold Stock for £1695, 16s. 8d. ; the Bills P. and Bills R., as they became due, were cashed, 10 per cent. discount being allowed on each Bill.

Evans drew on Akroyd for the sum due to him, and Akroyd accepted the Bill.

Akroyd sold Jacobs Stock £195, for which Jacobs paid by accepting Akroyd's draft ; when this draft became due it was dishonoured.

Half the rent is paid, £450 ; Evans consigned goods to Akroyd to sell, valued at £109 ; Akroyd pays expenses on them £11, sells them for £125, retains £15 commission, and remits the balance in cash.

Akroyd lent a friend, James, £500, to bear £5 per cent. interest ; a quarter being due when the valuation was made. Sundry small accounts due to tradesmen amounted to £85, 10s. 6d. ; the valuation was such as to show a profit of £250.

93. Journalise the following transactions, post them into a ledger, and close the accounts :—

List of the effects of W. B. Turner and J. West, partners, in the ratio of 2 : 3 :—

1875.					£	s.	d.
April 1.	50 Cases Geneva (1 dozen each), 7s., .				17	10	0
	2 Hogsheads Pale Ale, 84s., . .				8	8	0
	2 Barrels Porter, 37s., ...				3	14	0
	15 Dozen Champagne, 30s., . . .				22	10	0
	Bills R., viz. :—						
	No. 16, North & Co., .	£275	4	2			
	No. 18, Tattock & Co., .	49	17	5			
	No. 19, Do. .	172	7	6			
					497	9	1

1875.					£	s.	d.
April 1.	Cash on hand, . . .		£47	6 9			
	Cash at Banker's (Glyn's), .		262	15 4			
					310	2	1
	Book debts :—						
	Roger Smith, . . .	£219	5	4			
	William Lott, . . .	19	4	7			
	Mr. Wing, . . .	35	7	9			
					273	17	8
	List of Liabilities :—						
	David Murray, . .	£797	2	6			
	Bills P. (Johnson's), .	207	2	9			
					1004	5	3
„ 2	Bought of Johnson & Co. 20 cases of Cheese, say 16 cwt. 1 qr. 19 lbs. at 60s.						
	Shipped per *Gustave Adolph* on account of and at the risk of the Firm, consigned to W. Smith and Company :—						
	50 Cases Geneva (1 dozen each), 7s.,				17	10	0
	2 Hogsheads Pale Ale, 84s., .				8	8	0
	2 Barrels of Porter, 37s., . .				3	14	0
	2 Hogsheads, 40s. 2 Barrels 26s.,				3	6	0
	Freight, etc., ...				2	11	3
„ 5	Sold Tattock and Company 5 dozen Champagne, 36s., ...				9	0	0
„ 6	Sold William Lott 3 dozen Champagne, 35s., ...				5	15	0
„ 9	Shipped per *Great Western*, consigned to Robert Bradshaw, and on account of and risk of Consignee, 20 cases of Cheese, say 16 cwt. 1 qr. 19 lbs., at 72s., free on board.						
„ 10	Drew cheque for Petty Cash, . .				15	0	0
	Received of Roger Smith, . . .				213	15	6
	By account, . . .	£219	5	4			
	Less 2 per cent. discount,	5	9	10			
„ 11	Received of William Lott, . . .				18	19	6
	By account, . . .	£19	4	7			
	Less 2½ per cent. discount,	0	5	1			
„ 12	Received of Thomas Wing his acceptance at one month, ...				35	7	9
	The Partners paid into Glyn's, . .				150	0	0
	North's bill due 13th inst., paid into Glyn's,				275	4	2
„ 20	Accepted David Murray's draft at one month, ...				797	2	6

1875.		£	s.	d.
April 23	Johnson's bill due this day, retired at Glyn's, ...	207	2	9
	Tattock's bill due this day, duly honoured,	49	17	5
,, 30	Petty Cash payments this month, including £5, 16s. 9d. dock charges on Cheese, per *Great Western*, . .	11	3	5
	Cheese bought by Turner for the use of his house, ...	1	5	4
	J. West drew out for private use, cash,	20	0	0
	Turner, do. do., .	45	17	11

94. In the following trial balance make a valuation showing a profit of £1081, 7s. 3d., including the 5 per cent. on the partners' capitals, the ratio of the shares being 1 : 4. Write out the closing entries and make a balance-sheet.

			A.'s Capital, . . .	£2439	8 4
			B.'s Capital, . . .	5684	10 0
£1456	10	6	Tea, ...	769	12 0
2489	17	6	Sugar, ...	1261	14 6
1865	15	0	Cattle, ...	760	10 0
5355	7	0	Trade, ...	3364	6 8
300	10	0	Discount, . . .	284	16 6
468	7	6	Commission, . .	520	12 0
680	0	0	Home Account, . .	25	0 0
1265	9	6	Business Premises, .	130	0 0
4788	10	6	Cash, ...	4560	17 6
			Interest,		
785	0	0	A.'s private account,		
346	0	0	B.'s private account,		

95. Journalise the following transactions, write out the trial balance, closing entries, and balance-sheet :—

Hunter has, at the commencement of year—

LIABILITIES.

Due on bills held by Glyn & Co., £450 ; a quarter's rent due at end of last year, £128.

ASSETS.

	£	s.	d.
Stock in hand, ...	4560	0	0
Carts and horses, ...	425	0	0
A debt owed by Haines, valued at 75 per cent., ...	600	0	0
Cash on deposit account, . . .	1000	0	0
Cash in bank, ...	80	0	0
Open consignment account with Jones & Co., ...	720	0	0

During the year the following transactions took place :—

Sold stock, £1680 ; paid labour, £650 ; paid arrears of rent and rent for current year ; bills held by Glyn are cashed with 5 per cent. discount ; received from Haines on account of the debt, £560 ; the deposit account accrues £40 interest, which is paid to the bank account ; the open consignment account with Jones & Co. is charged £30 interest, and is drawn for by a bill, which is duly accepted and cashed in full two months afterwards. The carts and horses are depreciated 10 per cent. ; the expenses on trade accounts amount to £135, of which £83 are owed to small tradesmen. Valuation is £4350, 13s. 3d.

96. Journalise the following transactions, post them into the ledger, balance and close the ledger.

John Ettridge found the state of his affairs, on the 1st of January 1865, to be as follows :—

LIABILITIES.

	£	s.	d.
Amount due to H. Woodham, . .	550	0	0
John Ettridge's own acceptance due 15th January, ...	400	0	0

ASSETS.

	£	s.	d.
19 pipes of Wine valued at, . .	1998	0	0
Cash in hand, ...	495	0	0
T. Carroll's acceptance due 21st January,	1200	0	0
Outstanding shipment of Wine to Niegata,	300	0	0

Transactions subsequent to 1st January 1865 :—

1865.		£	s.	d.
Jan. 2	Sold to T. Ryan 1 pipe of Wine, .	120	0	0
,, ,,	Cash received of J. Ford, Loan at 5 per cent. per annum, ...	500	0	0
,, 3	Sold to S. Bann 2 pipes Wine, . .	260	0	0
,, 4	Purchased of F. Brown 1 pipe of Wine,	102	0	0
,, 5	Cash paid duty on ditto, . . .	30	0	0
,, 7	Cash received of S. Bann on account, .	100	0	0
,, ,,	Sold to W. Warren 4 pipes of Wine, .	500	0	0
,, ,,	Received of W. Warren his acceptance due 10th March, ...	500	0	0
,, 8	Cash received of J. Ryan, . . .	117	10	0
,, ,,	Discount allowed to ditto, . . .	2	10	0
,, 10	Sold to F. Keagan 10 pipes of Wine, .	1400	0	0
,, ,,	Received of F. Keagan his acceptance due 13th April, ...	1400	0	0
,, 11	Discounted with Marshall & Co. W. Warren's acceptance due 10th March, .	500	0	0
,, ,,	Received from Marshall & Co., Cash, .	495	10	0
,, ,,	Discount charged by Marshall & Co., .	4	10	0
,, 12	Sold to B. Lanfred 2 pipes of Wine, .	175	0	0
,, ,,	Cash paid for Stationery, . . .	3	10	0
,, 13	Received final account of sale of Consignment to Niegata; net proceeds to be accounted for by Butler & Co. of Niegata, ...	220	0	0
,, 14	Purchased, and paid for in Cash, 5 pipes Wine, ...	460	0	0
,, 15	Cash paid my acceptance due this day,	400	0	0
,, 16	Sold to E. Jones 3 pipes Wine, . .	350	0	0
,, 17	Cash paid to H. Woodham, . .	300	0	0
,, 18	Purchased of H. Smith 8 pipes Wine,	720	0	0
,, 19	Cash paid to H. Smith on account, .	500	0	0
,, 20	Cash received of E. Jones on account,	100	0	0
,, 21	T. Carroll's acceptance, due 20th instant, returned dishonoured, . . .	1200	0	0
,, 22	Cash received of T. Carroll on account of dishonoured bill, ...	800	0	0
,, ,,	Accepted H. Smith's draft, due 25th April,	220	0	0
,, 25	Bought and paid for in Cash 7 pipes Wine,	560	0	0
,, 31	Cash paid, one month's Salary to Clerk,	20	0	0
,, ,,	Interest on Capital, one month, . .	8	6	8
,, ,,	Interest charged to T. Carroll on his returned Bill, ...	1	13	4
	Cash drawn out by J. Ettridge on private account, ...	50	0	0

1865.		£	s.	d.
Jan. 31.	Rent due to W. Nunnerly, . . .	15	0	0
	Due to H. Grey for Stationery, . .	2	10	0
	Stock of Wine on hand this day, 19 pipes,	1600	0	0

97. Journalise and post into a ledger, in proper technical form and language, the following series of facts and transactions, and, from such ledger, make out a trial balance, a profit and loss account, and a balance-sheet.

Liabilities and Assets of Robert Marks, Samuel Waite, Partners in the ratio of 4 : 1, 31st December 1875.

LIABILITIES.

	£	s.	d.
Amount due W. Williams, . . .	670	2	9
Do. J. Smithson, . . .	250	4	3
Acceptance to James Brown's Draft due 25th February 1876, . . .	150	7	0
Acceptance to Robert White's Draft, due 25th January 1876, ...	240	6	0

ASSETS.

		£	s.	d.
	Stock of Oil Cake, valued at . .	1000	0	0
	Do. Oats, ...	500	0	0
	Barley, to arrive per *Bella*, cost to date,	600	7	6
	Horses and Carts, ...	150	0	0
	Stock of Provender for Horses, . .	50	0	0
	Freehold Premises, ...	700	0	0
	Cash at Smith, Payne, & Co., . .	200	0	0
	Petty Cash in hand, ...	25	12	6
	Amount due Jamieson £450, valued at 75 per cent., ...			
1876.				
Jan. 1	Bought of J. Smithson, a parcel of Oats, invoiced at	350	2	6
„ 2	Accepted W. Williams' Draft, due 5th April, ...	550	0	0
„ „	Sold Robert White Oil Cake, charged to him at	525	0	0
„ 3	Consigned to James Brown, Oil Cake from Stock, cost, ...	490	0	0
„ „	Sold Arthur Wilkins a parcel of Oats, invoiced at	625	7	8

1876.		£	s.	d.
Jan. 3	Received from Jamieson, . . .	400	0	0
„ 4	Received from Arthur Wilkins, his acceptance to my Draft, due 7th April, for	500	0	0
	Charged him Interest, ...	6	5	8
„ „	Discounted with Bankers, A. Wilkins's Draft, for	500	0	0
	Discount charged by Bankers, . .	5	3	8
„ 5	Paid J. Smithson by Cheque, . .	300	0	0
	Accepted J. Smithson's Draft, due 8th May, ...	250	0	0
„ „	Paid freight on Barley per *Bella*, .	68	9	6
„ 7	Sold J. Brown the parcel of Oil Cake, consigned to him, for . . .	508	4	0
„ 8	Received of J. Brown, cash remittance of	508	4	0
„ 9	Sold J. Smithson the parcel of Barley, per *Bella*, for	680	8	0
„ 13	Robert White's acceptance, due 25th, paid into Bankers, and duly met at maturity,	240	6	0
	Received of Robert White his acceptance to my Draft, due March 5, for .	275	0	0
	Received of R. White a remittance of.	250	0	0
„ 16	Office expenses; paid for Stationery out of Petty Cash, ...	5	4	0
	Drew a Cheque, on Account of Petty Cash, for	10	0	0
„ 20	Sold W. Williams a parcel of Oats, invoiced at	110	5	0
„ 25	Bought of Arthur Wilkins a parcel of Oats, invoiced at	110	5	6
„ 31	Cash paid, Salaries and Wages, . .	28	0	0
	Cash drawn out on Private Account by Marks, ...	45	0	0
	Cash drawn out on Private Account by Waite, ...	150	0	0
	Interest on Capital, one month at 5 per cent., ...	7	19	7
	Value of Oats on hand 31st Jan. 1876,	345	15	0
	Stock of Horse Provender on hand, 31st January 1876, ...	40	0	0
	Depreciation in value of premises, .	3	10	0

98. Journalise the following transactions, post them into the ledger, balance and close the ledger.

On the 1st January 1874, Thomas Ashwood, corn merchant, ascertained the state of his affairs to be as follows—

His assets consisted of—Balance at his bankers, £2000; Henry Collins's promissory-note, £142; W. Hanbury's acceptance, £89; stock of barley on hand, £1500; flour, £300; business premises and plant, valued at £600; on the other hand, he owed John Wadmore, for cash lent at £4 per cent. per annum, £600; rent of office, £25; Charles Henderson for barley, £300; Bills Payable, £260.

His transactions were—Purchased of Henry Morris wheat, £210; accepted Henderson's draft for £300; sold barley, £900; sold Henderson flour, £350; bought of H. Collins wheat, £162; paid Morris £200; and was allowed discount £10; paid H. Collins by returning his promissory-note, and a cheque for £20.

Hanbury's acceptance was duly honoured; Bills Payable cashed, discount £12; lost a bank-note, value £20; shipped per the *Castalia*, consigned to Charles Sheringham on account and risk of consignee, eighty sacks of flour, £170.

Received consignment of wheat, 50 quarters, valued at £137, from J. Moseley, to be sold on his account at £2 per cent. commission on proceeds; drew cheque for Petty Cash, £110; received a legacy of £50; received from Henderson, Ashwood's acceptance to him, £300 cancelled, and cheque for £50 in payment for flour.

Amount drawn from bank for private expenses, £44; sold for cash consignment of wheat from Moseley, £152; deducted commission and remitted the balance; lent James Kirkwood £700 on mortgage of his house and premises; paid arrear rent of office, £25; flour bought by Ashwood for use of his house, £4, 10s.; Petty Cash payments, £7, 15s.,—being, charges on flour per *Castalia*, £3, 10s., fire insurance, £2, 10s., and highway rate, £1, 15s.

Interest accrued to this date on mortgage of Kirkwood's house, £17, 10s.; paid interest on F. Wadmore's loan, £12.

Charge interest on capital for six months at £4 per cent. per annum. Estimated wear and tear of business premises, £25.

Amounts due and unpaid :—

To S. Armstrong, rent of warehouse, £20.

To various tradesmen, small accounts amounting to £10.

Stock on hand :—

110 sacks of flour, £245.

200 quarters of barley, £500.

56 quarters of wheat, £140.

99. Write out the Profit and Loss account and Balance account from the following trial balance—completing the Trade account first :—

£211	9	9	A's Capital, . . .	£3497	2	6
332	6	9	B's Capital, . . .	5426	7	6
5444	19	6	Cash, ...	5221	2	9
488	0	0	Bills receivable, . .	388	0	0
199	0	0	Bills payable, . .	600	0	0
85	10	0	Discount, . . .	44	19	0
1669	12	6	Consignments, . .	2051	4	6
366	8	6	Farm House, . .	22	5	6
9985	10	0	Trade, ...			
418	19	8	Interest, . . .			
600	0	0	A's private account, .	166	1	9½
200	0	0	B's private account, .	252	17	10½
9112	13	1	Valuation, . . .			
£29,114	10	5				

100. Journalise and post into a ledger in proper technical form and language the following series of transactions, and make out a trial balance, profit and loss account, and balance-sheet :—

Hayton took stock on January 1, 1876, and found his Capital to consist of—

	£	*s.*	*d.*
Cattle and Sheep, ...	1250	10	6
Grain, ...	1090	18	0
Horses and Implements, . . .	620	10	0
Debt due by Jones, ...	180	15	0
The acceptance of Messrs. Howell and Co. for	200	0	0
Cash at Bankers', ...	125	15	6
Petty Cash on hand, ...	5	9	6

Subject to Liabilities, viz. :—

	Various acceptances amounting to .	325	0	0
	Sundry small tradesmen, . . .	28	10	0
Jan. 2	Sold wheat to W. Craig, . . .	320	0	0
„ „	For which he pays in Cash, . . .	100	0	0
„ „	And sends Cooke's acceptance for .	220	0	0
„ 3	Drew out for Petty Cash account, .	35	0	0

			£	s.	d.
Jan.	3	Paid out of Petty Cash sundry small tradesmen (£28, 10s.), . . .	27	0	0
„	„	Discount, ...	1	10	0
„	5	Purchased a horse from Soane, . . which proving unsound, he took back for the consideration of £5.	45	0	0
„	6	Paid the various acceptances among the liabilities by forwarding the acceptance of Howell and Co. for £200, and cash £125, ...	325	0	0
„	10	Sold live-stock valued at £180, received in cash, ...	178	0	0
„	„	Discount allowed, ...	2	0	0
„	11	Consigned sheep to Jennings valued at	145	0	0
„	„	Paid on them out of Petty Cash sundry expenses, ...	3	16	0
„	12	Other expenses on them defrayed by Jennings, ...	7	10	0
„	13	They realised, ...	155	0	0
„	15	Jennings remits in Cash, . . .	100	0	0
„	„	Takes £11 as Commission, . . and accepts Hayton's draft for the balance.	11	0	0
„	„	Cash drawn out for private expenditure,	25	10	0
„	16	Sundry articles of food used in the Farm House, ...	15	6	0
„	17	Paid wages, ...	50	10	6
„	20	Received from Jones in payment of his debt the acceptance of Thomson and Co. for	150	0	0
„	„	Cash, ... Balance being discount.	25	0	0
„	24	Cooke's acceptance cashed, . . .	220	0	0
„	25	Drew out for Petty Cash, . . .	15	0	0
„	26	Paid with Petty Cash sundry small accounts (£8, 15s.) being allowed 15s. discount,	8	0	0
„	28	Depreciation of horses, . . .	6	0	0
„	29	Thomson and Co., whose acceptance for £150 is held, become fraudulent bankrupts.			
„	31	Stock on hand at this date—			
		Cattle, ...	940	10	6
		Grain, ...	865	12	6

101. Journalise and post into ledger, in proper technical form

and language, the following series of transactions, and make out a trial balance, a profit and loss account, and a balance-sheet :—

At the commencement of a year my Liabilities were the following :—

	£	s.	d.
Cash, ...	125	0	0
Bills payable.	320	0	0
Saunders, ...	160	0	0

And my Assets—

Stock, ...	4620	18	6
Horses and Implements, . . .	940	10	6
The acceptance of Smith and Sons for	150	0	0
Cash on deposit-account at 5 per cent.,	600	0	0

During the year the following were the transactions—Stock sold, £1520, 10s. 6d. ; received a consignment of sheep from Hewitt, valued at £85 ; expenses on them paid by me were £3, 4s. 6d. ; sold them for £92 to Smith and Son for Hewitt ; I charged Hewitt £10 commission ; Bills p. cashed when due, less £12 discount ; paid wages, £750, 12s. 6d. ; paid moiety of rent, £340 ; I transferred the year's interest on deposit-account to my private account ; paid Saunders his debt, less £5 discount ; the acceptance of Smith and Sons for £150 which I received last year from Hewitt for goods sold to him, was dishonoured ; I drew out cash for private expenses, £108 ; and received at the farm-house goods to the value of £226, 15s. 6d. ; the bankers charged £22, 5s. 6d. interest on overdrawn account ; the depreciation of the horses was £100, 4s. 6d., and the valuation is such that a gain of £300 resulted.

102. Journalise and post into a ledger, in proper technical language, the following series of facts and transactions ; and from such ledger make out a trial balance, a profit and loss account, and balance-sheet :—

Liabilities and Assets of Peter Barrett, seed merchant, December 31st, 1871.

LIABILITIES.

	£	s.	d.
Amount due to P. James, . . .	160	13	4
Do. J. Smith for one quarter's Rent, due Xmas, . . .	125	0	0
Bills payable, due 4th January 1872, .	185	9	3

ASSETS.

		£	s.	d.
	Stock of Seeds in hand, . . .	1200	0	0
	Do. Carts, Horses, etc., . .	155	5	0
	Cash at Messrs. Glyn & Co.'s—			
	On current account, . . .	234	9	8
	On deposit account, . . .	500	0	0
	Do. Petty in house, . . .	3	8	4
	Lease of business premises, . .	500	0	0
1872.				
Jan. 1	Paid P. James, ...	60	13	4
„ „	Accepted P. James's Draft due 4th April,	100	0	0
„ 3	Sold Seeds for cash, ...	280	5	6
„ 4	Paid Bill due this day, ...	185	9	3
„ 5	Transferred from deposit to current account,	200	0	0
„ „	Interest to date also transferred, . .	2	6	8
„ 6	Drawn Cheque for Petty Cash, . .	10	0	0
„ 9	Bought for cash 3 tons of Hay for use in stables, ...	13	10	0
„ 10	Sold Seeds to D. Prout, . . .	348	10	0
„ 11	Bought Seeds of James Muir, . .	286	0	0
„ 15	Paid J. Smith Rent due Xmas, . .	125	0	0
„ 20	Received invoice of Grain from D. Jones on consignment, . . £436 0 0			
„ „	Accepted D. Jones' Draft, due 24th March,	400	0	0
„ 25	Paid expenses on above consignment out of Petty Cash, ...	7	8	6
„ 26	Sold D. Jones' Grain to P. Jameson for	492	10	4
„ 27	Received Jameson's acceptance 30th April,	492	10	4
„ „	Paid D. Jones balance of consignment, . . . £92 10 4			
	Less 1 per cent. commission, . . £4 18 4			
	Less expenses, 7 8 6			
	12 6 10			
		80	3	6
„ 29	Paid Insurance on Stock, etc., . .	12	0	0
„ 31	Paid Clerk one month's Salary, . .	10	0	0
„ „	Allowed for wear and tear of Carts, etc.,	4	10	0
„ „	Interest on Capital for one month, .	8	16	10
„ „	Stock of Seeds in hand, . . .	930	10	0

103. Journalise and post into a ledger, in proper technical form and language, the following series of facts and transactions,

and from such ledger make out a trial balance, a profit and loss account, and a balance-sheet :—

Liabilities and Assets of A. Briant, seed merchant, 31st Dec. 1872.

LIABILITIES.

	£	s.	d.
Amount due P. Taylor,	135	14	6
Rent (one quarter),	25	0	0
Bills payable—			
Due 28th Jan. 1873, £160 0 0			
„ 4th Feb. 1873, 210 0 0			
	370	0	0

ASSETS.

	£	s.	d.
Stock in hand,	1345	13	8
Carts, Horses, etc.,	150	0	0
Cash in hand,	20	4	9
Stock of Hay,	20	0	0

His transactions during the month of January 1873 were as follows :—

1873.		£	s.	d.
Jan. 1	Sold to B. Andrews Seeds for	235	16	8
„ „	Drew a Bill on Andrews for £220 0 0			
„ „	And received from him in cash, 15 16 8			
		235	16	8
„ 4	Discounted B. Andrews' Bill with the United Discount Corporation, and received for the same in cash,	217	18	0
„ „	Sold Seeds for cash,	29	13	6
„ „	Paid to P. Taylor,	50	0	0
„ 6	Sold Seeds to J. Bailey,	218	4	3
„ 8	Paid Rates and Taxes,	3	14	8
„ 10	Bought of J. Mildred Seeds for	356	0	0
„ 15	Paid Rent due Xmas last,	25	0	0
„ 20	Bought Hay for use in stables,	13	3	4
	Paid for same, £12 16 8			
	Allowed for discount, 0 6 8			
		13	3	4
„ 23	Received of J. Bailey Cash,	197	10	0
„ „	Allowed to him for discount,	20	14	3
„ 28	Received invoice of Grain from J. Duncan of New York, on consignment,	450	0	0
„ „	Accepted J. Duncan's Draft, due 21st April, for	400	0	0

1873.		£	s.	d.
Jan. 28	Paid Bill due this day, . . .	160	0	0
„ 29	Paid expenses on above consignment, .	12	4	0
„ 30	Sold J. Duncan's Grain to P. Smith, .	503	8	0
„ „	Commission on selling the same, .	12	11	8
„ „	Paid R. Sims on account of J. Duncan,	78	12	4
„ „	Paid Fire Insurance, ...	8	0	0
„ 31	Paid Clerk one month's Salary, . .	12	10	0
„ „	Paid Wages during this month, . .	8	0	0
„ „	Drawn out for private expenses, . .	35	0	0
„ „	Stock of Seeds on hand, . . .	1923	13	8
„ „	Carts and Horses, valued at . .	142	10	0
„ „	Stock of Hay, ...	25	0	0

104. Journalise and post into a ledger, in proper technical form and language, the following series of facts and transactions, and from such ledger make out a trial balance, a profit and loss account, and a balance-sheet :—

Liabilities and Assets of W. Fuller on 1st January 1877.

LIABILITIES.

	£	s.	d.
Amount due to C. Mason, . . .	450	0	0
Do. W. Squires, . . .	220	0	0
Acceptance to R. Brown's Draft, due 22d January, ...	125	0	0
	795	0	0

ASSETS.

	£	s.	d.
Cash at Bankers, ...	1315	0	0
Petty Cash in hand, ...	6	15	0
300 Sheep valued at	450	0	0
50 Bullocks, „	1000	0	0
Stock of Oil Cake, Provender, etc., .	125	0	0
	2896	15	0

1877.				
Jan. 1	Bought of T. Archer 60 Sheep for .	105	0	0
„ 4	Sold to S. Dixon 18 Bullocks for . .	450	0	0
„ 5	Accepted C. Mason's Draft on me at 60 days' sight for	450	0	0
„ 10	Purchased Lease of premises occupied by me, and paid for the same, . .	500	0	0
„ 12	Bought of W. Squires 200 Sheep for .	300	0	0
„ 14	Sold to W. Rye 45 Sheep for . .	90	0	0

1877.		£	s.	d.
Jan. 17	Bought Oil Cake for cash, . . .	28	0	0
„ „	Bought of C. Mason 20 Bullocks for .	360	0	0
„ 21	Sold to W. Morgan 125 Sheep for .	281	5	0
„ „	Drew upon him at 30 days' sight for .	280	0	0
„ „	Allowed him	1	5	0
„ 22	Drew on account of Petty Cash, . .	10	0	0
„ „	Paid T. Archer, ...	105	0	0
„ 23	Sold to S. Dixon 20 Bullocks for. .	520	0	0
„ „	Received of him, cash, ...	350	0	0
„ „	Drew upon him at 60 days' sight for .	500	0	0
„ 24	Bought of C. Preston 125 Sheep for .	187	10	0
„ „	Sold to W. Rye 100 Sheep for . .	250	0	0
„ 25	Paid R. Brown's Draft due this day, .	125	0	0
„ „	Drew Cash for private account, . .	15	0	0
„ 26	Consigned to W. Slade, 10 Bullocks, to be sold for my account and risk, valued at	225	0	0
„ „	Paid for carriage of the above, . .	15	0	0
„ 27	Received of W. Rye, cash, . . .	200	0	0
„ „	Accepted C. Preston's Draft on me at 30 days' sight for.	187	10	0
„ 30	Received of W. Slade, account sales of Bullocks consigned to him, showing that the same had realised net, .	285	0	0
„ „	Drew upon him at 10 days' sight for .	285	0	0
„ 31	Paid sundry expenses out of Petty Cash,	11	18	6
„ „	Paid for Wages, ...	36	10	0
„ „	Clerk's Salary, due this day, . .	12	10	0
„ „	Private account for Interest on Capital,	8	15	0
„ „	Oil Cake and Provender on hand, .	45	0	0
„ „	Sheep on hand, ...	640	0	0
„ „	Bullocks on hand, ...	400	0	0
„ „	Depreciation in value of Lease, . .	2	10	0

105. Journalise, in proper technical form and language, the following series of acts and transactions ; make out a trial balance by the short method ; journalise the closing entries, and write out a balance-sheet.

John Whin and Alfred Gorse were partners in the ratio of 1 : 3. Their Liabilities were :—

	£	s.	d.
Amount due to Peter Lawson, . .	560	0	0
Amount due to Peter Bell for last year's rent, ...	100	0	0

	£	s.	d.
Amount due to London and County Bank,	2000	0	0
Security for which was three warrants of Wheat valued at	2500	0	0
Two acceptances, ...	98	7	6
	101	12	6
ASSETS.			
Wheat, ...	3000	0	0
Bills Receivable, ...	1250	0	0
Due from Philip James, . . .	250	0	0
Cash at the London and County Bank, current account, ...	1550	17	9
Petty Cash, ...	26	2	3

Bought of Peter Lawson wheat, £500, paid for it £460; sold Philip James wheat, £1100; accepted Peter Lawson's draft for £615, interest charged by Lawson, £15; received Philip James's acceptance, £1000, discounted at the London and County Bank this bill, and that one among my assets, discount being £10, 12s. 7d.; paid off loan account at London and County Bank, £2000, receiving back the warrants for wheat; interest charged by Bank, £2, 4s.; sold Peter Smith wheat, £250; paid Peter Bell, £100; paid acceptance due, £98, 7s. 6d.; received from Peter Smith bill on Barings, £253, 10s.; charged Peter Smith interest, £3, 10s.; bought of Peter Lawson wheat, £600; Bill Receivable £1250, returned by Bank, as it was dishonoured. Whin drew for private use, £75; paid out of petty cash dock charges on wheat, £13, 6s. 5d.; discounted at London and County Bank Barings' Bill, discount charged, £2, 5s.; advanced out of Bank to petty cash, £20; paid John Jones one month's salary, £12, 10s.; paid insurance on wheat, £15, 15s.; Gorse drew for private use, £120; each partner is credited with 5 per cent. on his capital; stock of wheat on hand, £3000.

106. Journalise and post into a ledger the following transactions, and draw out a trial balance, profit and loss account, and balance-sheet :—

On the 1st of January 1874, A. Wylam set up in business as an oil and tallow merchant; his father, J. Wylam, advancing to him for that purpose £1500 in cash, and an acceptance of J. Brown's for £500.

His transactions during the month of January were as follows :—

	£	s.	d.
Bought of M. Story : Petroleum, value,	545	0	0
Paid M. Story :—			
In Cash, ...	17	15	0
J. Brown's acceptance, . .	500	0	0
Discount allowed by Story, . .	27	5	0
Bought of J. Arnold : Essential Oils, .	654	0	0
Accepted J. Arnold's draft at three months' date, ...	654	0	0
Bought of A. Rayner : Tallow, . .	318	0	0
Paid A. Rayner :—			
In Cash, ...	286	12	0
Discount allowed by A. Rayner, .	31	8	0
Sold to A. Cory : Petroleum, . .	35	0	0
Sold to G. Cowan : Petroleum, . .	42	10	0
Received of G. Cowan :—			
In Cash, ...	12	10	0
His acceptance at three months' date,	30	0	0
Sold to B. Fowler : Tallow, . .	163	18	0
Sold to P. Michael : Essential Oils, .	181	13	0
Received of B. Fowler :—Cash, . .	163	18	0
Bought of P. Clowes : Essential Oils, .	84	15	0
Sold to J. Sim : Petroleum, . . .	143	15	0
Bought of J. Arnold : Tallow, . .	654	0	0
Consigned to J. Hannay and Co., of Melbourne : Essential Oils, invoiced at £250, but which cost, together with shipping and other charges, .	187	10	0
Sold for ready money during the month :—			
Tallow, ...	154	16	2
Petroleum, ...	65	14	3
Essential Oils, ...	23	8	1
A. Wylam drew out Cash for private expenses, ...	35	0	0
Paid Clerk's Salary, ...	12	10	0
„ Warehousemen's Wages, . .	12	10	0
„ Petty Expenses, ...	10	0	0
„ Interest to J. Wylam, . . .	8	6	8
Stock was taken at the end of the month, and was found to amount to £1400, 17s. 2d., thus :—			
Stock of Petroleum, ...	189	2	7
„ Tallow, ...	779	16	2
„ Essential Oils, . . .	431	18	5

107. Journalise the following transactions:—make a trial balance and balance-sheet, journalising the closing entries; writing out in ledger form the following accounts:—P. and L., the two capital accounts, and the two private accounts.

Howell and James are partners—their shares of the liabilities are respectively, £412, 15s. 4d. and £383, 5s. 8d., composed of the following items:—

Amount due to C. Mason £450, to W. Squires £221, 1s., acceptance held by R. Brown £125.

Assets—

	£	s.	d.
Cash at Bankers, ...	1315	0	0
Petty Cash in hand, ...	6	15	0
Sheep, ...	450	12	6
Bullocks, ...	1000	2	0
Horses, ...	125	5	6
Due by Hawkins, ...	250	0	0

The firm buys of J. Archer 60 sheep for £105; sells to S. Dixon 18 bullocks for £450; accepts C. Mason's draft for £450; borrows from Howell's father £500 at 5 per cent. per annum; sells J. Archer a horse for £65, which not suiting him is taken back for £10 cash. The firm draws on Dickson for what he owes; Dixon accepts the Bill; with this Bill and cash, Howell senior is repaid loan, together with six months' interest; R. Brown's draft is paid, less £5 discount; Squires is paid in cash £51, 1s., and the balance in a Bill accepted by James and Co., which the firm had received from Hawkins in part payment of his debt; this Bill was dishonoured when due.

The firm consigns bullocks to Preston valued at £185, to be sold at his risk; the shipping expenses paid by firm amount to £7, 7s. 6d.; Archer is paid the balance due, less 5 per cent. discount; sundry small accounts are paid out of petty cash, £3, 6s. 8d.; the firm exchanges sheep valued at £200, for horses, giving £25 in addition; Howell draws out for private expenses £75, and receives from the farm sheep worth £28, 10s.; James draws out for his private expenses £320, and receives from the farm sheep worth £45, 15s. 6d.

The partners have 5 per cent. allowed on their respective capitals, and make in addition a profit of £84, 7s. 6d.

[108.]

1879.		£	s.	d.
Jan. 1	Amount of my present capital employed in trade, ...	979	15	9
„ „	Goods on hand, ...	452	7	3
„ „	Dr. balances from personal Accounts in old Ledger :—			
	John Smith, . . £111 5 6			
	W. Tarn, . . 32 15 4			
	E. Treloar, . . 69 8 7			
		213	9	5
„ „	Cr. balances from personal Accounts in old Ledger :—			
	B. W. Maughan, . £4 6 5			
	J. Rabone and Sons, . 203 8 6			
		207	14	11
„ „	Bills payable not yet due :—			
	Western and Co., . £79 18 9			
	J. Woodman, . . 243 12 8			
		323	11	5
„ „	Bills receivable not yet due :—			
	John Smith, . . £255 7 2			
	Alfred Thoms, . . 115 8 8			
	E. Treloar, . . 74 9 7			
		445	5	5
„ „	Cash in hand, ...	37	3	6
„ „	Cash at Bank, ...	362	16	6
„ 5	Received of W. Tarn, ...	31	19	0
	Viz., . . £32 15 4			
	Less discount, 0 16 4			
„ 6	Sold E. Treloar, goods, ...	112	1	6
„ „	Paid into Bank, ...	50	0	0
„ „	Bought of Western and Co., goods, . .	324	1	7
„ 8	Sold Alfred Thoms, goods, ...	118	10	0
„ 10	Accepted draft of Western and Co., at two months, ...	324	1	7
„ „	Paid B. W. Maughan to balance account, .	4	1	0
„ „	Paid J. Rabone and Sons by cheque, . .	203	8	6
„ 13	Western's bill, due this day, paid at Bank, .	79	18	9
„ 15	Shipped by *Glenlyon* s.s. to order of Lane, Crawford and Co., Shanghai, on joint account of self and J. Rabone and Sons, goods, ...	318	18	8

1879.		£	s.	d.
Jan. 15	Charges on shipment per *Glenlyon*:—			
	Freight, . . . £26 2 4			
	Insurance, . . 6 0 0			
	Postage, etc., . . 0 17 6			
	My Commission, . 10 11 2			
		43	11	0
„ 20	Received of John Smith, his acceptance at one month, ...	111	5	6
„ „	E. Treloar paid in to my account at Bank, .	69	8	7
„ 25	Sold J. Smith, goods, ...	247	5	7
„ 25	Alfred Thoms' bill, due this day, paid Bank,	115	8	8
„ 27	Paid to Shaw, Savill and Co., by cheque, freight on shipment per *Glenlyon*, less five per cent., ...	24	16	2
„ 31	Paid rent of warehouse by cheque, . .	24	0	0
„ „	Paid clerk's salary, ...	10	0	0
„ „	Petty expenses in month, ...	4	5	1

(1.) Balance and close the Ledger. Show the Trial Balance and open a Balance Account. The goods on hand may be valued at £106.

(2.) After the Ledger for 1879 has been balanced and closed, a fire takes place which destroys all the books except the Ledger for 1878 and that for 1879, but leaves these complete except that from the Ledger of 1879 the Capital (or Stock) Account, the Profit and Loss Account, and the Balance Account have disappeared. No new capital has been introduced in 1879 and no capital withdrawn.

(*a.*) How can the net capital on Jan. 31, 1879, be ascertained?

(*b.*) How can the net profit or loss in 1879 be ascertained?

(3.) On Feb. 1, 1879, I discover that though the Ledger of 1878 had been closed and balanced, the amount brought forward as due by W. Tarn should have been £52, 15s. 4d. (not £32, 15s. 4d.), and this is found to have been caused by an overpost to his Cr. from a correct Journal entry.

(*a.*) What entry should now be made in the Journal for 1879?

(*b.*) What must be done in the books for 1878?

(4.) What should be the entries in the Journal of a Government Department for the following :—

1879.		£	s.	d.
Mar. 24	Received notice from Treasury that the Savings on Vote for 1877-78 had been surrendered, ...	65	1	2
„ 25	Paymaster-General requested to pay Extra Receipts to Exchequer, .	10	19	6
April 4	Voted on account, 1879-80, . . =	5000	0	0

[109.]

1880.		£	s.	d.
Dec. 31	The books of A. Grant and Co. were closed at this date with the following entries :—			
	Dec. 31			
	Sundries Dr. to Balance, . .	2247	11	6
	J. H. Ley, . . 351 9 7			
	Gibbs and Co., . 421 1 1			
	T. Ware, . . . 21 7 2			
	Private Ledger, . 1453 13 8			
	Balance Dr. to Sundries, . . . 2247 11 6			
	Cash, ...	12	17	2
	Bank, ...	315	1	8
	J. Walker, ...	67	3	9
	W. North, ...	120	5	2
	T. L. Mayo, ...	12	12	6
	Goods, ...	1719	11	3
1881.				
Jan. 1	The books are re-opened—			
„ 2	Sold C. Pirie, goods, ...	425	0	0
„ „	Sold R. W. Reed, goods, ...	27	8	6
„ 4	Paid T. Ware by cheque (being allowed 10s. 8d. as discount), ...	20	16	6
„ 6	Received of T. L. Mayo, ...	12	6	0
	viz. Cash, . . £12 6 0			
	Discount, . . 0 6 6			
„ „	Sold T. L. Mayo, goods, ...	48	5	1
„ „	Paid into Bank, ...	20	0	0
„ 10	Accepted draft of J. H. Ley at 2 months, .	351	9	7
„ „	Received of W. North, his acceptance at 1 month, ...	120	5	2

1881.					£	s.	d.
Jan. 12	Bought of Gibbs and Co., goods,				91	11	0
„ „	Received of C. Pirie, his acceptance at 2 months,				425	0	0
„ 13	Bought of J. H. Ley, goods,				27	10	0
„ „	Bought of T. Ware, goods,				92	1	7
„ „	Sold J. Walker, goods,				216	16	0
„ 20	Received of J. Walker, his acceptance at 3 months,				283	19	9
„ 25	Paid into Bank for discount—						
	W. North's bill,	£120	5	2			
	C. Pirie's bill,	425	0	0			
	J. Walker's bill,	283	19	9			
					829	4	11
	Discount, £6, 1s. 3d.						
„ 31	Drew cheque on Bank,				15	0	0
„ „	Paid the following :—						
	Wages,	£7	10	0			
	Petty expenses,	3	1	2			
	Parish Rates,	1	11	2			
					12	2	4

(1.) Balance and close the Ledger, showing the Trial Balance and opening a Balance Account.

The goods on hand may be valued at £1201, 4s. 2d.

(2.) On January 1st we bought the business of A. Grant and Co. for £1953, 13s. 8d., including goodwill and all assets and liabilities as shown by the trade books of the firm on December 31st. In payment we gave cash £609, 7s. 8d. and three acceptances, at 3, 6, and 9 months, for £281, 8s. 8d. each.

Give the Private Journal entries which we should make to record these transactions, taking into account the facts recorded in the trade books, as specified above.

(3.) The late firm of A. Grant and Co., on December 31, 1880, before closing the books for the year, made the following entries in the Trade Journal :—

1880.		£	s.	d.
Dec. 31	Private Ledger Account Dr. to Bills receivable,	2917	12	6
„ „	Bills payable Dr. to Private Ledger Account,	1518	2	9

State what appears to you to have been the object of these entries, and what their effect was on the business sold.

(4.) Assume that the Trade Books of the new firm of A. Grant and Co. contain no accounts for Capital or Profit and Loss, and give—

(*a.*) The Trade Journal entries which should be made to close the Ledger on January 31, 1881.

(*b.*) The Private Journal entries which should be made on January 31, 1881.

[110.]

1880.

Jan. 1 The firm of John Brown and Co. open a new set of Books with the following balances: Cash, £39, 17s. 2d.; Bills receivable, £496; Bills payable, £1200, 4s. 6d.; and in addition :—

	Dr.			Cr.		
	£	*s.*	*d.*	£	*s.*	*d.*
W. Cropper, ...	11	2	7			
C. Symons, ...	74	19	5			
J. Jones, ...				111	3	7
Bank, ...	232	3	4			
Petty Cash, ...	14	5	2			
G. Edwards, ...				149	1	8

The Goods on hand are valued at £3235, 3s. 9d., including silk goods of the value of £2192, 13s. 6d., which Brown and Co. hold, as the London Agents of Jonas Smith and Co., of Coventry, for sale on a commission of 5 per cent., Jonas Smith and Co. paying all expenses.

		£	*s.*	*d.*
„ 2	Bought of J. Jones, goods, ...	115	10	0
„ „	Bought of Walter Knox, goods, . . .	492	17	6
„ 3	Sold W. Cropper, goods, ...	28	17	10
„ „	Sold C. Symons, goods, ...	455	11	2
„ „	Sold G. Foster, of Brighton, part of Jonas Smith's silk (to be carriage paid), . .	1250	0	0
„ 10	Received of W. Cropper, cash, . . .	10	5	10
	viz. Account, . . £11 2 7			
	Less 7½ per cent., . 0 16 9			
„ „	Accepted draft of J. Jones, at two months,	111	3	7
„ 12	Received of C. Symons his acceptance at three months, ...	71	4	5
	viz. Account, . . £74 19 5			
	Less 5 per cent., 3 15 0			

1880.		£	s.	d.
Jan. 15	Johnson and Co.'s acceptance, due this day, paid to Bank, ...	470	0	0
„ „	C. Symons's acceptance, dated October 12, 1879, presented and paid in cash, . .	26	0	0
„ „	Sold C. Symons's part of Jonas Smith's silk,	1125	10	0
„ 18	William Smith (a member of the firm) raised on mortgage of private house property and paid into firm's account at Bank, ...	1000	0	0
„ „	G. Edwards's draft, due this day, presented and paid at Bank, ...	1200	4	6
„ 19	Received of G. Foster, on account, . .	750	0	0
„ 20	Paid into Bank, ...	750	0	0
„ „	Paid G. Edwards, by cheque, . . .	50	0	0
„ 30	Paid carriage on Foster's silk, by cheque, .	2	1	11
„ 31	Petty expenses paid in month, . . .	12	6	1
„ „	Rendered account sales to J. Smith and Co., and enclosed cheque for £750.			

(1.) Balance and close the Ledger as on January 31, showing the Trial Balance, and opening a Balance Account.

The goods on hand on January 31 may be valued at £1565, including £372, the value at invoiced price of J. Smith and Co.'s silk remaining in stock.

The firm of John Brown and Co., up to December 31, 1879, had consisted of John Brown, George Brown, and William Smith, with the following balances at their respective Capital Accounts on that date—

John Brown, ...	£250	0	0
George Brown, . . .	150	0	0
William Smith, . . .	50	8	2

On and from January 1, 1880, William Smith becomes sole partner, agreeing to pay the two others the amount at the credit of their Capital Accounts, with £250 each for goodwill, the whole to be discharged in twelve equal monthly instalments, with interest at 5 per cent.

William Smith (from January 1) keeps for the firm of J. Brown and Co., besides the Trade Books, a Private Journal and Private Ledger. In the Trade Ledger he records all the trade transactions, and all the transactions affecting the trade capital (exclusive of goodwill) and the profit and loss

but nothing else. In the Private Books relating to the business of J. Brown and Co. he records all the transactions with his late partners and the obligations he incurs to them, and all matters as to his own property which concern J. Brown and Co., but (of course) no other of his private transactions. The two sets of books are to be balanced separately.

(2.) Give the Private Journal entries which should be made from January 1 to January 31.

(3.) Give the Private Journal entries which should be made for the following transactions :—

1880.		£	*s.*	*d.*
Feb. 1	Paid John Brown, by cheque, . . .	43	15	0
„ „	Paid George Brown, by cheque, . . .	35	0	0
„ 10	Drew cheque payable to William Smith on private account, ...	50	0	0
Mar. 1	Paid John Brown, by cheque, . . .	43	11	6
„ „	Paid George Brown, by cheque, . . .	34	17	3

(4.) What should be the entries in the Trade Journal of J. Brown and Co. for the transactions given in Question 3 ?

(5.) Give the Private Journal entries which would be necessary in order to close and balance the Private Ledger of J. Brown and Co.

[111.]

1880.		£	*s.*	*d.*
Jan. 1	Commenced business with cash in hand, .	1250	0	0
„ 4	Bought of E. Grove, goods, . . .	237	18	2
„ „	Bought of W. Logan, goods, . . .	1113	7	6
„ 5	Paid into Bank, ...	1225	0	0
„ 7	Sold F. Craggs, goods, ...	317	7	2
„ „	Sold A. Morley, goods, ...	36	3	7
„ 10	Sold W. Gee, goods, ...	7	1	6
„ 20	Received of A. Morley, his acceptance at one month, ...	36	3	7
„ 31	Sold F. Craggs, goods, ...	38	11	3
Feb. 10	Accepted draft of E. Grove, at one month (being allowed £18, 16s. 9d. as discount),	219	1	5
„ 15	Sold H. Blake, goods, ...	718	16	3
„ 20	Paid A. Morley's bill into Bank for collection.			
„ „	Received of F. Craggs his acceptance at two months, ...	355	18	5

1880.		£	s.	d.
Feb. 23	A. Morley's acceptance paid, . . .	36	3	7
„ 28	Received of W. Gee, cash (allowing him 3s. 6d. discount), ...	6	18	0
„ „	Bought of E. Grove, goods, . . .	42	12	6
Mar. 1	Accepted draft of W. Logan at one month,	1113	7	6
„ 12	Drew out of Bank, ...	250	0	0
„ 13	E. Grove's draft due this day presented and paid, ...	219	1	5
„ 31	Paid E. Grove, by cheque (being allowed £3, 3s. 9d. as discount), . . .	39	8	9
„ „	Amount of petty expenses paid during quarter, ...	37	11	1

(1.) Balance and close the Ledger, showing the Trial Balance and opening a Balance Account.

The goods on hand may be valued at £315.

(2.) Give the complete Journal entries for the following :—

1881.		£	s.	d.
Feb. 1	Shipped per brig *Sophia* to Boston, U.S., consigned to George Hall, for sale, one-third on his account, one-third on my account, and one-third on account of W. Fowler of Grimsby—			
	Wine from stock, . . .	900	0	0
	Spirits supplied by W. Fowler,	350	10	6
		1250	10	6
	Expenses paid in cash, £7 2 4			
	Freight (due Mar. 10), . 24 9 3			
	Insurance on £1500, . 22 10 0			
		54	1	7
		1304	12	1
	My Commission, . . .	65	4	7
		1369	16	8
„ 3	Shipped per *John Bright* to Boston, U.S., to order of George Hall, on account and risk of myself and W. Fowler in equal shares—			

1881.		£	s.	d.
Jan. 3	Spirits supplied by W. Fowler,	350	0	0
	Expenses paid in cash, £2 11 9			
	Freight (due April 10) . 6 10 0			
	Insurance on £300 in Royal Exchange Corporation, 2 5 0			
		11	6	9
		361	6	9
	My Commission, . . .	18	1	4
		379	8	1
Mar. 1	Paid Insurance on shipment per *Sophia*, .	22	10	0
„ 10	News received that the *John Bright*, with all on board, is totally lost.			
„ „	Paid freight per *Sophia* (discount 6s. 1d.),	24	3	2
„ 29	Received account sales of goods per brig *Sophia*—			
	Gross proceeds, . . .	1495	1	6
	George Hall's Commission, .	74	15	1
„ 31	Received from George Hall—			
	First of Exchange, Josiah Webster and Co., on Baring Brothers, at seven days' sight, ...	1420	6	5

[112.]

1880.		Dr.			Cr.		
		£	s.	d.	£	s.	d.
Jan. 1	Ledger balances :—						
	John Jeffrey, . . .	109	1	7			
	H. White, ...	41	5	6			
	T. Veitch, ...	9	11	2			
	W. Lucas, ...				224	19	3
	Goods, ...	285	0	0			
	Bank, ...	119	10	6			
	Also the following : Bills receivable, £38, 18s. 1d. Bills payable, £126, 1s. 8d., Cash, £24, 5s. 7d.						

		£	s.	d.
„ „	Received of John Jeffrey, cash, . . .	103	12	6
	viz. Account, . . £109 1 7			
	Less 5 per cent., 5 9 1			
„ „	Advanced to clerk for petty expenses, .	10	0	0
„ 3	Bought of W. Lucas, goods, . . .	82	4	5
„ „	Bought of Jamieson and Son, goods, . .	314	12	0
„ „	Paid into Bank, ...	100	0	0

1880.		£	s.	d.
Jan. 4	Sold H. White, goods, ...	292	10	0
„ „	Sold T. Veitch, goods, ...	22	12	10
„ „	Bought of R. Jones, goods, ...	12	5	2
„ 5	Received of H. White his acceptance at two months, ...	41	5	6
„ 10	Paid into Bank for collection, H. White's acceptance due 13th inst., . . .	38	18	1
„ 13	H. White's acceptance duly met, . .	38	18	1
„ „	Paid R. Jones, cash, ...	11	19	0
	viz. Account, . . £12 5 2			
	Less 2½ per cent., . 0 6 2			
„ 20	Accepted draft of W. Lucas, at 1 month, .	224	19	3
„ 23	My acceptance to Jacob Browne, due this day, paid at Bank, ...	126	1	8
„ 27	Received of H. White in settlement of his account, ...	291	7	0
	Lucas's draft due Feb. 23, £224 19 3			
	White's acceptance at two months, . . 66 7 9			
	(Discount allowed, £1, 3s.)			
„ 31	Petty expenses paid during month, . .	5	16	3

(1.) Balance and close the Ledger, showing the Trial Balance, and opening a Balance Account. The goods on hand may be valued at £400.

(2.) Journalise the following transactions, observing that Walter Carr becomes liable to me for his share of the cost of the goods and of the expenses of shipment as soon as I have incurred them, and that this fact is to be represented in the entries.

Add a note to explain what you mean when you adopt any title for an account beyond the simple name of the person concerned.

1880.		£	s.	d.
Feb. 2	Agreed with Walter Carr to make a shipment to San Francisco of goods to value of about £1000, one-third on his account and two-thirds on my account: the adventure to be managed by me.			
„ 3	Bought of John Smith, on account of San Francisco adventure, goods, . . .	506	0	0
„ 5	Bought of W. Brown, on account of joint shipment with W. Carr, goods, . .	450	0	0

1880.		£	s.	d.
Feb.20	Accepted draft of John Smith at one month,	506	0	0
„ „	Invoice of goods shipped to J. Cameron, Beale and Co., San Francisco, per *Jabez Webster*, on account and risk of shippers :—			
	Goods, . . . £956 0 0			
	Freight, . £42 12 2			
	Insurance, . 28 13 4			
	Dock dues, Entry, Cartage, etc., 7 11 3			
	78 16 9			
		1034	16	9
Mar.20	Paid W. Brown, cash, ...	450	0	0
„ „	Paid Insurance, *Jabez Webster*, by cheque,	28	13	4
„ 23	Smith's bill, due this day, paid at Bank, .	506	0	0
April 1	Paid freight on goods shipped to San Francisco, ...	42	12	2
Sept. 1	Received from J. Cameron, Beale and Co., account sales of goods per *Jabez Webster* :—			
	Gross proceeds, . . £1520 10 1			
	Charges, . . . 47 3 9			
	Commission, . . 38 0 3			
Oct. 1	Received from J. Cameron, Beale and Co., draft on Baring and Co., at seven days' sight, on account of goods per *Jabez Webster*, ...	1435	6	1

[113.]

1880.		£	s.	d.
Jan. 1	Reginald Payne commenced business at this date with a deposit at Bank of £1250, bearing interest at 1¼ per cent.			
„ 3	Bought of J. Chard, goods, . . .	315	3	9
„ 5	Sold to W. Nursey, goods, ...	154	8	2
„ 15	Sold to Patrick Noble, goods, . . .	128	10	0
„ 25	Bought of J. Chard, goods, ...	285	15	6
„ „	Bought of Wilson and Co., goods, . .	45	14	0
„ „	Received of Patrick Noble, his acceptance at one month, ...	128	10	0
„ „	Accepted draft of J. Chard at two months, .	315	3	9

1880.		£	s.	d.
Feb. 2	Received of W. Nursey, cash, . . .	150	11	0
	Viz., . . . £154 8 2			
	Less 2½ per cent., 3 17 2			
	£150 11 0			
„ „	Opened drawing account at Bank and paid in	125	0	0
„ 12	Bought of Johnstone and Son, goods, .	1358	8	6
„ 20	Paid Wilson and Co., by cheque, . .	43	8	3
	Viz., . . £45 14 0			
	Less discount, 2 5 9			
„ 25	Paid Noble's bill into Bank for collection, .	128	10	0
„ „	Handed E. and W. I. Dock Company, to cover future Dock charges, cheque, .	10	0	0
„ 28	Noble's bill due this day, duly met, . .	128	10	0
„ „	Withdrew from deposit account at Bank and paid into drawing account, . .	250	0	0
Mar. 1	Invoice of Merchandise, shipped by Reginald Payne per s.s. *Glenfalloch*, @ Shanghai, consigned to order of Lane, Crawford and Co., on account and risk of shipper—			
	Merchandise, viz. :—			
	* * * * . £1355 0 0			
	Charges :—			
	Dock dues, B/,			
	Cartage, . £2 1 5			
	Insurance, . 20 6 0			
	Freight and Primage, . 33 9 10			
	55 17 3			
		1410	17	3
„ 10	Received note of Dock Charges—*Glenfalloch*, ...	1	1	6
„ 28	Chard's bill, due this day, paid at Bank, .	315	3	9
„ „	Paid Insurance on shipment per *Glenfalloch* by cheque :—			
	£20 6 0			
	Less 7½ per cent., 1 10 5			
		18	15	7
„ 31	Credited by Bank with interest on deposit,	3	12	11
„ „	Paid petty expenses in quarter, . . .	6	18	3

(1.) Balance and close the Ledger. Show the Trial Balance and Balance Account. The goods on hand may be valued at £350.

(2.) What Journal entry should be made by Lane, Crawford and Co. in respect of the transaction of March 1?

(3.) John Jones stopped payment in November 1879, owing me £600, and on closing my books on December 31 I wrote off this amount as a total loss. On April 5, 1880, however, he resumes business, and I accept from him in settlement of my claim the following bills drawn by him, and accepted by his father, Daniel Jones :—

Due July 8, 1880,	. . .	£202	10 0
„ Oct. 8, 1880,	. . .	205	0 0
„ Jan. 8, 1881,	. . .	207	10 0

What Journal entries should be made for this transaction by me, by John Jones, and by Daniel Jones respectively? It may be assumed that Daniel Jones expects to receive from his son at the right time the funds necessary to meet the bills at maturity.

[114.]

			Dr.			Cr.		
			£	s.	d.	£	s.	d.
1880.								
Jan.	1	Balances from old Ledger: Bills payable £617, 1s. 6d., Bills receivable £219, 2s. 3d., Cash £45, 3s. 4d, Goods £185, and the following:—						
		J. Denman, . . .	25	4	7			
		W. John, . . .				216	8	3
		Jane Haslewood, . .	116	5	0			
		Bank, ...	222	13	2			
„	2	Received of Jane Haslewood— Cash, . . £113 6 11; Discount, . . 2 18 1				116	5	0
„	3	Paid into Bank, ...				150	0	0
„	„	Bought of Marshall and Co., goods, . .				325	10	6
„	5	Sold W. Tomkins, goods, ...				43	3	8
„	7	Sold James Shirley, goods, . . .				125	18	3
„	10	Bought of W. John, on joint speculation with J. Clarke, opium, value . .				2000	0	0
„	13	Johnson and Sons' bill, due this day, paid at Bank, ...				617	1	6
„	„	Received of J. Clarke on account of opium speculation, and paid into Bank, . .				1000	0	0

1880		£	s.	d.
Jan. 20	Paid W. John, by cheque, ...	2000	0	0
„ „	Received of W. Tomkins his acceptance at one month, ...	43	3	8
„ „	Received of James Shirley his acceptance at two months, less allowance for short weight, 8s., ...	125	10	3
„ 25	Accepted draft of Marshall and Co., at one month, ...	321	9	0
	viz., Account, . . £325 10 6			
	Less discount, . 4 1 6			
„ 26	Tomkins's acceptance, due this day, paid at Bank, ...	219	2	3
„ 31	The value of the opium bought on the 10th being now at the market price £2750, and J. Clarke refusing to sell at that price, it is arranged that he takes over the speculation at the price of this day.			
„ „	Paid petty expenses in month, . . .	1	3	2

(1.) Balance and close the Ledger, showing the Trial Balance, and opening a Balance Account. The Goods on hand may be valued at £300.

(2.) What should be the Journal entries of J. Clarke for the transactions in which he was concerned on the 10th, 13th, and 31st January?

(3.) For the transaction of Jan. 2 I have posted in the Ledger, from the correct Journal entry, to the Dr. of Jane Haslewood and to the Cr. of Cash, £113, 6s. 11d. What Journal entries will set this right?

[115.]

1881.		£	s.	d.
Jan. 1	The following balances are brought forward from last year :—			
	For outstanding bills, viz.—			
	Acceptance of John Plant, due Jan. 10/13, . . . £47 1 6			
	Acceptance of W. Redwood, due Feb. 20/23, . . . 192 5 0			
		239	6	6
	My acceptance to J. Ince, due Jan. 1/4. .	92	1	9
	Goods, ...	472	11	2
	Cash, ...	41	17	8

1881.		Dr. £	s.	d.	Cr. £	s.	d.
Jan. 1	Also—						
	T. Long,	19	7	1			
	W. Hill,				322	1	6
	Bank,	193	19	11			
	C. White,	39	18	3			
	Bad Debts,				141	1	5
„ „	Bought of J. Ince, goods,				72	1	7
„ 4	My acceptance to J. Ince, paid at Bank,				92	1	9
„ „	Bought of W. Hill, goods,				31	15	2
„ „	Bought of F. Cooper, goods,				114	17	1
„ 6	Sold T. Long, goods,				196	19	10
„ „	Sold C. White, goods,				58	9	1
„ 10	Received of C. White his acceptance at one month,				39	18	3
„ 13	John Plant's bill paid in cash,				47	1	6
„ 15	Received of T. Long, cash,				17	8	5
	Being,	£19	7	1			
	Less 10 per cent.,	1	18	8			
„ 15	Sold E. Wright, goods,				76	7	9
„ „	Paid into Bank,				75	0	0
„ 20	Received of T. Long his acceptance at two months,				196	19	10
„ 20	Paid F. Cooper by cheque,				103	7	4
	Being,	£114	17	1			
	Less discount,	11	9	9			
„ 25	Handed to W. Hill my acceptance at one month for £100, cheque for £38, 3s., and T. Long's acceptance for £196, 19s. 10d., which with discount allowed (£18, 13s. 10d.), settles his account,				353	16	8
„ 26	Received 1s. in the pound on my claim on W. Redwood (remainder a total loss),				9	12	3
„ 31	Paid petty expenses in month,				11	1	3

(1.) Balance and close the Ledger, showing the Trial Balance and opening a Balance Account.

The goods on hand may be valued at £350.

Set aside for possible future bad debts 5 per cent. of the total sales of goods.

(2.) What should be the entries of a Government Department for the following transactions :—

1881.		£	s.	d.
March 27	Savings on 1879-80 surrendered, . .	62	1	2
April 15	Advice received from Treasury that £30,000, the amount of the Vote, is now available.			
„ 30	Issued Order on Paymaster-General for salaries for the month, . . .	1500	7	6
June 30	Paid to Exchequer the amount of fees received in cash, ...	17	11	6

(3.) A dishonest book-keeper received £110 from A. Brown on account of his employer, and entered the receipt in the Cash Book and posted it into the Ledger as £10, appropriating the balance to his own use. After the Cash Book had been balanced and examined he altered the amount to £110 in that Book, and in Brown's Ledger Account, and debited the account of James Johnson with £100, referring for this last to a page of the Cash Book, though no such entry appeared there and no such payment had in fact been made.

How would this fraud be indicated at balancing the books, assuming that they were kept and balanced in the ordinary way.

(4.) The same dishonest clerk from the Journal entry 'Goods Dr. to William Smith £50' posts the amount to the credit of J. Jones, with whom he is in league, and so enables that person to receive £50 from the firm.

Afterwards, when Smith applies for payment, he posts the original entry to the account of Wm. Smith also, and adds £50 to the corresponding entry in Goods Account.

How would these false entries be indicated at balancing?

[116.]

1881.		£	s.	d.
Jan. 1	Cash in hand, £47, 1s. 9d. ; Goods on hand valued at £330 ; Balance overdrawn at Bank, £96, 11s. 5d. ; Bills payable outstanding, £427. Besides the above the following Ledger balances were brought			

1881.		£	s.	d.
	down on December 31, 1880, viz. Dr. balances, John Walker, £21, 5s. 4d., Adam Scoones, £117, 2s. 9d.; and Cr. balances, R. Burn, £28, 18s. 3d., J. Cameron, £102, 15s. 3d.			
Jan. 5	Received of A. Scoones, cash, . . . Viz., . . £117 2 9 Less discount, 5 17 2	111	5	7
„ „	Paid into Bank, ...	145	0	0
„ 6	Sold R. Stokes, goods, ...	42	10	6
„ „	Sold G. Stringer, goods, ...	216	16	2
„ 10	Bought of A. Veall, goods, ...	332	17	0
„ „	Bought of H. Peck, goods, . . .	25	16	8
„ 12	Sold John Walker, goods, ...	35	18	6
„ 15	Accepted draft of J. Cameron at one month for amount of account (less discount, £2, 11s. 5d.), ...	100	3	10
„ 20	Received of John Walker, his acceptance at three months, ...	21	5	4
„ „	Drew cheque for Office cash, . . .	25	0	0
„ 25	Paid H. Peck, by cheque, ...	25	16	8
„ „	Paid R. Burn in cash, ...	28	18	3
„ 31	Paid petty Office expenses during month, .	7	1	11

(1.) Balance and close the Ledger, showing the Trial Balance and opening a Balance Account. The goods on hand may be valued at £375.

(2.) What Journal entry should J. Cameron make for the transaction of January 15?

(3.) What Journal entry should be made by A. Scoones for the transaction of January 5?

(4.) What Journal entries should be made for the transactions referred to in the following letters by each of the parties concerned?

The expenses and commission of John Smith amounted to £5, 15s. 5d.

LONDON, *1st February* 1881.

Messrs. W. GARFIELD AND CO., Marsala.

GENTLEMEN,—At the request of Messrs. Brown and Co. of Liverpool, and to their debit, I have to enclose five seconds of Exchange as noted at foot, amounting to £2143, 17s. 2d., part of

£5300, which they have paid into my bankers for the purpose of being remitted to you.

The firsts are with Messrs. V. Pistrucci and Co., of Naples.

Your obedient servant,

JOHN SMITH.

LONDON, *1st February* 1881.

Messrs. V. PISTRUCCI AND CO., Naples.

DEAR SIRS,—I take the liberty of enclosing five firsts of Exchange, amounting to £2143, 17s. 2d., as noted at foot, and to request that you will be good enough to obtain acceptance and hold them at the disposal of the seconds, remitted this day to Messrs. Garfield and Co., Marsala.

Faithfully yours,

JOHN SMITH.

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117. On the 1st January 1881, Burt and Co.'s affairs stood as follows :—

Cash in hand, £40, 10s. 6d. ; Goods, £1122, 6s. 6d. ; due by A. Carr, £103, 2s. 6d., and G. Smith, £50, 14s. 9d. ; due to the Bank, £32, 5s. 4d., and to W. Foot, £123, 6s. 6d.

The outstanding Bills were as follows :—

	£	s.	d.
My acceptance to C. Ward, due Jan. 4/7, . . .	115	6	0
Acceptance of T. Wood, due Feb. 4/7, . £325 12 0			
Acceptance of W. Bond, due Jan. 15/18, 200 0 0			
	525	12	0

The following transactions took place during the month :—

1881.		£	s.	d.
Jan. 1	Sold goods to W. Foot, ...	63	6	6
„ „	Sold goods to G. Lucas for cash, . .	57	1	6
„ 2	Paid into Bank, cash, ...	50	0	0
„ 3	Bought goods from C. Webb, . . .	105	2	9
„ 4	Bought goods from G. Thomas, . . .	72	3	4
„ 7	My acceptance to C. Ward paid at Bank, .	115	6	0
„ „	Accepted draft of W. Foot at one month, .	60	0	6
„ „	Accepted draft of G. Thomas at one month,	72	3	4

1881.		£	s.	d.
Jan. 7	Paid into Bank to be discounted :— viz., T. Wood's acceptance, £325 12 0 Less discount, . . 1 7 6	324	4	6
„ 10	Sold goods to C. Ward, ...	223	5	6
„ „	Sold goods to A. Carr, ...	156	3	2
„ 15	Paid into Bank for collection—W. Bond's acceptance, due 18th inst., . . .	200	0	0
„ 18	Shipped goods per steamship *Ottawa*, Sturt master, to the order, and on account of, W. Thoms, New York :— viz., Goods, . . £450 0 0 Paid Freight, . 15 11 6 Insurance, . . 4 10 0	470	1	6
„ 18	W. Bond's acceptance paid this day in cash at Bank, ...	200	0	0
„ 20	Received C. Ward's acceptance at one month,	223	5	6
„ „	Received G. Smith's cheque, . . . Being, . . £50 14 9 Less discount, . 2 10 0	48	4	9
„ 23	Sold goods to G. Thomas, ...	63	4	6
„ 25	Paid C. Webb my debt to him as follows :— viz., My acceptance at one month, . . £50 0 0 My cheque, . . 50 2 9 Discount, . . 5 0 0	105	2	9
„ 28	Bought goods of C. Webb, . . .	234	5	4
„ 31	Paid Clerk's Salary by cheque, . . .	15	0	0
„ „	Paid Office Expenses, ...	5	2	3
„ „	Interest allowed on current account at Bank,	1	3	6

(1.) Balance and close the Ledger, showing the Trial Balance, and opening a Balance Account. The goods on hand may be valued at £704, 3s. 6d.

(2.) Give the Journal entries which should be made in the books of—

(1.) W. Bond,
(2.) C. Ward,
(3.) G. Smith,

to record the transactions of the 18th and 20th January as given above.

(3.) Would W. Thoms make any entry in his books on receipt of the Invoice of Goods shipped to him on the 18th January? If so, give it.

(4.) In a Government Department administering several Votes, but having a single account for 'Orders Payable,' the following Journal entry was made at the end of a month, and the sums were posted to the accounts specified in the Journal :—

			Sundries.	Dr.	
			To Orders Payable, . .	£41	5 6
£30	0	0	Salaries, Vote 2.		
11	5	6	Travelling, Vote 2.		

But the orders on the Paymaster-General were wrongly drawn, the 'Salaries' being payable out of Vote 1, and the 'Travelling' out of Vote 3.

Give the Journal entry necessary to correct the books of the Department.

(5.) Bearing in mind that the books of the Department have been corrected as in preceding question, and that the Paymaster-General renders to the Department an account of the expenditure out of each Vote, what Journal entry would he make to adjust his books?

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118. On the 30th June 1882 the closing entries of the following accounts in the Ledger of J. Walker of London stood thus :—

Dr. GOODS. **Cr.**

	£	s.	d.		£	s.	d.
To Profit and Loss, .	15	10	0	By Balance, . .	780	0	0

BILLS RECEIVABLE.

				By Balance, . .	284	3	2

Dr. BILLS PAYABLE. **Cr.**

	£	s.	d.		£	s.	d.
To Balance, . .	85	6	3				

BANK.

To Balance, . .	10	15	6				

CASH.

				By Balance, . .	15	8	3

G. GRANT.

To Balance, . .	64	18	6				

T. WILKS.

				By Balance, . .	85	16	8

R. WATSON.

				By Balance, . .	74	10	0

A. WATERLOW.

				By Balance, . .	18	15	4

PROFIT AND LOSS.

To Capital, . .	28	3	4				

The Books were re-opened on the 1st July, and the following transactions took place during the month :—

1882.		£	s.	d.
July 1	Paid into Bank for collection, W. Sims's acceptance,	164	2	0
„ 3	Sold to A. Webb, goods,	145	3	2
„ „	Sold to R. Watson, goods,	84	16	3
„ „	W. Sims's acceptance, due this day, duly honoured,	164	2	0
„ 5	Received R. Watson's acceptance for £120, at one month, and his cheque for £38, 6s. 3d., and allowed him £1,	159	6	3
„ 8	Bought of C. Mitchell, goods,	134	18	10
„ 9	Bought of R. Westlake, goods,	96	14	5
„ 10	Shipped to the order and on account of T. Moore, of New York, per s.s. *Alert*, goods invoiced at	321	16	0
	Freight, Lighterage, etc.,	15	0	0
	Commission on the above at 1½ per cent.	4	16	6
„ 11	Drew from Bank for Office cash,	35	0	0
„ „	Received of T. Wilks, his cheque, viz. Account, £85 16 8; Discount allowed, 2 3 0	83	13	8
„ 12	Received of A. Webb, by cheque on account,	45	0	0
„ „	Accepted G. Grant's draft at fourteen days,	63	8	6
„ „	Received of G. Grant, discount,	1	10	0
„ 15	Wrote off balance of A. Waterlow's account as a bad debt,	18	15	4
„ 17	Drew from Bank for private account,	25	0	0
„ 22	Paid C. Mitchell by R. Freke's acceptance, due 31st July, £120, 1s. 2d., by cash, £14, 2s. 8d.	134	3	10
„ „	Discount allowed by C. Mitchel,	0	15	0
„ 25	Received T. Moore's acceptance at one month,	341	12	6
„ „	My acceptance to G. Caunter, due this day, paid at Bank,	85	6	3
„ 26	Sold R. Watson, goods,	103	18	2
„ 27	Paid freight, etc., on T. Moore's shipment in cash,	15	0	0
„ 29	Discounted with J. Burd and Co., T. Moore's acceptance, and received in payment their cheque for £340, 1s. 6d., allowing for discount £1, 11s.,	341	12	6

1882.		£	s.	d.
July 29	Acceptance due this day, paid by cheque, .	63	8	6
„ 31	Paid cash for Postage and Stationery, .	8	16	3
	Do., Clerk's salary, . . .	10	0	0
	Do., One month's rent due this day,	8	10	0

(1.) Balance and close the Ledger, showing the Trial Balance and opening a Balance Account. The goods on hand may be valued at £450.

(2.) Assuming that Borland and Co. received the money in cash, what Journal entry or entries would be made in the books of J. Arnold and Co. and D. Cortez respectively for the following transaction recorded in J. Arnold's Waste Book?—

'Received from Borland and Co., of Cape Town, a draft for £200, on Drummond and Co., London, at seven days' sight, being in payment of our shipment to them to the order and on account of D. Cortez.'

(3.) Would Borland and Co. make any entry or entries in their Journal for the above transaction? If so, state what entry or entries.

(4.) A cashier received from W. Brown £60 in cash, acknowledged its receipt on behalf of the firm, and then purposely entered it in the Cash Book as £20 and pocketed the difference, but in order to prevent the discovery of his fraud by an application to W. Brown for the balance on his account still apparently due to the firm, he credits Brown's account with a further sum of £40, and refers to a page of the Journal where no such entry appears.

(*a.*) When would the cashier's fraud be discovered?

(*b.*) How would it be discovered?

PARTNERSHIPS.

As it is desirable that the condition of the affairs of a business should not be patent to any but the principal or principals, it is requisite that another Ledger, called the **Private Ledger,** be kept, and that an account be opened in the General Ledger under the title of Private Ledger, into which may be posted all transactions coming under any head of account kept in the Private Ledger.

This will be best understood by reference to an account.

A and B are partners, their shares being in the ratio of 2 : 3. At the commencement of a year their Assets are—Stock, £6000; petty cash, £25; Bills receivable, £180; Liabilities—Tomkins, £900; Bank, £400.

During the year the following are the transactions—Stock bought, £1400; Stock sold, £2500; Bills receivable cashed; Tomkins is paid, less £30 discount; £400 drawn out for petty cash purposes, of which £385 are disbursed; A draws out for private account, £200; B £300: the stock is valued at the end of the year at £6785.

JOURNAL.

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Sundries, Dr., viz.:—						
Trade,	6000	0	0			
Petty Cash,	25	0	0			
Bills Receivable,	180	0	0			
To Capital,				6205	0	0
Capital, Dr.,	1300	0	0			
To Sundries, viz.:—						
Tomkins,				900	0	0
Cash,				400	0	0
Trade, Dr.,	1400	0	0			
To Cash,				1400	0	0
Cash, Dr.,	2500	0	0			
To Trade,				2500	0	0
Cash, Dr.,	180	0	0			
To Bills Receivable,				180	0	0
Tomkins, Dr.,	870	0	0			
To Cash,				870	0	0
Tomkins, Dr.,	30	0	0			
To Discount,				30	0	0
Petty Cash, Dr.,	400	0	0			
To Cash,				400	0	0
Trade, Dr.,	385	0	0			
To Petty Cash,				385	0	0
Private Ledger, Dr.,	200	0	0			
To Cash,				200	0	0
Private Ledger, Dr.,	300	0	0			
To Cash,				300	0	0

LEDGER.

Dr. CAPITAL. **Cr.**

	£	s.	d.		£	s.	d.
To Sundries, . . .	1300	0	0	By Sundries, . . .	6205	0	0
To Balance Account for Balance, . .	5935	0	0	By Private Ledger, .	1030	0	0
	7235	0	0		7235	0	0

TRADE.

To Capital, ...	6000	0	0	By Cash, ...	2500	0	0
To Cash, ...	1400	0	0	By Valuation, . .	6785	0	0
To Petty Cash, . .	385	0	0				
To Private Ledger for Balance, . .	1500	0	0				
	9285	0	0		9285	0	0

CASH.

To Trade, ...	2500	0	0	By Capital, . . .	400	0	0
To Bills Receivable, .	180	0	0	By Trade, ...	1400	0	0
To Balance Account for Balance, . .	890	0	0	By Tomkins, . . .	870	0	0
				By Petty Cash, . .	400	0	0
				By Private Ledger, .	500	0	0
	3570	0	0		3570	0	0

Dr. PETTY CASH. **Cr.**

	£	s.	d.		£	s.	d.
To Capital, ...	25	0	0	By Trade, ...	385	0	0
To Cash, ...	400	0	0	By Balance Account for Balance,	40	0	0
	425	0	0		425	0	0

BILLS RECEIVABLE.

To Capital, ...	180	0	0	By Cash, ...	180	0	0

TOMKINS.

To Cash, ...	870	0	0	By Capital, . . .	900	0	0
To Discount, . . .	30	0	0				
	900	0	0		900	0	0

DISCOUNT.

To Private Ledger for Balance . .	30	0	0	By Tomkins, . . .	30	0	0

PRIVATE LEDGER.

To Cash, ...	200	0	0	By Trade Balance, .	1500	0	0
To Cash, ...	300	0	0	By Discount Balance,	30	0	0
To Capital for Balance	1030	0	0				
	1530	0	0		1530	0	0

Dr. VALUATION. **Cr.**

	£	s.	d.		£	s.	d.
To Trade, ...	6785	0	0	By Balance Account for Balance,	6785	0	0

TRIAL BALANCE.

£1300	Capital, ...	£6205
9285	Trade, ...	9285
2680	Cash, ...	3570
425	Petty Cash, . . .	385
180	Bills Receivable, . .	180
900	Tomkins, ...	900
30	Discount, ...	30
500	Private Ledger, . .	1530
6785	Valuation, . .	
£22,085		£22,085

In the above there are only four entries posted into the 'Private Ledger' account, but there might have been many, for all of which, when existing, an account is opened in the Private Ledger, that from it they may be analysed and distributed.

It should be observed that the total capital of the partners at the end of the year amounts to £5935, but the portion of this which belongs to each partner is not to be discovered from the Public Ledger.

PRIVATE LEDGER.

A reference to the accounts in this will enable one to see the condition of each partner's account for the year's transactions :—

Dr. A'S CAPITAL ACCOUNT. **Cr.**

	£	s.	d.		£	s.	d.
To Sundries, . . .	520	0	0	By Sundries, . . .	2482	0	0
To Balance Account for Balance, . .	2374	0	0	By current account,	412	0	0
	2894	0	0		2894	0	0

Dr. B's Capital. **Cr.**

	£	s.	d.		£	s.	d.
To Sundries, . . .	780	0	0	By Sundries, . . .	3723	0	0
To Balance Account for Balance, . .	3561	0	0	By current account,	618	0	0
	4341	0	0		4341	0	0

A's Current Account.

To Public Ledger, .	200	0	0	By Profit and Loss,	612	0	0
To Capital for Balance, ...	412	0	0				
	612	0	0		612	0	0

B's Current Account.

To Public Ledger, .	300	0	0	By Profit and Loss,	918	0	0
To Capital for Balance, ...	618	0	0				
	918	0	0		918	0	0

Profit and Loss.

To A's Current Account, ...	612	0	0	By Public Ledger Account, . . .	1530	0	0
To B's Current Account, ...	918	0	0				
For Balance, .	1530	0	0		1530	0	0

Dr. PUBLIC LEDGER. **Cr.**

	£	s.	d.		£	s.	d.
To Trade, ...	1500	0	0	By Cash, ...	200	0	0
To Discount, . . .	30	0	0	By Cash, ...	300	0	0

This last account, called 'Public or General Ledger' opened in the Private Ledger, contains all the entries which come into the Private from the Public Ledger.

It is to be observed that the general capital of £5935 is seen to be distributed thus—A, £2374; B, £3561.

Perhaps a less confusing way of putting this Private Ledger account to the student, is to say that to arrive at the gross capital, the balances of the partners' private accounts are taken from profit and loss, and the balance of profit and loss from capital.

Whereas, in ascertaining the condition of each partner's account, the balance of profit and loss is taken in proper proportions from the partners' current accounts, and then the balances of these from their respective capital accounts.

119. A and B are partners; A contributing one-third, and B two-thirds of the required Capital.

On commencing business their Assets were £6400, and their Liabilities £700; their total profit for the year was £1200. A drew out £450, and was charged £21 interest; B drew out £150, and was charged £3 interest. The interest on Capital was £228.

120. Moore and Potter are partners, their shares being in the ratio of 2 : 3.

At the commencement of a year they have, Assets—Trade, £7560. Liabilities—Cash, £420; they realize a profit of £1327 by the end of it. Moore has drawn out £180, and is charged £5 interest on his drawings. Potter has drawn out £460, and is

charged £15 interest on his drawings. The interest on Capital 5 per cent. in addition to other profit.

121. Adams and Bennet are partners—Adams's share being one-third, and Bennet's two-thirds. Stock, £8000; Cash, £1000.

Stock sold, £1800; Stock bought, £900; cash received, £2400; cash paid, £1500. Adams's private current-account, £600, and £20 interest; Bennet's private current-account, £300, and £12 interest. Interest on Capital, £450. Valuation of Stock is £8786.

122. A and B are partners, their shares being in the ratio of 1 : 3 —their Assets are, sundries, £5253; Liabilities, cash, £1433.

During the year the following are the transactions—Receipts on trade account, £3500; payments on trade account, £1380; A draws out for private purposes, £600, and is charged £20 interest; B draws out for private purposes, £280, and is charged £3 interest; they realize 4 per cent. interest on their Capital, and a profit of £1247, 4s. in addition.

123. Hughes and White are partners—Hughes's Capital is £1000; White's Capital is £2000.

Hughes draws out £150, and is charged £3 interest; White draws out £80, and is charged £2 interest. 4 per cent. is charged on the Capitals. Trade account Valuation, £3300.

124. Two partners, A and B, commence business, A finding 40, and B 60 per cent. of the required Capital.

Their Assets are—Stock valued at £6000; petty cash, £25; and Bills receivable, £180: their Liabilities are—Due to Tomkins, £900; and cash, £400.

Their transactions are—Buy stock for £1400; sell stock for £2500; receive on Bills receivable, £180; pay Tomkins £870, being allowed £30 discount; draw out for petty cash purposes, £400, and spend out of it £385. A's current-account is £200, B's current-account is £300. Valuation of Stock is £6785.

125. C and D are partners in business; the former contributing three-fifths and the latter two-fifths of the Capital. Their Assets were—Stock, £6100, and Bills receivable, £500: their Liabilities were—Bills payable, £800.

Their transactions were the following:—Sold stock for £2400; bought stock for £600; paid wages, £800; half-year's rent, £450;

accepted sundry Bills, £1200; Bills receivable cashed, less £25 discount; at the end of the year owed certain tradesmen £300, and the landlord, £450. C drew out £300; interest on it, £10: D drew out £500; interest on it, £20; all the Bills payable cashed, less £40 discount; interest at 5 per cent. charged on Capital. Valuation as to show £2000 total profit.

126. P and Q are partners in business, contributing to the Capital Fund in the proportion of 2 to 3.

Their Assets are—Sundries, £6850; their Liabilities—Sundry persons, £350.

The following were their transactions:—Expended on trade account, £3200; sales on trade account, £4000. P drew out £200, and was charged £5 interest; Q drew out £50. Charge 4 per cent. on Capital, and make a profit besides of £600.

127. A and B were partners; A subscribing two-sevenths and B five-sevenths of the Capital.

Their Assets at the commencement of the year were—Stock, £5501; horses and implements, £1200; Bills receivable, £450; due by Gascoyne, £125; and petty cash, £14.

Their Liabilities were—Due to Masterman, £380; Bills payable, £260; cash, £150; and due to Newlove, £200.

Their transactions were—Goods sold, £3500; expended on trade account, £2100; Bills receivable cashed, less £25 discount; Gascoyne compounds for 10s. in the £; Bills payable cashed, less £15 discount; paid Masterman £370, £10 discount; and paid Newlove £200. Consigned stock to Masterman, valued at £400; expenses on them, £15; Stock realized £380; balance remitted, less £10 commission. Newlove consigned to them a horse, valued at £80; expenses on him were £5; he sold for £60; the firm retained £5 commission, and remitted balance. Sold stock to Hughes for £350; he paid £50 cash, and accepted the firm's draft for £300. A drew out during the year £550, and was charged £10 interest; B drew out £320, and was charged £5 interest. Their Capital stood at 5 per cent.; 10 per cent. depreciation on horses; £450 drawn out for petty cash purposes, of which £420 were disbursed. Valuation of Stock is £4083, 10s.

128. A and B entered into partnership: A finding two-fifths and B three-fifths of the Capital.

Their Assets on commencing business were—Stock, £3800; implements and horses, £900; due by Hewitt, £280; and Bills receivable, £250.

Their Liabilities were—Due to Jacobs, £400; and Bills payable, £300.

Their transactions were—Stock sold, £2500; stock bought, £800. A's private account was £600, interest on which was £30; B's private account was £250, interest on it £5. They paid Jacobs £400; received on Bills receivable, £245, the balance being discount; cashed Bills payable, £280, balance being discount; received from Hewitt, £200, the balance a bad debt; wrote off 10 per cent. depreciation of horses and implements, and charged 5 per cent. interest on Capital. Valuation of Stock is £2831, 10s.

129. A and B were partners; A finding two-thirds and B one-third of the Capital. Five per cent. was charged on Capital.

Their Assets on commencing business were—Stock, £4899; Bills receivable, £900; due by Scott, £300.

Their Liabilities were—Bills payable, £351; and due to Russell, £120.

Their transactions were—Receipts on trade account, £2100; payments on Trade account, £1800; received from Scott, £270, the balance discount; received on Bills receivable, £840, balance £60 discount; cashed Bills payable, £335, balance £16 discount; paid Russell, £108, balance £12 discount. Sold stock to James for £270, which had to be written off as a bad debt. A drew out £450, interest on it, £12; B drew out £600, interest on it, £18. Interest on Capital, £282. Make valuation so as to lose £584, including interest.

130. Three partners, A, B, and C, commence business. A subscribes 25, B 35, and C 40 per cent. of the necessary Capital.

Their Assets are—Cash, £800; Stock, £9000; Hawkins, £400.

Their Liabilities are—Bills payable, £600.

During the year the following are their transactions:—Cash Bills payable, less £40 discount; receive from Hawkins, £300, the balance being a bad debt. Bankers charge £10 for interest. Buy stock for £2000, and sell stock for £500. A draws out £400, and is charged £20 interest; B draws out £200, and is charged £10 interest; C draws out £200, and is charged £10

interest. Interest is charged on Capital at 5 per cent. Valuation of Stock is £12,010.

131. A and B's Liabilities on commencing business were—Cash, £380; Bills payable, £450; and due to Thomson, £600: their Assets were—Stock, £4900; Bills receivable, £300; due by Evans, £45; and Petty Cash, £8.

The following were their transactions during the year:—Sold stock for £2850; bought stock for £560; Bills payable paid, less £45 discount; Bills receivable paid, less £30; Thomson was paid, £600; Evans pays £25, balance being a bad debt; drew out for petty cash, £184, and disbursed £170; consigned stock to Evans valued at £400, the expenses paid by Evans were £25, commission £20, they realised £385, the balance was remitted; sold Thomson stock for £408, he accepts A and B's draft; 4 per cent. interest is charged on Capital; the payments on trade account were £1600; Thomson's acceptance is dishonoured; A draws out for private purposes £200, interest on it £10; B draws out £400, interest on it £20. Their shares in the business are as 1 : 3. Make a Valuation so as to show the loss of interest on Capital and £100 besides.

132. Moss and Payler are partners, their shares being in the ratio of 2 : 3.

At the commencement of a year they have, Assets—Trade, £7560. Jones, £300. Liabilities—Cash, £420. They realize a profit of £1627 by the end of it. Trade sales, £3500; trade expenses, £2000. Moss has drawn out £280, and is charged £5 interest on his drawings. Payler has drawn out £360, and is charged £15 interest on his drawings. Interest on Capital is 5 per cent.

133. A and B are partners, A owning 30 per cent., B 70 per cent. of the property. Assets of the concern are—Cash, £800; Stock, £9000; Bills receivable, £180; Jones, £500. Liabilities—Bills payable, £400; Henry, £600. Valuation, £10,000. A's current-account, £900; B's, £400.

134. Three partners, A, B, C, owning severally 10 per cent., 40 per cent., 50 per cent. of the property. Assets—Stock, £8500; Hewitt, £900. Liabilities, £400 Cash—Tomkins, £750. Valuation, £10,000. A's current-account, £300; B's current-account. £400; C's current-account, £600.

135. A and B are partners, having shares as 1 : 6. Liabilities—Green, £450. Assets—Cash, £680; Stock, £6770.

A draws out £500, interest on it £20; B draws out £1300, interest on it £45. Buy stock, £800; sell stock, £3500; charge interest on Capital, 5 per cent.; Green is paid £450. Valuation of Stock is £6455.

136. A and B are partners, their interest in the concern being as 5 : 4. Assets—Stock, £6805; Petty Cash, £20; Smith, £100. Liabilities—Cash, £500; Bills payable (Jones), £260. Purchases on trade account, £3000; sales on trade account, £1800; Smith pays 5s. in the £, the balance is written off as a bad debt; the firm dishonours the Bill payable when due.

A draws out for private purposes £300; B draws out £150; A is charged £5 interest; B, £2. The bankers charge £80 interest on the overdrawn account, and the business is to pay 5 per cent. on each Capital; the firm draws out for petty cash purposes, £25; and disburses £40. Valuation of Stock is £8058, 5s.

137. A and B are partners, having shares 1 : 3. Their joint Capital is £5000. Stock purchased, £800; stock sold, £1900; A's drawings, £600; B's drawings, £300. Valuation of Stock is £5900.

138. A's Capital is £3000; B's Capital is £5000.

They buy stock, £6500, giving a Bill to Hewitt for £2000, and £250 Bill to James for part, the rest in cash; they buy implements for £850; sell stock during the year, £2800; buy from Penfold stock, £180, and accept his draft for the amount; pay wages, etc., £1850; sell to Fairrie a horse for £45, they draw on him and he accepts their Bill; Bill held by Penfold cashed, less £10 discount; Fairrie's acceptance dishonoured; their acceptance held by Hewitt paid in full.

They sell an implement to Howell for £25, which is ultimately written off as a loss; A's private drawings during the year are £400; B's private drawings are £300; they each have to pay 5 per cent. on these sums, and their respective Capitals stand at 5 per cent.; consign to James stock, £300, he expends on them £25, and sells them for £290, he pays by sending them their acceptance (£250) and the balance in cash; take 10 per cent. off £800 for depreciation of implements. Valuation of Stock is £6210.

139. A has Liabilities—Jones, £400; Bills payable, £600. Assets —Cash, £850; Bills receivable, £350; Tomkins, £180; James, £140; Stock, £4500. He sells stock, £1800; buys stock, £200; cashes Bills payable, £540, discount £60; pays Jones £380, discount £20; cashes Bills receivable, £335, discount £15; receives from Tomkins £180 and £5 interest.

B comes into the concern with £3000 at the end of half-year, and it is agreed that he is to have a fourth of the profits, and his Capital as well as A's is to stand at 5 per cent. A draws out for private use £600, interest on it £20; B draws out for private use £700, interest on it £25. They consign stock to Jacobs, value £500, expenses on them paid by Jacobs £40; the stock realizes £560, the balance is remitted. Jacobs gives them a consignment, value £200, which realizes £185, £20 commission is deducted and the balance remitted. James pays £100, £40 is written off as bad debt. Valuation of Stock is £4631.

140. A and B are partners, their shares being as 3 : 5. Liabilities —Bills payable, £400; Tomkins, £500. Assets—Stock, £4800; Bills receivable, £1200; implements and horses, £1600; Cash, £300; Jones, £200.

Transactions:—Stock sold, £2500; Stock bought, £450; A's private account, £500, interest on it £20; B's private account, £280, interest on it £10; Bills payable cashed, less £25 discount; Bills receivable cashed, less £80 discount; Tomkins is paid £480, £20 discount; received from Jones £200; charge 5 per cent. on capital; deduct 10 per cent. as loss on implements. Valuation of Stock is £3765.

141.

£175	6	8	A.'s Capital, . . .	£3497	2	6
368	10	6	B.'s Capital, . . .	5426	7	6
5444	19	6	Cash, ...	5221	2	9
488	0	0	Bills receivable, . .	388	0	0
199	0	0	Bills payable, . .	600	0	0
85	10	0	Discount, . . .	44	19	0
1669	12	6	Consignments, . .	2051	4	6
2000	0	0	Jameson, . . .	2000	0	0
366	8	6	Farm House, . .	22	5	6
9985	10	0	Trade, ...	2321	15	11
600	0	0	A.'s private account, .	166	1	9½

£200	0	0	B.'s private account, .	£252	17	10½
418	19	8	Interest, . . .			

142.

£196	15	0	A.'s Capital, . . .	£2464	17	6
983	15	0	B.'s Capital, . . .	8171	12	6
3,672	18	6	Cash, ...	3845	15	6
11,455	10	0	Trade, ...	2959	18	0
69	9	6	Discount, . . .	55	4	6
246	17	6	Commission, . .	325	3	6
345	0	0	Bad Debts, . . .	50	0	0
460	18	6	Farm House, . .	8	12	6
378	4	10	Interest, . . .			
250	0	0	A.'s private account, .	90	14	6
200	0	0	B.'s private account, .	287	10	4

Make a Valuation showing a loss of £300.

143.

£205	18	6	A.'s Capital, . . .	£9433	17	6
68	12	10	B.'s Capital, . . .	3144	12	6
14,456	15	0	Trade, ...	3327	18	10
156	12	6	Discount, . . .	177	10	0
764	15	0	Consignments, . .	810	12	0
456	12	0	Bad Debts, . . .	108	9	0
324	7	0	Commission, . .	333	11	6
456	10	0	Farm House, . .	23	9	6
220	0	0	A.'s private account, .	461	8	0
350	0	0	B.'s private account, .	153	16	0
3,420	7	6	Cash, ...	3520	9	6
615	4	0	Interest, . . .			

Make a Valuation to show a gain of £650.

144.

£141	15	0	A.'s Capital, . . .	£2464	10	0
567	0	0	B.'s Capital, . . .	6585	15	0
2,569	10	6	Cash, ...	2418	12	0
196	18	6	Discount, . . .	177	12	0
1,560	12	6	Consignments, . .	1980	10	6
285	0	0	Bad Debts, . . .	35	10	0
467	8	0	Commission, . .	560	9	6
10,485	17	6	Trade, ...	2807	9	0
			Landlord, . . .	300	0	0
648	12	0	Farm House, .	22	6	0

£417	1	6	Interest, . . .			
250	0	0	A.'s private account, .	£116	2	9
180	0	0	B.'s private account, .	300	18	9

Make a Valuation to show a profit of £300.

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145. £204	6	8	A.'s Capital, . . .	£3156	17	6
613	0	0	B.'s Capital, . . .	6768	10	6
2,591	18	6	Cash, ...	2764	2	6
12,684	12	0	Trade, ...	4189	2	2
197	10	6	Discount, . . .	188	12	0
1,545	12	6	Consignments, . .	1692	10	0
389	0	0	Bad Debts, . . .	106	0	0
244	15	6	Commission, . .	299	12	6
380	0	0	Farm House, . .	15	8	6
455	8	0	Interest, . . .			
120	0	0	A.'s private account, .	147	12	6
210	0	0	B.'s private account, .	307	15	6

Make a Valuation to show a profit of £900.

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146. £144	15	6	A.'s Capital, . . .	£4690	17	6
434	6	6	B.'s Capital, . . .	8432	10	6
3,224	12	6	Cash, ...	3499	18	0
14,677	15	6	Trade, ...	2948	19	6
218	10	0	Discount, . . .	199	7	0
1,467	15	0	Consignments, . .	1942	12	6
385	0	0	Bad Debts, . . .	120	0	0
750	0	0	Farm House, . .	18	10	0
300	0	0	A.'s private account, .			
250	0	0	B.'s private account, .			

Make a Valuation to show a loss of £200.

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147. £250	5	6	A.'s Capital, . . .	£4760	10	6
750	16	6	B.'s Capital, . . .	5433	17	6
4280	10	0	Cash, ...	4160	15	0
9977	17	6	Trade, ...	3551	0	3
1085	10	6	Horses, . . .	1000	0	0
260	19	0	Discount, . . .	270	10	0
485	12	6	Commission, . .	490	10	9
385	0	0	Bad Debts, . . .			
512	6	0	Loan to Jones, . .			
128	6	0	Petty Cash, . . .	124	3	6

£486	10	0	Farm House, . .			
420	0	0	Deposit account, . .			
459	13	3	Interest, . . .	£32	6	0
500	0	0	A.'s private account, .	225	10	3
300	0	0	B.'s private account, .	234	3	0
1815	12	6	Consignments, . .	2022	10	6

Valuation is to show a loss of £1200.

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148. £136	10	0	A.'s Capital, . . .	£2560	8	6
204	15	0	B.'s Capital, . . .	3421	12	6
341	5	0	C.'s Capital, . . .	4560	17	6
3,845	19	6	Cash, ...	3621	10	6
14,567	12	0	Trade, ...	6042	11	6
788	15	0	Consignments, . .	922	12	0
651	15	6	Farm House, . .			
185	18	0	A.'s private account, .	121	3	11
250	12	6	B.'s private account, .	160	16	10
156	10	0	C.'s private account, .	210	19	8
493	0	5	Interest, . . .			

Make a Valuation to show a loss of £250.

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149. £186	10	2	A.'s Capital, . . .	£1876	15	0
93	5	0	B.'s Capital, . . .	2025	4	6
46	12	6	C.'s Capital, . . .	3044	10	0
2560	18	1	Cash, ...	2796	12	0
8999	17	6	Trade, ...	3970	0	0
245	10	9	Commission, . .	288	16	6
108	10	0	Discount, . . .	94	3	0
280	0	0	Bad Debts, . . .	18	6	0
865	15	0	Farm House, . .	21	12	0
749	0	0	Interest, . . .			

Valuation is to show a loss of £600.

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150. £260	10	6	A.'s Capital, . . .	£3544	15	0
521	1	0	B.'s Capital, . . .	5420	7	6
781	11	6	C.'s Capital, . . .	6525	12	0
8,758	17	6	Cash, ...	8542	12	6
18,977	12	0	Trade, ...	6153	12	2
1,964	2	6	Consignments, . .	3144	19	6
202	10	0	Discount, . . .	188	12	0
677	16	8	Commission, . .	691	10	4

£1,256	8	0	Farm House, . .	£15	10	8
1,426	12	0	Horses, . . .	1350	0	0
			Bills payable, . .	600	0	0
350	10	0	A.'s private account, .			
600	0	0	B.'s private account, .			
400	0	0	C.'s private account, .			

Make a Valuation to show a gain of £420.

151.

£180	4	6	A.'s Capital, . . .	£4560	10	0
540	13	6	B.'s Capital, . . .	5788	15	0
901	2	6	C.'s Capital, . . .	6445	0	0
5,060	14	6	Cash, ...	5492	9	6
145	0	0	Bad Debts, . . .	50	0	0
1,198	17	6	Consignments, . .	1650	12	6
288	10	6	Commission, . .	146	15	0
425	12	6	Discount, . . .	402	8	6
866	12	6	Farm House, . .	24	9	6
18,445	17	0	Trade, ...	8158	7	0
758	12	10	Interest, . . .			
200	0	0	A.'s private account, .	219	0	3
100	0	0	B.'s private account, .	262	8	1
50	0	0	C.'s private account, .	277	4	6

Make a Valuation showing a profit of £540.

152.

£163	19	4	A.'s Capital, . . .	£2436	14	4
40	19	10	B.'s Capital, . . .	2317	9	10
3420	15	0	Cash, ...	2481	10	6
9214	17	6	Trade, ...	2437	11	0
800	0	0	Bills receivable, . .	365	10	6
85	10	6	Discount, . . .	112	19	6
160	17	6	Commission, . .	108	12	6
2560	10	6	Consignments, . .	2764	7	6
265	0	0	Bad Debts, . . .	18	18	6
600	8	6	Farm House, . .	3	4	6
			Loan (Jones), . .	512	10	0
			Interest, . . .			
235	10	6	A.'s private account, .			
367	15	6	B.'s private account, .			

Make Valuation to show loss of £50, exclusive of 5 per cent. interest on Capital.

In many of the foregoing accounts a sum of money has to be added to the Trade account to make the sides of equal amount.

The following are patterns for the working of the Examples—this is Example No. 152.

To Balance Account.	To Private Account.	To Profit and Loss.	To Farm House Account.	TRIAL BALANCE.			By Private Account.	By Profit and Loss.	By Capital Account.	By Balance Account.
£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1,698 12 6	574 2 6			163 19 4	A's Capital, .	2,436 14 4				
1,600 2 6	676 7 6			40 19 10	B's Capital, .	2,317 9 10				
				3,420 15 0	Cash, . .	2,481 10 6	....	....	....	919 4 6
		17 0 6	....	9,214 17 6	Trade, . .	9,231 18 0				
				800 0 0	Bills R., . .	365 10 6	....	....	....	434 9 6
		27 9 0	....	85 10 6	Discount, .	112 19 6				
				160 17 6	Commission, .	108 12 6	....	52 5 0		
		203 17 0	....	2,560 10 6	Consignments,	2,764 7 6				
				265 0 0	Bad debts, .	18 18 6	....	246 1 6		
				600 8 6	Farm House, .	3 4 6	597 4 0			
512 10 0	....	....	....	....	Loan, . .	512 10 0				
				227 9 3	Interest, . .	....	....	227 9 3		
		153 12 9	298 17 0	235 10 6	A's priv. a/c, .	113 12 9	....	....	574 2 6	
		123 16 6	298 17 0	367 15 6	B's priv. a/c, .	113 16 6	....	....	676 7 6	
				2,437 11 0	Valuation, .	....	....	....	....	2,437 11 0
3,811 5 0	1,250 10 0	525 15 9	597 4 0	20,353 15 8		20,353 15 8	597 4 0	525 15 9	1,250 10 0	3,811 5 0

This is Example 107.

To Balance Account.	To Private Account.	To Profit and Loss.	TRIAL BALANCE.			By Profit and Loss.	By Capital.	By Balance Account.
£ s. d.	£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.
1,095 6 2	7 14 6	....	412 15 4	Howell's Capital, .	1,515 16 0			
989 10 10	259 11 6	....	383 5 8	James's Capital, . .	1,632 8 0			
			450 0 0	Mason, . . .	450 0 0			
170 0 0	....	....	221 1 0	Squires, . . .	391 1 0			
450 0 0	....	....	125 0 0	Bills Payable, . .	575 0 0			
			1,825 9 0	Cash, ...	760 18 6	....	....	1,064 10 6
			6 15 0	Petty Cash, . . .	3 6 8	....	....	3 8 4
			555 12 6	Sheep, ...	274 5 6	281 7 0		
			1,000 2 0	Bullocks, ...	635 0 0	365 2 0		
			350 5 6	Horses, . . .	10 0 0	340 5 6		
			420 0 0	Hawkins, . . .	170 0 0	....	....	250 0 0
			105 0 0	Archer, . . .	105 0 0			
			450 0 0	Dixon, ...	450 0 0			
			790 0 0	Bills Receivable, . .	790 0 0			
			512 10 0	Howell Senior, . .	512 10 0			
			130 2 0	Interest, . . .	10 0 0	120 2 0		
			192 7 6	Consignment to Preston,	....	192 7 6		
		1,383 11 6	3 6 8	Trade, ...	1,386 18 2			
			103 10 0	Howell's priv. a/c, .	55 3 0	40 12 6	7 14 6	
			365 15 6	James's priv. a/c, . .	62 9 0	43 15 0	259 11 6	
			1,386 18 2	Valuation, . . .	....	....	....	1,386 18 2
2,704 17 0	267 6 0	1,383 11 6	9,789 15 10		9,789 15 10	1,383 11 6	267 6 0	2,704 17 0

I

As the main difficulty in Book-keeping is in the journalising, the following are given as embracing nearly all the problems which can occur in ordinary transactions:—

1. A Sale on Credit,
   Smith, Dr. to Stock.

2. A Sale for Cash,
   Cash, Dr. to Stock.

3. A purchase on Credit,
   Stock, Dr. to Smith.

4. A purchase for Cash,
   Stock, Dr. to Cash.

5. The receiving of Cash,
   Cash, Dr. to Smith.

6. The giving of Discount,
   Discount, Dr. to Smith.

7. The paying of Cash,
   Smith, Dr. to Cash.

8. The receiving of Discount,
   Smith, Dr. to Discount.

9. Paying for goods by accepting a Bill or giving a Promissory-note,
   Smith, Dr. to Bills P.

10. Receiving payment for goods by Bills,
    Bills R., Dr. to Smith.

11. The cashing of Bills P.,
    Bills P., Dr. to Cash.

12. The cashing of Bills P. with Discount allowed.
    Bills P., Dr. to Discount.

13. Smith dishonours his Bill,
    Smith, Dr. to Bills R.

14. You dishonour your Bill P. held by Smith,
    Bills P., Dr. to Smith.

15. You charge Interest on Capital,
Interest, Dr. to Capital.

16. You write off the Balance of Smith's Account as a Bad debt,
Bad Debt, Dr. to Smith.

17. You receive a Consignment from Smith which realizes £250.
Cash, Dr., . . . £250 0 0
To Smith, ... £250 0 0

18. You make a Consignment to Smith valued at £380,
Consignment to Smith, Dr., £380 0 0
To Trade, ... £380 0 0

19. At the end of the year you owe rent (£260),
Trade, Dr., . . . £260 0 0
To Landlord, ... £260 0 0

20. Money lent by you on Mortgage accrues Interest,
Mortgage, Dr. to Interest.

21. Your bankers charge for Interest on an overdrawn Account,
Interest, Dr. to Cash.

22. You draw out and place in Cash Account the money accrued on Mortgage Account,
Cash, Dr. to Mortgage.

23. You pay Smith's Account by sending him sundry Bills which you have in your possession,
Smith, Dr. to Bills R.

24. Smith pays you by sending you sundry Bills unconnected with you, which he holds,
Bills R., Dr. to Smith.

25. Among your Assets a Deposit at Banker's is found,
Deposit Account, Dr. to Capital.

26. Among your Liabilities is found a Mortgage,
Capital, Dr. to Mortgage.

27. An Account long since closed in the Ledger by Bad Debt, pays Cash,
Cash, Dr. to Bad Debt.

28. Sundry small Accounts are due at the end of the year to small tradesmen,

Trade, Dr. to Sundry persons.

29. At the end of the year the Balance of an Account (Trade) representing a loss must be as closing entry,

P. and L., Dr. to Trade.

30. The closing entry of an open consignment account must be,

Balance Account, Dr. to Consignment.

31. The closing entry of a Trade Account to which the valuation has already been added must be either,

P. and L., Dr. to Trade, *or*

Trade, Dr. to P. and L.

32. The closing entry of an Account to which the loss or depreciation has been added must be,

Balance Account, Dr. to Trade, *or*

Trade, Dr. to Balance Account.

33. You have an Account in your Ledger against the Farm House; the closing entry is,

Private Account, Dr. to Farm House.

34. Your closing entry of P. and L. if there is a gain is,

P. and L., Dr. to Private Account.

35. Your closing entry of Private Account if there is a profit is,

Private Account, Dr. to Capital.

36. Thus the order of closing the Accounts is,

P. and Loss by Private Account.
Farm House by Private Account.
Private Account by Capital.

37. In a Partnership the balance of the Farm-House Account is divided equally among the Partners.

38. In a Partnership the ratio of shares is found by comparing the Dr. sides of the Capital at the commencement of a year.

ANSWERS.

	Balance Sheet.				*Balance Sheet.*		
1.	£5,420	0	0	39.	£7,535	0	0
2.	5,335	0	0	40.	8,342	0	0
3.	6,250	0	0	41.	5,350	0	0
4.	5,450	0	0	42.	5,712	0	0
5.	5,990	0	0	43.	4,520	0	0
6.	4,100	0	0	44.	6,920	0	0
7.	4,615	0	0	45.	5,824	0	0
8.	4,860	0	0	46.	6,536	0	0
9.	3,500	0	0	47.	4,760	0	0
10.	3,180	0	0	48.	7,295	0	0
11.	8,795	0	0	49.	5,555	0	0
12.	8,496	0	0	50.	7,930	0	0
13.	4,300	0	0	51.	6,755	0	0
14.	4,880	0	0	52.	6,787	0	0
15.	3,910	0	0	53.	7,454	8	0
16.	3,965	0	0	54.	6,250	0	0
17.	5,035	0	0	55.	5,717	0	0
18.	5,165	0	0	56.	4,830	0	0
19.	5,255	0	0	57.	8,072	0	0
20.	3,550	0	0	58.	3,900	0	0
21.	4,133	0	0	59.	8,015	0	0
22.	2,052	0	0	60.	7,995	0	0
23.	10,640	12	0	61.	2,930	0	0
24.	4,100	0	0	62.	7,155	0	0
25.	6,970	0	0	63.	8,768	2	6
26.	4,898	12	8		8,268	2	6
27.	4,401	12	3	64.	7,008	4	5
28.	7,217	13	6	65.	5,711	12	0
29.	90	0	0	66.	6,578	19	6
30.	6,506	10	0	67.	9,295	0	6
31.	600	0	0	68.	7,132	9	10
32.	4,640	0	0	69.	7,777	4	0
33.	6,375	0	0	70.	7,475	2	8
34.	8,295	5	0	71.	3,600	0	0
35.	6,834	0	0	72.	6,539	18	0
36.	6,386	0	0	73.	8,851	0	6
37.	6,653	0	0	74.	7,616	16	0
38.	4,390	0	0	75.	3,035	9	0

76.	£2,686	16	4		£3,200	7	9
77.	4,644	8	0	97.	1,903	2	4⅘
78.	7,430	0	0		337	0	7⅕
79.	7,776	0	0	98.	4,166	15	9
80.	3,705	0	0		9,436	11	2
81.	10,385	0	0	99.	3,216	14	6½
82.	345	0	0		5,818	16	7½
83.	6,734	12	0	100.	3,111	11	6
84.	8,509	2	0	101.	6,273	5	6
85.	2,857	7	0	102.	2,962	0	11
86.	6,886	0	0	103.	2,669	16	11
	9,160	7	5¾	104.	5,135	6	6
87.	1,448	18	10½		4,632	15	10
	7,603	4	5¼	105.	774	14	3
	6,295	0	0		2,429	2	9
88.	2,518	0	0	106.	3,392	15	0
	3,777	0	0		2,704	17	0
	15,747	6	0	107.	1,095	6	2
	2,985	19	0		989	10	10
89.	4,818	1	6	108.	1,653	15	9
	7,943	5	7	109.	2,407	7	5
90.	1,074	6	3	110.	4,274	2	5
91.	2,848	15	9	111.	2,286	15	0
92.	6,633	10	2	112.	657	6	0
93.	898	5	0	113.	1,644	4	0
	7,319	5	7	114.	2,251	5	7
94.	1,563	18	5	115.	647	3	1
	5,755	7	2	116.	907	13	8
95.	7,033	13	3	117.	2,153	7	7
96.	4,373	13	4	118.	1,219	13	10

PARTNERSHIPS.

	Balance Sheet.			*Partners' Shares.*	
119.	£6,672 0 0	£1,761 0 0	.....	£4,311	0 0
120.	9,224 0 0	3,344 12 0	.....	4,819	8 0
121.	10,686 0 0	3,252 13 4	.....	7,433	6 8
122.	4,510 0 0	685 0 0	.....	3,632	0 0
123.	3,300 0 0	948 13 4	.....	2,121	6 8

	Balance Sheet.						Partners' Shares.					
124.	£6,825	0	0	£2,374	0	0	.....			£3,561	0	0
125.	9,155	0	0	4,370	0	0	.....			2,600	0	0
126.	7,455	0	0	2,739	0	0	.....			4,366	0	0
127.	5,520	0	0	1,270	0	0	.....			4,250	0	0
128.	4,256	10	0	1,426	12	0	.....			2,829	18	0
129.	4,047	0	0	2,900	13	4	.....			1,063	6	8
130.	12,010	0	0	2,350	0	0	£3,668	0	0	4,222	0	0
131.	3,784	1	9	682	10	5	.....			2,257	11	3
132.	8,307	0	0	3,241	16	0	.....			5,065	4	0
133.	10,680	0	0	2,244	0	0	.....			6,936	0	0
134.	10,900	0	0	675	0	0	3,500	0	0	4,275	0	0
135.	7,585	0	0	830	0	0	.....			6,755	0	0
136.	8,063	5	0	3,045$\frac{5}{36}$	0	0	.....			2,528$\frac{1}{9}$	0	0
137.	11,100	0	0	2,400	0	0	.....			8,700	0	0
138.	7,900	0	0	2,818$\frac{1}{8}$	0	0	.....			5,081$\frac{7}{8}$	0	0
139.	9,021	0	0	6,166	0	0	.....			2,855	0	0
140.	7,240	0	0	2,498$\frac{3}{4}$	0	0	.....			4,741$\frac{1}{4}$	0	0
141.	9,436	9	10	3,252	17	4$\frac{7}{18}$	.....			5,782	12	5$\frac{11}{18}$
142.	9,026	11	0	1,841	19	6	.....			7,011	14	6
143.	12,051	0	2	9,278	18	9	.....			2,671	19	5
144.	7,885	4	0	1,819	12	0	.....			5,765	12	0
145.	9,485	13	10	2,709	0	7	.....			6,404	9	3
146.	11,338	1	6	3,830	7	0	.....			7,232	9	0
147.	7,406	16	0	3,542	0	0	.....			3,864	16	0
148.	8,365	12	6	1,970	15	0	.....			2,673	19	10
149.	6,255	15	9	1,347	7	8$\frac{2}{7}$	1,760	10	11$\frac{1}{7}$	2,912	3	2$\frac{4}{7}$
150.	12,356	4	2	2,590	2	1	.....			4,025	14	1
151.	15,711	1	4	4,178	11	5	5,309	15	3	5,790	19	8
152.	3,811	5	0	1,698	12	6	.....			1,600	2	6

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