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DUFF'S
BOOK-KEEPING,

BY

Single and Double Entry.

PRACTICALLY ILLUSTRATING

MERCHANTS', MANUFACTURERS', PRIVATE BANKERS', RAIL
ROAD, AND NATIONAL BANK ACCOUNTS,

INCLUDING ALL THE LATE IMPROVEMENTS IN THE SCIENCE.

WITH A COPIOUS INDEX.

BY *P. J. W.*
P. DUFF,

FORMERLY MERCHANT,

FOUNDER AND PROPRIETOR OF DUFF'S MERCANTILE COLLEGE, OF PITTSBURGH, PA.

Let no man enter into business while he is ignorant of the manner of regulating books. Never let him imagine that any degree of natural ability will supply the deficiency, or preserve multiplicity of affairs from inextricable confusion.—DR. JOHNSON.

TWENTIETH EDITION, ENLARGED AND REVISED.

NEW YORK:

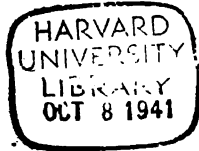
HARPER & BROTHERS, PUBLISHERS.

FRANKLIN SQUARE.

1868.

KF 321

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P. DUFF,

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DUFF'S BOOK-KEEPING.

REMARKS UPON THE TWENTIETH EDITION.

THE early editions of this work were the result of nearly twenty years' accumulated experience in American and European commerce; and there is no undue assumption in asserting that it introduced improvements in Commercial Education previously unknown in schools. Experienced business men in all quarters promptly sanctioned these improvements; and the Legislature of Pennsylvania recognized the public value of them, in promoting the ends and purposes of Commerce, by granting the author an Act of Incorporation, with perpetual Charter, for establishing one of the first Commercial Colleges in America.

The favorable reception and extensive sale of the former impressions, have induced the author to prepare a new, revised and enlarged edition, in which he has spared neither labor nor expense, having added nearly two hundred pages of new matter, including a full set of Joint Stock Bank Books, exemplifying all the changes required for conducting bank accounts under the new National Banking law, now adopted by nearly all American banks. He has also given all the most approved forms of modern Railroad accounts; and, as no system of accounts has yet appeared for the use of Private Bankers, he has added a full set of books expressly adapted to their business.

The work now includes all the improvements for assisting the teacher and perfecting the education of the Commercial Student, suggested by upwards of twenty-seven years' daily experience in instructing large classes in this branch of education.

Referring to the testimonials appended to its pages, he feels confident that Clerks, Merchants, Bankers, and all persons who buy or sell, or have any thing to do with accounts, will find the study of this work contribute to their advancement. In this hope, it is again respectfully submitted to the public by

THE AUTHOR.

DUFF'S BOOK-KEEPING.

INTRODUCTORY REMARKS UPON THE FIRST EDITION.

TO MERCHANTS :—

In announcing a new work to the public, it is obviously the writer's first duty to state to his readers wherein he offers improvements in the subject upon which he treats. The author's objects in adding to the publications upon this subject are briefly these :—

FIRST. To provide instructors with the means of imparting more perfect and practical instruction than can be given from any work now in use.

SECOND. To introduce several new and important modern improvements, having for their object, the abbreviation of the process, and greater security against error.

THIRD. To supply all classes of merchants, mechanics, &c., with a complete book of reference. Nearly all the works now in use being prepared almost exclusively for the use of the wholesale merchant, leaving the mechanic and retailer with no other assistance than such as they can draw from books prepared for another department of commerce—a fact which may account for the imperfect knowledge of book-keeping among certain classes of traders.

Among houses conducting the more extensive and complicated operations of commerce, irregularity in the management of their accounts is now becoming, perhaps, a rare occurrence. The conductors of such establishments, no doubt, strongly impressed with the disastrous consequences of any confusion in this department, take effectual means to guard against it, by informing themselves of the most accurate and most improved methods of management. But this is far from being the case among the middle and smaller class of dealers and mechanics. The frequent failures among them often disclose the most culpable ignorance and negligence in the management of their accounts: and as the extensive dealers are, themselves, often among the severest sufferers by these events, they should consider it their duty to make proper inquiry into the business qualifications, as well as the solvency and integrity of those to whom they extend confidence. And they should use their influence to impress it strongly upon the minds of such persons, that the want of that knowledge, which is to be obtained alone from systematic accounts, must always more or less increase the hazard of ultimate miscarriage in business; and that it is, therefore, the first and most obvious duty of every dealer and trader, small and great, to keep a precise and methodical account of his transactions. If young merchants had one-tenth part of the author's experience in winding up and adjusting deranged books of account, especially in partnership business, they would guard against confusion in their books with as much vigilance as they do against fire or shipwreck.

In some countries, this duty of the merchant is watched over by the government, and enforced by many anxious legislative provisions.* But with us it is left to be impressed solely by public opinion; and by the dread of that reproach, loss of credit and loss of character, that must ever follow the detection of ignorance and irregularity in the manner of recording business transactions.

* The French *Code de Commerce* gives a minute description of the several books which every tradesman must keep.

DUFF'S BOOK-KEEPING.

TO TEACHERS.

THIS work is divided into two parts; the **FIRST PART** containing in a cheap and convenient form for teachers, a complete course of instruction and practice upon Single and Double Entry, embracing all that is necessary for the learner to understand thoroughly, before he attempts to write in business books.

The **SECOND PART** is designed for the assistance of merchants and accountants in the counting-room. Both parts may be had bound together, or the first part in a separate volume when required.

This work is, by its minuteness and simplicity of illustration, intended to assist the learner, and thereby to assist his teacher. No pains have been spared to bring down the principles of the science to the level of the humblest capacity. In perusing the work, persons unacquainted with the labors of the class-room, will perhaps be struck with the repetition of references, back to the same rules and definitions; but those who understand the art of directing the progress of the human mind—experienced preceptors—know well how much successful and efficient instruction depends upon making those principles already acquired explain new difficulties.

It has always been my opinion, that a course of school instruction in Book-keeping might be so framed, that the teacher would have little to do but to see that his pupils followed the directions laid down for their guidance, which should leave them no means of getting through the exercises without mastering the subject. And if teachers would strictly follow my directions, in teaching from this work, I shall be satisfied to allow an impartial examination of their pupils to stand as a test of the merits of this attempt to effect that purpose.

The teacher will of course instruct those persons only in Single Entry who purpose to keep their books in that way and who desire to learn the science no farther. Those who learn the science upon the Double Entry principle always understand Single Entry; it therefore requires no attention from the Double Entry student, except a perusal. The introductory set of the Double Entry course is only intended for those having no previous knowledge of the subject. Those who are partially acquainted with it, may commence with the rules and oral exercises on page 38. In this set they will obtain a full knowledge of all the principles of the science.

To persons engaged in business, time is often a great consideration. To such persons you can give, from this treatise, a perfectly effective course of instruction by omitting all writing except the Journal and Ledger. Direct them to journalize the transactions from the printed Day Book. But all the other directions, in reference to the oral exercises upon the rules and the auxiliaries, oral journalizing, &c., must be strictly carried out to ensure thorough instruction.

The two sets of books embraced in the second part, though different in form, comprehend no departure from the governing principle of the science, and will not, therefore, be difficult to acquire by those who are well versed in the principles of the science. But I would recommend a course of exercise upon them, before attempting to put them in practice in business.

In transcribing our Single Entry Day Book, or any of those books where our Ledger folios are inserted as post marks, the learner must be cautioned to leave the columns blank, to insert his own post marks.

Farther directions for teaching will be found interspersed throughout the work, whenever they are deemed necessary to guide the instructor in his progress.

SINGLE ENTRY BOOK-KEEPING,

EXEMPLIFIED IN A PARTNERSHIP BUSINESS, CONCLUDING WITH
AN ILLUSTRATION OF THE PARTNERSHIP SETTLEMENT
AND DIVIDEND OF THE PROFITS.

PRESENTING, ALSO, THE REQUISITE STEPS FOR TRANSFORMING THE SAME
LEDGER INTO A DOUBLE-ENTRY ONE.

PRELIMINARY REMARKS.

It may perhaps be asked why Book-keeping by Single Entry is presented in a work containing the explanation of the science by Double Entry, since the acquirement of the latter must necessarily bring a knowledge of the former. This is perfectly true; and I have embodied my views in reference to it, in my directions to the teacher, on the last page. Those who have the means, capacity, and inclination to learn the science upon the double entry principle, will not, therefore, do more than merely peruse this set, for I do not imagine that any person thoroughly versed in the double entry process will ever keep his books in any other way. But it is, at the same time, equally certain, that there is a large class of persons, both in town and country, such as farmers, mechanics, retailers, milliners, and other dealers, who, for various reasons, are not inclined to keep their accounts by double entry; and, as every person who buys or sells any thing must keep accounts in some way, the author feels confident that the following illustration of this simple but useful form of accounts will prove serviceable and acceptable to this class of dealers. The managers and teachers of public schools will also find it worthy of their attention; for, however limited a young man's education may be, a knowledge of Book-keeping, to this extent at least, should form a part of it. In this set will be found a practical illustration of a process not to be found in any other work that we have seen—transforming the Single Entry Ledger into a double entry one. All simple as this process may appear after it is explained, it will be found that many accountants are not aware that there is any way of changing the principle of keeping the books but by the laborious and tedious process of transferring all the accounts to a new Ledger,—an operation that is seldom necessary until the old Ledger is filled.

GENERAL RULES FOR DEBITING AND CREDITING ACCOUNTS.

- | | |
|---|---|
| 1. Give the Rule for opening books in private business. | 1. I credit the stock account, which represents my own name, for what I invest in business, and if I owe any thing I debit it for the amount. |
| 2. Give the Rule for opening books in partnership business. | 2. I credit each partner for what he pays in, and debit him for what he draws out. |
| 3. When is a person Dr.? | 3. When he gets into my debt, he is Dr. for the amount, and
When I get out of his debt, he is Dr. for what I pay or cease to owe him. |
| 4. When is a person Cr.? | 4. When I get into his debt, he is Cr. for the amount, and
When he gets out of my debt, he is Cr. for what he pays or ceases to owe me. |
| 5. What is the rule respecting orders, bills, drafts, &c.? | 5. Credit a person always when you draw on him on your own account, and debit him when he draws on you. |
| 6. Which side of the Ledger is used for the Drs. and Crs.? | 6. The Drs. always on the left, and the Crs. always on the right. |

SINGLE ENTRY BOOK-KEEPING.

NAMES, DESCRIPTION, AND USES OF THE BOOKS REQUIRED.

THE Day Book and Ledger are the only books generally used in this mode of keeping accounts. If Bill Books, or any other auxiliaries, should, in any case, be required, the form and directions for keeping them will be found in our Double Entry Set (p. 45). I would, however, recommend Single Entry Book-keepers to keep a CASH BOOK, and, in some cases, a CASH SALES BOOK. In order to make these books thoroughly understood, we subjoin an exemplification of each, in connection with each other, and with the following Day Book. We begin with

THE CASH SALES BOOK.

In this book is recorded a detailed account of all sales for ready cash; also for cash received for sales entered upon the Day Book, and collected before posting to the Ledger—see third Day Book Entry, Sept. 10, p. 10. From this book the amount is transferred weekly to the Cash Book, or as much oftener as we wish to balance that book, at the same time noting the amount on this book—"Ent'd C. B., p. 00." This is more convenient than the common way of entering every sale upon the Cash Book, or entering them first upon a slate—a practice that can never be recommended, as it is about the same trouble to write upon slate as upon paper, and all future reference to entries made in this way is forever prevented by rubbing them out. When the nature of the business renders it too difficult to keep a record of every sale, the usual course is to keep the money received for sales during the day in a drawer, separate from that entered in the Cash Book, and to count it out and enter it in one sum in the evening "Rec'd for sales this day."

The following illustration will sufficiently explain the nature and use of this book:—

NEW YORK, September 1st, 1866.

1866. Sept.	Description	Name	Amount		
1	Sold for Cash, viz.—				
	1 Vest and 2 pr. Pants,	to R. Carpenter,	22		
	4 yds. Fine Blk. Cloth, @ \$6,	J. Manly,	24		
	1 Silk Hat, \$5. Box, 25 cts.*		5	25	
4	1 pr. fine Boots, \$6. Silk Hat, \$5,	J. Toole,	11		
	1 Mahogany Sofa,	do.	20		
5	1 Dining Table, \$50. 1 Toilet do., \$10,	F. Le Roy,	60		
6	1 Rosewood Piano,		150		
	Music Stool,		5		
		Entered Cash Book, p. 1.			297 25
8	Sold for Cash,—				
	1 Saddle, \$15. Bridle, \$2,	R. Trotter,	17		
9	1 Gig Harness complete,	do.	14		
	1 Travelling Trunk,		12		
11	2 Leather Hat-boxes,		3		
15	1 Bbl. Flour, and cartage,	F. Howe,	6	25	
		Ent'd Cash Book, p. 1.			52 25
16	Sold for Cash,—				
	2 Braid Bonnets,	Mrs. Mason,	12		
	1 Velvet Bonnet, \$8. Ribbon and trimming, \$4,		12		
18	Making 2 Silk Bonnets,		5		
	Making a Mantilla, \$4. 4 yds. Fringe for do., \$4,	Mrs. Hill,	8		
20	4 Lace Collars, @ \$4,		16		
		Ent'd Cash Book, p. 1.			53
	Sold for Cash,—				
25	1 Silver Watch, No. 4445,	Samuel Gray,	40		
27	Repairing a Gold Repeater,	G. W. Smith,	2		
29	Engraving 1 dozen Tablespoons,	F. Robb,	1	50	
		Ent'd Cash Book, p. 1.			43 50

* When a sale is made to an unknown person, the name may be left blank.

SINGLE ENTRY BOOK-KEEPING.

THE CASH BOOK.

¹This book is kept for the purpose of recording all moneys received and paid. This is done² by debiting this account for all sums received, and crediting it for all sums paid away. Every evening, or as often as the nature of the business may render it necessary, the balance in hand is known³ by finding the difference between the debit and credit sides, as shown by the small figures in the margin. This difference must always agree⁴ with the amount of cash found in hand by counting. Any discrepancy must arise from error, which must be sought out and rectified before the account is balanced. When all is correct,⁵ enter the balance in hand at the credit side in red, to distinguish it from sums paid away. After footing the columns, and drawing the lines, bring this balance down, in black, to the Dr. side. The lines should be red, and neatly drawn with a ruler, exactly as below. They serve to keep the new account distinctly separated from the old account—a matter of greater importance than young book-keepers generally imagine. It also adds much to the appearance of your book to begin the words "Rec'd" and "Paid" all upon a perpendicular line, either by a fold in the paper or a pencil line.

As nobody can pay away more money than he receives, the credit side of this account can never exceed the debit, but by an error. When the money is all paid away, the account must balance.

Dr. CASH (Received). ACCOUNT (Paid). Or.

1866.		1866.		1866.		
Sept.		Sept.		Sept.		
1	To P. Duff	1100	Rec'd on his capital	1	By Merchandise.	450
	" W. Gordon.	900	Rec'd "		"	300
	" Merchandise.	297	Rec'd sales, S. B. 1.	5	"	280
			297 50	6	By Expense.	8
			1100 75		" Merchandise.	98
					Bal. to new acct.	1100 50
			2297 25			2297 25
15	To Merchandise.	1160	Bal. brought down	20	By J. Day.	25
20	"	52	Rec'd sales, S. B. 1.	30	" Cope & Son.	200
		58	"		" W. Hay.	200
			1266		Bal. to new acct.	841
29	To Merchandise.	841	Bal. brought down*			1266
		43	Rec'd sales, S. B. 1.			

1. What is the use of the Cash Book?
 2. How is the account of all moneys received and paid kept?
 3. How do you ascertain from this book the balance of cash in hand?
 4. What must the difference between the two sides of this account agree with?
 5. When all is found correct how do we balance the account?
 * As this illustration will sufficiently explain the nature and use of this book, it is deemed unnecessary to continue it through the whole set.

Ldg. fol.				
	P. Duff and William Gordon having this day entered into copartnership under the firm of Duff & Gordon, they pay as capital as follows:—			
1	P. Duff is credited for—			
	Cash paid in per Cash Book	1100.		
	James Wood owes him on account	200.		
	*David Cutler owes him on his note	150.		1450
	"			
1	James Wood (Carpenter), Dr.			
	For the above balance due P. Duff			200
	"			
1	W. Gordon is Cr.			
	For Cash paid in per Cash Book	900.		
	" Balance due him from R. Martin, 270 Bowery	95.		
	" Merchandise and Store fixtures per Inventory*	890.		1885
	"			
1	Robert Martin (270 Bowery), Dr.			
	For the above Balance due W. Gordon			95
	"			
1	William Gordon, Dr.			
	For bal. due by him to Wm. Hay assumed by firm	250.		
	" " " T. P. Cope & Sons, de.	265.		515
	"			
2	William Hay, Cr.			
	For balance due him by W. Gordon as above			250
	"			
2	T. P. Cope & Sons, Cr.			
	For the above balance due them by W. Gordon			265
	10.			
1	James Wood, Cr.			
	For his bill of Carpenter work for repairing store			105
	"			
1	James Wood, Dr.			
	For amt. paid his order for Merchandise to John Toole			12
	"			
	*Frederick Howe, Dr.			
	For 1 barrel Fine Flour. (Cartage, 25 cts.)			6 25
	20.			
2	James Carter, Dr.			
	For 1lb Tea, \$1; 12lb Sugar, \$1; 1lb Raisins, 25,	\$2 25		
	" 1 bag 160lb Rio Coffee @ 10.	16		18 25
	"			
	*Robert Manly, Dr.			
	For 1 best Silk Hat			5
	"			
2	James Day, Dr.			
	For Cash on account			25
	1. Duff is here credited for the reasons given in Rule 2. 2. Cutler is not debited on book account for this sum, because we hold his note for it. 3. We do not require to open an account with Howe for this entry, because it was paid before posting.—See <i>Cash Sales Book</i> . 4. If he had returned this after posting, we must then credit him for the amount, when returned, on the Day Book, and afterwards post as usual. * The form of an inventory can be seen on pages 59 and 61.			

Paid, Sept. 16. }

Returned } Sept. 22.

1	¹ Robert Martin (to close acct.), Cr. For his invoice of Silks 67. " cash in full 28.	95
	5.	
2	Robert Barclay, Dr. For 30 barrels Superfine Flour @ \$6.	180
2	T. P. Cope & Sons, Dr. For our note in full for balance of account	65
2	¹ Robert Barclay (to close acct.), Cr. For his note for balance of his account in full	81 75
	10.	
1	Robert Martin, Dr. For 1 barrel of Sugar, 241lb. Tare, 21 Nett 220lb, @ 5cts., \$11. " 2lb Sperm Candles, @ 37½ cts., .75	11 75
2	T. P. Cope & Sons, Cr. For their invoice of Dry Goods and Groceries \$800. Less paid them on account cash 300.	
	Balance to their credit	500
	20.	
2	¹ Robert Evans (Buffalo), Dr. @ 4 months. For 12 pair Waterproof Boots @ \$8. 96. " 24 " " Light @ 6. 144. " 24 " Boys' Shoes @ 1.25 30. " Packing Case and Cartage 1.25	271 25
2	James Carter, Dr. @ 3 months. For 1 ps. S. Fine Black Cloth, No. 1288. 24 ¹ " " " Blue " 1299. 25 ¹ 50 yds., @ \$4. \$200. " End " Green " 1320. 7 " 3. 21. " Wrapper and Cartage25	221 25
	30.	
1	Robert Martin, Cr. For his account of Hosiery against William Gordon	2 25
1	⁴ William Gordon, Dr. For amount assumed with R. Martin, as above,	2 25
2	James Day, Cr. For 3 months' wages from 1st Sept. to date, as foreman, @ \$50 ³ mo.	150
2	⁶ James Day, Dr. For Cash on account Forty-one Dollars	41
	JAMES DAY.	

1. See that you close Martin's account. When this is posted it will balance.
 2. Barclay's account must now be credited for this note and closed.
 3. It is well to specify the terms of sale both upon your Day Book and the Invoice.—See Form 3, p. 20.
 4. Gordon is Dr. because he gets in debt to the firm for assuming his debt to Martin.
 5. Business men will find this a convenient way of taking receipts.

2	James Day (to close acct.), For cash in full	Dr.						19
		"						
1	P. Duff, For a Winter Frock, \$35. Hat, \$5 " Cash paid George Cutler's bill	Dr.			40.			61
		"			21.			
1	P. Duff, For Cash Received for his bill on Gibson, Bright & Co., London	Cr.						988
		10.						
2	T. P. Cope & Sons, For their invoice of Broad Cloths and Silks	Cr.						2000
		"						
2	William Hay, For his invoice of Prints, &c.	Cr.						800
		15.						
1	James Wood, per Mrs. W. For 20 yards Figured Silk " 16 " English Prints	Dr.			@ 1.50 30.			34
		"			@ 25 4.			
1	James Wood, For his bill of new door and window shutters	Cr.						37
		20.						
1	W. Gordon, For 12 yards Fine Black Cloth	Dr.			@ \$6.			72
		"						
3	James Wood (to close acct.), For 8 yards Prints returned, \$2. Cash in full, \$71	Cr.						78
		31.						
1	P. Duff, For Cash paid House Rent to date, \$140. Taxes, \$17.88	Dr.						157 88
		"						
1	William Gordon, For Cash paid House Rent to date, \$100. Taxes, \$4.13	Dr.						104 13

STATEMENT exhibiting our Profits and Dividends.

		Effects.		Liabilities.	
P. Duff	f. 1	254	88	2488	
W. Gordon	"	701	88	1886	
Robert Martin	"	11	75	2	25
Wm. Hay	2			800	
T. P. Cope & Sons	"			2500	
James Carter	"	262	50	258	
Robert Evans	"	271	25		
Cash	8	3684	75		
Merchandise	"	3868	25		
Bills Receivable	"	81	75		
Bills Payable	"			65	
		8582	01	7948	25
		7948	25		
Surplus effects		688	76		
1 P. Duff's half gain to his credit					316 88
1 W. Gordon's " to his credit					316 88

REMARKS UPON THE DAY BOOK.

ALL our transactions are generally first entered upon the Day Book; hence it is called the book of original entries, and is always referred to when full particulars or explanations are called for. It is therefore obvious that all copying into it from slates or waste pieces of paper is liable to destroy its testimony. If the nature of the business requires original entries to be made upon Time Registers or other memorandum books, these books ought always to be paged and the Day Book entry should show its reference to them.

Pass-books are often useful between persons having very frequent transactions with each other; but we must caution the Accountant against placing any dependence upon another person's pass-book. His Day Book must record every transaction as if no such book existed.

Though the preposition To is correctly used in their Journal by Double Entry Book-keepers, yet in the Single Entry Day Book the expression is unmeaning and ungrammatical. I have therefore substituted FOR, as more correct and agreeable to the idiom of our language. As you post the entries from the Day Book to the Ledger, insert the page of the Ledger in the marginal column on the left of the page. This serves as a post mark, and shows how far your posting is completed. You must afterwards compare all the entries in the Ledger with those in the Day Book, check-marking them thus ✓ with a pencil both on the Day Book and Ledger. No person can expect to keep his books perfectly correct without this precaution.

ON OPENING THE LEDGER.

The following Ledger is ruled in the common form, and it is the most suitable for any kind of business. The page is divided by a perpendicular line making what is called a folio, or if the paper be small it will be better to take two pages for a folio. The space intended for each person's Account is headed in large text hand with his name, or, if it be a firm, with its legal title. Every Account occupies both folios, the left or Dr. side representing our Account against him, and the right or Cr. side his Account against us. The difference represents the Balance we owe him or which he owes us, as the case may be. The abbreviations Dr. and Cr. are never required except at the head of the page. In opening a business Ledger always index each Account before you head it, as an omission in the Index often causes much trouble and sometimes mistakes. In business the Index generally has a page allotted to each letter of the alphabet. The following illustration will here be sufficient to explain it.

INDEX TO THE LEDGER.

A.			
Barclay, Robert	2.	Evans, Robert	2.
Bills Receivable	3.	Gordon, William	1.
Bills Payable	3.	Hay, William	2.
Balance Account	3.	Martin, Robert	1.
Cope, T. P. & Sons	2.	Merchandise	3.
Carter, James	2.	Wood, James	1. 3.
Cash	3.		
Duff, P.	1.		
Day, James	2.		

1. What is the Day Book called?
2. What objections are there to copying from a slate into the Day Book?
3. What is to be done as you post the entries from the Day Book to the Ledger?
4. What is to be done after you have posted the Day Book into the Ledger?
5. What does the left folio of an Account in the Ledger contain?
6. What does the right one contain?
7. What does the difference represent?
8. Where are the abbreviations Dr. and Cr. required?

Dr.

P.

DUFF.

Cr. 1

1866.					
Oct.	20	For Coat and Vest	2	86	
Dec.	1	" a Coat, \$35. Hat, \$5	4	40	
		" Cash p'd, Cutler's bill	4	21	
	31	" Taxes & Rent 254.88		157	88
		Balance fol.	3	2500	
				2754	88

1866.					
Sept.	1	For Sundries paid as cap.	1	1450	
Dec.	1	" Cash for bill on Lond.	4	988	
	31	" his 1/2 net profit 2432		316	88
				254.88	
				2183.12	
				2754.88	
				254.88	
				2500.	
				2754	88

1. What is to be done with this and the following account when closing the Ledger?
2. How are they then closed?

1. They remain open until the gain or loss is ascertained (see Day Book 3) and entered.
2. They then close into balance like any other account.

WILLIAM

GORDON.

1866.					
Sept.	1	For his debts assumed	1	515	
Oct.	20	" 2 pr. Boots	2	8	50
Nov.	30	" Martin's bill	3	2	25
Dec.	20	" 12 yds. Cloth	4	72	
	31	" Cash p'd taxes & rent 701.88		104	18
		Balance fol.	3	1500	
				2201	88

1866.					
Sept.	1	For Sundries paid as cap.	1	1885	
Dec.	31	" his 1/2 net profit 1885	4	316	88
				701.88	
				1783.12	
				316.88	
				1500.	
				2201.88	
				701.88	
				1500.	
				2201	88

1. What does the balance entry at this and the preceding account represent, and when are they transferred to the balance account?
2. How are these balances found?
3. How are they disposed of in re-opening the books?

1. They represent each partner's present net capital, and are the last transfers to the balance account.
2. By taking the difference between the two sides of the accounts after they are credited for their share of the gain.
3. These balances are carried to the respective partners' credit.

ROBERT

(270 Bowery.)

MARTIN.

1866.					
Sept.	1	For bal. due W. Gordon	1	95	
Nov.	10	Sugar, \$11. Candles, 75	3	11	75
				7.75	
				2.25	
				9.50	
				11	75

1866.					
Nov.	1	For Sundries	3	95	
Dec.	30	For acct. ag't W. Gordon	3	2	25
	31	Balance fol.	3	9	50
				11	75

1. For what purpose is the line drawn across this account under the \$95.
2. What is the balance \$9.50 at the credit side, and what is to be done with it in the new account?

1. Because the payment on the 1st November squared the account.
2. It is what he owed us when balancing our books, and will be carried to his debit in re-opening them.

JAMES

(Carpenter, 18 Cliff.)

WOOD.

1866.					
Sept.	1	For bal. due P. Duff	1	200	
	10	Paid order to Toole		12	
Oct.	5	Pair Boots, \$6. Hat, \$5	2	11	
	20	Paid on order, J. Pine		8	
				231	
				156.	
				75.	
Nov.	1	Bal. due per acct. rend.		76	
Dec.	15	For Silk, \$30. Print, \$4	4	34	
		Forward, fol.	8	110	

1866.					
Sept.	10	For bill of work	1	105	
Oct.	5	Our order favor W. Hay	2	50	
Nov.	1	Bal. to debit in new acct.		76	
				231	
Dec.	15	For bill of work	4	37	
		Forward, fol.	8	37	

1. What is the meaning of the above balance entry of \$76?
2. What is the meaning of the last footing of this account?

1. It was the balance due us on settlement.
2. When an account fills up, always reserve a line at the bottom and foot both sides down upon the same line, noting them as above, "Forward."—See the Account continued, fol. 3.

2 Dr. WILLIAM HAY. Cr.

1866. Sept. 30	For Bill remitted	2	200	1866. Sept. 1	For Bal. due by Gordon	1	250
Oct. 5	" our order on Wood		50				250
			250				
Dec. 31	Balance fol.	3	800	Dec. 10	For Invoice of Goods	4	800
					For Bal. bro't down		800

1. Why was this account footed on the 5th October?
2. Why is the above \$600 brought down to credit side?

1. We balance this account on the 5th October for the reasons given in note 1, at R. Martin's account, last page.
2. This is the way the account re-opens if continued on this page.

T. P. (Philadelphia.) COPE & SONS.

1866. Sept. 30	For Bill remitted	2	200	1866. Sept. 1	For Bal. due by Gordon	1	265
Nov. 5	" our note in full	3	65				265
			265				
Dec. 31	Balance fol.	3	2500	Nov. 10	For Bal. on Invoice	3	500
			2500	Dec. 10	" Invoice of Cloths	4	2000
							2500

JAMES CARTER.

1866. Sept. 20	For Mdse. per Bill	1	18	25	1866. Oct. 30	For Invoice of Flour	2	258
Oct. 10	" Bal. on Bill	2	23		Dec. 31	" Balance fol.	3	4 50
Nov. 20	" Invoice of Cloth	3	221	25				
			262.50	50				262 50
			258.					
			4.50					

ROBERT BARCLAY.

1866. Oct. 5	For Mdse. per Bill	2	26	75	1866. Oct. 30	For Invoice of Cloth	2	150
10	" Sundries		25		Nov. 5	" his note in full	3	81 75
Nov. 5	" Mdse. per Bill	3	180					
			281	75				281 75

ROBERT (Buffalo.) EVANS.

1866. Nov. 20	For Invoice of Shoes	3	271	25	1866. Dec. 31	Balance fol.	3	271 25
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JAMES (Foreman.) DAY.

1866. Sept. 20	For Cash on account	1	25	1866. Nov. 30	For 3 mos. wages to date	3	150
Oct. 30	Clothes, \$35. Cloak, \$30	2	65				
Nov. 30	For Cash	3	41				
Dec. 1	" "	4	19				
			150				150

1866. Dec.		Bro't forw'd, f.	1	110		1866. Dec.		Bro't forw'd, f.	1	37
							20	8yds. Print ret'd, @ 25	4	2
							"	Cash in full		71
				110						110

CASH

ACCOUNT.

1866. Dec.	31	For am't on hand	4	3634	75	1866. Dec.	31	Balance	fol.	3	3634	75
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1. What is the use of this and the four following accounts in Single Entry Book-keeping?
2. How do we find the amount of cash on hand?

1. This and the four following accounts are never opened in Single Entry Book-keeping until we are closing the Ledger.
2. The amount of cash in hand is found by counting it.

MERCHANDISE

ACCOUNT.

1866. Dec.	31	For am't on hand & Inv.	4	3868	25	1866. Dec.	31	Balance	fol.	3	3868	25
		For Bal. bro't down		3868	25							

1. How is the amount of goods on hand ascertained?
2. What is to be done with the Cash Merchandise and Bill Accounts, if the books are to be hereafter kept by Single Entry?
3. What if they are to be kept by Double Entry?

1. The Merchandise on hand is found by inventory.
2. The Cash Merchandise and the two following accounts remain closed.
3. The balances of these four accounts are all brought down.

BILLS

RECEIVABLE.

1866. Dec.	31	For notes on hand	4	81	75	1866. Dec.	31	Balance	fol.	3	81	75
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BILLS

PAYABLE.

1866. Dec.	31	Balance	fol.	3	65	1866. Dec.	31	For our notes unpaid	4	65
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1. What constitutes the distinction between a Double and Single Entry Ledger?
2. Why, then, are these accounts opened here?

1. The five last accounts belong to Double Entry books. No accounts are kept in Single Entry books but personal accounts.
2. These accounts are opened here only for the purpose of recording the partners' settlement, and to illustrate the manner of re-opening the Ledger by Double Entry.— See notes 1 and 2, p. 19.

BALANCE

ACCOUNT.

1866. Dec.	31	Am't due by Martin	f.	1	9	50	1866. Dec.	31	Bal. due W. Hay	2	800
		" " Jas. Carter		2	4	50			" T. P. Cope & Sons	3	2500
		" " R. Evans			271	25			" on our notes	3	65
		Cash in hand		3	3634	75			" P. Duff, net cap'l	1	2500
		Mdse. in hand			3868	25			" W. Gordon, do.	"	1500
		Bills Receivable	1866.		81	75					
					7365						7365

1. What does the Dr. side of this account represent?
2. How is the present net capital found?
3. Where is the list of debts owing by the concern, and what do they amount to?
4. What is the partners' present joint capital?
5. What portion of this \$4000 belongs to each partner?
6. How do we ascertain the amounts they have paid in and drawn out?
7. How do we ascertain if our operations are all correct?
8. What is the reason of this?

1. A complete inventory of all the effects of the firm.
2. By deducting what they owe from the amount of their property—see the small figures in the margin above.
3. The three first entries on the credit side, amounting to \$3365.
4. This leaves the present net joint capital \$4000.
5. That depends upon the amounts which they have paid in and withdrawn.
6. This can only be known by their accounts.
7. If the operations are all correct, the balances due them or their accounts must, as above, exactly close this account.
8. The balances due to other persons and the balances due the proprietor or proprietors of a concern must exactly use up all its effects, neither more nor less.

SINGLE ENTRY BOOK-KEEPING.

CONCLUDING REMARKS UPON THE LEDGER.

It may be necessary to state that the object for closing the Ledger may be: 1st, To ascertain and record a division of the gain or loss between the partners; or, 2d, To prepare the books for a partner to come in; or, 3d, To prepare for transferring the contents of the old Ledger to a new one; or, 4th, For transforming the Single Entry Ledger into a Double Entry one, or transferring the Accounts to a new Double Entry Ledger.

In closing the Ledger, every Account is made even by a Balance Entry at the lesser side, of the amount requisite to make it equal to the other side. These balance entries all represent either effects or liabilities of the concern, and are all transferred as fast as the Accounts are closed, to the Balance Account for the purpose of exhibiting the amount total of each, and thereby to ascertain what the concern is at present worth. There is no way of knowing this but by making up one list of every thing we possess and another list of every thing we owe. Now, this leads us to the most simple and rational explanation of the Balance Account; for the Dr. side is simply this list of our effects and the credit side the list of our Liabilities. The Difference, if the Dr. side be the largest, is what we are now worth. If the Cr. side be the largest, the difference is what we are insolvent.

The closing entries of the Ledger need not appear on the Day Book. They may all be made upon the face of the Ledger. They ought, however, both letters and figures, to be in red ink. All transfers from one folio to another on the Ledger should also be noted *fol.* or *folio*, to distinguish the pages from those which refer to the Day Book. But the Accountant must avoid the practice of making any other entries upon the Ledger without an original entry with full particulars upon the Day Book.

If an entry affecting a personal Account cannot be found upon the Day Book, its correctness may be questioned, and in case of litigation it is liable to be rejected altogether.—See Note 2, page 14, and Note 2, page 25.

The statement at the foot of Day Book, p. 4, will always give the correct gain or loss, provided it includes all the effects and liabilities. The rule is—

ALL DEBITS ARE EFFECTS; ALL CREDITS ARE LIABILITIES.

If the amount of effects exceeds that of the liabilities, the surplus is gain, passing to credit of the Stock account, or to the credit of the partners. If the liabilities exceed the effects, the deficiency is loss, and passes to the debit of Stock, or the partners' accounts if the business belongs to a firm.

-
1. What are the objects for closing the Ledger?
 2. What do all Balance Entries represent?
 3. What are they all transferred to the Balance Account for?
 4. If the Dr. side of the Balance Account be the largest, what does the difference between its sides represent?
 5. What if the Cr. side be the largest?
 6. Why must the transfers on the face of the Ledger be noted folio?

SINGLE ENTRY BOOK-KEEPING.

It has already been explained—see Cash Account, Note 1, and Merchandise Account, Note 2—that these and the other property accounts were not opened until we were closing the Ledger. They were then opened for the purpose of recording the different species of property the firm possessed when the dividend was made. If the books are re-opened by Single Entry these accounts remain closed; but if they re-open by Double Entry their balances as well as all the others are brought down. But whether the books are afterwards to be kept by Single or Double Entry, no dividend ought to be made between the partners without a record of all their effects and liabilities, and that record and Balance Account ought always to be in the Ledger, or in a book for the purpose, not on loose sheets of paper, as is the practice with many business people. As the Ledger now stands, if you desire to re-open it by Single Entry, you have only to bring¹ all the balances of the personal accounts down as we have done with Hay's account—Ledger folio 2—leaving only the Cash, Merchandise, and two Bill Accounts on folio 3 closed. If you desire to open the same accounts in a new Single Entry Ledger, leave them all closed upon the old Ledger, and transfer every account under date of the old Balance Account, to the new Ledger, entering "Balance from Ledger A (or B) folio"—giving the folio of the old Ledger.

If you desire to re-open by Double Entry in the old Ledger, bring down² the balances of the Cash, Merchandise, and the two Bill Accounts, with all the balances of the personal accounts, and your Ledger is open by Double Entry. A glance at the Balance Account proves this, for there we see every debit and credit that we have brought down into new account, and they being equal in amount \$7,365, our basis for a Double Entry Ledger is as complete as if it had been kept upon that principle from the beginning.

If you wish to transfer the contents of the old Balance Account to a new Double Entry Ledger, it can be done direct from the Balance Account in the old Ledger to the respective accounts in the new Ledger, giving reference to the folio of each account in the old Ledger as above directed in transferring to the Single Entry Ledger. Those who prefer passing the transaction through the Journal will make the following entry:—

SUNDRIES, DR.		To SUNDRIES, \$7365.	
Robert Martin, bal. per Ledger A, folio 1,	2,	.	\$9.50
James Carter, do. do.	2,	.	4.50
Robert Evans, do. do.	2,	.	271.25
Cash in hand, do. do.	3,	.	3,634.75
Mdse. do. do. do.	3,	.	3,363.25
Bills Receivable in hand, do.	3,	.	81.75
To William Hay, for bal. due him,	2,	.	\$800.
" T. P. Cope & Sons, do.	2,	.	2,500.
" Bills Payable, bal. due on our Notes,	3,	.	65.
" P. Duff, for his Net Capital,	1,	.	2,500.
" W. Gordon, do.	1,	.	1,500.

When this entry is posted into the new Ledger, the transfer to it is completed. The learner will not expect to understand what we have said here in reference to re-opening his Ledger by Double Entry until he has acquired a knowledge of that method in the next Chapter. He will then refer back to this matter, which could only be explained here in connection with the Single Entry Ledger.

He will also refer to our directions for correcting errors in the next Chapter, p. 98.

1. If the Ledger is re-opened by Single Entry, what balances are to be brought down?
 2. What balances do you bring down to re-open by Double Entry?

SINGLE ENTRY BOOK-KEEPING.

EXERCISES IN MAKING OUT ACCOUNTS, INVOICES, &c. IN CONNECTION WITH THE PRECEDING SET.

(1.) FORM OF AN ACCOUNT.—See J. Wood's Account, Ledger folio 1.

MR. JAMES WOOD,

TO DUFF & GORDON.

Dr.

1866.				
Sept.	1	For bal. due P. Duff on old $\frac{c}{c}$		200
	10	" Paid your order in favor of John Toole		12
Oct.	5	" 1 pr. Boots, \$6. Hat, \$5		11
	20	" Paid your order in favor of J. Pine		8
		Crs.		231
1866.				
Sept.	10	For your bill of carpenter work	\$105.	
Oct.	5	" our order on you in favor of Wm. Hay	50.	155
		Bal. due Duff & Gordon		76
		NEW YORK, 1st Nov. 1866.		

Note.—Accounts current are always drawn from the Ledger, referring by the dates to the Day Book when particulars are wanted. See that the account and the Ledger balance alike, and as soon as Wood admits the correctness of the account, you must close his account on the Ledger, as we have done, and bring the balance down, requesting him to make his books also conform to the settlement. Many persons keep their books in such a slovenly manner that they never show their settlements; in consequence of which, they are perpetually pestering their neighbors in business for statements of old settled accounts. Attention to our directions in this matter will save trouble to both parties.

(2.) FORM OF A BILL OF PARCELS.—See Day Book, p. 2. October 10.

MR. JAMES CARTER,

BOT. OF DUFF & GORDON.

1 Fine Black Dress Coat		28
1 Full Circle Cloak, trimmed with velvet		45
		73
Received cash on account		50
	Balance due	23
NEW YORK, 10th Oct. 1866.		

(3.) FORM OF AN INVOICE.—See Day Book, p. 3. November 20.

MR. ROBERT EVANS,

(Terms, net cash in 4 months.)

BOT. OF DUFF & GORDON.

12 pair strong Waterproof Boots	@ \$8.	96	
24 " fine "	@ 6.	144	
24 " Boys' Shoes	@ 1.25	30	
Packing Case and Cartage		1	25
		271	25
NEW YORK, Nov. 20, 1866.			

Before forwarding this invoice, compare it carefully in every particular with your Day Book.

SINGLE ENTRY BOOK-KEEPING.

MERCANTILE TERMS AND ABBREVIATIONS USED IN THIS WORK.

Account current, a running account, embracing all transactions from one date to another.	Honor a draft, to accept it.
Account sales, an account of goods sold on consignment.	I. B., for Invoice Book.
Amt., for amount.	Inventory, a list of goods or debts.
Acct., for account.	Insolvent, not having sufficient effects to pay one's debts.
@, for at.	£, for pound sterling.
Bal., for balance.	Lighterage, a charge for conveying goods to a vessel in the harbor.
Bbbs., for barrels.	Mos., for Months.
B. B., for Bill Book.	Mdse., for Merchandise.
Bottomry Bond, a mortgage or lien upon a vessel.	Maturity, the day upon which a note or bill is payable.
C. B., for Cash Book.	Mart, a place for public trade.
Co., for Company.	N. A., a new account.
C. S. B., for Commission Sales Book.	N. P., net proceeds, the amount remaining after all charges are deducted.
Cr., for Credit.	No., for number.
Closing an account, to make it even.	N. G., net gain, the gain remaining after all losses are deducted.
Closing lines, the lines which separate the old from the new account.	N. C., net capital, the capital, clear of all debts.
Counter Entry, an entry made to balance one on the opposite side.	N. L., net loss, the loss above all gains.
Counter Error, an error balanced by another one on the opposite side.	O. A., old account.
Counter Order, to recall an order.	Per Ct., for per cent., as 5 Per Ct.
Dr., for Debtor.	Ps., for pieces.
Do., or ditto, for the same.	P., for per or by.
Dft., for draft.	Prox., for proximo, next month.
Ds., for days.	P. B. P., for Bill of Parcels.
Defalcation, deficit, diminishing or cutting off.	Pd., for paid.
Disct., discount, a sum or rate per cent. deducted from the principal amount.	Prem., for premium, an advance upon the face of the Bill.
Doz., for dozen.	Par, the face of the Bill.
Dishonored, when a note or bill remains unaccepted or unpaid.	Protecting, accepting or taking up a Bill.
<i>Del Credere</i> , an Italian mercantile term signifying guarantee.	Policy, the contract with an Insurance Office.
Days of grace the time allowed by law and custom to pay a note after it is due.	Protest, legal notice of the non-payment of a note or bill; which notice holds the endorsers liable for its payment.
Dividend, the profit to be divided.	Rec'd, for Received.
Drawer, the maker of a draft.	Renewal of a Note, extending its time upon a new Note.
Drawee, the person upon whom it is drawn.	Re-consign, to send our employer's consignment to another market, for sale.
E. E., for errors excepted.	Solvent, able to pay debts.
E. and O. E., for errors and omissions excepted.	Short extend, to extend figures to the left of the money columns.
Exch., for Exchange.	S. B., Sale Book.
Endorse, to write your name on the back.	Stg., Sterling.
Full extend, to extend figures into the money columns.	Signature, a person's name in his own handwriting.
Footing an account, to add it up.	Sgt., sight.
Folios, the pages of the Ledger.	Ult., ultimo, last month.
Gal., for Gallon.	Yds., yards.
Hhd., for Hogshead.	

DOUBLE ENTRY BOOK-KEEPING.

INTRODUCTORY SET.

PRELIMINARY REMARKS.

HAVING in the last Chapter explained Single Entry Books, we have now to treat of the science upon the Double Entry principle. We purpose to introduce it as if the learner had no previous knowledge of the subject. For such persons we have prepared the following INTRODUCTORY SET.

The purpose of this set is to explain the initial difficulties of the science. We have found by experience that it is difficult to make a pupil, who has no previous knowledge of the subject, understand the language of the Journal until he is made acquainted with the nature and disposition of the accounts in the Ledger. How, for instance, can we explain to a beginner the meaning of such expressions as "Cash to Sundries," or "Sundries to Cash," but by taking him to the Ledger and there explaining to him the Cash Account and the manner and object for keeping it? Until he has the Ledger explained to him in some way, the language of the Journal must remain unintelligible to him: and to this may be ascribed the difficulty and ill success in teaching Book-keeping from some of the most popular treatises in use; in which, after bewildering the pupil with Rules and Lectures upon Journalizing, they conclude with what ought to be first explained,—the Ledger.

We here introduce our pupils at once to that book, by first defining its nature and use, and then by posting a few entries into it, sufficient to afford an explanation of the balance sheet. He then brings it to a close and determines the gain or loss upon these transactions,—an operation that can hardly fail to awaken his interest and create a taste for the science.

He next brings down the balances, and, after recording a few more entries, closes his Ledger as before, ascertains the increase or decrease of capital, and prepares for transferring his balances to a new set of books. This already affords him a commanding view of the whole subject; particularly of that part of the process which is so seldom understood by young accountants,—viz. transferring the contents of old books to new ones.

The light thrown upon the subsequent parts of the process, by this early acquaintance with the nature and purposes of the different accounts in the Ledger, will render the pupil's progress less difficult and perplexing and more effective.

The teacher will not omit to require answers to all the questions given at the foot of each page, for the pupil's examination as he proceeds.

SET I.—DOUBLE ENTRY BOOK-KEEPING.

DEFINITION OF THE LEDGER.

ALL the other books used in business may be considered as tributaries to this Book. Every transaction affecting our affairs must come to some accounts in the Ledger for final adjustment. It therefore follows that a distinct knowledge of the nature of the accounts in it and the manner of conducting them is indispensable to enable a person to record an entry intelligibly upon the other Books.

In the infancy of commerce,¹ the LEDGER was the only book used; and where the transactions are few, it still may be made to answer the same purpose, by making the entries on it at once, without the intervention of any other book. Thus, when a sum is to be entered, by the index you find the account headed, in a large distinct hand, with the name of the person with whom the transaction has occurred, and at the proper side we enter the date, particulars, and amount.

This book² is generally kept in folios of two pages to a folio. Of late, however, each page is generally made to serve for a folio by a dividing line down the middle. On the left side of each folio are the date columns, and on the right those for the money. ³One folio is allowed to each person's account, the left side being assigned to the debits,⁴ which means your account against the person, and the right side receives the credits or the person's account against you. Thus, your account against him and his account against you are brought together under one head, yet arranged on opposite sides, in such a manner that, if once correctly placed, no doubt can afterwards arise as to what sums belong to his account or to your account. When either party pays the other in full,⁵ after the payment is entered, the account must be closed. ⁶When the two sides of an account are found to be equal, place the sum at the foot of each and draw ink lines below them in such a way as to keep the figures distinctly separated from those of the transactions that may follow after the settlement, and which may be kept under the same head—see our Cash and Merchandise accounts in the Introductory Ledger, pages 33 and 34.

In addition to persons' accounts, in Double Entry Books,⁷ we also keep accounts of every kind of PROPERTY we own and deal in. This is done under different heads precisely as we have just described in personal accounts;⁸ making each property account DR. for what we pay for it, that is what it gets in debt to us; and CREDIT for what it brings us in; that is what it pays us or gets out of our debt. In fact we may say that such accounts are personified and are dealt with in all respects like persons. Thus, if you own a house, ship, or steamer, let each have an account in your Ledger. ⁹This account is debited for the cost or value of the property,¹⁰ and credited for the freight or rent it has brought you in, and also for the proceeds of the sales if you have sold. Then an inspection of the account will show what we have made or lost by that piece of property. Thus, if the cost¹¹ (the Dr. side) be more than what it has brought us in (the Cr. side), then we have lost by it. But if the Credit side be the largest, then we have gained by it. In the same manner the gain or loss is determined upon the purchases and sales of Merchandise or any other property.—See Merchandise Account, 1st Set.

1. What was the first book used in Commerce? 2. How is the Ledger generally kept? 3. How many folios for each account, and which side is used for the debit and which for the credit side? 4. What do you mean by the debits and credits of an account? 5. When either party pays the other off, what is to be done with the account? 6. What do you mean by closing an account? 7. What other accounts besides personal accounts are kept in Double Entry Books? 8. How are property accounts kept? 9. To which side of the property account do you place its cost or value? 10. What do you place to the credit side of a property account? 11. How do you determine what you have made or lost by a property account?

SET I.—DOUBLE ENTRY LEDGER AND DAY BOOK.

The third class of accounts¹ kept in Double Entry Books may be called **PROFIT AND LOSS ACCOUNTS**, as they receive no entries but gains and losses. ²They are kept for the purpose of recording all expenses and losses, and all gains. They may be kept all under one head—**PROFIT AND LOSS**; which is kept like all other accounts with a Dr. and Cr. side. ³The Dr. side receives all entries of Expense and Loss, and the credit side all entries of gain. ⁴But where the gains and losses are thus thrown together in one account, we deprive ourselves of the means of determining the gain or loss arising out of particular sources. But if we subdivide this account and open branches for Interest, Commissions, Expenses, &c., and debit each of these branches for all we lose upon it, and credit it for all we gain by it, it is obvious that each of these accounts will at any time present an important and interesting piece of information. And the longer we keep them, the more interesting and instructive they become, as they can be made to present a tabular view of their respective results for comparison at different periods of our business.

Presuming that our attentive learner has now obtained some idea of the Ledger, we will next endeavor to explain the

DAY BOOK.

This book is by some called **THE BLOTTER**, and it is not an inappropriate name for some people's Day Books. But for obvious reasons, scratching out, scoring or blotting entries upon this book ought to be avoided. If an entry be made wrong, it ought to be corrected, as we shall direct when speaking of the correction of errors, page 98, Note 11.

This book is ruled in single pages, never in folios like the Ledger. There is a marginal column on the left and money columns on the right.—See our Day Book in the following Set, page 28.

This book becomes necessary as soon as the business transactions become so numerous as to render it inconvenient to turn to the proper account in the Ledger and to record them there separately. ⁵On the Day Book we enter them down one after another as they occur, like so many different memorandums. We reserve no spare space for each man's account here as we do in the Ledger. We have, however, to take care that every entry embraces the following particulars. ⁶1st, the date; 2d, the person or account; 3d, what you have bought or sold, paid or received; 4th, the terms of payment; 5th, the articles, quantities, prices, and amounts. By inspecting any of our Day Books it will be seen that entries for different persons' accounts are all intermixed upon the same page; but are separated by ink lines in such a manner that there is no difficulty in distinguishing what belongs to each person's entry.

At our first leisure time we **POST** the contents of the Day Book into the Ledger. ⁷Posting signifies the process of transferring each Day Book entry to the proper side of its proper account in the Ledger, in the same order of date as they occurred upon the Day Book. In order to show distinctly how far the posting has proceeded, when the post or transfer is made to the Ledger,⁸ the entry is marked off or the Ledger page inserted in the margin of the Day Book, as we have done upon the first page of the following Day Book.

THE TEACHER'S EXAMINATION.—1. What is the third class of accounts called, and what kind of entries do they record? 2. What is the purpose of keeping them? 3. What do we place to the debit and credit side of the Profit and Loss accounts? 4. What objection is there to keeping all accounts of loss and gain under the Profit and Loss accounts? 5. How are entries made in the Day Book? 6. What particulars should every Day Book Entry embrace? 7. What is meant by posting? 8. How do we show upon the Day Book how far the posting has proceeded?

SET I.—DOUBLE ENTRY.

WHEN a Day Book is kept it is called the Book of original Entry,¹ and will always be referred to in any case of doubt or dispute about the correctness of any entry upon the Ledger. It then becomes a matter of importance to have every entry made upon the Day Book² in such a way as to explain itself, and also that every entry affecting other persons' accounts should originate³ upon this book. The practice of making some entries originate upon the Ledger where a Day Book is kept, often leads to perplexing consequences. The original entry ought also to be made⁴ by the clerk with whom the transaction occurred. The next Book requiring explanation is the

JOURNAL.

This Book⁵ becomes necessary as soon as the nature and extent of the business introduces many long and intricate entries upon the Day Book. When one Day Book entry affects a number of accounts in the Ledger, posting such entries direct from the Day Book becomes difficult and liable to error. ⁶The purpose of the Journal is to arrange all the transactions from the Day Book in such a manner that each Ledger title shall be affixed to its respective Debit or Credit, and thus render the posting into the Ledger less liable to omissions and errors. The transactions of a very extensive business may be stated upon the Day Book in the Journal form in such a manner as to be posted without difficulty and without the intervention of a Journal. This, however, can only be done by those who have learned to keep the Journal; and a correct knowledge of the language and principles of this Book is an important and somewhat difficult part of the science of accounts to acquire. We embody our instruction for making the entries of this book in rules upon the next page, which are immediately afterwards put in practice in the introductory Day Book and Journal. We hope our attentive learner will now have but little difficulty in answering his teacher the following

GENERAL QUESTIONS ON THE PRECEDING LESSONS.

- QUEST. 1. When a person buys of you on credit, to which side of his account in the Ledger do you place the amount?
2. If you buy on credit, to which side of the person's account do you place the amount?
3. If you afterwards pay him this amount?
4. How does the account then stand and what is to be done with it?—See Note 5, p. 23.
5. When you receive money, to which side of the Cash Account do you place it?
6. When you pay money away?
7. When you buy Merchandise, to which side of the account do you place the amount?
8. When you sell Merchandise?
9. If you buy Houses, Ships, or Steamboats?
10. If they bring you in freight or rent, or if you sell the whole or part of any of them?
11. If you lose money, pay rent, clerks' wages, or other expenses, to which side of the Profit and Loss Account do you place the amount?
12. If you receive money for storage, or by renting part of your premises, to which side of the Profit and Loss Account do you place the amount?

THE TEACHER'S EXAMINATION.—1. What book is always referred to in case of dispute about the correctness of the Ledger? 2. How should an entry be always made upon the Day Book? 3. Where should all entries affecting other persons' accounts be first made? 4. By whom ought an original entry to be made? 5. When does the Journal become necessary? 6. What is the use of the Journal?

SET I.—DOUBLE ENTRY.

RULES FOR JOURNALIZING.

THE following rules must be committed to memory. For the convenience of the teacher we give them in the interrogative form. The learner will find it useful, in exercising himself, to cover the answers.

- | | |
|---|--|
| QUEST. 1. What is the general rule for regulating the debits and credits in Double Entry Book-keeping? | ANS. 1. The Debits and Credits arising out of every transaction must, in amount, be equal. |
| 2. What is the rule for opening Books? | 2. The Stock Account represents myself, and must therefore be debited for what I now owe and credited for what I now possess.* |
| 3. When is a personal account debited? | 3. When he gets into my debt, or I get out of his debt, he is Dr. for the amount. |
| 4. When is a personal account credited? | 4. When I get into his debt, or he gets out of my debt, he is Cr. for the amount. |
| 5. What is the general rule for receiving and delivering property? | 5. The thing received is Dr. to the thing delivered.† |
| 6. Repeat a more particular rule for debiting property accounts. | 6. When property becomes mine, it is Dr. for its cost or value; and when it costs me any thing afterwards, it is Dr. for that cost. |
| 7. When are property accounts always credited? | 7. When property brings me in any thing, it is credited for the amount, and when it ceases to be mine it is credited for its value or what I receive for it. |
| 8. When is the Profit and Loss Account to be debited and credited? | 8. Always debit loss and credit gain. |
| 9. What is a Bill Receivable? | 9. Any obligation on paper which I hold against others. |
| 10. What is a Bill Payable? | 10. The same description of obligations held by others against me. |

* The term *Stock* is universally used by Accountants for this purpose; but it is rather an ill-chosen title, as young Book-keepers are apt to confound it with the Merchandise Account. The term *CAPITAL* or some other title that would better express the nature of the account would be more appropriate. The author has not, however, thought proper to change the title of the account, it being his object to introduce all his improvements by conflicting as little as possible with established usages.

† Or, the receiving account Dr. to the imparting account.

SET I.—DOUBLE ENTRY.

THE DAY BOOK AND JOURNAL.

INTRODUCTORY REMARKS.

1. **THESE** two Books are here bound together. This is done, both here and with the principal set, for the mutual convenience of the learner and the teacher; but they will recollect that these Books are never kept so in business. There they are always bound separately.

DIRECTIONS TO TEACHERS AND LEARNERS.

2. After committing to memory the preceding Rules for Journalizing you will transcribe into your Day Book the first page of the one following. Then study the Journal entries, applying the preceding rules for that purpose, and refer from each entry in the Journal to its final disposition in the Ledger. Endeavor to understand the nature of all the Accounts there before you go farther, for it is that book that regulates the Journal. Therefore the first thing to be known is what accounts in the Ledger are entitled to debits and credits out of the transaction. Afterwards you can frame your Journal entry without difficulty.
3. The teacher will then take the printed Journal and hear the class, each pupil in turn, give the Journal entries verbally from their own manuscript Day Books, requiring their answers at the same time to the interrogatories at the bottom of the page.
4. When they can do this satisfactorily, they are prepared to write the Journal. This must first be done from their own manuscript Day Book, without any farther assistance from the printed Journal, upon slates or loose sheets of paper ruled to the Journal pattern, taking care to extend the debit and credit amounts in their proper columns and upon the same line with their respective accounts. The teacher should require each pupil to repeat this operation upon the slate or waste paper until he can write the Journal correctly without farther assistance from his teacher. His printed book ought to be laid aside during this operation. After this they will have no difficulty in Journalizing their Day Book direct into their Journal, in all respects as they will afterwards have it to do in business. When this is done with the first page of the Day Book, they will open their Ledgers; directions for which will be found preceding the Introductory Ledger.—p. 32.
5. After posting the first page of the Journal and Balancing the Ledger according to the directions, the class will transcribe the next page of the Day Book and proceed with it in all respects as before.
6. Teachers will observe that all our directions are given for instructing in classes, but they at the same time serve for individual instruction.
7. Let me caution all teachers against allowing their students to make their Journals or their postings in the Ledger from the printed book. They might as well expect to learn Arithmetic by copying off the questions and answers, as to acquire the art of Book-keeping by such means.
8. All transfers from one book to another must be carefully compared and check-marked on both books thus ✓. On the Ledger a small point (·) is best, as it does not deface the page. No person can keep his work correct long without checking. When you have no figures for your cent columns avoid the useless practice of filling them with ciphers, which are in your way when adding the column.

* My effects, commencing business this day, consist of—				
Cash in hand		\$1000.		
Charles Page owes me on his note	\$500.			
R. Manly owes me on his bond and mortgage	1500.	2000.		3000
5.				
Bought for Cash of William Hay Merchandise per Invoice				600
"				
Sold James Carter for Cash—				
60 pieces of two Blue Prints	@ \$3.	\$180.		
70 " Fancy Stripes	" 4.	280.		460
10.				
* Rec'd Cash from R. Manly for his mortgage				\$1500.
Also Interest due on the same		90.		1590
14.				
Bo't of A. Stuart & Co. on my note @ 60 days Merchandise $\frac{3}{4}$ Invoice				300
"				
* Bought of Warden & Bell Merchandise $\frac{3}{4}$ Invoice				\$800.
Paid them Cash on account of the same		200.		
The balance to their account @ 2 months				600
25.				
* Sold William Hay—				
5 hhd. Sugar, 1180, 1220, 1300, 1100, 1200 = 6000 lbs.				
Tare 10 per cent. off		600		
Net 5400 lbs., @ 5 cts., \$270.				
120 pieces Furniture Prints	@ \$3.	360.	630.	
Rec'd Cash on account of the same				330.
The balance to his account @ 2 months				300
30.				
* Paid Cash for Store Rent, Advertising, &c.				150
"				
Sold for Cash to J. Beck & Co. the remainder of my Merchandise in hand				
240 pieces Merrimac Prints	@ \$3.	\$720.		
80 " Furniture "	" 2.	60.		780
"				
Paid Cash Jennings & Co.'s account for Clothing for my private use				130

1. Stock must be here credited for the amount of my property according to Rule 2, and Cash and Bills Receivable are debited by Rule 5, these amounts being now received into these books.

2. Cash, the thing received, is here debited for the whole amount; but there being nothing delivered for the \$90, Profit and Loss is credited according to Rule 8. Bills Receivable can only be credited for the face of the bill.

3. Although Warden & Bell might have been here credited for the whole Invoice, and debited for the payment upon it, yet the Journal entry we have given is more concise and equally correct.

4. For the reasons given in the last note, Hay is here only debited for the balance due on this purchase. If he had made this payment on a former account, then it must appear at his credit, and the whole of this invoice at his debit.

5. We have received nothing in exchange for this cash, and there being no person responsible to us for it, we must debit Profit and Loss.

6. The figures in the left marginal column of the Journal are the pages of the Ledger, and are written as the posting proceeds. They serve as post marks to show how far that operation is completed.

7. As the Day Book entries are journalized, EACH IS MARKED OFF IN THE MARGIN, as the above two first entries.

L. F.		Dr.	Cr.
1	¹ Sundries, Dr. to Stock account		3000
2	Cash account	1000	
1	Bills Receivable account*	2000	
	5.		
1	Mdse., Dr.	600	
2	To Cash		600
	"		
2	Cash, Dr.	460	
1	To Mdse.		460
	10.		
2	² Cash, Dr. to Sundries	1590	
1	To Bills Receivable		1500
3	" Profit & Loss		90
	14.		
1	Mdse., Dr.	300	
2	To Bills Payable		300
	"		
1	³ Mdse., Dr. to Sundries	800	
2	To Cash		200
2	" Warden & Bell		600
	25.		
1	⁴ Sundries, Dr. to Mdse.		630
2	Cash	330	
2	William Hay	300	
	30.		
3	⁵ Profit & Loss, Dr.	150	
2	To Cash		150
	"		
2	Cash, Dr.	780	
1	To Mdse.		780
	"		
3	Profit & Loss, Dr.	130	
2	To Cash		130
	"		
	1. Why is Stock account credited, and Cash and Bills Receivable account debited for this amount? 2. Why is Cash here debited for the whole amount, and Bills Receivable credited for only \$1500? 3. Why not credit Warden & Bell for the whole Invoice, and debit them for the payment? 4. Why not debit Hay for the whole Invoice, and carry the payment to his credit on account? 5. Why debit Profit & Loss for this amount? 6. What are the figures in the left hand marginal column of the Journal, and when are they inserted? 7. What is done to show how far the Day Book is journalized?		
	* The learner will observe, that, although the word <i>account</i> is <i>understood</i> after every Ledger title, it is never written. And in a business journal we seldom write the abbreviation Dr.; but, for the purposes of instruction, we deem it advisable to retain it.		

<p>¹ Received by the packet Gladiator, Pratt, master, from London, an Invoice of Prints, shipped me by R. Morris, by my order and for my account, amounting, per invoice, to £450 sterling, due 31st inst. 2000. Paid freight and duty in Cash 500.</p>	2500
10.	
Received Cash from Charles Page for his note in my favor	500
14.	
<p>² Sold James Day— 300 pieces London Chintz Muslin, @ \$4 \$1200. 30 " Cambrie Handkerchiefs, @ \$10 300.</p>	1500
Received Cash on account of the same \$1000. " his note @ 3 months for the balance 500. \$1500.	
"	
<p>³ Received from the Executors of my Father's Estate, House and Lot 44 Broadway, valued at \$15000. Cash 10000.</p>	25000
21.	
<p>⁴ Discounted for C. Banks his note @ 1 month for \$1000. " " C. Murray " " 9 months for 1500. \$2500.</p>	
Deduct 33 days' Interest on Banks's note 5.50 " 9 $\frac{3}{8}$ months' Interest on Murray's note 68.25 73.75	
Net proceeds paid them in Cash	2426 25
"	
Bought of Charles Page Mdse. per Invoice \$2100. Paid him Cash on account \$2000.	
<p>⁶ Gave him my order on William Hay, payable in Mdse. for the balance 100.</p>	2100
25.	
Paid Cash my bill for boarding at the Astor House to date	50
31.	
<p>⁶ Paid William Hay Cash on loan for 30 days \$2200. Sold him, on account, 3 pieces best black Broadcloth, viz., No. 1144. 24², 1004. 22², and 909. 23. = 70 yards, @ \$10 700.</p>	2900
"	
<p>⁷ Gave Warden & Bell my order on William Hay, payable in Cash, for</p>	100
"	
Paid Rents, Clerks' Wages, &c., in Cash	103 75

1. We debit Merchandise for what it costs to bring it home, as well as the purchase money—recollect Rule 6. Morris is only credited for \$2000, because that is all we get in debt to him. (Rule 4.)
2. We do not debit Day on Book account for the balance of his purchase, because we received his note for it. We cannot record two claims for the same sum.
3. The Profit and Loss account is only intended to record our gains and losses by business; and as we have not earned this property by our business, it would not be proper to carry it to that account, although our doing so would make no difference in the final closing of the Stock account.
4. The discount upon these notes is a gain to us, we therefore credit Profit and Loss for it.
5. Hay must be credited for this order, because we get in debt to him for paying this amount for us.
6. Hay must here be debited for both the Cash and Merchandise, because he gets into our debt for the amount—recollect Rule 3.
7. Here Warden & Bell is Dr., because we get out of their debt for that amount, and Hay is credited, because we get into his debt for the same amount.

		Dr.		Cr.	
1	¹ Mdse., Dr. to Sundries	2500			
2	To R. Morris			2000	
2	" Cash			500	
	10.				
2	Cash, Dr.	500			
1	To Bills Receivable			500	
	14.				
1	² Sundries, Dr. to Mdse.			1500	
2	Cash	1000			
1	Bills Receivable	500			
	"				
1	³ Sundries, Dr. to Stock			25000	
3	House and Lot 44 Broadway	15000			
2	Cash	10000			
	21.				
1	⁴ Bills Receivable, Dr. to Sundries	2500			
2	To Cash			2426	25
3	" Profit & Loss			78	75
	"				
1	⁵ Mdse., Dr. to Sundries	2100			
2	To Cash			2000	
2	" William Hay			100	
	25.				
3	Profit & Loss, Dr.	50			
2	To Cash			50	
	31.				
2	⁶ William Hay, Dr. to Sundries	2900			
2	To Cash			2200	
1	" Mdse.			700	
	"				
2	⁷ Warden & Bell, Dr.	100			
2	To William Hay			100	
	"				
3	Profit & Loss, Dr.	103	75		
2	To Cash			103	75

1. Why is Merchandise debited for any more than the amount for which we credit Morris?
2. Why is not Day debited for the unpaid balance of this invoice?
3. This amount being a gain, why not credit Profit & Loss for it?
4. Why is Profit & Loss credited for this \$73.75, it being a deduction from the notes?
5. Why do we credit Hay for this order?
6. Why is Hay debited in this case?
7. Why debit Warden & Bell and credit Hay for this order?

ON OPENING AND CLOSING THE LEDGER.

WHEN the pupil has Journalized the first Day Book and afterwards carefully compared his Journal with it, he will open his Ledger. In a clean text hand write the title of each Account, giving it five or six more lines of space than on the printed Ledger. Insert the abbreviations Dr. and Cr.¹ at the top of the page only. Then post the Journal into the Ledger. Before attempting this, it will be well to compare the entries from the printed Journal to the Ledger. In expressing the entry upon the Ledger, it will be seen that a debit is always To that Account which receives credit for this sum, and the Cr. Account expresses the same entry BY the Account that was made Dr. for the same sum. Where several accounts are referred to, the expression is either To or BY Sundries. But the learner will acquire the process more readily by seeing it done on his printed Ledger than by any other means. But let the amount always be first inserted, the date and other particulars afterwards. When the Journal is posted,² compare and check every entry from it to the Ledger, check-marking them thus ✓ with a pencil on the inner left-hand marginal line of the Journal and on the double line on the left of the money column on the Ledger. Then add up all the Accounts³ and take off a Trial Balance, both sides of which must come out equal.—See form at the end of the Ledger, page 36.

After studying the oral exercises under each Account upon the Ledger until he can answer them readily, the pupil is prepared to close his Ledger. Though this is the most difficult part of the process of Book-keeping to understand, I think the following method of elucidating it will make the matter intelligible.

By closing a Ledger we make every Account upon the face of it even. ⁴The purpose of this is to dispose of all the Balances in such a manner as to EXHIBIT and RECORD the increase or decrease of Capital up to the present time.

I have found by experience that the most simple and rational explanation of the Balance Account will be found in the following process.* Let the pupil be required to make up from his Ledger, upon waste paper, a list of his effects thus:—

From the Bills Receivable Account I find I have Notes in hand amounting to	\$500.	
By the Cash Account, I find cash in hand	3,080.	
By W. Hay's Account, I perceive he owes me	300.	
Making the total amount of my effects	3,880.	
By Bills Payable Account, I find I owe on my Notes	300.	
And to Warden & Bell, By their Account, I owe	600.	Am't I owe, 900.
Leaving my present Net Capital	2,980.	

Now, compare this statement with our Balance Account, and I shall be much mistaken if it does not give you a clear insight into the nature and object of that Account. You will now close all the Personal and Property Accounts, ruling them off to the same pattern given on our Ledger, transferring the Balances at the same time to the proper side of the Balance Account. When this is completed you will find the present Net Capital exhibited by the Balance Account as in the above statement, \$2,980, which according to the Stock Account is \$20 less than the Capital we opened the books with. You find the particulars of this loss at the Profit & Loss Account. Close that Account into Stock and then you will find that the Stock and Balance will exactly close each other—a result that must always take place when the operations are correct, because all gains must produce a corresponding increase of property, at the Dr. side of Balance, and through the Profit & Loss Account the credit side of the Stock is increased exactly to the same amount. Losses affect these two Accounts through the same channels also precisely to the same extent.

These remarks apply to the first set of the following Books. After bringing all the Balances down and posting the second set, the process of closing is the same as in the first Balance.

1. Where are the abbreviations Dr. and Cr. placed?
 2. What is the first thing to be done after posting the Journal?
 3. What next?
 4. What is the purpose of closing the Ledger?
 * See also Notes 2 to 6, page 18. And directions for ruling, pp. 56 and 57.

Dr. (What I Owe.) **STOCK ACCOUNT.** (My Effects.) Cr. 1

1866.	Nov.	30	To Profit & Loss*	f.	3	20		1866.	Nov.	1	By Sundries	3000.	1	3000
			" Balance	f.	3	2980						20.		
						8000						2980.		3000
	Dec.	31	To Balance	f.	3	28500				80	By Bal. bro't down			2980
										14	" Sundries	27,980.	2	25000
										31	" Profit & Loss	f.	3	520
						28500								28500

1. What is posted to the Dr. side?
2. What to the Cr. side?
3. When is the account closed?
4. How does it then close?
5. How do we mark the transfers?
6. Why are the balance entries red?

1. What I owe.
2. The amount of my capital.
3. After the Profit & Loss is closed.
4. To or By Balance.
5. F. or Folio.
6. Because they begin the new account.

(Purchases.) **MERCHANDISE.** (Sales.)

1866.	Nov.	5	To Cash		1	600		1866.	Nov.	5	By Cash		1	460	
		14	" Bills Payable			300				25	" Sundries			680	
			" Sundries	1700.		800				30	" Cash	1870.		780	
		30	" Profit & Loss	f.	3	170						Gain	170.		
						1870								1870	
	Dec.	1	To Sundries		2	2500				14	By Sundries		2	1600	
		21	" "	4600.		2100				31	" Wm. Hay	2200.		700	
		31	" Profit & Loss	f.	3	600					" Balance	3000.	f.	3	8000
						5200						5300.		5200	
												4600.			
												Gain	600.		

1. What is posted to the Dr. side?
2. What to the Cr. side?
3. How does it close if all be sold?
4. How if part is unsold?
5. How do we find the \$3000 balance?

1. The cost and charges of purchases.
2. The sales made.
3. To or By Profit & Loss.
4. By Balance, and To or By Profit & Loss.
5. Inventory. See p. 59.

(Notes Received.) **BILLS RECEIVABLE.** (Notes passed away or lost.)

1866.	Nov.	1	To Stock	2000.	1	2000		1866.	Nov.	10	By Cash		1	1500
				1000.						30	" Balance	fol.	3	500
				500.		2000								2000
		30	To Bal. bro't down			500				10	By Cash		2	500
	Dec.	14	" Mdse.		2	500				31	" Balance	fol.	3	3000
		21	" Sundries	3500.		2500								
				500.		3500								3500
				3000.										

1. What does the Dr. side of this account show?
2. What does the Cr. side show?
3. How will it stand when all notes are passed away?
4. How does it always close?

1. The notes received.
2. Those passed away or lost.
3. Self balanced.
4. By Balance for the notes on hand.

* The rules for posting do not apply to the closing entries.

Dr. (Money Received.) CASH. (Money Paid or Lost.) Cr.

1866.					
Nov.	1	To Stock	1	1000	
	5	" Mdse.	"	480	
	10	" Sundries	"	1590	
	25	" Mdse.	"	830	
	30	" "	"	780	
					4160
					3080
Dec.	10	To Bal. bro't down		3080	
	14	" Bills Receivable	2	500	
		" Mdse.	"	1000	
		" Stock	"	10000	
					14580

1. What does the Dr. side of this account show?
2. What does the Cr. side show?
3. What does the difference represent?
4. How does the account close?
5. How will it stand when all your money is paid away?
6. Why can the credit side never exceed the debtor?

1866.					
Nov.	5	By Mdse.	1	600	
	14	" "	"	200	
	30	" Profit & Loss	"	150	
		" " 1000.	"	130	
		" Balance fol.	3	3080	
					4160
Dec.	1	By Mdse.	2	500	
	21	" Bills Receivable	"	2426	25
		" Mdse.	"	2000	
	25	" Profit & Loss	"	50	
	31	" William Hay	"	2200	
		" Profit & Loss 7200.	"	108	75
		" Balance fol.	3	7300	
					14580

1. The Dr. side shows all cash received.
2. The Cr. side shows all cash paid away.
3. The difference represents the balance in hand.
4. It always closes By Balance.
5. When all is paid away the account must be even.
6. Because we cannot pay away more than we receive.

(My Notes Paid.) BILLS PAYABLE. (My Notes passed away.)

1866.					
Nov.	30	To Balance fol.	3	300	
Dec.	31	To Balance fol.	3	300	

1. What do the Dr. and Cr. sides of this acc't show?
2. What does the difference represent?
3. How does the account always close?

1866.					
Nov.	14	By Mdse.	1	300	
	30	By Bal. bro't down		300	

1. The Dr. side is the amount taken up, the Cr. side the notes passed away.
2. The balance I still owe on my notes.
3. Always To Balance, never By Balance.

(My Acct. against him.) WILLIAM HAY. (His Acct. against me.)

1866.					
Nov.	25	To Mdse.	1	300	
Dec.	30	To Bal. bro't down		300	
	31	" Sundries	2	2900	
					3200

1. What does the debit and credit side of this account show?
2. How does it close?

1866.					
Nov.	30	By Balance fol.	3	300	
Dec.	21	By Mdse.	2	100	
	31	" Warden & Bell ac.	"	100	
		" Balance fol.	3	3000	
					3200

1. Explained in the parenthesis at the head.
2. All personal accounts close either To or By Balance.

WARDEN & BELL.

1866.					
Nov.	30	To Balance fol.	3	600	
Dec.	31	To Wm. Hay	2	100	
		" Balance fol.	3	500	
					600

1866.					
Nov.	14	By Mdse.	1	600	
	30	By Bal. bro't down		600	
					600

ROBERT MORRIS.

1866.					
Dec.	31	To Balance fol.	3	2000	

1866.					
Dec.	1	By Mdse.	2	2000	

9c

Dr. (Its Value or Cost.) HOUSE, 44 BROADWAY. (What it brings me in.) Cr.

1866. Dec. 14	To Stock	2	15000	1866. Dec. 31	By Balance	fol. 3	15000
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1. How does this account close if the property be on hand?
2. How if sold?

1. By Balance if you still own the property.
2. If sold close To or By Profit & Loss.

(Expenses and Losses.)

PROFIT & LOSS.

(Gains.)

1866. Nov. 30	To Cash	1	150
	" "	1	180
	Net Loss		30.
			280
Dec. 25	To Cash	2	50
81	" "	2	108 75
	" Stock for net gain, f.	1	520
			678 75

1866. Nov. 10	By Cash	1	90
30	" Mdse.	1	170
	" Stock, net loss	1	20
			280
Dec. 21	By Bills Receivable	2	78 75
31	" Mdse.	1	600
	Net Gain		530.
			678 75

1. What do the Dr. and Cr. sides of this account show?
2. What accounts close into it?
3. When is it closed, and into what account does it close?
4. What does the difference between the sides represent?

1. The Dr. side shows all expenses and losses, and the Cr. side all gains.
2. All accounts exhibiting gain or loss are closed into this account.
3. This is the last account closed but two. It always closes into Stock, never into Balance.
4. The difference represents the net gain or loss.

BALANCE

(My Effects and Debts due me.)

ACCOUNT.

(What my concern owes.)

1866. Nov. 30	To Bills Receivable	f. 1	500
	" Cash	2	8080
	" Wm. Hay		800
	Net capital		3880.
			3880
Dec. 81	To Mdse.	fol. 1	8000
	" Bills Receivable		8000
	" Cash	2	7800
	" Wm. Hay		8000
	" House	8	15000
	Net cap.		38500.
			31800

1866. Nov. 30	By Bills Payable	fol. 2	800
	" Warden & Bell	100.	600
	" Stock for net capital	1	2980
			3880
Dec. 31	By Bills Payable	fol. 2	800
	" Warden & Bell		500
	" R. Morris	2000.	2000
	" Stock for net capital	1	28500
			31800

1. What is transferred to the Dr. side?
2. What to the Cr. side?
3. What does the difference represent?
4. How does the account close?
5. Is Stock or Balance first closed?

1. All my effects.
2. All amounts that I owe.
3. Net capital or net insolvency.
4. By Stock for net capital, or To Stock if I am insolvent.
5. Usually the Stock first.

Stock	f.	1					Stock	f.	1				
Mdse.							Mdse.						
Bills Receivable							Bills Receivable						
Cash		2					Cash		2				
Bills Payable							Bills Payable						
Wm. Hay							Wm. Hay						
Warden & Bell							Warden & Bell						
Profit & Loss		3					R. Morris						
							House in Broadway		3				
							Profit & Loss						

NOTE.—These proof sheets or trial balances are taken off for the purpose of ascertaining if both sides of the Ledger are alike in amount. If this sheet comes out correct, your Ledger will be sure to balance; but if there should be a difference between its sides, the Ledger will certainly not balance until the errors are sought out and rectified.

TEACHER'S EXAMINATION.—After closing the first of the preceding sets, the pupil should be able to answer his teacher the following questions. If he cannot readily do so, he should refer again to the instructions under the accounts. If he does not wish to cheat himself out of the instruction that he desires to obtain, he should by no means consult the key,—that being intended for teachers only, those who teach themselves included.

- Q. 1.—What was your net capital at the time of closing, and which of the accounts show it?
- 2.—What was your net gain or loss, and which of the accounts show it?
- 3.—What was the whole amount of your gain, and what was the whole amount of your loss.
- 4.—What did you gain or lose on your Merchandise account?
- 5.—What was the amount of Merchandise purchased?
- 6.—What was the amount of your sales?
- 7.—What amount of Merchandise was there on hand, or was there any?
- 8.—What amount of Cash on hand?
- 9.—What amount of Bills Receivable on hand?
- 10.—What do you owe on your Notes?
- 11.—What is the whole amount of your debts, and what account shows it?
- 12.—What is the whole amount of property you now possess, and what account shows it?
- 13.—What amount of property did you possess at the time of opening the books, and what account shows it?
- 14.—What were your average daily sales for the month of November, the time your books were open, allowing there were twenty-six business days in it?*
- 15.—What was the gain per cent. on your total sales?†

The pupil should, when he balances his Ledger the second time, answer the same questions upon the balance of each account.

* Found thus—Total sales per Merchandise, Crs. is \$1870 ÷ 26 = 71 7/8 average daily sales.

† Found thus—The cost per Dr. side \$1700 : \$100 :: \$170 (gain) : 10, the gain per cent. Or such operations may be shortened by making a common fraction, with the GAIN or Loss for a numerator, and the COST for a denominator. Change this fraction into a decimal, carrying it to two places, and it is always the GAIN or Loss per cent.

NOTE.—In the second balance of our Merchandise account, part of the goods remain unsold. The difference between the cost of the whole (per Dr. side) and the amount on hand per inventory, is THE COST OF THE PART SOLD, with which proceed to find the gain per cent. as above. But observe, the result of this operation will only be correct when the inventory of goods on hand is taken at cost and charges.—See Note 3, p. 61.

SET II.—DOUBLE ENTRY BOOK-KEEPING.

EXEMPLIFYING THE TRANSFER OF BUSINESS

FROM THE PRECEDING TO THE PRESENT SET.

THIS SET EMBRACES ALL THE MOST APPROVED FORMS OF

AUXILIARIES.

CONNECTED AS SUCH WITH THE PRINCIPAL BOOKS.

Also, concise and comprehensive rules for Journalizing, practically illustrated with ORAL EXERCISES.

The written exercises embrace—

Illustrations of Buying and Selling Merchandise on private Account and on Account of others.

Buying and selling the same on joint Account.

Importing and Exporting on private Account, on Account of others, and on Account of ourselves and others in Company.

Receiving and forwarding Merchandise.

The management and settlement of Executors' Accounts.

Buying, Selling, Remitting, Collecting, Discounting, Accepting, and Paying Bills of Exchange.

SHIP OWNERS' ACCOUNTS.

As sole owner, as part owner, and as agent for the owners, exemplifying a dividend and settlement of their Accounts, the adjustment and settlement of Marine Losses, and of Loss by Fire.

We have so studiously avoided lengthening the process of instruction by any unnecessary entries, that probably no two entries can be found in the set which do not illustrate a different application of the principles of the science. On the other hand, the utmost care has been taken to carry instruction into every department of the most extensive and diversified commerce, to omit no information necessary for forming the most accomplished Accountant. The whole is condensed into about twelve pages of Day Book and Journal, accompanied with such mental exercises as, if attended to, will leave the learner no means of getting through the written exercises without mastering the subject.

DIRECTIONS TO TEACHERS.

It has been before stated that the preceding set is only designed as an introduction for those altogether uninitiated. Those who understand the disposition of the debits and credits in the Ledger, will, after a perusal of the initiatory set, commence with the study of the following RULES AND ORAL EXERCISES. They afterwards study the definitions and answer the interrogatories upon the Auxiliaries. In some cases it may be necessary to write the Cash Book and Bill Books, but most of learners will find no difficulty in applying them without this trouble. The process of teaching those who have been through the introductory set and those who commence here, is hereafter in all respects the same.

SET II.—DOUBLE ENTRY BOOK-KEEPING.
RULES FOR JOURNALIZING, WITH ORAL EXERCISES.

LESSON I.

NOTE.—The pupil should lay a sheet of paper over the answers while he reads the questions to himself.

Give the general rule for debits and credits.

Repeat the general rule for opening books.

EXAMPLES.

- QUES. 1.** If you begin business with a capital of \$7000 cash, what will be your Journal entry?
- 2.** If you have cash \$7000, merchandise \$3000, W. Hay owes you \$5000, and you own the brig Troy worth \$5000?
- 3.** Suppose you owe at this time on your notes and bonds \$2000, to R. Morris on acct. \$3000.
- 4.** State more particularly what is meant by the term "Sundries to Stock."
- 5.** Explain the full meaning of the expression "Stock to Sundries," in your 3d answer.

Repeat the rule for debiting persons.

EXAMPLES.

- 6.** If W. Hay buys \$600 worth of mdse. of you on Book acct.?
- 7.** If you pay R. Morris \$1000 cash which is at his credit on your Books?
- 8.** If Morris make an abatement of \$100 from the above acct. and pay him \$900 in full for balance?

Repeat the rule for crediting personal accounts.

EXAMPLES.

- 9.** Suppose W. Hay pays you the above \$600 in cash?
- 10.** If he fail and you receive \$300 cash and lose the balance?

RULE I.—The debits and credits arising out of every transaction must be equal in amount.

RULE II.—The Stock account represents myself, and must therefore be debited for what I now owe and credited for what I now possess.

- ANS. 1.** Cash, Dr. \$7000
 To Stock, \$7000
- 2.** Sundries to Stock, 20000
 Cash, 7000
 Mdse. 3000
 W. Hay, 5000
 Brig Troy, 5000
- 3.** Stock to Sundries, 5000
 To Bills Payable, 2000
 R. Morris, 3000
- 4.** It may be stated more fully thus: Several accts. are Dr. to the Stock acct. which is credited for \$20000
 The Cash acct. is Dr. for . . . \$7000
 And the mdse. acct. is debtor for 3000
 And Wm. Hay's acct. debtor for 5000
 And the Brig Troy's account is debtor for 5000
- 5.** To express it in full we might say: The Stock account is debtor to several accts. for \$5000, viz., it is Dr. to the Bills Payable account, which is credited for \$2000
 And it is Dr. to R. Morris's account, which is credited for 3000*

RULE III.—When he gets into my debt he is Dr. for the amount. When I get out of his debt he is Dr. for what I pay or cease to owe him.

- ANS. 6.** Wm. Hay, Dr. \$600
 To mdse. sold him on acct. \$600
- 7.** R. Morris, Dr. 1000
 To Cash paid him in full, 1000
- 8.** R. Morris to Sundries, to close . 1000
 To Profit & Loss, 100
 " Cash paid him in full, 900

Here we only pay Morris \$900, but we debit him for \$1000—what we cease to owe him.

RULE IV. When I get into his debt he is Cr. for the amount. When he gets out of my debt he is Cr. for what he pays or ceases to owe me.

- ANS. 9.** Cash, Dr. \$600
 To Wm. Hay in full, 600
- 10.** Sundries to Wm. Hay, to close acct . 600
 Profit & Loss for abatement, . . . 300
 Cash received in full, 300

Here you have only received \$300, but the rule requires you to credit him for \$600—the amount he ceases to owe you.

* While this and the preceding answer will give the learner a distinct conception of the meaning of all similar Journal expressions, these expositions at the same time show how much accountants have abbreviated common language without obscuring their meaning; for while the rules are observed no language is less liable to be misunderstood than that used by accountants

SET II.—DOUBLE ENTRY RULES.

QUEST. 11. If Hay balance his Book account by giving you his note for \$600?
 12. If he afterwards fail and you lose the am't of the note? Repeat the general rule for receiving and delivering property.

EXAMPLES.

13. If you sell merchandise for cash \$500?
 14. If you sell it for the purchaser's note?
 15. If you pay your own note for \$1000, half in cash and half in merchandise?
 16. If you buy merchandise for cash \$100?
 17. If you give your note for the same purchase?
 18. If you buy \$400 worth of merchandise and pay the amount in other merchandise from store?
 Give a more particular rule for debiting property accounts.

EXAMPLES.

19. If you buy the brig Tribune for \$12,000 and pay \$6000 in cash, and give a Bottomry bond on the vessel for the balance?
 20. Suppose this vessel becomes yours by the legacy of a deceased friend?
 21. If you pay cash \$1000 for repairing her?
 Give the rule stating when property accounts are always credited.

EXAMPLES.

22. If you receive \$1000 cash for freight of Brig Tribune?
 23. If your agents Taylor & Co. advise you that they have received \$1500 cash for freight to New Orleans?
 24. If you sell the Brig Tribune for \$16,000 and receive in payment a dwelling-house in 2d street and a Bill of Exchange on London for \$6000?
 25. If you lose the Brig Tribune by fire or shipwreck before she is insured?
 26. If you present \$500 cash to a friend?

ANS. 11. Bills Receivable Dr. 600
 To Wm. Hay for his note to close acct. 600

12. Profit and Loss Dr. 600
 To Bills Receivable, 600

RULE V. The thing received Dr. to the thing delivered.

13. Cash Dr. 500
 To Merchandise, 500

14. Bills Receivable Dr. 500
 To Merchandise, 500

15. Bills Payable to Sundries, 1000
 To Cash for money paid, 500
 " Merchandise for sale, 500

16. Merchandise Dr. 100
 To Cash, 100

17. Merchandise Dr. 100
 To Bills Payable, 100

18. Merchandise Dr. 400
 To Merchandise, 400

Some contend that any entry of such transactions is unnecessary—that it is like giving change for a \$50 bank note. But if such transactions are not recorded your merchandise account will not show the amount of your purchases nor the amount of your sales.

RULE VI. When property becomes mine it is Dr. for its cost or value. When it costs me any thing afterwards it is Dr. for that cost.

19. Brig Tribune to Sundries, 12,000
 To Cash, 6000
 " Bills Payable, 6000

20. Brig Tribune Dr. 12,000
 To Stock, 12,000

Here the property is Dr. for its value although it costs you nothing.

21. Brig Tribune Dr. 1000
 To Cash, 1000

RULE VII. When it brings me in any thing it is Cr. for the amount. When it ceases to be mine it is Cr. for its value or what I receive for it.

22. Cash Dr. 1000
 To Brig Tribune for Freight, 1000

23. J. Taylor & Co. Dr. 1500
 To Brig Tribune, for freight collected, 1500

24. Sundries to Brig Tribune, 16,000
 House in 2d street, 10,000
 Bills Receivable, 6,000

25. Profit and Loss Dr. 10,500
 To Brig Tribune, to close account, 10,500

26. Profit and Loss Dr. 500
 To Cash, 500

Thus, you perceive, when property ceases to be yours, either by sale, loss, or giving away, it is to be credited.

SET II.—DOUBLE ENTRY BOOK-KEEPING.

RULES FOR JOURNALIZING, WITH ORAL EXERCISES.

LESSON II.

Repeat the Rule for debiting and crediting Profit and Loss accounts.

EXAMPLES.

- QUES. 1. If you lose your purse with \$100 cash in it?
2. If you find \$500 cash and cannot find the owner?
3. If you pay cash for a new suit of clothes \$50 and \$100 for new house furniture.
4. If you lose \$1000 worth of mdse. by fire, uninsured?
- Repeat the Rule respecting Bills of Exchange, Drafts, Orders, &c.
5. What is a Bill Receivable?
6. What is a Bill Payable?
7. If you draw on R. Morris for \$100 and sell the bill for cash at par?
8. If you sell at 5 per cent. premium?
9. If you sell at 5 per cent. discount?
10. What will be Morris's entry when he accepts this bill?
11. If Morris draw on you at sight in favor of S. King, for \$1000, and you pay the bill in cash?
12. If he draw at 60 days' sight in favor of Wm. Hay, and you accept?
13. Afterwards you take up this acceptance with cash?
14. If Wm. Hay draw an order on you for \$50 in favor of J. Toole, which you pay in mdse. from store?
15. If you owe James Day \$20 and give him an order on Hay payable in mdse. for \$20?
16. If you buy a Bill of Exchange for \$1000 for cash at par?
17. If you buy at 5 per cent. premium?
18. If you buy at 5 per cent. discount?

RULE VIII. Profit and Loss accounts are always debited when I lose and credited when I gain.

ANS. 1. Profit and Loss, Dr.	\$100	
To Cash,		\$100
2. Cash, Dr.	500	
To Profit and Loss,		500
3. Sundries to Cash,		150
Profit and Loss or Expense acc't for the clothes,		50
House furniture for the articles bo't		100
4. Profit and Loss, Dr.	1000	
To Merchandise,		1000

RULE IX. Credit a person always when you draw on him on your own account, and debit him when he draws on you on his account.*

5. Any obligation on paper which I hold against others.		
6. The same kind of obligations which I have given to others, and which they are holding against me.		
7. Cash, Dr.	100	
To R. Morris,		100
8. Cash to Sundries,	105	
To R. Morris for the bill,		100
Profit and Loss or Exchange acc't. for the premium,		5
9. Sundries to R. Morris,		100
Cash for the net proceeds,		95
Profit and Loss or Exchange for Discount,		5
10. Duff, Dr.	100	
To Bills Payable,		100
11. R. Morris, Dr.	1000	
To Cash,		1000
12. R. Morris, Dr.	1000	
To Bills Payable,		1000
13. Bills Payable, Dr.	1000	
To Cash,		1000
14. W. Hay, Dr.	50	
To Merchandise,		50
15. James Day, Dr.	20	
To William Hay,		20
16. Bills Receivable, Dr.	1000	
To Cash,		1000
17. Sundries to Cash,		1050
Bills Receivable for the Bill,		1000
Profit and Loss or Exchange for the Premium,		50
18. Bills Receivable to Sundries,	1000	
To Cash for money paid,		950
Profit and Loss for Discount,		50

* Let the learner's mind be thoroughly impressed with the meaning of this rule and the two following questions; otherwise it will take him a long time to divest himself of the idea that every draft or bill he draws upon his correspondent must appear on one or the other of the Bill Accounts.

DOUBLE ENTRY RULES.

QUEST. 19. If you sell this bill at 10 per ct. premium for cash?
20. If you sell it at 10 per ct. discount?

Give the rule for keeping the accounts of consignments received.

21. What do you do with the Invoice of the property?

EXAMPLES.

22. If you receive \$1000 worth of goods from Morris for sale on his acct. You give bonds for \$500 duties and pay frt., &c. in cash, \$100?

23. If you sell \$100 worth of these goods for cash?

24. If Morris draw on you at sight for \$300 and you pay the draft, \$100 in his own goods, \$100 worth of your own goods, and \$100 in cash?

25. How is the net proceeds found on any account sales?

26. Suppose Morris's goods all sold for \$2000. You have paid charges \$700, your commission is \$100, leaving the net proceeds \$1200. How do you close the sales?

27. Where should this entry be first made?

28. Why not credit Morris for the amount of the Invoice of the above consignment?

29. If he draw on you for \$500 on acct. of the sales?

Give the rule for keeping acct. of property you consign to others.

EXAMPLES.

30. If you ship by the Herald and consign to R. Morris, London, for sale on your own acct. Mdse. 4000, pay charges in cash, \$400, give your note for insurance, 600 : = \$5000?

31. If you draw on Morris for \$500 on % of this consign'm't?

32. If he return you acct. sales \$6000, with a remittance in specie in full for same?

33. If he send you the acct. sales without the remittance?

34. If you receive acct. sales, \$6000, and before making an entry of the returns draw on him and sell the bill for cash at 8 per ct. premium?

ANS. 19. Cash to Sundries 1100
 To Bills Receivable 1000
 " Profit & Loss, for premium 100
20. Sundries to Bills Receivable 1000
 Cash for net proceeds 900
 Profit & Loss for the 10 per ct. Discount 100

RULE X.—Debit the owner's Sales for all charges incurred, and credit the same account for what the property sells for.

21. I enter a copy of it on the Invoice Book, but make no other entry of it.

22. R. Morris's Sales to Sundries 600
 To Bills Payable for the bonds 500
 " Cash paid for freight, &c. 100

23. Cash, Dr. 100
 To Morris's Sales 100

24. R. Morris, Dr. to Sundries 300
 To Morris's Sales 100
 " Merchandise 100.
 " Cash 100

25. By deducting all charges, including my commission, from total sales.

26. R. Morris, Sales to Sundries to close acct. 1300
 To Commission 100
 " R. Morris, for net proceeds 1200

27. The particulars of such entries must always appear upon the Day Book.

28. Because I do not get in debt to him for any thing but the net proceeds of what the goods sell for.

29. I debit his private account for all advances made on account of the consignment, and never the consignment account.

RULE XI.—Debit Shipment or Adventure to such a place for the cost and charges of the investment, and credit the same account for what it brings me in.

30. Shipment to London to Sundries 5000
 To Mdse. 4000
 " Cash 400
 " Bills Payable 600

31. I credit his private account for it—not the shipment to London.

32. Cash, Dr. 6000
 To Shipment to London 6000

33. R. Morris, Dr. 6000
 To Shipment to London 6000

34. Cash, Dr. 6480
 To Shipment to London 6480

SET II.—DOUBLE ENTRY BOOK-KEEPING.

RULES FOR JOURNALIZING, WITH ORAL EXERCISES.

LESSON III.—ON JOINT ACCOUNTS.

JOINT ACCOUNTS ¹ or special partnerships imply those operations in which several individuals or commercial houses unite in the purchase and sale of a particular article on speculation. Their joint interest is confined solely to these transactions, and the parties give themselves no joint title, neither do they become publicly known as a firm. Their sales, and sometimes their purchases, are effected by a manager, who generally keeps the account of the same in his own private books; and the partnership terminates for the time with the sale of the joint property. The learner must understand that although we cannot avoid calling these connexions partnerships, yet they differ essentially from **GENERAL PARTNERSHIPS**, ² where the parties are legally and publicly known under a firm or title, as Hay, Wood & Co., and who contribute a certain capital for the purpose of carrying on a general business for a specified period.

The manager of the joint sales keeps the account ³ in his own private books under the title of Sales in Co.⁴ If he have more than one in hand, he distinguishes them by prefixing to the title numbers, as, 1st Co., 2d Co., &c. ⁵ The manager debits his joint account FOR HIS OWN SHARE ONLY of the first cost, and for all charges incurred while in his hands, and ⁶ credits the same account for the total sales, for the other partners' shares in the property as well as his own.*

The following remarks will be useful in enabling the student to comprehend the transactions to which this rule is to be applied. The manner of opening the accounts by the manager as well as the silent partners, will vary according to the manner of making up the joint stock put in speculation. When the manager or any of the partners purchases or furnishes property to the concern, ⁷ each of the other partners must be immediately furnished with a copy of the invoice; and when the sales are completed, ⁸ each one must have a copy of the account sales. The joint stock is generally made up in one or the other of these three ways.

1. WHEN EACH PARTNER ADVANCES HIS OWN SHARE—Each silent partner keeps his account under the title of ⁹ "ADVENTURE IN Co.," debiting it for its cost, and crediting it for what it brings him in, precisely as he would a private adventure or consignment.

The manager makes his ¹⁰ SALES IN Co. Dr. for his own share only, and receives the other partners' shares as he would consignments.

2. IF THE MANAGER PURCHASES OR FINDS THE WHOLE STOCK—¹¹ As before he debits "Sales in Co." for his own share, and he debits each of the silent partners for their share; they at the same time crediting him and debiting their "Adventures in Co."

3. IF THE MANAGER'S SHARE BE PAID OR PUT IN BY ONE OR MORE OF THE SILENT PARTNERS—The manager's debit entry will be as before, ¹² and he credits him or them, to whom he becomes indebted for his share, they at the same time debiting him for the same amount. Their own "Adventures in Co.," they debit as before.

1. What are Joint Accounts or special partnerships? 2. What are general partnerships? 3. Where does the manager of the joint sales keep the account? 4. How does he distinguish them if he have several? 5. For what does the manager debit his joint account? 6. What does he credit it for? 7. What is to be done when property is bought on joint account? 8. What is the manager's duty when the sales are completed? 9. Under what title do the silent partners keep their accounts? 10. What title does the manager use? 11. When the manager finds the whole joint stock, what accounts does he debit for it? 12. If the manager's share be paid in by the other partners, whom does he credit for it?

* The author of the "National System of Book-keeping," a recent publication, and in some respects an ingenious work, takes a different view of this matter. By his rule the manager debits the joint account for the *whole* stock. He adduces some ingenious arguments in favor of his theory, but he appears to overlook the fact that his reasoning only applies where the transactions are entered in books *belonging to the joint business*, and not when entered in the private books of the manager. Here he does not seem to perceive that his theory will often inevitably compel the Book-keeper to debit his joint account for what the silent partners are legally responsible to him, and to credit the same parties for what he is not responsible to them. This is certainly, at all times and under all circumstances, an awkward and dangerous principle to admit in accounts. We have laid down a rule that can never lead the Book-keeper into such a dilemma. By its provisions a person is always held responsible in his private account from the time that that responsibility commences. And the fact of his having property in our hands for sale on his account, gives no pretext for a deviation from the rule—not even though his responsibility or indebtedness be created by advances made to him expressly on account of the property so placed in our hands for sale.—See Question 29, p. 41.

DOUBLE ENTRY RULES.

Repeat the rule for conducting a joint account as manager of the sales.

EXAMPLES.

- QUEST. 1. How does the silent partner keep his account?
2. If you purchase on your note for your joint acct. with Wm. Hay, \$1000 worth of Mdse.?
 3. Why not debit sales in company for the whole amount?
 4. What would be your entry, supposing Hay gave you his note for the \$500 before you made the above entry?
 5. What would be Hay's entry in Answer 2?
 6. If he gave Duff his note, as in Answer 4?
 7. What will be your entry where Hay puts \$2000 worth of goods in your store for sale on joint acct.?
 8. Why not credit Hay for the whole \$2000?
 9. What will be Hay's entry in Answer 7, if he purchase the goods on his note?
 10. If you sell \$2000 worth of the above goods, receiving in payment cash \$1000, and the buyer's note for \$1000?
 11. If you barter the remainder for goods on your own acct.?
 12. The property being all sold for \$3000, and the whole first cost \$2000, and your 5 per ct. commission being \$150, what entry will close sales?
 13. Explain how you find the amts. composing this entry?
 14. If you receive from R. Morris, of London, \$6000 worth of Mdse. for sale on acct. of himself, J. Taylor & Co., of New Orleans, and yourself, upon which you pay cash for duties \$1000?

RULE XII.—Debit Sales in Co. for my own share only of the first cost and for the whole charges incurred while in my possession, and credit the same account for the total sales.

RULE XIII.—Debit Adventure in Co. for its cost, and credit for what it brings him in.

- ANS. 2. Sundries to Bills Payable . . . \$1000
 1st Co. Sales, for my half . . . 500
 W. Hay, for his half . . . 500
3. Because Hay becomes legally responsible to me from this date for \$500, and must, by Rule III., be made Dr. for the amount. It becomes his property by virtue of our agreement, is at his risk, and if lost by fire or perish by any other means, not in consequence of my carelessness, he will have to pay me this \$500.
4. Sundries to Bills Payable . . . 1000
 1st Co. Sales, for my half . . . 500
 Bills Receivable, for Hay's Note for his half . . . 500
5. 1st Co. Adventure, Dr. . . . 500
 To Duff . . . 500
6. 1st Co. Adventure, Dr. . . . 500
 To Bills Payable . . . 500
7. 1st Co. Sales, Dr. . . . 1000
 To Wm. Hay . . . 1000
8. Because I do not get in debt to him for any more than my own half. He is still the owner of one-half the amount, and if the property never sells I shall never be accountable to him for any thing but my own share.
9. Sundries to Bills Payable . . . 2000
 1st Co. Adventure, for his own share 1000
 Duff, for his share . . . 1000
10. Sundries to 1st Co. Sales . . . 2000
 Cash . . . 1000
 Bills Receivable . . . 1000
11. Merchandise, Dr. . . . 1000
 To 1st Co. Sales . . . 1000
12. 1st Co. Sales to Sundries, to close acct. 2000
 To Commission . . . 150
 " W. Hay, for his half N. P. . . 1425
 " Profit & Loss, for my half gain . . . 425
13. The \$2000 debit is the difference between the debit and credit sides of the account on the Ledger after the sales are completed: from the Cr. side we have the total sales \$3000 — 150 charges = \$2850 net proceeds, and $\$2850 \div 2 = \1425 , each share; and $\$1425 - \1000 (my half first cost) = \$425, my half net gain.*
14. 2d Co. Sales to Sundries . . . 3000
 To R. Morris, for my $\frac{1}{2}$ Invoice . . . 2000
 " Cash paid duties . . . 1000

NOTE.—This being a new speculation, we give it a new title: 2d Co.
 * No pupil can expect to understand the settlement and closing of these accounts without repeated study. He must analyze them and find out the results for himself.

SET II.—DOUBLE ENTRY RULES.

RULES AND ORAL EXERCISES.

- | | |
|--|---|
| <p>QUEST. 15. What entry will Taylor & Co., New Orleans, make when they receive a copy of the Invoice?</p> <p>16. What entry will they make when they receive your acct. sales without remittance, their $\frac{1}{2}$ being \$3300?</p> <p>17. What will be Morris's entry when he receives your copy of the sales, supposing you send with it a remittance in specie for the net proceeds?</p> <p>18. Suppose William Hay sends you \$6000 worth of Mdse. for sale on joint acct., and you make up the joint property to \$10000 by adding \$4000 worth of tea, what will your entry be as manager, each partner's share being \$5000?</p> <p>19. What will be Hay's entry in this case?</p> <p>20. Supposing the whole of the above speculation only produce \$5000, leaving the acct. in your Ledger even when the sales are completed, what entry will you make to settle the transaction with Hay?</p> <p>21. Suppose the goods had produced \$8000, and your charge for commission is 5 per ct., how would the acct. close?</p> <p>22. Explain how you find the amounts composing this entry?</p> <p>23. Supposing the whole speculation of \$10000 was sold for \$4000,—the first cost and your commission being the same as before,—how will you close the account?</p> <p>24. Explain how the amounts composing this entry are found?</p> | <p>ANS. 15. Shipment from London to New York in Co., Dr. 2000
 To R. Morris for their $\frac{1}{2}$ Invoice 2000</p> <p>16. Duff, Dr. 3300
 To shipment from London to New York in Co. 3300</p> <p>17. Cash, Dr. 3300
 To Shipment to New York in Co. 3300</p> <p>18. 1st Co. Sales, Dr. to Sundries, my half first cost 5000
 To Mdse. 4000
 " Wm. Hay for amt. paid in on my acct. 1000</p> <p>19. Sundries to Mdse. 6000
 1st Co. Adventure, for his half . . . 5000
 Duff, for amt. paid in for him . . . 1000</p> <p>20. One-half of what the goods have produced belongs to Hay, and must be credited or paid to him, which only leaves me \$2500 for what cost me \$5000, I have therefore lost \$2500, just the amt. I owe Hay, therefore, Profit & Loss Dr. for my loss 2500
 To W. Hay, for his half N. P. 2500</p> <p>21. Sundries to Sundries, \$4200.
 1st Co. Sales, for bal. of acct. . . . 3000
 Profit & Loss, for my half loss . . . 1200
 To W. Hay, for his half N. P. 3800
 " Commission, for my commission . . 400</p> <p>22. The \$3000 bal. of acct. is the difference between the two sides of the acct. upon the Ledger after all the sales are posted. The total sales are 8000—400 charges = 7600 \div 2 = \$3800, each share, and my half first cost 5000—3800 = 1200, my loss.</p> <p>23. Profit & Loss to Sundries to close 1st Co. Sales 3100
 To W. Hay, for his half N. P. 1900
 " 1st Co. Sales, for bal. of acct. on the Ledger 1000
 " Commission, for my 5 per cent. in total sales 200</p> <p>24. They are found as before by deducting the charges from the total sales (Rule 12); then the difference between my half net proceeds and my half first cost is gain or loss.</p> |
|--|---|

The learner should now analyze a number of similar entries and find the correct amounts to form the Journal entry, which, when correct, will always close the account on the Ledger.

Learners can never readily understand the closing entry of either joint accounts or consignments without having before them the position of the account upon the Ledger. The closing entry must always exactly fill up the lesser side of the account there.—See Note 1, Morris's Sales, p. 107, and Notes 5 to 12, p. 220.

SET II.—DOUBLE ENTRY BOOK-KEEPING.

REMARKS ON NOTES AND BILLS AND THE BILL BOOK.

THE heading of these books so perfectly explains their nature, use and manner of entering Bills Received and passed away, that any farther explanation seems unnecessary. Learners, however, often experience difficulty in determining the precise day upon which notes and acceptances will fall due. We shall endeavor, in the following directions, to make the matter understood.

When the term of a Note is expressed in days, the day of date and the day of maturity are always counted as one, or, in other words, the day after drawing or accepting is the first day counted in the time to run. Thus, a bill drawn or accepted on May 1st, at 20 days, will fall due May 24th—including three days' grace. A bill drawn or accepted on the 29th of April, at 60 days, has to run—

In April	1 day.
In May	31 "
In June	30 "
In July	1 "
	63 days. ³ Due, July 1st.

Again, a Bill drawn or accepted 30th April, at 90 days, has to run—

In May	31 days.
In June	30 "
In July	31 "
In August	1 "
	93 days. ³ Due, Aug. 1st.

It will be observed in the last example that no time is allowed for April, although the date is on the last day of that month; as, according to the rule laid down above, the day following the date is the first day counted in the time to run.

When the last day of grace falls upon Sunday, the note must be paid the preceding Saturday. Accountants do not, however, generally notice this in recording their bills upon their Books.

When the term of a note or bill is expressed in months, ³CALENDAR MONTHS are always understood, and it becomes due in the last month of its term, upon the day corresponding with its date, to which are added the days of grace. It is contrary to the established usage of Merchants and Bankers to extend the time of payment for any deficiency in the length of the months of which the term of the note is made up. For instance, a note drawn on the 31st March, at three months, and another note drawn on the 30th March, also at three months, will ⁴both fall due on the same day—viz. 3d July. ⁵The custom of merchants not permitting the term of the note to extend beyond the end of June, except for the days of grace.

The following statements will disclose to persons operating extensively in notes and acceptances the importance of attending to this matter when drawing or accepting. It will be seen that bills of different dates running the same time, will sometimes fall due the same day, and thus occasion unexpected inconvenience.

TEACHER'S EXAMINATION.—1. Give the rule for computing the time when notes and bills fall due.
 2. A note dated 29th April having 60 days to run, what day will it be due?
 3. When the term of a note is expressed in months, what kind of months is understood?
 4. If one note be dated the 30th and another 31st March, at 3 mos., upon what day will they fall due?
 5. Why do they both fall due on the same day?

SET II.—DOUBLE ENTRY BILL BOOKS.

It will also appear that by obtaining one day's advance in the date, two, three, and sometimes four days are gained in the time of payment. For example, a note or bill drawn or accepted on the 28th February, at six months, is due August 31st; but if dated on the 1st March, only one day later, it would not be due until the 4th September, thus extending the term of payment four days for one day's difference in the date; and this difference in the date is frequently a matter of little consequence to the payee of the bill.

In all our computations in reference to Notes and Bills, three days' grace are in every instance included.

In the following instances, one day's advance in the date will give the day of payment three and four days later.¹ Notes drawn or Bills accepted February 28th,*

At 1 month,	are due	Mar. 31,	but if dated	1st March	are not due till	April 4.
At 2 months,	"	May 1,	"	"	"	May 4.
At 3 "	"	May 31,	"	"	"	June 4.
At 4 "	"	July 1,	"	"	"	July 4.
At 5 "	"	July 31,	"	"	"	Aug. 4.
At 6 "	"	Aug. 31,	"	"	"	Sept. 4.
At 7 "	"	Oct. 1,	"	"	"	Oct. 4.
At 8 "	"	Oct. 31,	"	"	"	Nov. 4.
At 9 "	"	Dec. 1,	"	"	"	Dec. 4.
At 10 "	"	Dec. 31,	"	"	"	Jan'y 4.
At 11 "	"	Jan'y 31,	"	"	"	Feb. 4.

One day's advance in the date will in the following cases give ²two additional days in the time of payment. Notes drawn or bills accepted April 30th,

At 1 month,	are due	June 2,	but if dated	1st May	will not become due till	June 4.
At 3 months,	"	Aug. 2,	"	"	"	Aug. 4.
At 4 "	"	Sept. 2,	"	"	"	Sept. 4.
At 6 "	"	Nov. 2,	"	"	"	Nov. 4.
At 8 "	"	Jan'y 2,	"	"	"	Jan'y 4.
At 9 "	"	Feb. 2,	"	"	"	Feb. 4.
At 11 "	"	April 2,	"	"	"	April 4.

The above illustrations will serve to disclose the principle upon which we desire to fix the attention of our students and all commercial persons having any thing to do with bills. An error of one day in recording the maturity of a note or acceptance may cause the holder to lose his remedy against the endorsers; and perhaps cause him to lose the note altogether.

1. Notes drawn or Bills accepted on the last day of February, with a running time, in months, will advance the day of payment three and four days, by dating forward one day.

2. Notes drawn or Bills accepted on the last day of a thirty-day month, with a running time in months, expiring in a thirty-one day month, will advance the day of payment two days, by dating forward one day.

* Our calculations are all made for ordinary years. When February intervenes, leap-year makes a day's difference.

SET II.—DOUBLE ENTRY BILL BOOKS.

We have next to point out the other inconsistency we have alluded to, viz. those instances in which several notes or acceptances, dated or accepted on different days and having the same time to run, in months, will fall due upon the same day.

Suppose you give four notes dated—

August 28, at 6 months,
August 29, at 6 months,
August 30, at 6 months,
August 31, at 6 months.

You will find these notes, although of different dates and all of the same running time, will become due on the same day.¹

Again, suppose you give two notes dated—

March 30, at 3 months,
March 31, at 3 months.

Both these notes will be presented to you for payment on the same day.²

The author trusts that the importance of the subject will be a sufficient apology for the length of this article. With the exception of Bankers, the greater part of business men have no definite principle for determining the precise day upon which notes and bills will, in some cases, become due.

1. Notes drawn or Bills accepted on the last three days of thirty-day months, and the last four days of thirty-one day months, with a running time, in months, expiring in February, will all become due on the same day.

2. Notes drawn or Bills accepted on the last two days of thirty-one day months, with a running time, in months, expiring in a thirty-day month, will both fall due on the same day.

BILLS

DATE.	NO.	DRAWER'S NAME.	ON WHOM OR IN WHOSE FAVOR DRAWN.	ON WHAT ACCOUNT.	TIME TO RUN.
1866.					
Dec.	14	1 James Day,	Favor of Myself,	Merchandise,	3 months.
	21	2 C. Banks,	"	Cash Lent,	1 month.
1867.		3 C. Mufray,	"	Do.	9 months.
Jan.	10	4 Thomas Edwards,	"	Merchandise,	30 days.
	19	5 James Carter,	"	On account,	20 days.
	30	6 William Hay,	"	Balance of account,	60 days.
	31	7 W. Morris,	"	My note,	30 days.
		8 J. Warden,	"	Do.,	30 days.
Feb.	9	9 William Park,	Warden & Bell,	Morris's sales,	4 months.
	12	10 James Carter,	William Hay,	An old note,	1 month.
	25	11 J. Bowline,	Myself,	Cash Lent,	Bottomry.
		12 Baker & Fox,	On R. Morris,	Cash,	60 days' s'gt
	28	13 Warden & Bell,	Myself,	My Bill on London,	1 month.
Mar.	12	14 J. Taylor & Co.,	Barclay, Hope,	R. Morris's sales,	60 days' s'gt
		15 W. Wallace,	Favor of Myself,	Estate of A. Lenox,	2 months.
		16 Joel Post,	"	" "	3 months.
	17	17 James Day,	"	Renewing an old note,	60 days.
	20	18 H. Parnell,	"	Estate of A. Lenox,	60 days.
April	6	19 James Walker,	Warden & Bell,	Money Lent,	6 months.
May	13	20 Warden & Bell,	Bill on Landis,	2d Co. Sales,	30 days' s'gt
	18	21 Austin & Co.,	Favor of Myself,	Do.	60 days.
		22 W. Wallace,	"	An old note for A. Lenox,	3 months.
June	18	23 Joel Post,	Bill on Baring,	For Cash, &c.,	60 days' s'gt
	25	24 Geo. Barron,	My favor,	Refined Sugars,	30 days.
	26	* William Hay.	"	Hay's accommodation.	3 months.
1866.					
Dec.	21	3 C. Murray,	Favor of Myself,	Cash Lent,	9 months.
1867.					
May	18	21 Austin & Co.,	"	2d Co. Sales,	60 days.
		22 W. Wallace,	"	Old note to A. Lenox est.	3 months.
June	18	23 Joel Post,	Exchange on Baring	Cash, &c.,	60 days' s'gt
	25	24 Geo. Barron,	My favor,	Refined Sugars,	30 days.

1. When a note or acceptance is received, it is entered, with all the particulars, in the left-hand amount column.
 2. When it is passed away, the date, when and how it is disposed of, are inserted in the columns indicated, and the amount is extended into the right-hand amount column.
 3. Note No. 4 above is paid in two instalments. Such entries may occasionally be made here; but it will be found more convenient in practice, when a note is not paid at maturity, to charge it in account to the party we look to for payment, at the same time writing it out of this book as we have done above with No. 10.—See notes 3 and 4, p. 52. Before we balance the
 4. bill account on the Ledger, we must see that the difference between the two sides of it, and the difference between the two
 5. sides of this book, agree. The above notes "carried down" are the notes in hand at the time of balancing.
 6. The left-hand amount column is footed and noted "forward" when it is filled, the amount appearing in the head of the same column on the next page "bro't forward." The right-hand amount column cannot be carried forward until the spaces are all filled at the time of balancing.
- * All notes which you endorse for accommodation may be entered in this manner in red ink; but they do not pass through the books.

RECEIVABLE.

WEEK DUE.												AMOUNT.	WHEN	AND HOW DISPOSED OF.	AMOUNT.		
1	2	3	4	5	6	7	8	9	10	11	12						
			17										500	1867.			500
24													1000	Mar 17	Rec'd \$100, Ren'd \$400,	500	
													1500	Jan. 24	Rec'd in Cash and Mer.,	1000	
													3000	June 30	Carried down,	1500	
	12												600	Feb. 12	Cash \$2000, Mdse. \$1000	3000	
	11												1515 75	Feb. 12	Ren'd \$300, Lost \$300,	600	
			8										800	Apr. 22	Rec'd in Cash,	1515 75	
			5										600	Feb. 6	Discounted in City Bk.,	800	
			5										2100	Jan. 31	Discounted in City Bk.,	600	
						12							300	June 12	Rec'd in Cash,	2100	
			15										2000	Mar. 16	Charged to W. Hay,	300	
													4444	Mar. 20	Collected by R. Morris,	2000	
													2011	Feb. 28	Sold to R. Irvin & Co.,	4444 44	
			31										4500	Apr. 20	Rec'd in Cash,	2011	
						14							1200	Apr. 5	Passed to P. Nevius,	4500	
						15							500	May 18	Renewed for,	1200	
						15							400	June 18	Rec'd in Bill on Lond.,	500	
						19							1340	May 31	Ch'd to Profit & Loss,	400	
						22							2063	May 31	Ch'd to Estate of Lenox,	1340	
										9			7000	June 18	Rec'd in Cash and Mer.,	2063	
													3000	May 25	Sold to C. Hartwell,	7000	
													1200	June 30	Carried down,	3000	
													2000	" "	" "	1200	
													980	" "	" "	2000	
													1000	" "	" "	980	
													45554 19	June 26	Endorsed & ret'd to Hay,	1000	
													1500			45554 19	
													3000				
													1200				
													2000				
													980				

1. How do we enter a note or acceptance when received?
2. How when it is passed away?
3. How are notes most conveniently disposed of when not paid at maturity?
4. What has to be attended to before balancing the Bill account on the Ledger?
5. What are those notes carried down?*
6. How is this book continued from one page to another?

* If you are re-entering these notes upon a new page, "carry forward" will be the proper expression.

BILLS

DATE OF ACCEPTANCE.	NO.	DRAWER'S NAME.	IN WHOSE FAVOR.	ON WHAT ACCOUNT.	TIME TO RUN.
1866. Nov.	14	1 Myself,	A. Stuart & Co.,	Merchandise,	60 days.
1867. Jan.	3	2 Taylor on Myself,	Ryan & Dale,	"	10 days.
	15	3 Myself,	W. Bayard & Co.,	"	1 month.
	15	4 "	Capt. W. Rivers,	Ship Hudson,	3 months.
	31	5 "	W. Morris,	His Note,	30 days.
		6 "	J. Warden,	His Note,	30 days.
Feb.	1	7 "	U. States,	Merchandise,	3 months.
		8 "	"	"	6 months.
		9 "	"	Morris's Goods,	3 months.
		10 "	"	"	6 months.
	20	11 Morris, on Myself,	R. Banks,	R. Morris,	10 days' s'gt
Mar.	4	12 Myself,	W. Hay,	Insurance of ship Roscoe,	4 months.
Apr.	5	13 "	W. Morris,	Shipment to Liverpool,	30 days.
		14 "	"	R. Morris's Ship't to Bost.	30 days.
	10	15 Taylor, on Sydney,	S. Coates,	Honor of J. Taylor & Co.,	10 days.
		16 Myself,	J. Walker,	Insurance 2d Co. Ship't,	3 months.
	20	17 "	U. States,	Duties 2d Co. Sales,	6 months.
May	31	18 "	Wm. Hay,	Insurance for R. Morris,	2 months.
June	18	19 "	Warden & Bell,	Purchase of Flour,	60 days.
1867. Feb.	1	8 Myself,	U. States,	Merchandise,	6 months.
		10 "	"	Morris's Goods,	6 months.
Mar.	4	12 "	W. Hay,	Insurance of ship Roscoe,	4 months.
Apr.	10	16 "	J. Walker,	Insurance 2d Co. Ship't,	3 months.
	20	17 "	U. States,	Duties 2d Co. Sales,	6 months.
June	18	19 "	Warden & Bell,	Purchase of Flour,	60 days.

Note.—The directions respecting the Bills Receivable Book apply in all respects to this book.
The notes "carried down" are the notes we have out unpaid, and, like the other Bill Book, must agree with the balance or its representative in the Ledger, at the time of balancing.

PAYABLE.

WHEN DUE.												AMOUNT.		WHEN		AND HOW PAID.		AMOUNT.	
1	2	3	4	5	6	7	8	9	10	11	12			1867.					
16												300		Jan. 16	Pd. City Bank,	300			
16												1000			" "	1000			
	18											1600		Feb. 18	Pd. in Cash and Mdse.,	1600			
			18									8000		Apr. 22	Pd. in Cash and Mdse.,	8000			
		5										800		Mar. 4	Pd. in City Bank,	800			
		5										600			Pd. in Merchants' Bk.,	600			
			4									1111 11		May 4	Pd. the Custom House,	1111 11			
							4					1111 11		June 30	Carried down,	1111 11			
												1111 11		May 4	Pd. the Custom House,	1111 11			
												1111 11		June 30	Carried down,	1111 11			
		5										2500		Mar. 5	Pd. in Mdse.,	2500			
												400		June 30	Carried down,	400			
												161 45		May 8	Pd. in Cash,	161 45			
												41 25			Do.	41 25			
			23									601		Apr 23	Pd. in Cash,	601			
												145		June 30	Carried down,	145			
												8000		June 30	Do. Do.	3000			
												112 30		June 18	Pd. Insurance Co.,	112 30			
												1160		June 30	Carried down.	1160			
												24865 44				24865 44			
												1111 11							
												1111 11							
												400							
												145							
												3000							
												1160							

SET II.—DOUBLE ENTRY BOOK-KEEPING.

CONCLUDING REMARKS ON THE BILL BOOKS.

1. ALL practical accountants who have seen the principle upon which I have kept the Bill Books have given it their unqualified approbation. In the operations of some houses, the Bill account is nearly as heavy and voluminous as the Cash account, and there is no way in which accuracy can be so easily preserved or errors so readily found as upon the principle of balancing these books like the Cash Book. In a business where any considerable number of bills or notes are received or given, this precaution appears to me almost indispensable for maintaining harmony between these books and their representatives in the Ledger.

2. Although I have here only balanced them once,—at the time of closing the Ledger,—yet, in a business of any magnitude, it will be advisable to do so much oftener, at the same time balancing their representatives in the Ledger, or at least seeing that they conform to these books, and also to the amount of Bills and acceptances in hand. Any discrepancy in this particular is a conclusive proof of error existing somewhere, which must be found out and rectified before you go farther. You will notice that those notes which have been renewed at the face—see Wallace's note, No. 15—are not passed into the Ledger, neither are accommodation notes, such as that of William Hay's on the 26th June. You will not therefore expect the account in the Ledger to *add up* the same as this Book; but if every thing is correct it will conform to it in the BALANCE. Cross accommodation bills, like Bills Receivable No. 7 and 8, where you have given a consideration for them—your own notes—must of course appear on your Bill Book like any other note.

Another species of accommodation is when you grant your signature as security upon a note or acceptance without any consideration, as in the case of Hay's note—see Bills Receivable, June 26. I have recommended the entry of all such notes with their particulars and amounts in RED INK. Such a practice may make the Bill Book a useful monitor to those who do much of this kind of business.

3. I have before given directions—Note 3, p. 49—respecting the payment of notes by instalments. The prevailing practice is to credit the Bill account with every instalment, however trifling, endorsing it at the same time upon the note. Notwithstanding its long established general usage, this practice is often attended with great inconvenience to the Book-keeper. A more fruitful source of confusion could hardly be devised. After getting a number of these partial payments upon different notes posted to the account, in any attempt to trace out errors afterwards, it will be found a perfect labyrinth.

4. When a note is overdue, it ought either to be renewed or charged to the promisor in book account, and as he makes payments upon it pass them to his credit. Those who have been pursuing a different course will risk nothing by giving what I here suggest a trial.

SET II.—DOUBLE ENTRY BOOK-KEEPING.

THE CASH BOOK.

INTRODUCTORY REMARKS.

THIS book ¹ is kept for the purpose of ascertaining every evening, or as often as is necessary, that all money received and paid has been kept account of.

This is done by debiting this account for ² all money received, hence we find by the Dr. side the total amount received. When ³ money is paid out we credit this account, and thereby find by the credit side the total amount paid away. ⁴ And the difference between the amount paid away and the amount received must be the balance in hand. When the money in hand is counted it must agree with ⁵ the balance as shown by this book. Any difference is conclusive proof of error, which should be immediately sought out and an entry made to rectify it.

All cash transactions are generally first entered ⁶ upon this book, and afterwards transferred to the Day Book, when ⁷ they are marked off this book upon the left hand side of the money column thus ✓. But there is no objection to making the entry occasionally first on the Day Book and the collateral entry afterwards on this book.

As the Cash Book is generally referred to ⁸ as the book of original entry for all such transactions as are entered upon it, great care is necessary in making these entries. ⁹ They should be made in such a manner as will enable any one afterwards to determine what account was intended to be debited or credited for the money paid or received. For this purpose accountants adopt the following RULE:

When money is received, ¹⁰ write the NAME of the account to be credited for it, next the date column on the left side,—the words of explanation on the same line a little to the right.

When money is paid away, ¹¹ write the NAME of the account to be debited for it, next the date column on the right side,—the words of explanation on the same line a little to the right.

The Ledger titles are by this means kept in a perpendicular column, separated by a slight space from the explanatory words—refer to our cash book and see. By this arrangement no doubt can afterwards arise as to what accounts were intended to be debited or credited. And it adds much to the appearance of the book to begin these words of explanation all upon a perpendicular line, either by a fold in the paper or a pencil line. ¹² Every thing except the dates and names of accounts must be kept to the right of this line.

Nothing shows a man's ignorance of accounts more effectually than beginning his entries here with the title of the book "To Cash" or "By Cash." Nothing but cash is entered here, and that title is never written in the book except in the heading of it.

The Bank account, check-book, &c., are exemplified in the second part of this work.

-
- TEACHER'S EXAMINATION.**—1. For what purpose is the Cash Book kept?
2. What is placed to the Dr. side?
3. What to the credit side?
4. How do we ascertain the balance in hand?
5. What must the money in hand agree with?
6. Where are all cash transactions generally first entered?
7. What is done with them when they are entered in the Day Book?
8. For what purpose is the Cash Book generally referred to?
9. How should entries be made on this book?
10. How is money received to be entered?
11. How money paid?
12. What is kept to the right of the perpendicular line spoken of?

ACCOUNT.

Cr. 1

Date	Description	Particulars	Amount	Balance
1867 Jan. 3	By Mdse.	Paid M. Hunter & Co. for Inv. of Flour	1800	
16	" Bills Payable	Pd. my note to A. Stuart & Co.	300	
	" " "	Pd. my acceptance for Taylor & Co.	1000	
18	" House 44 Broadway	Pd. J. Carpenter's Bill for repairs	280	
20	" Ship Hudson	Pd. Capt. Rivers on $\frac{1}{2}\%$ of purchase money	2100	
30	" "	Pd. disbursements	1200	
		Bal. to n/a.	4226	70
			10906	70
Feb. 1	By Mdse.	Pd. freight, per "Herald"	85	
	" Morris's Sales	Pd. " " "	167	78
5	" " "	Pd. Cooperage, &c. on Wines	5	
12	" " "	Pd. freight of Wine to New Orleans	28	
	" Shipm't to New Orleans	Pd. freight, per "Jersey"	33	
	" J. Taylor & Co.	Pd. " " "	11	
18	" House in Broadway	Pd. Insurance \$200, Policy \$1	201	
	" Profit & Loss	Pd. Insurance on Mdse. in Store	181	
	" R. Morris	Pd. on $\frac{1}{2}\%$ of his Bill	3400	
	" Bills Payable	Pd. on my note to W. Bayard	20	
20	" Morris's Sales	Pd. R. Banks for overgauged Wine	21	
25	" Bills Receivable	Pd. J. Bowline on Bottomry Bond	2000	
	" " "	Pd. for Baker & Fox's Bill 4444.44	4444.44	
	" Profit & Loss	Pd. 8 per cent. Prem. on same 355.56	4800	
		Bal. to n/a.	6462	70
			17415	48
Mar. 2	By Ship Roscoe, my $\frac{1}{2}$	Pd. Capt. Manly bal. of purchase	2120	
4	" Ship Roscoe and Owners	Pd. disbursements	850	
	" Bills Payable	Pd. my note favor W. Morris	800	
	" " "	Pd. " " " J. Warden	600	
12	" Mdse.	Pd. freight of Cotton from New Orleans	180	
16	" Estate A. Lenox	Pd. note in the Manhattan Bank	2500	
17	" " "	Pd. for Law Expenses	10	
	" House 49 Cedar Street	Pd. Insurance and Policy	160	
25	" 1st Co. Sales	Pd. my half Invoice of Cotton	4500	
31	" Charlotte Lenox	Pd. her on $\frac{1}{2}\%$ of Legacy	500	
	" Robert Lenox	Pd. him on $\frac{1}{2}\%$ of Legacy	800	
		Bal. to n/a.	11641	90
			24661	90
Apr. 1	By Bills Receivable	Pd. J. Walker in loan on his note	2000	
5	" Shipm't to Liverpool	Pd. Shipping charges	348	55
	" R. Morris	Pd. charges on shipment to Boston	20	
10	" John Taylor & Co.	Pd. their draft on S. Wood & Co. protested	1204	
	" Sundries	Pd. charges on 2d Co. shipm't to London	300	
	" 1st Co. shipm't to Boston	Pd. Shipping charges	60	
15	" Sundries	Pd. charges on 1st Co. shipm't to Liverpool	133	
		Forward	4065	55

CASH

1867.			Bro't forward	13659	60
Apr.	22	To Bills Receivable	Rec'd amount of Wm. Hay's note	1515	75
		" Profit & Loss	Rec'd interest on same	5	05
				<small>15180.40</small>	
				<small>8066.00</small>	
				<small>7121.00</small>	
				15180	40
May	1	To House in Cedar Street	Bal. bro't down	7121	80
		" City Bank Stock	Rec'd a quarter's rent	300	
		" Merchant's "	Rec'd Dividend	500	
		" House 44 Broadway	Rec'd "	250	
	4	" Ship Hudson	Rec'd Rent	150	
		" Ship Roscoe and Owners	Rec'd Freight	3500	
		" Merchants' Bank Stock	Rec'd freight and passage money	4200	
	8	" R. Morris	Rec'd of Finlay & Co. on % of sale	500	
	13	" Mdse.	Rec'd of Walker bal. on my Bill of Exch.	4200	
		" 2d Co. Sales	Rec'd of J. Walker & 3d Co. Adventure	1500	
	18	" " "	Rec'd on % of sale to Warden & Bell	1640	
		" Profit & Loss	Rec'd of Austin & Co. on Sales at Auction	560	
	25	" Bills Receivable	Rec'd of W. Wallace, for interest	18	90
		" Profit & Loss	Rec'd for Warden & Co.'s draft on Landis	7000	
			Rec'd 1 per ct. prem. on the same	70	
				<small>81510.70</small>	
				<small>7734.92</small>	
				<small>98786.78</small>	
				31510	70
June	12	To Bills Receivable	Bal bro't down	28785	78
	18	" " "	Rec'd of Warden & Bell, for their note	2100	
		" R. Morris	Rec'd of J. Walker bal. due on note	563	
			Rec'd Insurance for loss per "Columbia"	5452	70
				<small>28801.40</small>	
				<small>28910.40</small>	
				<small>9891.</small>	
				36901	48
			Bal. bro't down	8891	

DIRECTIONS FOR RULING.

1. What are the lines called footing lines?
2. How are they drawn under the longest column?
3. How are they drawn upon the other side, where there is a blank space in the money column?
4. What are the closing lines, and what is the use of them?
5. Where are they drawn?
6. How far do you bring the balance below the closing line, and what must this balance agree with?

The author has been thus precise in his directions in this matter, hoping thereby to inspire his learners with an early taste for neatness and uniformity in a matter which contributes so much to the appearance of their books, and which is of more importance in preserving accuracy and order than many persons imagine.

The directions here given apply to the Ledger, and all other books upon which balances are struck.

ACCOUNT.

Cr. 2

1867.	Date	Description	Debit	Credit
		Bro't forward	4065	55
Apr.	20	By 2d Co. Sales	185	
	22	" Sundries	3207	05
	23	" Bills Payable	601	
		Pd. my acceptance for honor of Taylor & Co.	7121	80
		Bal. to n/a.	8056.00	
			15180	40
May	4	By Bills Payable	2222	22
	8	" " "	202	70
	31	" R. Morris	300	
		Pd. my bonds in the Custom House	28785	78
		Pd. my notes to the Insurance Office		
		Pd. charges on shipment per "Columbia"	2724.92	
		Bal. to n/a.		
			31510	70
June	12	By R. Morris	7200	
	18	" Warden & Bell	10000	
		" Bills Receivable	1660	
	25	" " "	800	
		" 1st Co. Sales	6971	25
	28	" House 49 Cedar Street	280	
	30	" Profit & Loss	1099	23
		Pd. for Bank's Bill of Exchange	8891	
		Pd. them on $\frac{1}{6}$	28010.48	
		Pd. for J. Post's Bill on London		
		Pd. for Sugars sold to G. Barron		
		Pd. Wm. Hay his half net proceeds		
		Pd. Carpenter & Co.'s Bill of Repairs		
		Pd. Expenses 1st Jan'y to date	36901	48
		Bal. to n/a.		

1. The footing lines are those drawn under the amounts before adding up.
2. They are drawn close under the foot of the column.
3. Directly opposite the line footing the longest column, touching the same line lightly inside the date column.
4. The closing lines are those drawn after the columns are added up, to keep the old account separate from the new account.
5. They are always drawn on the first faint line below the figures, touching it lightly inside the date columns, and doubling across the money columns, but never running through the date columns.
6. The balance brought down always occupies the first faint line below the closing line, and it must always agree with the cash in hand and the balance of the cash account in the Ledger.

THE INVOICE BOOK.

PRELIMINARY REMARKS.

IN this book ¹ we enter copies or abstracts of all invoices of goods received on our own account, on account of others, and on account of ourselves and others in company.

This is the general practice among merchants, but the author has found it more convenient in extensive business ² to paste the original invoices into a book made of some description of paper of a larger size than the invoices. By means of an index to this book, it will be found more convenient to refer to the original invoices than by seeking them from files.

The first entry of an invoice ³ may be either here or on the Day Book, but when it is entered on the Day Book, each entry should be marked off this book as we have done on the following page.

Exporters sometimes use an "INVOICE OUTWARD BOOK," but we have shown that invoices of this kind as well as inland invoices may be entered on the Sales Book.

The particulars of an invoice need not be entered on the Day Book. ⁴ The amount only is required.

We have not considered it necessary to extend this book through the whole set; most learners will easily learn its nature and use from these remarks. It will seldom be necessary to transcribe the book.

As far as our exemplification of this book extends, the learner will find its examples all in connexion with the Day Book.

1. What is the use of this book?
2. How may invoices be most conveniently kept for reference?
3. Where is the first entry of an invoice to be made?
4. How is an invoice to be entered upon the Day Book?

Inventory of Merchandise on hand December 31, 1866.

1

D. B. 1.	300 pieces best 4-4 London Chintz Prints . . . @ \$ 4. 1200. 100 " " 27 inch Furniture Prints . . . @ \$ 3. 300. 8 " French Cambric Handkerchiefs . . . @ \$10. 80. 100 " India Pongees . . . @ \$ 6. 600. 50 " " " Figured . . . @ \$ 7. 350. 50 " " Bandannas . . . @ \$ 7. 350. 20 Canton Crape Shawls . . . @ \$ 6. 120.	3000
D. B. 1.	INVOICE of 24 Bales Cotton shipped by J. Taylor & Co. on board the Brig Jersey, Spencer, Master, for New York, and consigned to P. Duff, Merchant, by his order and for his account and risk.	
P D 1 to 24	1. 450 4. 420 7. 390 10. 410 13. 560 16. 580 19. 550 22. 510 2. 400 5. 430 8. 380 11. 450 14. 540 17. 500 20. 590 23. 540 3. 410 6. 500 9. 410 12. 500 15. 520 18. 500 21. 500 24. 560 <u>1260 + 1350 + 1180 + 1360 + 1620 + 1580 + 1640 + 1610</u> = 11600, @ 8 cents.	928
	CHARGES.	
	Commission purchasing \$928 @ 2½ per cent. . . \$23.20 Cartage, &c. . . 1.80 Freight and Insurance . . . 47.	72
	E. E. NEW ORLEANS, } Dec. 10, 1866. } J. TAYLOR & Co.	1000
	NEW YORK, Jan. 3, 1867. MR. P. DUFF, Bo't of MARTIN HUNTER & Co.	
D. B. 1.	400 bbls. Superfine Flour . . . @ \$4.50 Rec'd Payment, MARTIN HUNTER & Co. Per J. MANLY.	1800
D. B. 1.	MR. P. DUFF, Bo't of WALTER BAYARD & Co. No. 1444. 1 ps. 24 ³ " 1448. 1 " 25 ³ " 1450. 1 " 19 ³ — 70 yds. Super Wool Black Broadcloth, @ \$ 8. " 2280. 1 " 25 yds. Super Blue Broadcloth . . . " 8. D. F. 2 " finest Saxon Flannel . . . " 20. F. 80 " Common . . . " 10.	560 200 40 800
	Rec'd Payment, By Note @ 1 month, WALTER BAYARD & Co. NEW YORK, January 15, 1867.	1600

D. B. 2.	1 ps. 20 ² yds. Super Black Broadcloth @ \$5. 102.50 1 " 20 ² " " Brown " " 4. 83. 1 Dress Coat " " 14.50	200
	NEW YORK, Jan. 20, 1867.	
	MR. P. DUFF, Bo't of C. BANKS,	
D. B. 2.	100 bbls. Genesee Superfine Flour @ \$5. 500 Rec'd Payment by my note due this day, C. BANKS.	500
	NEW YORK, Jan. 24, 1867.	
	INVOICE of Merchandise shipped by R. Morris on board the Ship Herald, Chase, Master, for New York, by order and for account and risk of P. Duff, merchant there.	
P. D. N. Y.	4 Packages, No. 1 to 4. No. 1, containing 50 pieces, 3000 yds., Figured Satins . @ 5s £750 " 2, " 600 " Rolled Jaconets . " 5s 150 " 3, " 600 " Fancy 2-color Fur. Prints . " 10s. 300 " 4, " 600 " " 5- " " " 20s. 600	
	CHARGES.	
	Commission, 5 per ct. on £1800 £90. Export duty and entry, £12 10s. Cartage, Wharfage, and Lighterage, £8 10s. 21. Insurance and Policy 89.	200
	Amount due in Cash April 10th next, sterling In Federal currency, \$8888.88	£2000
	LONDON, Dec. 30, 1866. R. MORRIS.	
	INVOICE of 30 Pipes Port Wine, shipped by R. Morris on board the Ship Herald, Chase, Master, for New York, consigned to P. Duff, merchant there, for sale on account of the shipper.	
P. D. R. M.	30 Pipes, 3600 galls., Best Old Port . . . @ 10s. £1800.	
	CHARGES.	
	Export duty, entry, &c., £44 10s. Cartage and Wharfage, £11 10s. £56. Insurance and Policy 96. Cooperage, Lighterage, &c. 48.	200.
		£2000.
	LONDON, Dec. 30, 1866. R. MORRIS.	
	MR. P. DUFF, Bo't of WILLIAM HAY,	
	(Terms, 3 mos.) 20 ps. 400 yds. 10-4 Damask Table Linens, . . @ \$3. \$1200. 4 " 54 ² " 12-4 " " " . . " 4. 218. 3 " 40 ² " 8-4 " " " . . " 2. 81. Packing-box 1.	1500
	NEW YORK, Feb. 12, 1867.	
	MR. P. DUFF, Bo't of T. EDWARDS,	
	200 bbls. Genesee Flour @ \$5. 1000 NEW YORK, Feb. 18, 1867.	1000

Inventory of Merchandise on hand June 30, 1867.

3

2423	Barrels	Flour	.	.	.	.	@ \$5.	12115	
6	Pieces,	240 yds.,	Brussels	Carpet	.	.	" 1.50	360	
70	"	Merrimac	Prints,	.	.	.	" 3.	210	
40	"	"	Furniture	.	.	.	" 4.	160	
420	"	English	Prints	.	.	.	" 5.	2100	
365	"	"	Furniture	.	.	.	" 6.	2190	
8	"	161 yds.	Fine	Broadcloth	.	.	" 6.	966	
1	"	Fine	Saxon	Flannel	.	.	.	11	62
1	"	Scarlet	"	.	.	.	.	15	60
		Entered	Ledger,	folio 1.	.	.	.	18128	22

CONCLUDING REMARKS.

1. In business the Inventory generally makes a pretty long document, but the above will sufficiently explain its nature, and a reference to it will serve to explain the balancing of the merchandise account in the Ledger.

2. Teachers who use treatises on Book-keeping which give no example of the inventory of the merchandise on hand at the opening and closing of the Ledger, will find it a difficult task to make the closing of the merchandise account fully understood. A learner who has never seen an inventory, will form so vague an idea of it from a mere verbal description, that he will probably forget even the name of it before he has balanced his account. But give him an exemplification of it, and he will ask no more questions about it.

3. I would suggest that the inventory be always taken as near the cost and charges of the goods as possible. Having it upon this principle enables us, as we have shown,—Note 15, page 36—to ascertain the average gain per cent. upon the AMOUNT OF GOODS SOLD, which is at all times an important matter for the merchant to know. But I shall perhaps be told that taking the inventory upon this principle will, in some instances, produce a false result in the balance sheet. I admit that in some cases it will. But take it upon any principle you please, and it is only an estimated value. The actual value can only be determined by sale: and as a general rule the cost and charges form a pretty correct estimate for the balance sheet. But if circumstances render it necessary to deviate from this rule of estimate, I would still, for the purpose above referred to, take the account upon the same principle, and afterwards let an estimated deduction or addition be made to it for the balance sheet.

4. On the last page there are two invoices from Morris. The first is on our own account, and the second on consignment. The learner will perceive from this that there is not, in general, any use for a COMMISSION INVOICE BOOK. Such a book is only required in a few of the most extensive commission houses. All invoices of goods received may be entered upon this book. When the business is extensive, an index will be found useful.

SET II.—DOUBLE ENTRY BOOK-KEEPING.

THE SALES BOOK.

PRELIMINARY REMARKS.

THE purpose of keeping this book ¹ is to avoid entering the particulars of long invoices upon the Day Book.

In extensive business the full particulars of every sale ² are first entered on this book, and the amount afterwards transferred to the Day Book, when it is marked off this book as we have done on the next page.

By referring to our entry of the 12th February, it will be seen that invoices outward may be entered here as well as inland ones.

In a limited business the ³ Day Book serves for entering all sales upon: in this case the Sales Book is dispensed with.

The following exemplification extends only through two months of our Day Book. But this will be found quite sufficient to explain its use, and it is so easily understood that the learner will hardly find it necessary to transcribe it.

In a very extensive business there is often a Sales Book required in each department, in which the salesman in that department enters all his sales. From hence it is transferred afterwards to the Day Book or to the Journal by the book-keeper.

It may be proper to observe here that the Journal may be composed direct from the auxiliaries without passing the entries into the Day Book. By this course a considerable amount of writing is saved. But the author will not attempt the explanation of that method of journalizing in this Set, the object of which is to make the PRINCIPLES of the science thoroughly understood by the simplest and most efficient plan of teaching, leaving details that would embarrass the learner and hinder his teacher to be explained hereafter.

Persons who are unacquainted with the labors of the class-room, generally form but an imperfect idea of the nature of the teacher's task in first inducting the uninitiated pupil into the science of accounts. It is sufficiently difficult when the entries are all arranged for journalizing in the Day Book, but let the pupil's attention be divided between the Day Book and some five or six auxiliaries, and the matter becomes infinitely more difficult and perplexing. We have tried this plan of teaching. These remarks are therefore dictated by experience.

This plan of journalizing will, however, be found fully explained in the second part of this work, where, after having fully mastered the principles of the science, the pupil can understand and apply them with all desirable ease.

-
1. What is the object for keeping the Sales Book?
 2. When this book is kept, where are the particulars of each sale first entered?
 3. When no Sales Book is kept, where are the particulars of the sales first entered?

	Sold A. Stuart & Co., for Cash—			
D. B. 1.	20 pieces London Prints	@ \$5.	100	
	10 " plain Pongees	@ \$8.	80.	
	10 " figured	@ \$9.	90.	
	10 " Merrimac Prints	@ \$3.	30.	300.
	10.			
D. B. 1.	Sold Thomas Edwards, on his note @ 30 days—			
	400 barrels Flour	@ \$5.	2000.	
	200 pieces London prints	@ \$5.	1000.	3000
	"			
D. B. 1.	Sold James Carter, on account—			
	3 hds. Sugar, viz. 1204, 1196, 1100 = 3500lb.			
	Tare 10 per ct.	350	3150lb @ 8c.	252.
	50 pieces Merrimac Prints	@ \$4.	200.	452
	15.			
D. B. 1.	Sold Henry Pryor, in payment for James Carter's order on me—			
	6 pieces Flannel	@ \$15.	90.	
	2 yards fine Broad Cloth	@ \$9.	18.	108
	16.			
D. B. 1.	Sold James Carter, on account—			
	100 barrels Flour	@ \$5.	500.	
	10 " Corn Meal	@ \$3.	30.	
	15 " Rye "	@ \$3.	45.	
	5 " Herring	@ \$5.	25.	600
	19.			
D. B. 2.	Sold James Carter, on account—			
	4 pieces fine Blue Broad Cloth, 19 ² , 20 ² , 20 ² , 20 = 80 yds., @ \$5.			400
	20.			
D. B. 2.	Sold Capt. Rivers, in part payment of the Ship Hudson—			
	240 barrels Genesee S. F. Flour	\$5.	1200.	
	60 hds. N. O. Sugars, 71,111lb			
	Less Tare 10 per ct. 7,111	Net 64,000lb @ 6 ¹ / ₂	4000.	
	10 chests H. S. Tea	Net 1000lb @ 70,	700.	5900
	Feb. 12.			
J. T. & Co.	INVOICE of Cloths, Silks, &c., shipped on board the Brig Jersey, Spencer, master, for New Orleans. Consigned to J. Taylor & Co., for sale on my account—			
	20 pieces, 1200 yds., Figured Satins	@ \$1.50	\$1800.	
	4 " 80 ² " Best Black Cassimere	@ \$2.	161.	
	8 " 160 " S. W. Black Broad Cloth	@ \$5.	800.	
	20 " 400 " 10-4 Damask Table Linen	@ \$3.	1200.	
	4 " 54 ² " 12-4 " " "	@ \$4.	218.	
	3 " 40 ² " 8-4 " " "	@ \$2.	81.	
	CHARGES.		4260.	
	Packing Boxes \$4.50, Cartage \$1	\$5.50		
	Freight and Insurance	27.50	33.	4298
E. E. NEW YORK, }				
12th Feb., 1867. }	P. DUFF.			

INVOICE of Tea shipped by the Brig Jersey, Spencer, master, for New Orleans, by order and for account and risk of J. Taylor & Co., and to them consigned.

2

J. T. & Co.	10 chests H. S. Tea, wt. 915lb.			
	Tare 115	Net 800lb @ 75	\$600.	
CHARGES.				
	Cash Paid Freight and Cartage	\$11.		
	Comm'n 5 per cent. on \$600	30.		
	Comm'n 1/4 per cent. for effecting Insurance	3. 33. 44.		
				644
E. E. NEW YORK, } 12th Feb., 1867. }		P. DUFF.		
18.				
Sold R. Banks, in part payment of R. Morris's draft on me in his favor—				
	40 barrels S. F. Flour	@ \$5.		200
"				
Sold W. Bayard & Co., in part payment of my note due this day—				
	100 barrels fine Flour	@ \$5.		500
28.				
The following articles were destroyed by fire in my store in Front Street, yesterday:—				
	100 barrels Corn Meal	Cost \$3.	300.	
	200 " Rye Flour	" \$3.	600.	
	300 " Wheat	" \$4.	1200.	
	Amount of Damages upon Sugars and other goods, agreed upon by the appraisers		1590.	
	Amount claimed upon my policy, and admitted by the Insurance Office			3690

This entry marks out the course that we would in general recommend in case of loss by fire, particularly in a partial loss. In some kinds of business it is often found more difficult to prove the loss and damage, than inexperienced persons generally imagine. Although the author has nothing himself to complain of in his past transactions with insurance offices, enough has come under his notice to convince him that the greater part of insurers do not sufficiently study the terms of their contract as embraced in their policy. Every office has a form of policy of its own, and these forms are so various, and sometimes so worded, that it is very difficult to make out how you are to proceed in case of loss, or indeed whether you can maintain an action at all upon the policy. Unless the nature and position of the property are very accurately described, a part, or even the whole of it, may fall without the scope of the policy; for every condition inserted in that instrument, either in the printed proposals or in writing, are parts of the contract, and must be strictly and literally observed. A person of our acquaintance once insured his goods in the first and second floors of the building, the only parts he then occupied. He either did not notice the terms of his policy, or forgot its restriction to these particular parts of the building, and afterwards removed a great part of his goods to the cellar and the third floor. A fire afterwards occurred, and he could recover nothing upon his loss in the cellar or the third story. In another case the insurer accepted of a policy in which was inserted the condition, that in case of loss the money was not to be payable until the insured produced a certificate of character from the minister of the parish. It was afterwards decided that he could not recover, although the minister wrongfully withheld the certificate; for it seems to be a settled legal maxim, that if you undertake for the act of a stranger you must see it done.

Although these remarks do not strictly belong to our subject, yet they cannot be far out of place in connection with the last transaction recorded in our Sales Book. They may, at least, serve to put the young and inexperienced upon their guard in entering into these important contracts.

COMMISSION SALES BOOK.

INTRODUCTORY REMARKS.

THIS book ¹ is only required in extensive commission warehouses. It is kept in folios: ² to the Dr. side are placed the particulars of all charges attending the sales: ³ and at the Cr. side the particulars of each sale. When the goods are all sold ⁴ the account is debited for the net proceeds, which is at the same time carried to the credit of the owner, or to the credit of cash if you pay him at the time you render account sales. The form of this account will be found among the mercantile forms—p. 117.

All the entries of both sides this book pass regularly to ⁵ the Day Book (refer by the dates and see) and are then marked off this book in the manner we have directed in the Cash Book.—Note 7, p. 53.

In a limited commission business, ⁶ the sales of each consignment, as well as the charges attending it, may be entered at once upon the Day Book without a sales book: and when an account sales is required it can be readily made out ⁷ by reference from the sales account in the Ledger to the Day Book.

There can be no entry of the invoice of a consignment upon this book. That must be entered upon the Invoice Book only.⁸—See Invoice Book, p. 60: also Rule 10, Questions 21 to 28.

In the second part of this work will be found another method of keeping consignment accounts: but the principle is essentially the same as this. The sales of Merchandise on acct. of ourselves and others in company is kept also upon this book ⁹ in all respects as we have just described for the sales of others.

The ORDER BOOK is used for entering orders received for goods. It is so simple that I have not considered it necessary to give an exemplification of it.

The EXPENSE BOOK, as also an improved form of Check Book, will be found in the second part of this work.

TEACHER'S EXAMINATION.

- | | |
|---|---|
| <ol style="list-style-type: none">1. When is this book required?2. What is placed to the Dr. side?3. What at the Cr. side?4. What is to be done when the goods are all sold?5. To what book are the entries of this book transferred? | <ol style="list-style-type: none">6. How may the sales be kept in a limited commission business?7. How can the account sales be made out in this case?8. What is done with the invoice of a consignment?9. How is the sales of Merchandise on account of ourselves and others in Co. to be kept? |
|---|---|

SALES OF WINES SOLD BY ORDER AND

1867.	Feb.	1	For my two bonds passed to the Custom House, viz. : one at 3 months, for . . . 1111.11 one at 6 " " . . . 1111.11	2222	22	
			For Cash paid freight and primage . . .	167	78	
		5	" " " for gauging . . .	1	50	
		"	" " " for cartage and cooperage . . .	3	50	
		12	" " " for cartage, freight, and insurance on 10 Pipes Wine consigned to J. Taylor & Co., New Orleans . . .	28		
		20	" Cash refunded R. Banks, 6 galls. over-gauged Wine sold 18th inst. . .	21		2444
Mar.		12	" Storage . . .	3	50	
			" Advertising . . .	14	50	
			" Commission on \$12,120, @ 5 per cent. <small>secs</small>	606		624
			" n/p. to R. Morris's credit due by average, May 2*			9052
						12120
<p>1. We find the entry of this and all the others on the Day Book by their respective dates. 2. This is found by deducting the charges from the total sales. See small figures in the margin. 3. The entries are generally first made here and afterwards transferred to the Day Book, when they are marked off this book thus ✓ to show how far the transfers have been made. There is no objection, however, to making the first entry of some of the transactions on the Day Book, and the corresponding entry afterwards here.</p>						
Sales of 40 Bales Brussels Carpeting for the Joint						
1867.	Apr.	20	For Bonds passed to the Custom House for duties Paid freight and primage per " Vixen" . . . 150. " Insurance against fire, and policy . . . 33. " Cartage . . . 2.	3000		
				185		3185
May		18	For Storage, \$3; Advertising, \$10 . . . " Commission 2½ per cent. on \$15874 . . . <small>secs</small>	13 396	85	409 85
			" R. Morris's ½ net proceeds is . . .	4093	05	
			" J. Taylor & Co.'s do. . .	4093	05	
			" My do. . .	4093	05	12279 15
						15874
<p><small>NOTE.</small>—The learner will find forms of the account sales of both the above consignments among the Mercantile Forms at the end of the Ledger—pp. 117 and 118.</p> <p>* The rule for finding this average time is given on the next page.</p>						

SET II.—DOUBLE ENTRY COMMISSION SALES BOOK.

CONCLUDING REMARKS ON CONSIGNMENTS.

1. As the average time upon which the sales of a consignment will fall due is almost always required, the accountant must be prepared to work out the solution promptly and accurately. A course of practical exercises will be found hereafter under the head of Commercial Calculations. We subjoin the solution of the preceding sales. The following is the

2. **RULE.**—Multiply each sum by the time that intervenes between its maturity and that of the first sum due. Divide the sum of these products by the total amount of sales, the quotient is the equated time **COUNTED FORWARD** from the day upon which the first sum falls due.*

Let us illustrate this rule by the sales on the last page. Three days of grace are allowed upon all notes and acceptances, but no grace is allowed upon cash sales or sales on Book account.

SOLD.	DUE.		DAYS.	
Feb. 5.	Feb. 5.	\$360. ×	0.	
9.	June 12.	2100. ×	127, =	266.700.
9.	Feb. 9.	1080. ×	4, =	4.320.
18.	18.	840. ×	13, =	10.920.
Mar. 12.	May 14.	7740. ×	98, =	758.520.
		<u>12,120.</u>		<u>)1,040,460.(86 days.</u>

Gives 86 days, nearly, to count forward from Feb. 5, making the sales fall due by average May 2.

Fractional parts of a day are never counted, unless the fraction amounts to a half day or upwards: it then counts another day.

3. As inexperienced persons are apt to mix up consignments, charges, and advances upon the consignments all into one account, I must again direct particular attention to Rule X., page 41. I have there marked out the course for conducting these accounts, sanctioned by the most experienced accountants. A regular account of sales drawn out upon this plan enables the owner of the consignment to see what the adventure has produced him, and thus determine at sight his gain or loss by the speculation. This will not be shown by your account, if you mix up advances and other matters in it.

4. When consigned goods are retailed, it is hardly possible to keep a detailed account of each sale. You may, in such cases, credit the sales to your own merchandise account; and when the account sales is required, the difference between the quantity received and the quantity on hand, will be the quantity sold, for which render account sales, closing the sales account, and entering on the Invoice Book the articles on hand when this account was rendered.

* **PROOF.**—Multiply each sum by the time that intervenes between its maturity and that of the last sum falling due. Divide the sum of these products by the whole amount of sales, the quotient is the equated time **COUNTING BACK** from the day upon which the latest sum falls due.

DOUBLE ENTRY BOOK-KEEPING.

DAY BOOK AND JOURNAL.

SET II.

PRELIMINARY DIRECTIONS TO TEACHERS AND LEARNERS.

THE opening Day Book entry of this set is drawn from the 'balance account of the preceding set. By referring back to it, and attentively comparing it, the learner cannot fail to obtain a distinct conception of the process of opening new books from old ones,—an operation seldom well understood by young book-keepers.

He must also understand that the cash in hand 'must be entered in the Cash Book.

The Merchandise on hand 'must be entered in the Invoice Book.

The Notes and Bills in hand 'must be recorded in the Bills Receivable Book.

The Notes and acceptances he has outstanding 'must be recorded in the Bills Payable Book.

The teacher will now follow the directions given on page 27 for inducting his pupils thoroughly into the language and form of the journal. Those who patiently submit to that course will seldom experience any difficulty after the first one or two pages. Students will also find it a useful exercise to give verbally, the journal entries to be made in their books by each of the persons named in our entries.

As some business men require their journals to embody brief explanations of their transactions, I have journalized the month of May in this manner as a specimen. But I have not given the whole journal upon this plan, because, in his incipient steps, every thing that takes his attention off the LEDGER TITLES has a tendency to perplex and embarrass the learner.

We have adhered to that form of Journal in most general use, and it is to be observed that it is a form, the practice upon which, prepares the student for using any other without difficulty.

It will be found useful to have some copies of the text-book prepared with blank paper pasted over all the Journals. From these books require each pupil, in turn, to journalize all the Day Book entries of the month upon the black-board, before writing them in his books. This compels them to study each lesson well mentally before attempting to write it. If the learner does not wish to cheat himself out of thorough instruction, he should never copy any part of the printed Journal.

TEACHER'S EXAMINATION.

- | | |
|--|--|
| 1. Where do we obtain the materials for opening this set of books? | 3. What with the Merchandise in hand? |
| 2. What is to be done with the cash in hand? | 4. What with the Notes in hand? |
| | 5. What with our own Notes in circulation? |

<p>¹ Inventory of my Effects ☉ Balance account, Ledger A. fol. 3.—</p>		
Mdse. in hand	☉ Invoice Book, p. 1.	\$3000.
Cash in hand	Ledg. A. fol. 2.	7300.
Due me on notes	☉ Bill Book, p. 1.	3000.
William Hay owes me	Ledg. A. fol. 2.	3000.
House and Lot 44 Broadway	" " 3.	15000.
		31300
<p>"</p>		
<p>¹ Debts owing by me ☉ Balance account Ledger A. fol. 3.—</p>		
Due on my notes ☉ Bill Book, p. 2.		300.
Due Warden & Bell	Ledg. A. fol. 2.	500.
" R. Morris, London, due 31st ult.	" "	2000.
		2800
<p>3.</p>		
<p>Sold A. Stuart & Co. for Cash—</p>		
Mdse. ☉ Sales Book, p. 1.		300
<p>"</p>		
<p>² Received ☉ Brig Jersey, Spencer, Master, from J. Taylor & Co., New Orleans, for my acct.—</p>		
24 bales Cotton, ☉ Invoice Book, p. 1.		1000
Accepted their draft on me for amt. of the Invoice in favor of Ryan & Dale, @ 10 days' sight, \$1000.		
<p>"</p>		
Bought for Cash of Martin Hunter & Co., Flour ☉ I. B. 1.		1800
<p>10.</p>		
Sold Thomas Edwards, on his note @ 30 days, Mdse. ☉ S. B., p. 1.		3000
<p>"</p>		
Sold James Carter on account, Mdse. ☉ S. B., p. 1.		452
<p>15.</p>		
Bought of Walter Bayard & Co., on my note @ 1 month, Mdse. ☉ I. B. 1.		1600
<p>"</p>		
<p>³ Paid James Carter's order on me in favor of H. Pryor, in Mdse. ☉ Sales Book 1.</p>		108
<p>16.</p>		
<p>⁴ Received from James Carter Cash in full</p>		560
<p>"</p>		
<p>⁵ Paid Cash in the City Bank for my note in favor of A. Stuart & Co.</p>		300.
Also, my acceptance of J. Taylor & Co.'s draft in favor of Ryan & Co.		1000.
		1300
<p>"</p>		
Sold James Carter on account, Mdse. ☉ Sales Book 1.		600
<p>1. You may journalize direct from the old Balance account without a Day Book entry, thus—</p>		
<p style="text-align: center;">SUNDRIES DR. TO SUNDRIES, \$31,300, per Balance account, Ledg. A. f. 3.</p>		
Mdse.	3000.	
Cash	7300.	
Bills Receivable	3000.	
William Hay	3000.	
House and Lot 44 Broadway	15000.	
To Bills Payable	300.	
" Warden & Bell	500.	
" R. Morris	2000.	
" Stock	28500.	
<p>2. We do not here credit Taylor & Co., because we have accepted their draft for the amount,</p>		
<p>3. We have paid Carter's order upon us, he therefore gets in debt to us.</p>		
<p>4. When a person pays us in full, we ought to close his account.—See notes 5 and 6, page 23.</p>		
<p>5. Neither the Bank nor any of the parties named here are to be debited, because they do not get in debt to us.</p>		
<p>As the entries are journalized they should all be marked off this book, as in the margin of the first entry above.</p>		

1	¹ Sundries, Dr. to Stock		31300
1	Mdse.	3000	
2	Cash	Ledger A. fol. 2.*	7300
3	Bills Receivable	" " 1.	3000
3	Wm. Hay	" " 2.	3000
4	House and Lot 44 Broadway	" " 3.	15000
	"		
1	¹ Stock, Dr. to Sundries	2800	
4	To Bills Payable	Ledger A. fol. 2.	300
5	" Warden & Bell	" " 2.	500
5	" R. Morris, London	" " 2.	2000
	3.		
2	Cash, Dr.	300	
1	To Mdse.		300
	"		
1	Mdse., Dr.	1000	
4	² To Bills Payable		1000
	"		
1	Mdse., Dr.	1800	
2	To Cash		1800
	10.		
3	Bills Receivable, Dr.	3000	
1	To Mdse.		3000
	"		
5	James Carter, Dr.	452	
1	To Mdse.		452
	15.		
1	Mdse., Dr.	1600	
4	To Bills Payable		1600
	"		
5	³ James Carter, Dr.	108	
1	To Mdse.		108
	16.		
2	Cash, Dr.	560	
5	⁴ To James Carter, to close acct.		560
	"		
4	⁵ Bills Payable, Dr.	1300	
2	To Cash		1300
	"		
5	James Carter, Dr.	600	
1	To Mdse.		600

TEACHER'S EXAMINATION.

1. Cannot these two entries be made direct from the old Balance account?
2. Why not credit Taylor & Co.?
3. Why debit Carter for this amount?
4. What is to be done with Carter's account when this is posted?
5. Why not debit some of the parties named, or the Bank?

* Although it is not generally done, book-keepers will find the convenience of making the opening entries of a new Ledger always give a direct reference to the old one. See that every journal entry conforms to the Book-keeper's FIRST RULE—equal debits and credits.

1 Paid Cash for Repairing House 44 Broadway		280
"		
2 Received Cash for a Quarter's Rent of House 44 Broadway		150
"		
Received of James Carter his note @ 20 days in full		600
19.		
Sold James Carter on acct. Mdse. $\frac{3}{4}$ Sales Book 1.		400
20.		
Bought of Captain Rivers the ship Hudson for \$16000.		
Sold him in part payment Mdse. $\frac{3}{4}$ Sales Book 1.	5900.	
Paid him in Cash	2100.	
Gave him my note, dated 15th inst., @ 3 months, for the balance	8000.	16000
"		
3 James Carter has failed, and I have compounded with him at 50 cents on the dollar. Rec'd the same in Mdse. I. B., p. 2.	200.	
The Balance is lost	200.	400
24.		
Gave Warden & Bell my Order on James Walker for the balance I owe them.		500
"		
Received of C. Banks in payment for his note due this day—		
Mdse. $\frac{3}{4}$ Invoice Book, p. 2.	500.	
Cash,	500.	1000
30.		
4 Received of William Hay payment of his account of \$3000 now due—		
Cash	1500.	
His note @ 60 days for the balance	1500.	
63 days' interest included	15.75	1515.75
"		3015 75
"		
Paid Cash for disbursements of Ship Hudson		1200
31.		
Exchanged notes with W. Morris for our mutual accommodation, each note drawn at 30 days, for		800
"		
5 Exchanged notes with J. Warden for our mutual accommodation, each note drawn at 30 days, for \$600, and I have discounted his note in the City Bank. Rec'd Cash net proceeds of same	596.70	
33 days' discount	3.30	600

1. Here House in Broadway is Dr., because it cost us this sum.
 2. House in Broadway must be credited for what it brings us in for sale or rent.
 3. Carter must be credited for what he gets out of my Debt.
 4. We only credit Hay for what he gets out of our Debt. Profit & Loss or Interest account is credited for the gain on the transaction.
 5. As we disposed of Warden's note immediately, it is not necessary to debit Bills Receivable for it, as in the preceding entry, where we retain the note. No property account can be credited until it has been PREVIOUSLY DEBITED. The Bills Receivable account must show that we received the note before it can show that we passed it away. Bills Payable, the first thing delivered, must be credited.

4	1	House 44 Broadway, Dr.	280		
2		To Cash			280
"					
2		Cash, Dr.	150		
4	2	To House 44 Broadway			150
"					
3		Bills Receivable, Dr.	600		
5		To James Carter			600
19.					
5		James Carter, Dr.	400		
1		To Mdse.			400
20.					
6		Ship Hudson, Dr. to Sundries	16000		
1		To Mdse.			5900
2		" Cash			2100
4		" Bills Payable			8000
"					
5	2	Sundries, Dr. to James Carter, to close account			400
1		Mdse.	200		
6		Profit & Loss	200		
24.					
5		Warden & Bell, Dr.	500		
7		To James Walker			500
"					
3		Sundries, Dr. to Bills Receivable			1000
1		Mdse.	500		
2		Cash	500		
30.					
		4 Sundries, Dr. to Sundries		\$3015.75.	
2		Cash	1500		
3		Bills Receivable	1515	75	
3		To William Hay, to close account			3000
6		" Profit & Loss			15 75
"					
6		Ship Hudson, Dr.	1200		
2		To Cash			1200
31.					
3		Bills Receivable, Dr.	800		
4		To Bills Payable			800
"					
4		Sundries, Dr. to Bills Payable			600
2		Cash	596	70	
6		Profit & Loss	3	30	

TEACHER'S EXAMINATION.

1. Why debit House in Broadway?—Repeat Rule VI.
2. Why credit House in Broadway?—Repeat Rule VII.
3. Why is Carter credited for \$400 when he has only paid \$200?—Repeat Rule IV.
4. Why not credit Hay for \$3015.75, the amount he has paid?—Repeat Rule IV.
5. Why not credit Bills Receivable, Warden's note being the thing delivered to the bank?

<p>¹ Received by the Ship Herald, Chase, master, from London, Mdse. p. I. B. 2, shipped to me by R. Morris by my order and for my account, amounting $\\$ Invoice, due in London 10th April next, to $\\$8888.88$ Gave my bonds to the Custom House for duties @ 3 and 6 mos. 2222.22 Paid freight in Cash 85.</p>	11196 10
"	
<p>² Received from R. Morris, by the Ship Herald, Chase, master, from London, 30 pipes Port Wine, $\\$ Invoice Book, £2000 sterling, for sale on his account. Gave my bonds to the Custom House for duties @ 3 and 6 mos. $\\$2222.22$ Paid freight in Cash 167.78</p>	2390
5.	
<p>Paid Cash for Cooperage and Cartage of Morris' Wines 5</p>	5
"	
<p>Sold for Cash to Jacob Lorillard, 120 gallons R. Morris' Wines. C. S. B. 1. @ $\\$3$ $\\$ gallon 360</p>	360
6.	
<p>³ Discounted in the City Bank W. Morris' note of $\\$800$. Received Cash net proceeds $\\$796.40$ 27 days' discount 3.60</p>	800
9.	
<p>Sold Wm. Park on his note @ 4 mos., endorsed by Warden & Bell, 5 pipes R. Morris' Wines, p. C. S. B. 1 2100</p>	2100
12.	
<p>⁴ James Carter, who lately failed, compounds with me for 50 cents on the dollar for the note which I hold against him due yesterday. Received a new note endorsed by W. Hay for $\\$300$. The balance is lost 300.</p>	600
"	
<p>Rec'd Cash of T. Edwards on account of his note due this day 2000</p>	2000
"	
<p>⁵ Shipped by the Brig Jersey, Spencer, master, and consigned to J. Taylor & Co., New Orleans, 10 pipes 1200 gallons R. Morris' Wines, for sale on account of his consignment. C. S. B. 1. Paid freight, &c., in cash 28</p>	28
"	
<p>⁶ Shipped by the same vessel, consigned to J. Taylor & Co., for sale on my account, Mdse. from store, p. Sales Book $\\$2760$. Invoice of Table Linens, bo't of Wm. Hay on acct. @ 3 mos. 1500. Freight and charges paid in cash 33.</p>	4293
"	
<p>⁷ Shipped by the same vessel, and consigned to J. Taylor & Co., by their order and for their account, an Invoice of Tea from store, p. S. B. (due this day) $\\$600$. Paid Freight and Insurance in cash 11. Commission on $\\$600$ at 5 per cent. is $\\$30$. Commission for effecting insurance $\frac{1}{2}$ per cent. is 3. 33.</p>	644
<p>1. We credit Morris only for what we get into debt to him—see note 1, p. 30. 2. We never credit any account for the invoice of a consignment—see Questions 21 and 23, p. 41. 3. Bills Receivable was debited (Jan. 31), therefore we must now credit that account. 4. Bills Receivable must be credited for the am't of the note given up; Profit & Loss is Dr. for the loss. 5. The first of these shipments is a re-consignment, and cannot be debited to any account. The second is an adventure of our own; we debit shipment to N. Orleans—Rule XL, p. 41. The third being shipped by Taylor & Co.'s order, and on account, they are debited.</p>	

1	1 Merchandise, Dr. to Sundries	11196	10		
5	To R. Morris			8888	88
4	" Bills Payable			2222	22
2	" Cash			85	
"					
7	2 R. Morris' Sales, Dr. to Sundries	2390			
4	To Bills Payable			2222	22
2	" Cash			167	78
5.					
7	R. Morris' Sales, Dr.	5			
2	To Cash			5	
"					
2	Cash, Dr.	360			
7	To R. Morris' Sales			360	
6.					
3	3 Sundries, Dr. to Bills Receivable			800	
2	Cash	796	40		
6	Profit and Loss	3	60		
9.					
3	Bills Receivable, Dr.	2100			
7	To Morris' Sales			2100	
12.					
3	4 Sundries, Dr. to Bills Receivable			600	
3	Bills Receivable	300			
6	Profit and Loss	300			
"					
2	Cash, Dr.	2000			
3	To Bills Receivable			2000	
"					
7	5 Morris' Sales, Dr.	28			
2	To Cash			28	
"					
7	6 Shipment to New Orleans, Dr. to Sundries	4293			
1	To Mdse.			2760	
3	" Wm. Hay			1500	
2	" Cash			33	
"					
8	5 John Taylor & Co., Dr. to Sundries	644			
1	To Mdse.			600	
2	" Cash			11	
8	" Commission			33	

TEACHER'S EXAMINATION.

1. Why not credit Morris for the whole \$11,196.10?
2. Why not credit Morris for this invoice as well as that in the last entry?
3. Why not credit Bills Payable as we did with 2d entry Jan. 31st?
4. Why credit Bills Receivable for the whole \$600 when we only got a new note for \$300?
5. Why not debit Taylor & Co. for all these three shipments—they being consigned to them?

After this set is posted the student must make out all the accounts, accounts of sale and invoices. Also, write out all the notes, orders, drafts, acceptances, and bills of exchange, inserting his own name when he is the promisor, acceptor, or endorser.

<p>¹ Received from T. Edwards for the balance of his note due 12th instant, an invoice of Flour $\\$ I. B. 2</p>	1000
"	
<p>Insured my house in Broadway, for one year, in the Sun Office, for \$10,000, @ 2 per ct.; policy \$1. Amt. paid in cash</p>	201
"	
<p>² Insured in the New York Office, \$12,000 for one year on my stock of mdse. in my store in Front street, @ $1\frac{1}{2}$ $\%$ ct.; policy \$1. Amt. paid in cash</p>	181
"	
<p>³ Pd. R. Morris' Bill on me at sight for \$4440, in favor of R. Banks, In Mdse. $\%$ Sales Book 3 200. R. Morris' goods $\%$ C. S. B. 1 840. Cash 3400.</p>	4440
"	
<p>Pd. my note due this day in favor of W. Bayard Co. for 1600, In R. Morris' Wines $\%$ C. S. B. 1, sold him 9th inst. \$1080. Mdse. $\%$ Sales Book 3 500. Cash for balance 20.</p>	1600
20.	
<p>⁴ Accepted R. Morris' Bill on me at 10 days' sight in favor of R. Banks, for</p>	2500
"	
<p>Refunded cash to R. Banks for 6 galls. overgauged Wine belonging to R. Morris, sold him 18th inst., twenty-one dollars. R. BANKS.*</p>	21
25.	
<p>Collected for R. Morris Ryan & Dale's draft on Barclay, Fox & Co., for \$2000. Net Proceeds Rec'd in Cash 1995. Also my commission on same, $\frac{1}{2}$ $\%$ ct. 5.</p>	2000
"	
<p>⁵ Lent Cash to Capt. John Bowline on the Bottomry Bond of his Ship, the Hunter, payable with 20 $\%$ ct. prem. to my agent, R. Morris, in London, 10 days after the arrival of his Ship in England</p>	2000
"	
<p>⁶ Bought for Cash of Baker & Fox their Bill at 60 ds. on R. Morris for £1000 Sterling 4444.44 Premium on the same, 8 $\%$ ct. 355.56</p>	4800
"	
<p>⁷ Found in the Park a purse containing eighty half eagles, which I have advertised but no owner has claimed it</p>	400

1. I have here followed the usual practice; but I prefer the course recommended in Note 3, page 48.
 2. I have made it a rule to debit Merchandise only for the cost and charges of bringing it into store and for manufacturing. The cost of keeping the store I carry to Expense or Profit and Loss.
 3. We here pay this amount for Morris; it is the same as paying it to him; he gets into our debt and is therefore Dr.
 4. We should never debit a consignment account for any thing but the charges. All advances made on acct. of it should be debited to the owner's private acct.—Rule X., Note 26, p. 41.
 5. This is a Bill Receivable, that account is therefore Dr.
 6. We can only debit Bills Receivable for the face of the bill, not for what it costs.
 7. We debit property for its value when it becomes ours, whether it costs us any thing or not.
 * This is Banks' signature, making a receipt of the entry.—See Note 5, p. 12.

1	Mdse., Dr.	1000	
3	To Bills Receivable		1000
	"		
4	House in Broadway, Dr.	201	
2	To Cash		201
	"		
6	Profit & Loss, Dr.	181	
2	To Cash		181
	"		
5	R. Morris, Dr. to Sundries	4440	
1	To Mdse.		200
7	" Morris' Sales		840
2	" Cash		3400
	"		
4	Bills Payable, Dr. to Sundries	1600	
7	To R. Morris' Sales		1080
1	" Mdse.		500
2	" Cash		20
	20.		
5	R. Morris, Dr.	2500	
4	To Bills Payable		2500
	"		
7	R. Morris' Sales, Dr.	21	
2	To Cash		21
	25.		
2	Cash, Dr. to Sundries	2000	
5	To R. Morris		1995
8	" Commission		5
	"		
3	Bills Receivable, Dr.	2000	
2	To Cash		2000
	"		
2	Sundries, Dr. to Cash		4800
3	Bills Receivable	4444	44
6	Profit & Loss	355	56
	"		
2	Cash, Dr.	400	
6	To Profit & Loss		400

TEACHER'S EXAMINATION.

1. When a note is thus paid by instalments, is it not liable to complicate and confuse the Bill account to credit it in different payments?
2. Why not debit Merchandise?
3. Why debit Morris?
4. If this bill is drawn on account of the consignment, would it not answer as well to debit that account for it? See Form XXI., p. 120.
5. What is a Bottomry Bond? Repeat Question 5, Rule IX., p. 40.
6. Why not debit Bills Receivable for \$4800, what it cost?
7. Why debit Cash for this, seeing it cost us nothing?

	<p>¹ Sold for Cash, at 8½ per cent. prem., to R. Irvin & Co., Baker & Fox's Bill on R. Morris for £1000 sterling, equal to . . . 4444.44 Premium 8½ per cent. 377.78</p>	4822	22
	<p>"</p> <p>¹ Sold Warden & Bell, by C. Murray, Broker, my Bill of Exchange, @ 60 days' sight, on R. Morris, for £1000 stg. . . 4444.44 Prem. on the same 8½ per. ct. \ \$377.78 Murray's Brokerage ¼ per ct. off . . . 12.06 gain 365.72. Add 33 days' Int. included in Warden & Bell's note 11. Whole gain on the transaction . . . 376.72</p>	4821	16
	<p>Received in payment Warden & Bell's note 2000. 33 days' Interest included 11. 2011. Cash for the balance 2810.16 4821.16</p>		
	<p>"</p> <p>² At the fire which broke out in my store in Front Street yesterday, goods were destroyed amounting, ⁵⁰ Sales Book, 3, to</p>	3690	
	<p>March 1.</p>		
1st Co.	<p>William Hay and myself have entered into an arrangement for the purpose of buying and selling Merchandise on joint account, each partner's interest in such speculations to be equal. He now advances me cash to be invested under this arrangement</p>	2500	
	<p>"</p> <p>¹ William Hay has sent to my store for sale on joint acct. 5 pipes, 900 gals., Madeira Wine @ \$1. \$900. My half, due June 1st, is 450</p>	450	
	<p>2.</p> <p>⁴ Bo't of James Walker on Book acct., @ 30 days, for the joint acct. of myself and Wm. Hay, 20 tierces, 24,000 lb., Rice @ 5 c. \$1200. W. Hay's half, due April 1st, is \$600. My half, " " " " is 600.</p>	1200	
	<p>"</p> <p>Received Cash, freight of the Ship Hudson</p>	1850	
	<p>"</p> <p>Being appointed Agent for the Ship Roscoe, I have purchased of Capt. Manly ¼ of the vessel for \$5000. Sold him, in payment— 5 pipes, 900 gals., 1st Co. Wine . . . @ \$1.½ \$1200. 20 tierces, 24,000 lb., 1st Co. Rice . . @ 7 cts. 1680. 2880. Balance paid in Cash 2120. 5000</p>	5000	
	<p>4.</p> <p>⁵ Paid Cash for Disbursements of Ship Roscoe 850. Passed my note at 4 mos. for her Ins. on 20,000 @ 2 p. ct. 400.</p>	1250	
	<p>1. Here we sell two bills, both drawn on Morris. Bills Receivable is credited for the first, that account having been debited when we received the bill and gave value for it—note 6, p. 76. We credit Morris for the other bill, because we have drawn it ourselves, and therefore get into his debt. 2. See Day Book, February 18, and Sales Book, February 28. We debit the Insurance Office, as we hold it responsible for this amount. 3. We are not responsible to Hay for any thing more than our own share—\$450. 4. Here we debit Hay for his half, because he becomes owner of half the purchase, and has not paid us for it. 5. The advances we make as Agent for the vessel, must not be mixed up with the cost of our own share of her: therefore we must have two separate accounts.</p>		

2	Cash, Dr. to Sundries	4822	22		
3	¹ To Bills Receivable			4444	44
6	" Profit & Loss			377	78
"					
	Sundries, Dr. to Sundries	\$4821.16			
3	Bills Receivable	2011			
2	Cash	2810	16		
5	¹ To R. Morris			4444	44
6	" Profit & Loss			376	72
"					
8	² New York Insurance Office, Dr.	3690			
1	To Mdse.			3690	
Mar. 1.					
2	Cash, Dr.	2500			
3	To Wm. Hay			2500	
"					
9	1st Co. Sales, Dr.	450			
3	³ To Wm. Hay			450	
2.					
7	Sundries, Dr. to James Walker				1200
3	Wm. Hay	600			
9	⁴ 1st Co. Sales	600			
"					
2	Cash, Dr.	1850			
6	To Ship Hudson			1850	
"					
9	Ship Roscoe my $\frac{1}{2}$, Dr. to Sundries	5000			
9	To 1st Co. Sales			2880	
2	" Cash			2120	
4.					
9	⁵ Ship Roscoe & Owners, Dr. to Sundries	1250			
2	To Cash			850	
4	" Bills Payable			400	

TEACHER'S EXAMINATION

1. Why is Bills Receivable account not credited alike for both these bills?—Repeat Rule IX., p. 40.
2. Where are the particulars of this entry for holding the insurance office responsible for this amount?
3. Why should not Hay have a credit for the whole amount of goods which he put into my hands?—Repeat Rule XII., and note 3, p. 43.
4. Why not debit Sales in Co. for the whole amount?
5. Why not debit the account of Ship Roscoe my $\frac{1}{2}$ for the amount?

Paid Cash to the City Bank for my note due to-morrow in favor of W. Morris	800.	
Also paid Cash to the Merchants' Bank for my note in favor of J. Warden .	600.	1400
5.		
¹ Sold R. Banks 5 hhds. Havana Sugar, viz.—		
1050, 1150, 1000, 1200, 1100 5500 lbs.		
Less Tare, 10 per cent. 550 4950 lbs., @ 10 cts.	495.	
5 chests Y. H. Tea, viz.—		
80, 85, 75, 90, 70 400 lbs. net. @ 90 cts.	360.	
6 ps., 20 ² , 19 ² , 20, 21, 19, 20, 120 yds. S. F. Cloth, @ \$10.	1200.	
6 doz. pair best 12-4 Bath Blankets @ \$120.	720.	
150 pieces 3-color Merrimac Prints @ \$3.	450.	
20 yds. Super Saxon Flannel @ .75	15.	
10 " Finest Green Broadcloth @ \$9.	90.	
16 " Fancy Fig'd Satin @ \$1.50	24.	
2 Packing Cases	1.	3355
Received in Payment my acceptance for R. Morris, due this day	2500.	
Banks' Order at sight on J. Walker, which I deposit on acct. with Walker	600.	
Cash for Balance	255.	\$3355.
"		
² Received Cash for Freights and Passages ³ Ship Roscoe		1800
"		
⁴ 1st Co. Mdse. being all sold, I render Wm. Hay acct. and close the sales as follows:—Total Sales, \$2880. My ² Commission is	72.	
Storage	8.	
W. Hay's half net proceeds due this day is	1400.	
My net gain is	350.	1830
12.		
Received from J. Taylor & Co., New Orleans, acct. sales of Morris' Wines. Net proceeds, \$4500. for which I have received their bill @ 60 days on Barclay, Hope & Co., which is accepted		4500
"		
⁴ Received from J. Taylor & Co., N. Orleans, acct. sales of my consignment ³ Brig Jersey. Net proceeds, \$5800, for which received their Invoice of Sea Island Cotton, amounting to	5800.	
Paid freight and charges on the same in cash	180.	5980
"		
Taken to my account the remaining 9 pipes, 1080 galls., Morris' Wines, @ \$3 ³ gall., as cash in 2 months		3240
"		
Received from the New York Insurance Office Cash in full		3690
"		
⁶ Shipment to N. Orleans closes with a gain of		1507
<ol style="list-style-type: none"> 1. This entry shows how a sale must appear on the Day Book when no Sales Book is kept. 2. I have to account to the Ship Roscoe and Owners for this sum, therefore I credit their account. 3. The total sales per Ledger is \$2880, less charges \$80 = \$2800, half of which is Hay's share, \$1400. Our half first cost per Ledger was \$1050, and our share net proceeds being \$1400, leaves our gain \$350. 4. Taylor & Co. having remitted the proceeds of the sales, the transaction is not carried to their account. We have only to debit the thing received, and credit the account that brought that thing in.—Rule V. and VII, p. 39. 5. Always close property accounts when all is sold, as we do with personal accts. when we settle with the parties.—Note 4, p. 70. The gain or loss must appear in the Profit & Loss acct., for reasons given Mdse. acct.—Note 4, p. 33. 		

4	Bills Payable, Dr.	1400	
2	To Cash		1400
	5.		
1	Sundries, Dr. to Merchandise		8355
4	Bills Payable	2500	
7	James Walker	600	
2	Cash	255	
	"		
2	Cash, Dr.	1800	
9	To Ship Roscoe & owners		1800
	"		
9	1st Co. Sales, Dr. to Sundries, to close account	1830	
8	To Commission		72
6	" Profit & Loss \$8 and \$350		358
3	" " W. Hay		1400
	12.		
3	Bills Receivable, Dr.	4500	
7	To Morris' Sales		4500
	"		
1	Merchandise, Dr. to Sundries	5980	
7	To Shipment to New Orleans		5800
2	" Cash		180
	"		
1	Merchandise, Dr.	3240	
7	To Morris' Sales		3240
	"		
2	Cash, Dr.	8690	
8	To New York Insurance Office, to close account		8690
	"		
7	Shipment to New Orleans, Dr., to close account	1507	
6	To Profit & Loss		1507

TEACHER'S EXAMINATION.

1. Why are all these particulars given in the Day Book Entry?
2. Why credit Ship Roscoe and owners for this sum?
3. How is Hay's half net proceeds and our half net gain found here? Repeat Question 26, page 41.
4. Why credit Shipment to New Orleans for this \$5800?
5. Why should this account be debited for this sum?

<p>¹ Morris' Consignment being all sold, I render him account; closing the sales as follows:—Total sales \$12,120, charges posted to date, \$2444. My commission on the sales @ 5 ³/₄ cent., is \$606. Storage and advertising 18. Net proceeds at Morris' credit, due 2d May 9052.</p>		9676
"		
<p>² As Executor of the estate of the late A. Lenox I have received possession of the following property for the use of his heirs, viz. Cash in deposit in the Manhattan Bank 7500. Notes in hand, No. 15 and 16, ³/₄ Bill Book 1700. House and lot 49 Cedar Street, valued at 12000. 100 Shares City Bank Stock 10000.</p>		31200
16.		
<p>³ James Carter's Note for \$300 endorsed by W. Hay, fell due in my hands yesterday and remaining unpaid, I value the same in account with Hay as cash due this day</p>		300
"		
Pd. Cash for A. Lenox's Note in the Manhattan Bank		2500
17.		
<p>⁴ James Day's Note for \$500 falls due in my hands to-day. Rec'd in payment his new Note @ 60 days for 400. " Cash for the balance 100. 63 days' interest on new Note 4.20</p>		104.20
"		504 20
<p>Paid Cash Attorney's fees for Estate of A. Lenox 10. ⁵ " " Insurance of house 49 Cedar Street 160.</p>		170
20.		
<p>Received H. Parnel's Note @ 60 days for balance due the Estate of A. Lenox</p>		1840
"		
<p>⁶ W. Hay has put into my store for sale on joint acct. 9 pipes Wine, 1080 gallons @ \$3, \$3240. I have added the same quantity at same price from store 3240.</p>		\$6480.
My half is		3240
25.		
<p>⁷ Wm. Hay and myself have bought for cash on joint acct. 200 Bales Cotton, amounting ³/₄ invoice to \$9000. Each partner has paid his own share in cash</p>		4500
<p>1. The total sales were \$12,120, less the whole charges \$3068, leaves net proceeds \$9052.—Form IV. p. 117. 2. We must here debit the several kinds of property we receive and credit the account of the estate for the whole, which property must be disposed of hereafter according to instructions, when the estate will be debited for it.—Note 3, Lenox Estate, p. 110 3. I have here done as recommended in Note 3, page 48.—I look to Hay for the amount. 4. The things received are Dr. to the things delivered, and Interest or Profit & Loss is credited for the gain. 5. This building belongs to the Lenox Estate, and we debit it for what we expend upon it, and credit it for the returns. 6. For the reasons given in Rule XII. neither of these entries affects Hay's acct. in our Books.</p>		

7	Morris' Sales, Dr. to Sundries, to close acct.	9676		
8	To Commission			606
6	" Profit & Loss			18
5	¹ " R. Morris			9052
	"			
10	² Sundries, Dr. to Estate of A. Lenox		31200	
2	Cash	7500		
3	Bills Receivable	1700		
10	House 49 Cedar Street	12000		
10	City Bank Stock	10000		
	16.			
3	³ Wm. Hay, Dr.	300		
3	To Bills Receivable			300
	"			
10	A. Lenox Estate, Dr.	2500		
2	To Cash.			2500
	17.			
	⁴ Sundries, Dr. to Sundries \$504.20			
3	Bills Receivable	400		
2	Cash	104	20	
3	To Bills Receivable			500
6	" Profit & Loss			4 20
	"			
2	Sundries, Dr. to Cash			170
10	⁵ Estate of A. Lenox	10		
10	House 49 Cedar Street	160		
	20.			
3	Bills Receivable, Dr.	1340		
10	To Estate of A. Lenox			1340
	"			
9	⁶ 1st Co. Sales Dr.	3240		
1	To Mdse.			3240
	25.			
9	⁶ 1st Co Sales Dr.	4500		
2	To Cash			4500

TEACHER'S EXAMINATION.

1. How do we find the net proceeds due Morris here?—Repeat Quest. 25, p. 41.
2. Why credit the Estate for all this property?
3. Why debit Hay for this note?
4. Why debit Bills Receivable and Cash, and credit Bills Receivable, and Profit & Loss, all in the same entry?—Repeat Rules V. and VIII.
5. Why not debit Estate of Lenox for this \$160, as this house belongs to it?
6. How is it that there is no entry for Hay's account in either of these cases?—Repeat Rule XII, p. 48.

¹ Placed to 1st Co. Account 500 bbls. Flour from store @ \$5	\$2500.	
William Hay has sent in 300 bbls. @ \$5	1500.	
My half is	\$2000.	
Rec'd Bal. of Wm. Hay's share in cash	500.	2500
31.		
² Paid Cash to Charlotte Lenox on acct. of her legacy		500
"		
² Paid Cash to Robert Lenox on acct. of his legacy		800
April 1.		
Lent Cash to James Walker on his note @ 6 months, endorsed by Warden & Bell, and dated the 6th instant, for	2000.	
$6\frac{1}{2}$ months' Interest included in the note	63.	2063
5.		
Shipped by the Columbia, Gray, Master, consigned to Baring & Co., Liverpool, for sale on my account—		
40 bales Cotton from store	2500.	
100 bbls. Flour from do. @ \$5	500. 3000.	
4500 bush. Wheat @ \$1, Bought of P. Nevius on Barclay, Hope & Co.'s acceptances	4500.	
Shipping Expenses paid in Cash	348.55	
Passed my note to the Marine Insurance Co. for premium ³ on \$8010 @ 2 per ct. (covering the premium and policy), Policy \$1.25	161.45	8010
"		
⁴ Shipped by the Brig Cherub, consigned to Hartwell & Thorndike, Boston, by order and for account of R. Morris, London—		
240 bbls. Mess Pork, Bought of Wm. Hay @ 30 days, due May 5th	\$2000.	
Paid Shipping Expenses in Cash	20.	
Passed my note @ 30 days for Insurance	41.25	
Commission on purchase of \$2000 @ 5 per cent	100.	
$\frac{1}{4}$ per ct. for effecting Insurance	5. 105.	2166 25
10.		
⁵ Paid Cash for honor of John Taylor & Co., their draft on Sidney Wood & Co. being Protested for non-payment.		
Bill \$1200, Protest, &c., \$4	1204.	
My $\frac{1}{4}$ per ct. Brokerage	6.	1210
"		
Received from the Executors of my father's Estate 50 shares Merchants' Bank ⁶ Stock, valued at		5000

1. Hay does not here get in debt to us, nor we to him. Therefore we have no entry for his acct.
 2. These persons being Legatees, we must debit their private accounts for all payments we make them, until the final settlement.—Note 3, Lenox Estate, p. 110.
 3. The invoices, shipping expenses, and policy, amount to \$7849.80. Then 98 : 100 :: 7849.80 : \$8010, the sum upon which to cast the 2 per ct. premium, which amounts to \$160.20 + 7849.80 = 8010, thus insuring both premium and policy with the shipment.
 4. Morris gets in debt to us for this amount, therefore he is Dr.—not Hartwell & Thorndike.
 5. We were not obliged to pay this draft. We have done it to save the credit of our N. Orleans correspondents, Taylor & Co.
 6. We might credit Profit and Loss, but such additions to our capital belong more properly to Stock, for reasons given in note 3, page 80.

1	¹ Sundries, Dr. to Mdse.			2500
9	1st Co. Sales	2000		
2	Cash	500		
	31.			
2	Sundries, Dr. to Cash			1300
10	² Charlotte Lenox	500		
10	² Robert Lenox	800		
	April 1.			
3	Bills Receivable, Dr. to Sundries	2063		
2	To Cash			2000
6	" Profit & Loss			63
	5.			
7	³ Shipment to Liverpool, Dr. to Sundries	8010		
1	To Mdse.			3000
3	" Bills Receivable			4500
2	" Cash			348 55
4	" Bills Payable			161 45
	"			
5	⁴ R. Morris, Dr. to Sundries	2166	25	
3	To Wm. Hay			2000
2	" Cash			20
4	" Bills Payable			41 25
8	" Commission			105
	10.			
8	⁵ John Taylor & Co., Dr. to Sundries	1210		
2	To Cash			1204
8	" Commission			6
	"			
4	Merchants' Bank Stock, Dr.	5000		
1	⁶ To Stock			5000
TEACHER'S EXAMINATION.				
1. Why is there no entry here for Hay's account? Repeat Rule XII, p. 43.				
2. Why not debit the Estate of Lenox, these being payments to the Legatees?				
3. How do we find the amount upon which to cast the premium?				
4. Why are Hartwell & Thorndike not debited for these goods, they being shipped to them?				
5. Why should we pay this draft, it being drawn on Sidney Wood & Co.?				
6. Why not credit Profit & Loss for this \$5000?				

¹ Accepted *supra protest* for the honor of J. Taylor & Co., their bill at 10 days, on Sidney Wood & Co., for \$600; protest \$1 . \$601.
My $\frac{1}{2}$ $\frac{3}{4}$ cent. Brokerage—due 23d inst. 3. 604

"
² Shipped by the Cambria, Adams, master, and consigned to R. Morris, London, for sale on his acct., J. Taylor & Co., and myself, each $\frac{1}{2}$.
60 Bales Sea Island Cotton from store \$4000.
100 Barrels Flour from do. @ \$6. 600. 4600.
200 Bales 1st Co. Cotton 9500.
Shipping Expenses paid in Cash 300.
Passed my Note @ 3 mos. for insurance 145.
My commission on \$14400 @ $2\frac{1}{2}$ $\frac{3}{4}$ ct. is \$360.
" " Effecting Insurance $\frac{1}{2}$ $\frac{3}{4}$ ct. 36. 396. 14941
J. Taylor & Co.'s $\frac{1}{2}$ is 4980.33
R. Morris' " 4980.33
My (2d Co.) " 4980.34 \$14941. Due this day.

"
³ Shipped by the Brig Tribune, Speer, master, and consigned to C. Hartwell, Boston, 18 Pipes Wine belonging to 1st Co., amounting $\frac{3}{4}$ Invoice to \$6480. My half is \$3240.
Paid shipping expenses in cash 60. 3300

15.

⁴ Shipped by the Erie, Truck, master, and consigned to Baring & Co., Liverpool, for sale on 1st Co. account,
400 Barrels Flour from store, @ \$6. \$2400.
150 " " put on board by Wm. Hay, @ \$6, \$900.
Wm. Hay passes his Note for insurance 165. 1065.
I have paid the other expenses in Cash 133. 3598
My half is 1799.
Wm. Hay's do. is . 1799. \$3598, as cash this date.

"
⁵ Received from J. Taylor & Co., of New Orleans, invoice of 100 Bales Cotton shipped to London on the 2d inst., consigned to R. Morris for sale on their acct., Morris' acct., and on my acct., each $\frac{1}{2}$.
My (2d Co.) $\frac{1}{2}$ due in cash 2d inst., is 1600

20.

Received Cash amt. of Warden & Bell's note due 31st ulto., 2011.
" 20 days' interest on the same 6.70 2017 70

3d Co.

⁶ Received from J. Walker invoice of sugars amounting to \$4000 which he has purchased to sell on our joint acct. My half is 2000

1. This means accepting after protest—after Sidney Wood & Co. refused to accept. The bill is then in the same situation as that in Note 5, last page, and if not protected here will return under damages against our New Orleans correspondents, Taylor & Co. We of course debit them for the amount.—Form XXI, p. 120.
2. We have paid for the whole shipment, and Taylor & Co. and Morris are each responsible to us for their respective shares from this date.
3. This is part of the 1st Co. property shipped to another market, and our share is charged to a new acct.: therefore 1st Co. Sales must be credited for our share.
4. We debit Hay for his share of the adventure, and credit him for what he has paid upon it. It would have been equally correct to have debited him for the balance only.—Note 4, p. 28.
5. We credit Taylor & Co. for our share of this adventure because they have paid the amount for us, and we still owe them for it.
6. We call this an adventure because we do not manage the sales.

8	¹ John Taylor & Co., Dr. to Sundries	604		
4	To Bills Payable			601
8	" Commission			3
	"			
8	² Sundries, Dr. to Sundries \$14941.			
8	J. Taylor & Co.	4980	33	
5	R. Morris	4980	33	
11	2d Co. Shipment to London	4980	34	
1	To Mdse.			4600
9	" 1st Co. Sales			9500
2	" Cash			300
4	" Bills Payable			145
8	" Commission			396
	"			
11	³ 1st Co. Shipment to Boston, Dr. to Sundries	3300		
9	To 1st Co. Sales			3240
2	" Cash			60
	15.			
	Sundries, Dr. to Sundries \$3598.			
11	⁴ 1st Co. Shipment to Liverpool	1799		
3	Wm. Hay	1799		
1	To Mdse.			2400
3	" Wm. Hay			1065
2	" Cash			133
	"			
11	2d Co. Shipment from N. Orleans to London, Dr.	1600		
8	⁵ To J. Taylor & Co.			1600
	20.			
2	Cash, Dr. to Sundries	2017	70	
3	To Bills Receivable			2011
6	" Profit and Loss			6
	"			70
11	⁶ 3d Co. Adventure, Dr.	2000		
7	To J. Walker			2000

TEACHER'S EXAMINATION.

1. What does accepting *supra protest* mean?
2. Why debit Taylor & Co., and Morris, for their shares at this time?—Repeat note 3, p. 43.
3. Why is 1st Co. Sales credited for this amount, seeing the goods are not yet sold?
4. Why is Hay both debited and credited in the same entry?
5. Why credit Taylor & Co., seeing we have not received any thing from them?
6. Why do we call this an adventure?—See note 9, p. 42.

<p>¹ Received by the Vixen, Chase, Master, from R. Morris, London, 40 bales Brussels Carpeting, amounting $\text{\\$}$ Invoice to $\text{\pounds}2700$ sterling, consigned to me for sale on 2d Co. account. My $\frac{1}{2}$ is $\text{\pounds}900$, due 10th instant, equal to $\text{\\$}4000$. Gave my bonds @ 6 mos. to the Custom-House for duties $\text{\\$}3000$. Paid Freight and other charges in Cash $\text{\\$}185$.</p>	7185
22.	
<p>² Paid my note in favor of Capt. Rivers, which has lain over under protest since the 18th instant, for $\text{\\$}8000$. 4 days' Interest, $\text{\\$}5.33$, protest, &c., $\text{\\$}1.72$ $\text{\\$}7.05$ Sold him on account 800 bbls. 1st Co. Flour @ $\text{\\$}6$ $\text{\\$}4800$. Paid the balance in Cash $\text{\\$}3207.05$</p>	8007 05
"	
<p>³ Received Cash from W. Hay for his note due 3d inst. $\text{\\$}1515.75$ 19 days' Interest on same $\text{\\$}4.80$, postages 25 $\text{\\$}5.05$</p>	1520 80
23.	
<p>Paid Cash for J. Taylor & Co.'s draft on Sidney Wood & Co. Accepted by me on the 10th instant, for $\text{\\$}601$</p>	601
25.	
<p>⁴ Received advice from R. Morris that on the 20th ultimo Capt. Bowline cancelled his Bottomry Bond on the Ship Hunter, by paying Morris the amount on my account $\text{\\$}2000$. Also the premium upon the same $\text{\\$}400$.</p>	2400
30.	
<p>⁵ Received from J. Walker account sales of the Invoice of Sugars bought by him on the 20th instant; net proceeds $\text{\\$}5000$. My half is $\text{\\$}2500$</p>	2500
"	
<p>3d Co. Adventure now closes with a gain of $\text{\\$}500$</p>	500
May 1.	
<p>⁶ Rec'd Cash for a Quarter's Rent of House 49 Cedar St. $\text{\\$}300$. " 5 per ct. dividend on City Bank Stock $\text{\\$}500$. " 5 per ct. " on Merchants' " $\text{\\$}250$. " Quarter's Rent of House 44 Broadway $\text{\\$}150$.</p>	1200
4.	
<p>⁷ Received Cash Freight of Ship Hudson $\text{\\$}3500$. Freight and Passage money of Ship Roscoe $\text{\\$}4200$.</p>	7700
"	
<p>⁸ Paid Cash for two Bonds to the Custom-House for $\text{\\$}1111.11$ each</p>	2222 22

1. We are only accountable to Morris for our own share of this shipment.
2. We can never debit the Bill account for more than the face of the note—the same as it was credited.
3. If we credit the Bill account for any more than it was debited when the note was received, it will throw the account that much out of balance.
4. R. Morris gets in debt to us for the amount he acknowledges to have received for us.
5. We credited him for our share of the purchase money when he bought the goods; now, as he has sold the property, and got our share of the net proceeds in his hands, we debit him.
6. These different accounts must have credit for these sums, because they have brought us in these amounts.
7. I am sole owner of the Hudson, but only part owner and agent of the Roscoe.
8. These are Bills Payable: we have opened no Custom-House bonds account.

12	2d Co. Sales, Dr. to Sundries	7185		
5	1 To R. Morris			4000
4	" Bills Payable			3000
2	" Cash			185
	22.			
	Sundries, Dr. to Sundries, \$8007.05.			
4	2 Bills Payable	8000		
6	Profit & Loss	7	05	
9	To 1st Co. Sales			4800
2	" Cash			3207 05
	"			
2	Cash, Dr. to Sundries	1520	80	
3	2 To Bills Receivable			1515 75
6	" Profit & Loss			5 05
	23.			
4	Bills Payable, Dr.	601		
12	To Cash			601
	25.			
5	4 R. Morris, Dr. to Sundries	2400		
3	To Bills Receivable			2000
6	" Profit & Loss			400
	30.			
7	5 J. Walker, Dr.	2500		
11	To 3d Co. Adventure			2500
	"			
11	3d Co. Adventure, Dr. (to close acct.)	500		
6	To Profit & Loss			500
	May 1.			
12	Cash, Dr. to Sundries	1200		
10	6 To House 49 Cedar Street, Received Rent			300
10	" City Bank Stock " Dividend			500
4	" Merchants' do. " do.			250
4	" House 44 Broadway " Rent			150
	4.			
12	7 Cash, Dr. to Sundries	7700		
6	To Ship Hudson Rec'd Freight			3500
9	" Ship Roscoe and owners " "			4200
	"			
4	8 Bills Payable, Dr.	2222	22	
12	To Cash Paid my two Custom-house bonds			2222 22

1. Why not credit Morris for the whole shipment?—Repeat note 8, page 43.
2. As it cost us \$8007.05 to take up this note, why not debit the Bill account for that amount?
3. Why not credit Bills Receivable for the \$1520.80, having received that amount for the note?
4. Why is Morris Dr.?
5. Why debit Walker in this case?
6. Why is this sum credited to so many different accounts?
7. Why not credit the Ship Roscoe and the Ship Hudson alike here?
8. Why not debit Custom-house Bonds account?

1 Sold Finlay & Co. my 50 shares Merchants' Bank Stock @ 110, \$5500.
 Bought of them in part payment 500 bbls. Mess Pork for the joint account of myself and Wm. Hay @ \$10 5000.
 Received the balance in Cash 500. 5000
 Wm. Hay's half is 2500
 My half is 2500 \$5000 as cash this day.

"

Merchants' Bank Stock now closes with a gain of 750

8.

Paid Cash for my notes in the Insurance Office \$161.45
 and 41.25 202 70

"

Sold James Walker my Bill at 60 days' sight on R. Morris for £1000 sterling 4444.44
 8 per ct. Premium 355.56 4800

*Received in payment Walker's Receipt for the balance I owe him 600.
 Cash for the balance 4200. 4800.

13.

Delivered to James Walker, for sale on our joint account, an Invoice of Sugars, amounting to \$3000. My half is 1500.
 Received Walker's Check on the Bank for his half 1500. 3000

"

Sold Warden & Bell 120 pieces, 4250 yds., 2d Co. Carpeting, @ \$2, \$8500.
 Received in payment their draft at 30 days' sight on J. Landis & Co., of New Orleans, for \$7000, at 2 per ct. disc't. 6860.
 Cash for the Balance 1640. \$8500.
 2 per ct. Discount on the Bill is 140. 8640

18.

Sold in Austin & Co.'s Auction Room, 55 pieces 2d Co. Carpeting.
 Net proceeds of their acct. sales \$3560.
 Received in payment their note at 60 days, for \$3000.
 Cash for Balance 560.
 I take the remaining 55 pieces to my account at market prices 3814. 7374

"

I close 2d Co. Sales, rendering each partner a copy of the account.
 Total Sales \$15,874, Charges posted \$3185.
 * My Storage is \$3, Advertising \$10 \$13.
 " Commission 2½ per ct. on \$15,874 396.85
 R. Morris's ½ net proceeds due this day is 4093.05
 J. Taylor & Co. ½ do. do. 4093.05
 My ½ do. 4093.05
 My ½ first cost was 4000. gain 98.05 8689

1. Merchants' Bank Stock is the thing delivered, and is therefore credited.
 2. We debit Walker, because we get out of his debt for this amount.—See Led., p. 107.
 3. The rule is always to debit or credit a bill for its face—not for what it passes in payment.
 4. We deduct the whole charges, \$3594.85, from the total sales, \$15,874, which leaves \$12,279.15 net proceeds, divided by 3 gives each partner's share \$4093.05.—See Form V., p. 118.

4	1 Sundries, Dr. to Merchants' Bank Stock			5500	
12	Cash Received of Finlay & Co.	500			
3	Wm. Hay, for his half invoice	2500			
9	1st Co. Sales for my half do.	2500			
"					
4	Merchants' Bank Stock, Dr. (to close)	750			
6	To Profit and Loss, for net gain.			750	
8.					
4	Bills Payable, Dr.	202	70		
12	To Cash Paid my two notes in the Marine Office			202	70
"					
	Sundries, Dr. to Sundries,	\$4800.			
7	* James Walker, for his Receipt in full	600			
12	Cash Received of Walker	4200			
5	To R. Morris, for my bill on him			4444	44
6	" Profit and Loss for 8 $\frac{3}{4}$ ct. Premium on the same			355	56
13.					
1	Sundries, Dr. to Mdse. delivered J. Walker on joint acct.			3000	
11	3d Co. Adventure for my half	1500			
12	Cash Rec'd for Walker's half	1500			
"					
	Sundries, Dr. to Sundries,	\$8640.			
3	* Bills Receivable for draft on Landis & Co.	7000			
12	Cash for balance	1640			
12	To 2d Co. Sales for sale of carpeting			8500	
6	" Profit and Loss for 2 $\frac{3}{4}$ ct. discount on draft			140	
18.					
12	Sundries, Dr. to 2d Co. Sales			7374	
3	Bills Receivable, for Austin & Co.'s Note	3000			
12	Cash Received of Austin & Co.	560			
1	Mdse. for carpets taken to my acct.	3814			
"					
12	* 2d Co. Sales, Dr. to Sundries, to close acct.	8689			
6	To Profit and Loss, for storage and net gain			106	05
8	" Commission 2 $\frac{1}{2}$ $\frac{3}{4}$ ct. on \$15784			396	85
5	" R. Morris, for his $\frac{1}{2}$ net proceeds			4093	05
8	" J. Taylor & Co. for " "			4093	05
<p>1. Why credit Merchants' Bank Stock? 2. Why debit Walker? 3. Why should not Bills Receivable be debited for \$6860 only, what it was received in payment for?—Note 2, B. Receivable acct., p. 103. 4. How do we settle this transaction and find each partner's share?</p> <p>NOTE.—As some merchants desire their Journals to exhibit a brief recapitulation of the Day Book entries, we are journalizing the month of May in this manner as an illustration. The learner will perceive from this, that by particularizing the transactions more minutely, he can construct his Day Book on the Journal form, and post direct from it to the Ledger, without the use of a Journal: which in any ordinary business is, therefore, not required.</p>					

<p>¹ Renewed W. Wallace's Note of \$1200 due 15th inst., for the same amount for 3 months. Received Interest, &c., in cash</p>	18	90
25.		
<p>Sold for cash at 1 $\frac{3}{4}$ ct. premium to C. Hartwell, Warden & Bell's draft on Landis & Co. of New Orleans 7000. 1 $\frac{3}{4}$ ct. premium is 70.</p>	7070	
31.		
<p>² H. Parnell has failed, and the note which I hold against him for Lenox's Estate, due 22d instant, is lost 1340. J. Day has also failed, and the note which I hold against him due 19th, is lost 400.</p>	1740	
"		
<p>Shipped by the Columbia, Gray, Master, by order and for account of R. Morris, London, due in cash this day. 1000 Barrels Flour from store, @ \$5 \$5000. Shipping charges paid in cash 300. Passed my note to the National Insurance Co. for premium 112.30 Commission for shipping 5 $\frac{3}{4}$ ct. on \$5300 265. " for effecting insurance $\frac{1}{4}$ $\frac{3}{4}$ ct. on \$5565 13.92 278.92</p>	5691	22
"		
<p>Shipped by the same vessel and consigned to R. Morris 80 packages Mdse. received from Hartwell & Thorndike, Boston My comm. receiving and forwarding 50 cts. $\frac{3}{4}$ package, due June 30 Forwarded Hartwell & Thorndike particulars for Insurance</p>	40	
June 1.		
<p>Bot. of Warden & Bell 2400 Barrels Genesee Flour @ \$5. Amt. $\frac{3}{4}$ Invoice \$12000. Sold them in part payment 50 pieces English Prints @ \$4 \$200. 8 pieces 320 yards Brussels Carpet @ \$2 640. 840. I am to pay them cash on the 18th instant 10000. ³ And to give my note at 60 days for the balance 1160. 11160.</p>	12000	
"		
<p>Received from R. Morris his Account Sales of 2d Co. Shipment from 'New Orleans to London. Net proceeds £1435 10s. sterling. My $\frac{1}{2}$ is £478 10s. due April 15, equal to 2126.66 Also sales of 2d Co. Ship't. to London, $\frac{3}{4}$ "Cambria." N. P. £3800 5s. stg. My $\frac{1}{2}$ £1266 15s. due Apr. 30, equal to 5630.</p>	7756	66
"		
<p>I now close the following accounts, viz.: 2d Co. Shipment, New Orleans to London, with a gain of 526.66 2d Co. Shipment to London, with a gain of 649.66</p>	1176	32
"		
<p>Received from C. Hartwell Account Sales of 18 Pipes Wine shipped to him for sale on 1st Co. acct. 10th Apr. last. N. P. due June 10</p>	6480	

1. The note being renewed at the face, there is no occasion for passing it through the books, though it must appear on the Bill Book.—See Bill Book May 18, p. 48.
2. Parnell's note was credited to Lenox's Estate, and is, therefore, not our loss.
3. We must for the present credit Warden & Bell for this \$11160, and they will be debited for the cash and note when delivered them.—See June 18, p. 94.
4. He has sold the goods and got our money in his hands.

12	1	Cash, Dr.	18	90		
6		To Profit & Loss, for Interest, &c., received for renewing Wallace's note for \$1200				18-90
		25.				
12		Cash, Dr. to Sundries	7070			
3		To Bills Receivable for Warden & Bell's bill sold to C. Hartwell				7000
6		" Profit & Loss for 1 per ct. Premium received on the same				70
		31.				
3		Sundries, Dr. to Bills Receivable				1740
10		3 Lenox's Estate for H. Parnell's note lost by his failure	1340			
6		Profit & Loss for J. Day's note lost by his failure	400			
		"				
5		R. Morris, Dr. to Sundries for Shipment per "Columbia"	5691	22		
1		To Mdse. for 1000 bbls. Flour from store @ \$5 .				5000
12		" Cash paid Shipping Charges on the same .				300
4		" Bills Payable for my note passed for Insurance				112 30
8		" Commission for Shipping 5 per ct. on \$5300 \$265.				
		" " for effecting Ins. on 5565 1/4 per ct. 13.92				278 92
		"				
5		Robt. Morris, Dr. .	40			
8		To Commission for Receiving and Forwarding 80 packages of goods from Hartwell & Thorndike				40
		June 1.				
1		Mdse., Dr. to Sundries	12000			
1		To Mdse. .				840
5		3 " Warden & Bell				11160
		"				
5		4 R. Morris, Dr. to Sundries	7756	66		
11		To 2d Co. Shipment from New Orleans to London .				2126 66
11		" 2d Co. Shipment to London .				5630
		"				
6		Sundries, Dr. to Profit & Loss				1176 32
11		2d Co. Shipment from New Orleans to London, to close	526	66		
11		2d Co. Shipment to London, to close	649	66		
		"				
12		C. Hartwell, Dr.	6480			
11		To 1st Co. Shipment to Boston				6480

1. Why is not Bills Receivable debited for this renewal, like that on March 17?
2. Why not debit Profit & Loss for both of these losses?
3. Why credit Warden & Bell for this amount, when it is to be paid in a particular way?
4. Why is Morris debited for these sums?

1st Co. Shipment to Boston now closes as follows— Total Sales \$6480; Charges Posted \$60.		
My Commission on \$6480 @ 2½ per ct. is	162.	
Wm. Hay's half net proceeds due this day is	8129.	3291
The balance of the acct. on the Ledger is	\$3180.	
My half first cost is	\$3240.	
My half net proceeds is	3129.	Loss 111. \$3291.
12.		
Received Cash from Warden & Bell for their note due this day		2100
"		
2 Bought for Cash at 8 per ct. premium, of R. Banks & Co., for the account of R. Morris, their Bill @ 60 days' sight on Gibbs, Son & Bright, London, for £1500 sterling, which I remit to Morris		
	\$7200.	
My ½ per ct. for Investing, due this day	18.	7218
18.		
Paid Warden & Bell balance due them on purchase of Flour 1st instant.		
Check on the City Bank for	10000.	
My note @ 60 days for the balance	1160.	11160
"		
James Walker has returned the whole invoice of goods which I placed in his hands for sale on joint account 13th May last		3000.
My half is	\$1500.	
Walker's half is	\$1500.	\$3000.
Walker takes up his note of \$2063, due 9th October next, and pays me the balance in Cash	563.	3563
"		
4 The Ship Columbia in which I shipped and insured on May 31, for R. Morris, goods amounting to \$5565, is lost. Received payment for the loss from the National Insurance Office as follows—		
My Premium note held by the office for	\$112.30	
Cash for the balance—due Morris this day	5452.70	5565
"		
5 Bought of Joel Post, his Bill on Baring & Co. @ 60 days' sight for £450 sterling		
	\$2000.	
Premium 8 per ct.	160.	2160
Paid him in his note due 15th instant	500.	
Cash for the balance	1660.	\$2160.
25.		
6 Bought 10 tierces Refined Sugars at Austin's auction room for Cash		\$800.
Sold them at the same place to G. Barron on his note at 30 days for \$980. Gain on the transaction	180.	980

1. The Rule is, always to deduct all charges, including commission, from total sales.—See note 4, p. 90.
 2. Our Profit & Loss account is not to be debited for this premium—we paid it for Morris.
 3. We have taken back Walker's share of these goods in part payment of his note.
 4. We get in debt to Morris, having collected this money for him of the Insurance Office.
 5. We have here received one Bill Receivable, and given up another.
 6. Property can never be delivered or credited, until it is received and debited: this merchandise having been sold before it was brought home or entered, the transaction cannot affect that account. Bills Receivable—the thing received—is Dr.; Cash and Profit & Loss, Cr.

	Sundries, Dr. to Sundries	\$3291.		
11	¹ 1st Co. Shipment to Boston, to close acct.		3180	
6	Profit & Loss		111	
3	To Wm. Hay			3129
8	" Commission			162
	12.			
12	Cash, Dr.		2100	
3	To Bills Receivable			2100
	"			
5	² R. Morris, Dr. to Sundries		7218	
12	To Cash			7200
8	" Commission			18
	18.			
5	Warden & Bell, Dr. to Sundries, to close acct.		11160	
12	To Cash			10000
4	" Bills Payable			1160
	"			
	Sundries, Dr. to Sundries	\$3563.		
1	³ Mdse.		3000	
12	Cash		563	
3	To Bills Receivable			2063
11	" 3d Co. Adventure, to close acct.			1500
	"			
5	⁴ Sundries, Dr. to R. Morris			5565
4	Bills Payable		112	30
12	Cash		5452	70
	"			
	Sundries, Dr. to Sundries	\$2160.		
3	⁵ Bills Receivable		2000	
6	Profit & Loss		160	
3	To Bills Receivable			500
12	" Cash			1660
	25.			
3	Bills Receivable, Dr. to Sundries		980	
12	⁶ To Cash			800
6	" Profit & Loss			180

1. Explain how the net proceeds is found here. The student will not understand this entry without repeated study.
2. Why is Profit & Loss not debited for the premium we paid on this Bill?
3. Walker paid us for this \$1500 worth of goods on the 13th May, why is he not now credited for the amount, having returned the goods?
4. Why credit Morris for this money?
5. Why is the Bills Receivable account both debited and credited in the same entry?
6. Why is the Merchandise account not to be credited for this \$980, seeing merchandise is the thing delivered?

1 William Hay and myself having agreed to close our speculations on joint account, he has taken delivery of his half Invoice of Pork, bought 4th May last, and which remained unsold, and I carry my half to my own Merchandise account	2500	
"		
2 Close 1st Co. Sales. Total sales effected for 200 bales Cotton and 800 bbls. Flour, \$14300.		
My Commission, 2½ per cent., on the same is	357.50	
Wm. Hay's half net proceeds paid him in cash is	6971.25	
My net gain is	471.25	7800
28.		
Paid Cash J. Carpenter & Co.'s Bill for Repairs of House 49 Cedar Street		280
"		
My Commission for collecting \$800 for Estate A. Lenox, @ 5 per cent., is		40
"		
3 Received advice from Baring & Co., of Liverpool, of the Sale of 1st Co. Shipment of Flour, shipped by the "Erie" 15th April last, net proceeds £900 sterling. \$4000, which they remitted agreeably to my orders to R. Morris, London, on my account, 10th ultimo . . . \$4000.		
Premium on Exchange is 8 per ct.	320.	4320
Wm. Hay's half is	2160.	
My half is	2160.	\$4320.
"		
Received advice from R. Morris that he received Cash £562 10s. on the 20th ultimo, Freight of Ship Roscoe	\$2500.	
3 The present rate of Exchange on London is 8 per ct. prem.	200.	2700
"		
4 I close the acct. of Ship Roscoe and owners. Total receipts of Freight is \$8700. Disbursements to date \$1250.		
My 2½ Commission on Freights and Passages collected is	217.50	
C. Hartwell's ½ net proceeds is	3616.25	
My ½ do.	1808.13	
Wm. Hay's ½ do.	1808.12	7450
30.		
Received advice from R. Morris that he has sold my ¼ of Ship Roscoe. Net proceeds due 30th August, £1462 10s.		6500
"		
I now close 1st Co. Shipment to Liverpool with a gain of	361.	
Also Ship Roscoe my ¼ with a gain of	3308.13	3669 13
"		
Paid Cash for Expenses, Expense Book, from 1st January to date		1099 23
"		
5 Balance of Interest due R. Morris, Expense acct. current rendered, is		33 06

1. Hay has paid for his share of these goods, therefore cannot be debited when he takes them away.
2. Deduct all charges from the total sales.—See Note 3, p. 80, and Note 4, p. 90.
3. Profit & Loss or Exchange must be debited for both these sums, because the gain on the exchange forms part of the profits, for which we are accountable to our associates in the transactions.
4. This is a settlement of all our transactions as agent for the ship up to this date. We close her acct. and carry the dividends to the credit of the other owners.
5. This is found by drawing out his account current.—See Form 1, p. 114.

1	1 Mdse., Dr.	2500		
9	To 1st Co. Sales		2500	
	"			
9	1st Co. Sales, Dr. to Sundries, to close acct.	7800		
8	To Commission		357	50
12	" Cash		6971	25
6	" Profit & Loss		471	25
	28.			
10	House 49 Cedar Street, Dr.	280		
12	To Cash		280	
	"			
10	Estate of A. Lenox, Dr.	40		
8	To Commission		40	
	"			
	3 Sundries, Dr. to Sundries	\$4320.		
5	R. Morris	4000		
6	Profit & Loss	320		
3	To Wm. Hay		2160	
11	" 1st Co. Shipment to Liverpool		2160	
	"			
9	Sundries, Dr. to Ship Roscoe & owners		2700	
5	R. Morris	2500		
6	Profit & Loss	200		
	"			
9	4 Ship Roscoe & owners, Dr. to Sundries, to close account	7450		
8	To Commission		217	50
12	" C. Hartwell		3616	25
9	" Ship Roscoe, my $\frac{1}{4}$		1808	13
3	" Wm. Hay		1808	12
	30.			
5	R. Morris, Dr.	6500		
9	To Ship Roscoe, my $\frac{1}{4}$		6500	
	"			
6	Sundries, Dr. to Profit & Loss		3669	13
11	1st Co. Shipment to Liverpool, to close acct.	361		
9	Ship Roscoe, my $\frac{1}{4}$, to close account	3308	13	
	"			
6	Profit & Loss, Dr. to Sundries	1132	29	
12	To Cash		1099	23
5	" R. Morris		33	06
<p>1. Why is Hay not debited for the proportion of these goods that he has taken away? 2. How is the net proceeds and Hay's share found? 3. Why should we debit our Profit & Loss account for these premiums on Exchange? 4. What is the object of this entry? 5. How is this balance of interest ascertained?</p>				

SET II.—DOUBLE ENTRY BOOK-KEEPING.

ON THE DETECTION OF ERRORS.

1. If the Day Book, Journal, and Ledger have been carefully checked according to our previous directions, we may presume that all is thus far correct. If our trial comes out incorrect, our attention will, therefore, be first directed to its own additions and those of the Ledger. Then see that all the accounts are taken off correctly, and upon the proper side of the sheet—that the amounts are correctly forwarded from one page to another. Then examine the additions of all the Journal entries, to be certain that the debits and credits are equal upon that book. If the error is not found by these means, the posting from the Journal to the Ledger since the last balance will have to be all checked over again—a formidable undertaking in a business of any magnitude; but there is no other means of finding the error.

2. ON THE CORRECTION OF ERRORS IN THE LEDGER.—It is not easy to lay down precise directions for correcting errors in all cases. But it may be useful to the learner to have some general directions, and also to be guided in all cases by the following general rule—always to make the correction explain itself, by distinctly referring to the place of the error, and the error to refer to the place of correction. It is not sufficient merely to write “To Error” or “By Error,” because either the book-keeper, or his successor, may be called upon for an explanation of an entry of this kind.

3. If a post be omitted at the proper date, enter it under the date of the last entry, with the back date in the title column, in a parenthesis, thus (July 19); the page of the Journal in its own column.

4. If two accounts be opened with the same person, close the one into the other, “To,” or “By A. B.’s acct., fol.”—footing and ruling off the closed account, as a settled account; stating the particulars of such transfers at A. B.’s open account with the Journal reference.

5. If you have posted an entry to the wrong side of an account, erase the figures in the amount column, leaving a couple of ciphers to fill up the space, and leave the rest of the line without erasure: it serves to explain the alteration and does not deface the page. Then make the post to the proper side.

6. If you have posted to a wrong account, dispose of the error as directed in the last paragraph; then post the entry to the proper account.

7. If the same entry be twice posted, leave ciphers in the money column of the last entry as before directed. If you have room in the title column, insert (see last entry) or such explanation as the case require, on the same line with the correction.

8. I do not approve of correcting errors by counter entries if it can be avoided, as it gives the account a distorted appearance. The merchandise account, for instance, may by this means be made to exhibit an amount of purchases and sales far beyond the reality; while the chief object for keeping this account is to show these amounts correctly. If, however, the error is discovered after the account is footed and forwarded (a thing that ought never to be done until it is checked), then the correction can only be made by a counter entry, or by footing the column and deducting the error from it.

9. If you have discovered an error in the addition after the account is footed and forwarded, note it “short” or “over added, \$—corrected June —, fol.”—and make the entry of the correction, as usual, refer to the folio of the error. If there be many of them, it may be proper to make a Day Book entry of them; but this can only be done with those errors requiring a *double entry* for their correction.

10. ON CORRECTING ERRORS IN THE JOURNAL.—This book, like the Ledger, not being a book of original entry, when it can be done without defacing the page, there is no objection to correcting an entry by erasing a figure or two, and writing over them again. But if the error make it necessary to cancel the whole entry, it must not be scored nor scratched out, but mark it in the margin “void, corrected page,”—then make the corrected entry in the first vacancy, giving reference to the place of error.

11. ON CORRECTING ERRORS IN THE DAY BOOK.—It should be a rule never to erase any essential particular of a record on this or any other book of original entry. If an error admits of correction without cancelling the whole entry, it may be done by running the pen lightly through the name or figures, leaving them legible, and writing the correct ones over them.

12. If the error makes it necessary to cancel the whole entry, you will proceed as just directed for the same purpose in the Journal.

SET II.—DOUBLE ENTRY BOOK-KEEPING.

ON OPENING AND CLOSING THE LEDGER.

AFTER journalizing a page or a month of the Day Book, the learner will open his Ledger according to the directions in note 1, page 32. Then proceed as there directed with the posting and checking, until the whole business of the set is posted into the Ledger. Then add up all the accounts that remain open, inserting the amounts on each side in pencil in the margin. From these amounts make up your trial balance, referring to those on page 36 for the form, and to our directions for detecting errors on the last page if it comes out wrong.

It may be proper here to fix the pupil's attention distinctly upon the OBJECT for closing the Ledger, which is not only ¹ to ASCERTAIN the gain or loss, but to RECORD it upon the face of the Ledger in such a manner as to afford satisfactory evidence, at any future period, of the true state of the business at this time.—See Notes 1 to 4, p. 18.

For this purpose the Double Entry Ledger furnishes the particulars for making up ² two statements, both of which will exhibit the same result. 1st, a detailed statement of gains and losses in the Profit & Loss account, from whence the stock, or original capital, receives the result, and then immediately shows the PRESENT NET CAPITAL. The second statement, which must always confirm the correctness of the first one, is made up by presenting a detailed account of Effects and Liabilities in the Balance Account, upon the principles before explained, Notes 2 to 6, p. 18, and Note 4, p. 32. The difference between the amount of the Effects and that of the Liabilities must be the present net capital, and if the operations are all correct will always agree with the result produced by the first statement.—See Notes 1 to 6, Balance acct., p. 35. This agreement between the Stock and Balance account is always a certain consequence of this mode of keeping accounts, because the net gain or loss, which is finally made to show itself in the Stock account, must always produce a corresponding increase or decrease of property, which affects the Balance account to precisely the same extent that it does the Stock account. Therefore, as the balances of property agreed with the credit side of stock (Rule II.) at the opening of the books, they must continue to do so ever after, so long as all the steps of the process are strictly correct. The learner will now derive farther assistance from the following

RULES FOR CLOSING THE LEDGER.

RULE I. All personal accounts close To OR BY BALANCE.

II. All accounts of property belonging to ourselves, close as follows:—

Case 1st.—If all be sold, paid away or lost, and the account remaining open, close it To OR BY PROFIT & LOSS.

Case 2d.—If all or part remain on hand, *credit the account first By Balance for the value remaining in hand*, and if this entry does not close it, close as in Case 1st—To OR BY PROFIT & LOSS.

III. All accounts representing gain or loss, close To OR BY PROFIT & LOSS.

IV. When Profit & Loss has received all its transfers, IT CLOSES INTO STOCK—never into Balance—and after all other accounts are closed, Stock finally CLOSES INTO BALANCE.

V. Bills Payable always closes To BALANCE for the amount we owe on our notes.

When they are all paid, the account must be SELF-CLOSED.

It may be stated also as a general rule, that no property account can close To Balance. This part of Book-keeping is rarely ever understood, without repeated and attentive study; but as no person is entitled to call himself an accountant who cannot close a Ledger, the author trusts that all learners who desire to excel in the profession, will give this part of the subject that attention which its importance deserves. If they will but take half the pains to study it, that he has taken to explain it, their perseverance will be amply repaid.

1. What is the object of closing the Ledger?

2. What particulars does it furnish for the purpose of ascertaining the present net capital?

I. How do all personal accounts close?

II. How do property accts. belonging to ourselves close when all is sold, paid away, or lost, and the acct. still remaining open?

How if all or part of the property remain in hand?

III. How do all accounts representing gain or loss close?

IV. How does the Profit & Loss account close, and when does it close?

V. How does the Bills Payable account close while we owe any thing on our notes?

How does it close when all our notes are paid?

INDEX TO LEDGER B.

<p style="text-align: center;">A.</p> <p>Bills Receivable 3</p> <p>Bills Payable 4</p> <p>Balance Account 13</p> <p>Cash 2.12</p> <p>Commission 8</p> <p>Carter, James 5</p> <p>City Bank Stock 10</p> <p style="text-align: center;">D.</p> <p>Estate of A. Lenox 10</p> <p>First Co. Sales 9</p> <p>First Co. Shipment to Boston 11</p> <p>First Co. Shipment to Liverpool 11</p> <p style="text-align: center;">G.</p> <p>Hartwell, Calvin 12</p> <p>Hay, William 3</p> <p>House 44 Broadway 4</p> <p>House 49 Cedar Street 10</p> <p style="text-align: center;">I.</p> <p style="text-align: center;">J.</p> <p style="text-align: center;">K.</p> <p>Lenox, Charlotte 10</p> <p>Lenox, Robert 10</p>	<p>Merchandise 1</p> <p>Morris, Robert 5</p> <p>Morris, Robert, Sales 7</p> <p>Merchants' Bank Stock 4</p> <p>New York Insurance Office 8</p> <p style="text-align: center;">O.</p> <p>Profit & Loss 6</p> <p style="text-align: center;">Q.</p> <p style="text-align: center;">R.</p> <p>Second Co. Sales 12</p> <p>Shipment to Liverpool 7</p> <p>Stock 1</p> <p>Shipment to New Orleans 7</p> <p>Ship Hudson 6</p> <p>Ship Roscoe, my $\frac{1}{2}$ 9</p> <p>Ship Roscoe and owners 9</p> <p>Second Co. Shipment to London 11</p> <p>Second Co. Shipment from New Orleans to London 11</p> <p>Taylor, John, & Co. 8</p> <p>Third Co. Adventure 11</p> <p style="text-align: center;">U.</p> <p style="text-align: center;">V.</p> <p>Walker, James 7</p> <p>Warden & Bell 5</p> <p style="text-align: center;">X.</p> <p style="text-align: center;">Y.</p> <p style="text-align: center;">Z.</p>
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CAUTION TO YOUNG BOOK-KEEPERS.—Always index an account before you head it in the Ledger. Without this precaution you are liable to forget it occasionally, and afterwards to open a second account with this same individual: and unimportant as this may appear to the inexperienced, they will find it will sometimes lead them into very troublesome and vexatious mistakes.

Dr.

STOCK.

Cr. 1

1867.				1867.					
Jan.	1	To Sundries	1	2800	Jan.	1	By Sundries	1	31300
June	30	" Balance	fol. 13	61544 50	Apr.	10	" Mer's Bank Stock	8	5000
					June	30	" Profit & Loss fol.	6	28044 50
				64344 50					64344 50
									61544 50
					June	30	By Bal.		61544 50

The learner is referred to the Introductory Ledger for all the exercises that will apply to this one.—See Stock acct., p. 33.

1. Is this acct. not usually kept without any entries from the time of opening until closing?
2. If some part of the Liabilities were left out at the opening of the Books, what account should it be afterwards carried to?
3. When collections of doubtful debts (usually left behind in the old Ledger when opening new books) are made, is this not the proper account to credit for them?

1. It is; but there is no irregularity in carrying an entry to it like that on the 10th April, above.
2. Either to this or the Profit & Loss account. It would not be advisable to encumber this account with trifles.
3. It will make no difference in the final balance, whether entered here or at the Profit & Loss acct.; but, for reasons before given, large amounts of this kind ought not to appear in the Profit & Loss.—See note 3, p. 30.

MERCHANDISE.

1867.				1867.					
Jan.	1	To Stock	1	3000	Jan.	3	By Cash	1	300
	3	" Bills Payable		1000		10	" Bills Receivable		3000
		" Cash		1800			" James Carter		452
	15	" Bills Payable		1600		15	" "		108
	20	" J. Carter	2	200		16	" "		600
	24	" Bills Receivable		500		19	" "	2	400
Feb.	1	" Sundries	3	11196 10		20	" Ship Hudson		5900
	18	" Bills Receivable	4	1000	Feb.	12	" Shipm't to N. Orl's	3	2760
Mar.	12	" Sundries	6	5980			" J. Taylor & Co.		600
		" Morris' Sales		3240		18	" R. Morris	4	200
May	18	" 2d Co. Sales	11	3814			" Bills Payable	4	500
June	1	" Sundries	12	12000		28	" N. Y. Ins. Office	5	3690
	18	" "	13	3000	Mar.	5	" Sundries	6	3355
	25	" 1st Co. Sales	14	2500		20	" 1st Co. Sales	7	3240
	30	" Profit & Loss fol.	6	13743 12		28	" Sundries	8	2500
					Apr.	5	" Ship't to Liverpool		3000
				64573 22		10	" Sundries	9	4600
						15	" "		2400
					May	13	" "	11	3000
						31	" R. Morris	12	5000
					June	1	" Mdse.		840
						30	" Bal. p. l. B. p.	13	18128 22
									64573 22

See Mdse. acct. p. 33, and directions for ruling, p. 56.

1. What difference is there between the closing of this account and any other account of property?
2. Supposing it is required to know the gain or loss upon Flour, Cotton, or any other branch of your Merchandise, how is it to be done?

1. There is no essential difference, except in the manner of finding the balance in hand.
2. Open an account for the Flour or whatever branch of this account you desire to show its own gain or loss, and conduct and close it in every respect like the Merchandise account.

NOTE.—Be particular to write the "BALANCE" closing entries in red. No others are brought down or forward, and no others should be written in this color.—Note 5, Stock acct., p. 33.

1867.				1867.			
Jan.				Jan.			
1	To Stock Led. A. f. l.	1	7300	3	By Mdse.	1	1800
3	" Mdse.		300	16	" B. Payable	1	1300
16	" J. Carter		560	18	" House 44 Broad'y	2	280
18	" House 44 Broad'y	2	150	20	" Ship Hudson		2100
24	" B. Receivable		500	30	" "		1200
30	" Sundries		1500		" Bal. carried down		4226 70
31	" B. Payable		596 70				
			10908 70				
			6650.				
			4226 70				
			10906 70				10906 70
	To Bal.		4226 70				
Feb. 5	" R. Morris' Sales	3	360	Feb. 1	By Mdse.	3	85
6	" B. Receivable		796 40	5	" R. Morris' Sales		167 78
12	" "		2000	12	" "		5
25	" Sundries	4	2000	12	" Ship't to N. Orl's		28
	" Profit & Loss		400		" J. Taylor & Co.		33
28	" Sundries	5	4822 22	18	" House in Broad'y	4	11
	" "		2810 16		" Profit & Loss		201
			17415 48		" R. Morris		181
			10962 70		" Bills Payable		3400
			6662 70		" R. Morris' Sales		20
				20	" R. Morris' Sales		21
				25	" Bills Receivable		2000
					" Sundries		4800
				28	" Bal. carried down		6462 70
			17415 48				7415 48
	To Bal.		6462 70				
Mar. 1	" Wm. Hay	5	2500	Mar. 2	By Ship Roscoe my t	5	2120
2	" Ship Hudson		1850	4	" Sh. Roscoe & Owners		850
5	" Mdse.	6	255		" Bills Payable	6	1400
	" Sh. Roscoe & Owners		1800	12	" Mdse.		180
12	" N. Y. Ins. Co.		3690	16	" Estate A. Lenox	7	2500
	" Estate A. Lenox	7	7500	17	" Sundries		170
17	" Sundries		104 20	25	" 1st Co. Sales		4500
28	" Mdse.	8	500	31	" Sundries	8	1300
			24661 90		" Bal. carried down		11641 90
			3481 90				24661 90
			1500.				
			11641 90				
	To Bal.		11641 90				
Apr. 20	" Sundries	9	2017 70	Apr. 1	By B. Receivable	8	2000
22	" "	10	1520 80	5	" Ship't to Liverpool		348 55
					" R. Morris		20
				10	" J. Taylor & Co.		1204
					" Sundries	9	300
					" 1st Co. Ship't to B'n		60
				15	" Sundries		133
				20	" 2d Co. Sales	10	185
				22	" Sundries		3207 05
							7457 60
	Forward to fol.	12	15180 40		Forward to fol.	12	

1. The learner's attention is here particularly directed to the operation of continuing an account upon a new page. If we were balancing the account here, the expression of the closing entry would be, "Balance in hand carried forward,"—not "carried down;" and the new account would open, "Balance Bro't forward." The columns should never be footed in ink until checked. Never forget to leave a line to foot the columns upon. The same directions apply to all other accounts.—Note 2, Wood's acct., p. 16.

4 Dr., BILLS

PAYABLE. Cr.

1867.	Jan. 16	To Cash,	1	1300
	Feb. 18	" Sundries,	4	1600
	Mar. 4	" Cash,	6	1400
	5	" Mdse.,		2500
	Apr 22	" Sundries,	10	8000
	23	" Cash,		601
	May 4	" "		2222 22
	8	" "	11	202 70
	June 18	" R. Morris, ^{17988.22}	13	112 30
	30	" Balance, f.	13	6927 22
				24865 44

1867.	Jan. 1	By Stock,	1	300
	3	" Mdse.,		1000
	15	" "		1600
	20	" Ship Hudson,	2	8000
	31	" Bills Receivable,		800
		" Sundries,		600
	Feb. 1	" Mdse.,	3	2222 22
	"	" R. Morris' Sales,		2222 22
	20	" R. Morris,	4	2500
	Mar. 4	" Sh. Roscoe & own'rs	5	400
	Apr. 5	" Ship't to Liverpool,	8	161 45
		" R. Morris,		41 25
	10	" John Taylor & Co.	9	601
		" Sundries,		145
	20	" 2d Co. Sales,	10	3000
	May 31	" R. Morris,	12	112 30
	June 18	" Warden & Bell,	13	1160
				24865 44
				6927 22
	June 30	By Balance,		6927 22

- See Bills Payable, p. 84.
1. Is it not found convenient to post the debits and credits upon the same line, as described in the Bills Receivable acct.?
 2. Why then was it not introduced here?
 3. How does this account close and re-open when posted in this way?

1. I recommend this mode of posting both bill accounts, in all kinds of business.
2. Because it is desirable to avoid distracting the pupil's attention with too many matters at once, and we have exemplified it in our Bill Accounts, p. 167.
3. Precisely like the Bill Book, p. 60.

HOUSE 44

BROADWAY.

1867.	Jan. 1	To Stock Ledger A, fol.	3	15000
	18	" Cash,	2	280
	Feb. 18	" "	4	201
				15481
	June 30	To Balance,		15000

1867.	Jan. 18	By Cash,	2	150
	May 1	" " 300.	10	150
	June 30	" Balance. 15000. f.	13	15000
	30	" Profit & Loss, f.	6	181
				15481

1. What is this account debited and credited for?
2. How does it close?
3. How is the first closing entry of \$15000 found?
4. How is the second closing entry found?
5. What does this difference represent, and what is done with it?

1. It is debited for its cost and credited for what it has brought me in.—Rules VI. and VII., p. 39.
2. By Rule II., p. 99.
3. It is what we value the house at.—See first debit entry.
4. It is the difference between the two sides after the first closing entry is made.
5. It is the loss upon the property, and we debit Profit & Loss for it.

MERCHANTS'

BANK STOCK.

1867.	Apr. 10	To Stock,	8	5000
	May 4	" Profit & Loss,	11	750
				5750

1867.	May 1	By Cash,	10	250
	4	" Sundries,	11	5500
				5750

1. How is this account kept and closed?

1. This is a property account, and is conducted by the same rules as all other property accounts. The property being all sold on the 4th of May, the account was then closed by a Day-Book entry.—See Note 5, p. 80.

Dr. **ROBERT**

(London)

MORRIS.

Cr.

5

1867.				1867.			
Feb. 18	To Sundries	4	4440	Jan. 1	By Stock, Led. A. fol.	2	2000
20	" B. Payable		2500	Feb. 1	" Mdse.	3	8888 88
Apr. 5	" Sundries	8	2166 25	25	" Cash	4	1995
10	" "	9	4980 33	28	" Sundries	5	4444 44
25	" "	10	2400	Mar 12	" Morris' Sales	7	9052
May 31	" "	12	5691 22	Apr. 20	" 2d Co. Sales	10	4000
June 1	" Commission		40	May 8	" Sundries	11	4444 44
12	" Sundries		7756 66	18	" 2d Co. Sales		4093 05
28	" "	13	7218	June 18	" Sundries	13	5565
	" "	14	4000	30	" Profit & Loss ^{44515.97}	14	33 06
	" S. Roscoe & owners		2500		" Bal. fol.	13	5676 59
30	" S. Roscoe my $\frac{1}{2}$		6500				
			^{50192.48} ^{44515.97} 5676.59				
			50192 46				50192 46
June 30	To Bal. $\frac{3}{4}$ acct. Rend.		5676 59				

1. What does the debit and credit side of this account show?
2. How do they close?
3. Why is the expression "Rendered" annexed to the Balance brought down?

1. All personal accounts are alike, and are debited for your account against them, and credited for their account against us.—Note 3, p. 23.
2. To or By Balance.
3. Because a statement of his account has been sent him.—See p. 114.

WARDEN

&

BELL.

1867.				1867.			
Jan. 24	To James Walker	2	500	Jan. 1	By Stock, Led. A. fol.	2	500
June 18	" Sundries	13	11160	June 1	" Mdse.	12	11160
			11660				11660

1. When was this account footed and ruled off?
2. Is it always necessary to close an account every time it is settled?

1. On June 18, when we paid him off.
2. There may be cases when it is not absolutely necessary to do so; but as the omission of it sometimes leads to very troublesome consequences, our advice is, always to make it a rule to do so.—See note 1, Wood's Account, p. 15, and note p. 20.

JAMES**CARTER.**

1867.				1867.			
Jan. 10	To Mdse.	1	452	Jan. 16	By Cash	1	560
15	" "		108				560
			560				
16	To Mdse.	1	600	18	By B. Receivable	2	600
19	" "	2	400	20	" Sundries		400
			1000				1000

1. This account was closed on the 16th and 19th; would the balance struck on the 19th not have served for both?

1. It would; but it is better to close the old account every time it is paid.

6 Dr. SHIP

HUDSON. Cr.

1867.	Jan. 20	To Sundries	2	16000
	30	" Cash		1200
	June 30	" Profit & Loss fol.	6	4150
				21350
	June 30	To Balance		16000

1867.	Mar. 2	By Cash	5	1850
	May 4	" "	10	3500
	June 30	" Balance	f. 13	16000
				21350

1. How is this account kept, and how are the first and second closing entries found?

1. This account is in every respect like "House in Broadway," and closes by the same rule.—See that account, p. 104.

PROFIT

&

LOSS.

1867.	Jan. 20	To J. Carter	2	200
	31	" B. Payable		3 30
	Feb. 6	" B. Receivable		3 60
	12	" "	3	300
	18	" Cash	4	181
	25	" "		355 56
	Apr. 22	" Sundries	10	7 05
	May 31	" B. Receivable	12	400
	June 1	" Sundries	13	111
	18	" "		160
	28	" "	14	320
		" S. Roscoe & owners		200
	30	" Sundries		1132 29
		" Amount to date		3373 80
		" Ho. in Br'dway ^{2554.00} f.	4	181
		" Stock for net gain f.	1	28044 50
				1599 30

1867.	Jan. 30	By Sundries	2	15 75
	Feb. 25	" Cash	4	400
	28	" "	5	377 78
		" Sundries		376 72
	Mar. 5	" 1st Co. Sales	6	358
	12	" Shipm't to N. Or'l's	7	1507
		" Morris' Sales		18
	17	" Sundries		4 20
	Apr. 1	" Bills Receivable	8	63
	20	" Cash	9	6 70
	22	" "	10	5 05
	25	" R. Morris		400
	30	" 3d Co. Adventure		500
	May 4	" Mer'ts Bank Stock	11	750
	8	" Sundries		355 56
	13	" "		140
	18	" 2d Co. Sales		106 05
		" Cash	12	18 90
	25	" "		70
	June 1	" Sundries		1176 32
	25	" Bills Receivable	13	180
		" 1st Co. Sales	14	471 25
	30	" Sundries		3669 13
		" Amount to date		10969 41
		" Mdse. fol.	1	13743 12
		" Ship Hudson "	6	4150
		" Commiss'n "	8	2736 77
				1599 30

See Profit & Loss Account, p. 36.

1. Why is this account footed on both sides June 30?
2. What are these transfers, and why is the note "fol." annexed to them?
3. What is the object for bringing these transfers to this account?
4. As a general rule, no entry passes from Balance to this Account: neither has it any balance to bring down into new account: is there no exception to this rule?

1. These were the additions for the Trial Balance, and are placed there to save the trouble of adding up the whole column again after the transfers are made.
2. They are the gains and losses found by closing the different accounts named. "Folio" distinguishes the Ledger pages from those of the Journal, which are placed together in the same column.
3. To complete our account of gains and losses, and thereby ascertain our net increase or decrease of capital, shown by the small marginal figures.—Note 4, Mdse. p. 33.
4. There are but few exceptions, save those created by partnership settlements.—Part II., p. 177.

Dr. **JAMES**

WALKER.

Cr. **7**

1867.	5	To Mdse.,	6	600	1867.	24	By Warden & Bell,	2	500
Apr.	30	" 3d Co. Adventure,	10	2500	Mar.	2	" Sundries,	5	1200
May	8	" Sundries,	11	600	Apr.	20	" 3d Co. Adventure,	9	2000
				3700					3700

R. MORRIS'

SALES.

1867.	Feb.	1	To Sundries,	3	2390
		5	" Cash,		5
		12	" "		28
		20	" "	3444.	4
Mar.	12	" Sundries,	7	9676	
					12120

1867.	Feb.	5	By Cash,	3	360
		9	" Bills Receivable,		2100
		18	" R. Morris,	4	840
			" Bills Payable,		1080
Mar.	12	" Bills Receivable,	6	4500	
		" Mdse.,		12120.	3444.
				9676.	12120

- Repeat Rule X., p. 41, and see Note 2, p. 68.
1. How is Morris' net proceeds found when all the goods are sold?
 2. How are consignment accounts closed and reopened when the Ledger is closed with part of the property on hand, and no sales rendered?
 3. How if you render account sales of the part sold?

1. There was \$9676 Balance at the credit of the account when the sales were completed. Our commission is \$606, storage and advertising \$18. After deducting these charges the remainder belongs to Morris. It is therefore evident that this balance of \$9676 belongs to these three accounts.—See Journal entry March 12, p. 83, and Account Sales, p. 117.
2. They close and re-open by Double Balance.—See Commission Sales acct., Part II., p. 169.
3. The acct. closes as above, and does not re-open until the sale of the goods on hand recommences.—Note 4, p. 68.

SHIPMENT TO

(J. Taylor & Co.)

NEW ORLEANS.

1867.	Feb.	12	To Sundries,	3	4293
Mar.	12	" Profit & Loss,	6	1507	
					5800

1867.	Mar.	12	By Mdse.,	6	5800
					5800

- Repeat Rule XI., p. 41, and Rule II., p. 99.
1. What kind of an account is this, and why was it closed on the 12th March?

1. It is a property account, and was closed on the 12th March because full returns were then received.—Note 5, p. 80.

SHIPMENT TO

(Columbia)

LIVERPOOL.

1867.	Apr.	5	To Sundries,	8	8010
June	30	To Bal. bro't down,			8010

1867.	June	30	By Balance,	f. 13	8010
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1. When the accounts are to continue in the same Ledger, would it not have answered as well to have made the entry in the Balance account, without closing and reopening this acct.?

1. It would; but I wish to show the universal application of my rule for closing all property accounts belonging to ourselves. This example differs from any previous one, as the property has produced no returns.—Rule II., p. 99.

s Dr. JOHN (New Orleans.) TAYLOR & CO. Cr.

1867.	Feb. 12	To Sundries,	3	644	1867.	Apr. 15	By 2d Co. Shipm't New Orleans to London,	9	1600
Apr. 10	" "	" "	8	1210	May 18	" 2d Co. Sales,	5000.05	11	4093 05
	" "	" "	9	604	June 30	" Balance,	f.	13	1745 28
		" "	9	4980 33					
				7438 33					7438 33
June 30	To Bal. $\frac{3}{4}\%$ rendered,			1745 28					

See Form II, p. 116, Morris' acct., p. 106.

COMMISSION

ACCOUNT.

1867.	June 30	To Profit & Loss, fol.	6	2736 77	1867.	Feb. 12	By J. Taylor & Co.,	3	33
					Feb. 25	" Cash,		4	5
					Mar. 5	" 1st Co. Sales,		6	72
					12	" R. Morris' Sales,		7	606
					Apr. 5	" R. Morris,		8	105
					10	" J. Taylor & Co.,		9	3
						" "		9	396
					May 18	" 2d Co. Sales,		11	396 85
					31	" R. Morris,		12	278 92
						" "			40
					June 1	" Sundries,		13	162
					12	" R. Morris,			18
					25	" 1st Co. Sales,		14	357 50
					28	" Estate of A. Lenox,			40
						" Sh. Roscoe & owners			217 50
				2736 77					2736 77

1. To what class of accounts does this belong?
2. Why not carry the entries to Profit & Loss at once?
3. How is this account kept?
4. How is it closed?
5. Are there not sometimes entries made at this account that have to be brought down into new account?

1. It is a branch of the Profit & Loss acct.
2. We could not then know what we made by this branch of our business.—See Note 4, p. 24.
3. By debiting it for returned commissions, and for what we may lose by guaranteeing, and crediting it for all we earn by agencies.
4. Always to Profit & Loss—never To Balance.
5. Very seldom, except in partnership settlements: these are explained in the next part, p. 177.

NEW YORK

INSURANCE OFFICE.

1867.	Feb. 28	To Mdse.,	5	3690	1867.	Mar. 12	By Cash,	6	3690
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1. To which class of accounts does this belong?

1. Although it is not with a person, yet it is a personal acct. and is kept in every respect similar.

1867.	Mar.	1	To Wm. Hay,	5	450	
		2	" J. Walker,		600	
		5	" Sundries,	6	1830	
					2880	
		20	To Mdse.,	7	3240	
		25	" Cash,		4500	
		28	" Mdse.,	8	2000	
May	4	" Merch. B'k Stock,	11	2500		
June	25	" Sundries,	14	7800		12340.
					20040	

1867.	Mar.	2	By Sh. Roscoe, my $\frac{1}{2}$,	5	2880	
						2880.
						1060.
						1880.
						2880
	Apr.	10	By Sundries,	9	9500	
		"	" 1st Ship't to Bost'n,	9	3240	
		22	" Sundries,	10	4800	
June	25	" Mdse.,	14	2500		20040.
						7800.
						20040

- See Notes 5 and 6, p. 42, and Rule XII, p. 43.
- Why was this account closed on the 5th of March?
 - How and where does this account close when all is sold?
 - How if there be none sold, or if the sales are not more than enough to cover the charges you have advanced?
 - How if there be more than enough sold to cover charges?
 - Why is this distinction made after the charges are covered?
 - What is done with the balance entry?

- Because we rendered account sales and settled with our partner at that date.—Note 5, p. 80.
- It closes To Sundries, by a Day Book entry.—See Note 3, p. 80, and Note 2, p. 96.
- It closes By Balance, the charges being payable out of the first sales.
- Credit the account first By Balance for our proportion of the part unsold, then close To Sundries as if all were sold.
- The amount sold afterwards is partly ours and partly our associate's.
- It is brought down or transferred like all other balance entries.—See Part II, p. 177.

SHIP

(My $\frac{1}{2}$)

ROS COE.

1867.	Mar.	2	To Sundries,	5	5000	
June	30	" Profit & Loss,	14	3308	13	
					8308	13

1867.	June	28	By Sh. Roscoe & own'rs	14	1808	13
		30	" R. Morris,	"	6500	
						8308 13

- To what class of accounts does this belong?

- It is a property account, and is conducted and closed by the same rules as all other property accounts.

SHIP ROS COE

AND OWNERS.

1867.	Mar.	4	To Sundries,	5	1250	
June	28	" "	14	7450		
					8700	

1867.	Mar.	5	By Cash,	6	1800	
May	4	" "		10	4200	
June	28	" Sundries,	14	2700		
					8700	

- What kind of an account is this?
- How is it closed?
- Could this and the last account not be kept under one head upon the same principle as 1st Company Sales?
- Why?

- It is conducted under the rules for personal accounts.
- If the debit side be the largest, close By Balance; but if the credits be the largest, close To Sundries, as on the 28th of June.—See Part II, p. 177.
- Not without the risk of much confusion.
- Because the credits of the former account are private property; but the credits of the latter are joint property, and could not therefore be placed in one account.

10 Dr. **ESTATE** A. **LENOX.** Cr.

1867.	Mar. 16	To Cash,	7	2500
	17	" "		10
	31	" Bills Receivable,	12	1340
	June 28	" Commission, 3890.	14	40.
	30	" House 49 Cedar St.,	10	140
	"	" Balance,	f. 13	29010
				33040

1867.	Mar. 12	By Sundries,	7	31200
	20	" B. Receivable, 32540.		1340
	June 30	" City Bank Stock, f.	10	500
				33040
				29010

1. What is the object of this account, and how is it kept?
2. How does it close and reopen?
3. Suppose the time has arrived when we have to pay over the above balance, \$29010, to the two legatees, to each one half, and R. Lenox takes the house in Cedar Street at its valuation as part payment, and C. Lenox the bank stock, also at our valuation, as part payment of her legacy; and we pay over each the remaining balance due them in cash, how do we close all these accounts?

1. It is to show the details of our administration of the Lenox Estate, and is opened and conducted like a personal account.
2. After it has received its transfers from its branches—see the two next accounts—then close as a personal acct.
3. By a Day Book entry, thus—
LENOX ESTATE TO SUNDRIES TO CLOSE ACCT., \$29010.
To House 49 Cedar St., conveyed to R. Lenox for . . . 12000
" R. Lenox, amount already paid per acct. . . . 800
" Cash paid R. Lenox for balance of his Legacy . . . 1705
" City Bank Stock, conveyed to C. Lenox for . . . 10000
" Charlotte Lenox, for amount paid per acct. . . . 500
" Cash, now paid balance of her Legacy 4005

HOUSE 49 (Lenox Estate) CEDAR STREET.

1867.	Mar. 12	To Estate of A. Lenox,	7	12000
	17	" Cash,		160
	June 28	" "	14	280
				12440
	June 30	To Balance,		12000

1867.	May 1	By Cash,	10	300
	June 30	" Balance, 12300. f.	13	12000
		" Estate of A. Lenox,	10	140
				12440

1. What is this account debited and credited for?
2. How does it close?
3. Why not close To or By Profit & Loss?

1. Debit first for its value, and for what it costs afterwards; credit for what it brings in by sale or rent.
2. If unsold, credit first By Balance for the value; then close To or By Lenox Estate.
3. The gain or loss is not ours; it belongs to the estate.

CITY (Lenox Estate) BANK STOCK.

1867.	Mar. 12	To Estate of A. Lenox,	7	10000
	June 30	" " "	f. 10	500
				10500
	June 30	To Balance,		10000

1867.	May 1	By Cash,	10	500
	June 30	" Balance,	f. 13	10000
				10500

CHARLOTTE (Legatee of Lenox Estate) LENOX.

1867.	Mar. 31	To Cash,	8	500
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You may, if you choose, close this and the following account By Balance, like "Shipment to Liverpool," p. 107; but I have shown at Hartwell's Account, p. 112, that there is no necessity for it.

ROBERT (Legatee of Lenox Estate) LENOX.

1867.	Mar. 31	To Cash,	8	800
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Dr. 2d Co. Shipment to (R. Morris) London. Cr. 11

1867.	Apr. 10	To Sundries,	9	4980 34	1867.	June 1	By R. Morris,	12	5630
	June 1	" Profit & Loss,	12	649 66					
				5630.					5630

See Note 2, p. 86, and Note 4, p. 92.
1. How is this account kept?

1. It is kept and closed in all respects like any other consignment or property account.

1st Co. Shipment to (C. Hartwell) Boston.

1867.	Apr. 10	To Sundries,	9	3300	1867.	June 1	By C. Hartwell,	12	6480
	June 1	" "	13	3180					
				6480					6480

See Note 3, p. 86.
1. What is this account debited and credited for?
2. Why not credit for our own share of the returns only as in the last account?

1. It is debited for our proportion of the first cost and the whole charges, and credited for the whole returns.
2. Because Hartwell accounts to us here for Hay's share as well as ours. In the last account Morris accounted to each partner for his share.

1st Co. Shipment to (Baring & Co.) Liverpool.

1867.	Apr. 15	To Sundries,	9	1799	1867.	June 28	By Sundries,	14	2160
	June 30	" Profit & Loss,	14	361					
				2160					2160

See Note 3, p. 86.
1. This account, like the last, was debited for our share of the first investment, why not also credit it for the whole returns?

1. In the last account we had charges to deduct from the returns; in this we have none, we therefore carry Hay's half net proceeds at once to his credit.

2d Co. Shipment from (R. Morris) New Orleans to London.

1867.	Apr. 15	To J. Taylor & Co.,	9	1600	1867.	June 1	By R. Morris,	12	2126 66
	June 1	" Profit & Loss,	12	526 66					
				2126 66					2126 66

See Note 5, p. 86.
1. What is this account debited and credited for?

1. It is debited, like "2d Co. Shipment to London," for our share of the first cost, and credited for our proportion of the returns.

3d Company (J. Walker) Adventure.

1867.	Apr. 20	To J. Walker,	9	2000	1867.	Apr. 30	By J. Walker,	10	2500
	30	" Profit & Loss,	10	500					
				2500					2500
	May 13	To Mdse.,	11	1500		June 18	By Sundries,	13	1500

1. Why is this account called an ADVENTURE in Co.?

1. To distinguish it from those joint accounts of which we are the managers of the sales.—See Notes 9 and 10, p. 42.

1867.	Apr. 20	To Sundries,	10	7185
	May 18	" "	11	8689
				15874

1867.	May 13	By Sundries,	11	8500
	18	" "		7374
				15874

See Note 4, p. 90.
1. How is this account conducted?

1. In all respects like 1st Co. Sales, p. 109. We account to each partner for his share of the net proceeds. See form of account, p. 116.

CASH

ACCOUNT.

1867.		Bro't forward, fol.	2	15180 40
				15180 40
Apr. 30	To Bal. bro't down,		7121	80
May 1	" Sundries,	10	1200	
4	" "		7700	
	" Merh. Bank Stock,	11	500	
8	" Sundries,		4200	
13	" Merchandise,		1500	
	" Sundries,		1640	
18	" 2d Co. Sales,		560	
	" Profit & Loss,	12	18 90	
25	" Sundries,		7070	
			31510	70
June 31	To Bal. bro't down,		28785	78
June 12	" Bills Receivable,	13	2100	
18	" Sundries,		563	
	" R. Morris,		5452	70
			36901	48
June 30	To Balance		8891	

1867.		Bro't forward, fol.	2	7457 60
Apr. 23	By Bills Payable,	10	601	
30	" Bal. carried down,		7121 80	
			15180 40	
May 4	By Bills Payable,	10	2222 22	
8	" "	11	202 70	
31	" R. Morris,	12	300	
	" Bal. carried down,		28785 78	
			31510 70	
June 12	By R. Morris,	13	7200	
18	" Warden & Bell,		10000	
	" Sundries,		1660	
25	" Bills Receivable,		800	
	" 1st Co. Sales,	14	6971 25	
28	" House 49 Cedar St.		280	
30	" Profit & Loss,		1099 23	
	" Balance,	f. 13	8891	
			36901 48	

See Cash Account, p. 34, and Note 6, p. 57.
1. Why is this account balanced every month?

1. Because it must always conform to the Cash Book, and it is easier to make it do so by frequently comparing them.

C.

(Boston)

HARTWELL.

1867.	June 1	To 1st Co. Ship't to Boston,	12	6480
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1867.	June 28	By Sh. Roscoe & owners	14	3616 25
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1. Why is this account not closed like all the rest, and what is done with the balance?
2. Would there be any irregularity in closing it?

1. We find the balance by the small pencil figures in the margin, and transfer it as usual to the balance account; but there is no occasion for closing a person's account until you have a settlement with him, or wish to transfer his account to New Books.
2. None; the pupil may close it if he chooses.—See Note 3, p. 113.

1867.				1867.			
June 30	To Mdse.	fol. 1	18128 22	June 30	By Wm. Hay	fol. 3	10813 12
	" Bills Receivable	3	8680		" Bills Payable	4	6927 22
	" House in Br'dway	4	15000		" Estate of A. Lenox	10	29010
	" R. Morris	5	5676 59		" Stock for n/c	1	61544 50
	" Ship Hudson	6	16000				
	" Ship't to Liverpool	7	8010				
	" John Taylor & Co.	8	1745 28				
	" House 49 Cedar st.	10	12000				
	" City Bank Stock		10000				
	" Charlotte Lenox		500				
	" Robert Lenox		800				
	" Cash	12	8891				
	" C. Hartwell		2863 75				
			108294 84				108294 84

See Notes to Balance Account, page 17 and 35.

The teacher will now apply the examination on page 36 to this Ledger.

1. REMARKS.—Referring to our previous instruction in closing and re-opening accounts—Notes 5 and 6, p. 9—1 to 7, p. 18—4, p. 32—6, Stock acct., p. 33, and 7, Mdse. acct., p. 33: we may repeat that re-opening a Ledger means, MAKING A NEW ENTRY OF ALL THE EFFECTS AND LIABILITIES, in the heads of the new accounts: and the new accounts re-commence immediately under the closing lines of the old ones—Note 6, p. 56—or, if there be no space there, forward under a new head.*

2. We have closed this Ledger, as we first closed the introductory one, under the supposition that the accounts are to continue in the same book. All those accounts that have closed into Balance, are therefore re-opened by bringing the balance (entered in red in the old account) down into the heads of the new accounts in black. If we had closed with the view of transferring the balance to a new Ledger, then this one must remain closed, as you perceive at the second closing of the introductory Ledger.

3. We may observe here, that though we cannot well avoid doing so in teaching, in making up the Balance Account in business, it is unnecessary to close any personal accounts but those with whom you have had settlements; all that is necessary, is to find their correct balances in pencil in the margin—see Hartwell's account last page—and transfer them, as if the accounts were closed, to the Balance Account; and after all is found correct, go over all those accounts requiring addition, and in place of closing them, only foot them, noting the footing on each side "amt. to date," as we have done with our Profit & Loss account before the transfers were made—see p. 106. Leave all the personal accounts open in this manner, to receive any new entries that may occur until you settle with them; then they must always be balanced—Note 1. Carter's acct., p. 105. To exemplify this matter fully, I have left open the two Lenox's and Hartwell's accounts—p. 110 and 112; but I have found it answer the purposes of instruction better to direct the student, for the first time, to close all the accounts without distinction. This is indeed the readiest way to explain what we are referring to.

4. Some authors pass all their closing entries into the Journal, and post them from thence into the Ledger. In business, this must incur additional labor without any apparent advantage.

5. Before proceeding with the general balance, the proof or trial sheet must always be first taken off, in business practice. I always take my trial as follows: transfer all the balances from the pencil figures in the margin of each account, to their respective places in the Profit & Loss and Balance accounts; leaving all the accounts open for the present. Forward the footings of the Balance account only, in pencil. Then pencil the difference of Profit & Loss into Stock, and Stock in the same manner into Balance, which must then be even, if all be correct: if not, the errors have to be sought and corrected in the usual manner. In taking a trial by this method in any extensive business, much labor is saved; but it requires great care and accuracy in every step of the process.

* As with our merchandise account, page 101, which is left closed for the student to re-open upon a new page.

SET II.—DUFF'S BOOK-KEEPING.

Dr.

R. Morris, Esq., in Acct. Current and

DATE.	ITEMS.	PRINCIPAL.	WHEN DUE.	TIME.	INT'Y-ACCT.
1867.			1867.		
Feb. 18	For amt. paid your Bill at sight favor R. Banks	4440	Feb. 18	4.12	97 68
20	" accept'g your Bill @ 10 days, favor of R. Banks	2500	Mar. 5	3.25	47 92
Apr. 5	" Invoice of Merchandise per " Cherub"	2166 25	May 5	1.25	19 86
10	" your $\frac{1}{2}$ Invoice of joint Ship't $\frac{3}{4}$ " Cambria"	4980 33	Apr. 10	2.20	66 40
25	" amt. collected from Capt. Bowline	2400	Mar. 20	3.10	40
May 31	" Invoice of Shipment to you $\frac{3}{4}$ " Columbia"	5691 22	May 31	1.	28 46
	" Com'n forwarding 80 packages from Hartwell & Thorndike, of Boston	40	June 30		
June 1	" My $\frac{1}{2}$ your Acct. Sales joint Shipment from New Orleans	2126 66	Apr. 15	2.15	26 58
	" My $\frac{1}{2}$ your Acct. Sales joint Shipment $\frac{3}{4}$ " Cambria"	5630	30	2.	56 30
12	" Banks' Bill on Gibbs, Son & Bright	7218	June 12	.18	21 65
28	" Baring & Co.'s Remittance on my acct.	4000	May 10	1.20	33 33
	" Freight collected by you for ship Roscoe	2500	May 20	1.10	16 67
30	" n. proceeds my $\frac{1}{2}$ Ship Roscoe	6500	Aug. 30	2.	65
	" Bal. of Int. Acct. at cr. in Acct. Current	50192.46 44515.87 5676.69			8484.85 33 06
		50192 46			487 91
	Balance due P. Duff this day	5676 59			

Errors Excepted,
New York, June 30th, 1867. }

P. DUFF.

1. All well-managed mercantile houses render statements of accounts to all their customers and correspondents, and settle and close their accounts every time they make out their balance sheet. The above, and the two next forms, are illustrations: this one embraces all transactions between us and Morris since our last settlement—from the time that we last balanced our books, down to the time of closing them—30th June.

2. There are various ways of stating interest accounts, but we have seen none that presents all the particulars with so much clearness and simplicity, and in so little space, as this form.

3. The heading of the columns explains sufficiently the use of each of them. The statement is drawn from Morris' account in the Ledger, referring from there by the dates to the Day Book for particulars, when due, &c. The dates, items, principal, and when due columns, are filled up on both sides first. Then compute the time of each entry from the date in the WHEN DUE COLUMN to the time of settlement—30th June, allowing three days' grace only where notes or acceptances are given or received.—See notes 1 to 5, page 45. Extend this time into the TIME COLUMN, and then compute and extend the interest into its column. Those entries which we do not know the day upon which they fall due—such as that on May 8th, Cr. side—are left blank in the interest column, and a Day Book entry will be made to adjust the matter as soon as we learn the particulars.

4. Observe, the date in the WHEN DUE COLUMN, and the figures in the columns to the right of it, in the first entry on the 30th June, Dr. side, are to be written in red, because this \$65 interest belongs to Morris, and is not therefore added in our interest column, but, as you perceive, is carried over to Morris' interest column. By the terms of sale which he has effected of our $\frac{1}{2}$ Ship Roscoe, the money is not due until the 30th August.—See Day Book, June 30, p. 96. This account is made out, and interest upon every transaction so

MERCANTILE FORMS.

SEE R. MORRIS' ACCT., PAGE 105, AND FORM XX., p. 120.

Interest Acct. to 30th June, 1867, with P. Duff.*

Or.

DATE.	ITEMS.	PRINCIPAL.	WHEN DUE.	TIME.	INTER- EST.
1867. Jan. 1	For Bal. due you $\$$ acct. rendered	2000	1866. Dec. 31	6.	60
Feb 1	" your invoice goods $\$$ "Herald"	8888 88	1867. Apr. 10	2.20	118 52
25	" Proceeds Ryan & Co.'s Bill on Barclay	1995	Feb. 25	4.5	41 56
28	" my dft. to Warden & Co., due $\$$ your Advice	4444 44	May 30	1.	22 22
Mar. 12	" n. proceeds my Acct. Sales your goods $\$$ Herald	9052	2	1.28	87 50
Apr. 20	" my $\frac{1}{2}$ your joint Invoice $\$$ "Vixen"	4000	Apr. 10	2.20	53 33
May 8	" my dft. favor of Walker	4444 44			
18	" your $\frac{1}{2}$ my Acct. Sales $\$$ "Vixen"	4093 05	May 18	1.12	28 65
June 18	" Ins. recovered upon Ship't $\$$ "Columbia"	5565	June 18	.12	11 13
30	" Interest in Red at Dr. side				65
	" Balance of Interest Acct. 44615.87	33 06			487.91 454.90
	" Balance to debit in new acct.	5676 59			55.06
		50192 46			487 91

adjusted, that the balance will fall due in cash on the 30th day of June. Therefore, though this principal of \$6500 is a debit, yet its interest from the 30th June to 30th August must be carried over to Morris' credit. When sums fall due in this manner, subsequent to the date of the account on both sides, extend the time and interest in red; then, before you balance, carry over the balance of the "red interest" to the proper side.

5. By looking attentively at the small marginal figures above, you will see how the balance of the interest is found and disposed of. For the Day Book entry of it, see note 5, p. 96. It is put to the debit of our interest column, to close it, and at the same time to Morris' credit. Afterwards the account closes in all respects like his account in the Ledger. As there is no entry in any book to show by what process this balance of interest is found, a letter press copy of all such accounts should be preserved in a book kept for the purpose. We have left the exchanges to be computed at the end of the year, as is often done in business.

6. In stating an account current of any kind, always use such words as will express, in the most concise and perspicuous terms, the origin of the transactions, without any regard to the technical expressions used for the same entries in your Ledger.

Those who desire to become expert at making out accounts of this kind, must persevere in repeating the operation several times from their own books, without assistance from our forms.

* In this and all the forms let the student use his own name, not ours.—See note, p. 75.

SET II.—DUFF'S BOOK-KEEPING.

(Form II.)

Messrs. JOHN TAYLOR & CO.

IN ACCT. CURRENT WITH P. DUFF, Dr.

1867.	Feb. 12	For our invoice of Teas ☉ "Jersey"		644
	Apr. 10	" Protecting your draft on Wood & Co. for	\$1200.	
		" Paid Protest, &c., \$4. My $\frac{1}{2}$ ☉ ct. commission \$6.	10	1210
		" Accepting your draft at 10 days on Wood & Co.	\$600.	
		" Protest, \$1. My $\frac{1}{2}$ ☉ ct. commission \$3.	4	604
		" Your $\frac{1}{2}$ Joint Shipment to London ☉ "Cambria"		4980 33
				7438 33
		Crs.		
1867.	Apr. 15	For my $\frac{1}{2}$ your Joint Shipment to London	\$1600.	
	May 18	" Your $\frac{1}{2}$ my acct. sales of Joint Shipment ☉ "Vixen"	4093.05	5693 05
		Balance due P. D. Due by equation 1st Jan. last.*		1745 28
		E. E., NEW YORK, 30th June, 1867.		

NOTE.—For clearness and brevity there is no better mode of stating a short account than this. The subtraction of the credits from the debits is made to show the balance. When the balance is against you, the form has to be a little varied, as you see by Hay's account following.—See page 103.

(Form III.)

WILLIAM HAY, Esq.,

IN ACCT. CURRENT WITH P. DUFF, Dr.

1867.	Mar. 2	For your half Walker's Invoice of Rice Bot. on joint acct.		600
	16	" Carter's protested note endorsed by you		300
	Apr. 15	" Your half joint shipment to Liverpool ☉ "Erie"		1799
	May 4	" Your half Finlay & Co.'s Invoice of Pork Bot. on joint acct.		2500
	June 30	" Balance carried to your credit in new acct.		10813 12
				16012 12
		Crs.		
1867.	Feb. 12	For your Invoice of Table Linen		1500
	Mar. 1	" Cash on acct. of purchases on joint speculation		2500
		" My half your Invoice of Wines sent me for sale on joint acct.		450
		" Your half my acct. sales of goods sold on joint acct.		1400
	Apr. 5	" Your Invoice of Pork		2000
	15	" Amt. advanced by you in joint shipment ☉ "Erie"		1065
	June 1	" Your half net proceeds of joint shipment to Boston		3129
	28	" Your half returns of joint shipment to Liverpool		2160
		" Your $\frac{1}{2}$ dividend net profits of Ship Roscoe		1808 12
				16012 12
	30	By Balance due Mr. Hay brought down		10813 12
		E. E., NEW YORK, 30th June, 1867.		

* This is ascertained by what we call a COMPOUND EQUATION. As we do not see the rule in any of our arithmetics, we subjoin it.

RULE.—Find the equated time of each side of the account by a simple Equation—note 2, p. 68. Then multiply the lesser side by the time that intervenes between these two equations, and divide the product by the balance of the account; the quotient is the time to count back or forward. If the balance is on the side of the earliest equation, COUNT BACK from that date; but if it be on the side of the latest equation, COUNT FORWARD from that date.

Let us illustrate the rule by Taylor & Co.'s account as above stated—refer to the Day-Book for the time when each amount falls due. We find by simple equation that the Dr. side falls due April 6th, and the Cr. side May 5th. The time between these equations is 29 days: and the lesser side of the account is \$5693. $\times 29$ days = 165,098 + \$1745 (the balance) = 95 days. Now the balance being on the side of the earliest equation—April 6th, we must COUNT BACK from that date 95 days, which brings us to the 1st January, the day upon which this balance is due.

MERCANTILE FORMS.

FORM IV.—See Note 1, p. 82.

SALES OF MERCHANDISE sold by order and for account of **R. Morris, Esq., London.**

1867. Feb.	5	Sold for Cash to J. Lorillard— 1 pipe, 120 galls., Port Wine @ \$3.	360
	9	Sold to William Park at 4 months— 5 pipes, 600 galls., Port Wine " 3.50	2100
		Sold for Cash to W. Bryant & Co.— 3 pipes, 360 galls., Port Wine, " 3.	1080
	18	Sold R. Banks for Cash— 2 pipes, 240 galls., Port Wine " 3.50	840
Mar.	12	For net proceeds of 10 pipes Port Wine sold in New Orleans, Rec'd Barclay & Co.'s acceptance at 60 days from date for 4500.	
		Taken to my acct. the remaining 9 pipes, 1080 galls., at market price @ 60 days @ \$3. 3240.	7740
			12120
		CHARGES.	
1867. Feb.	1	Paid Duties 2222.22	
		" Freight and Primage 167.78	
	5	" For Gauging 1.50	
		" Cartage and Cooperage 3.50	
	12	" Cartage, Freight, and Insurance of 10 pipes shipped to New Orleans 28.	
	20	" R. Banks, for overgauged Wine 21.	
Mar.	12	Storage 3.50	
		Advertising 14.50	
		Commission and Guarantee 5 per cent. on \$12120. 606.	3068
		Net proceeds due in Cash 2d May	9052
		E. E. NEW YORK, } March 12, 1867. }	P. DUFF.
<p>1. The Account Sales is always drawn from the Commission Sales Book; or, if that book is not kept, from the Day Book. No entry whatever ought to appear in the account but what relates to the sales; and nothing should appear in the charges but the expenses attending the Sales.—See Note 3, p. 68.</p> <p>2. The rule for equating the time is given on page 68. Or the student may, if he prefers them, work by those given in his Arithmetic; but I would recommend him to practise upon the one he intends to use until he can operate with dexterity and accuracy.</p> <p>3. When you make out an Account Sales, with part of the consignment unsold, give a concise statement of the goods unsold at the foot of the account.—See Note 4, p. 68.</p>			

SET II.—DUFF'S BOOK-KEEPING.

FORM V.—See Note 4, p. 90.

ACCOUNT SALES of 40 Bales Brussels Carpeting, sold for the joint account of P. Duff of New York, R. Morris of London, and J. Taylor & Co. of New Orleans, each one-third.

1867.	May	13	Sold to Warden & Bell— 120 pieces, 4250 yds. @ \$2.	8500	
		18	Net proceeds of 55 pieces sold at Austin & Co.'s Auction	3560	
			Taken to my own account the remaining 55 pieces, 1907 yds. @ \$2.	3814	
			CHARGES.		15874
1867.	Apr.	20	Paid Duties to the Custom-house 3000.		
			" Freight and Primage per "Vixen" 150.		
			" Insurance against fire 33.		
			" Cartage and labor 2.		
	May	18	Storage \$3, Advertising \$10 13.		
			Commission 2½ per cent. on \$15874 396.85	3594	85
			Net proceeds	12279	15
			Of which my ⅓ is 4093.05		
			" R. Morris' do. at his credit due this day 4093.05		
			" J. Taylor & Co. do. do. 4093.05		
			\$12279.15		
			E. E. NEW YORK, } May 18, 1867. }		
			P. DUFF.		

FORM VI.—A FOREIGN BILL OF EXCHANGE.—See Note 6, p. 76.

Exchange for £1000 Sterling.

NEW YORK, February 25, 1867.

Sixty days after sight of this our first Exchange (second and third not paid), pay to the order of Peter Duff ONE THOUSAND POUNDS STERLING, for value received, and place the same to account as per advice from

To ROBERT MORRIS, Esq., }
Merchant, London.

Yours, respectfully,

BAKER & FOX.

FORM VII.—AN INLAND BILL, OR DRAFT.—See Note 2, p. 70.

\$1000.⁰⁰/₁₀₀

NEW ORLEANS, December 10, 1866.

Ten days after sight, pay to the order of Messrs. Ryan & Dale ONE THOUSAND DOLLARS, value received, for account of,

To MR. PETER DUFF, }
Merchant, New York.

Yours, respectfully,

JOHN TAYLOR & Co.

FORM VIII.—AN ORDER.—See Jan. 24, p. 72.

\$500.⁰⁰/₁₀₀

NEW YORK, January 24, 1867.

Pay to the order of Messrs. Warden & Bell FIVE HUNDRED DOLLARS, for value received, for

To JAMES WALKER, Esq., }
Merchant, New York.

Yours, respectfully,

P. DUFF.

FORM IX.—AN ORDER FOR MERCHANDISE.—See Note 3, p. 70.

\$108.⁰⁰/₁₀₀

NEW YORK, January 15, 1867.

Pay to the order of Mr. Henry Pryor ONE HUNDRED AND EIGHT DOLLARS, in Merchandise out of your store, for account of

To MR. PETER DUFF, }
Merchant, New York,

JAMES CARTER.

MERCANTILE FORMS.

FORM X.—A PROMISSORY NOTE.—See Note 4, p. 72.

\$1515.⁷⁵/₁₀₀.

NEW YORK, January 30, 1867.

SIXTY DAYS after date, for value received, I promise to pay to the order of Mr. Peter Duff FIFTEEN HUNDRED AND FIFTEEN DOLLARS, ⁷⁵/₁₀₀.

WILLIAM HAY.

Extensive houses now generally arrange such transactions with an acceptance. The following is the form :

FORM XI.—AN ACCEPTANCE FOR THE ABOVE TRANSACTION.

\$1515.⁷⁵/₁₀₀.

NEW YORK, January 30, 1867.

SIXTY DAYS after date, for value received, please pay to my order FIFTEEN HUNDRED AND FIFTEEN DOLLARS, ⁷⁵/₁₀₀.

To WILLIAM HAY, Esq,
Merchant, New York.

P. DUFF.

With the left side up, Hay writes across the face, in red ink, "Accepted."

WM. HAY.

This form will be found convenient for making payable at a particular place—say Philadelphia. The drawer then says "pay to my order in Philadelphia." The acceptor must name the place where he will have funds to take it up—thus, he writes across the face, "At the Girard Bank."

WM. HAY.

To negotiate this acceptance, the drawer has to endorse it himself, it being payable to his own order.

FORM XII.—A JOINT PROMISSORY NOTE.

\$500.⁰⁰/₁₀₀.

NEW YORK, January 30, 1867.

On demand, for value received, we or either of us, promise to pay to the order of Mr. Peter Duff, FIVE HUNDRED DOLLARS.

WM. HAY,
JAMES CARTER.

FORM XIII.—A RECEIPT IN FULL.—Note 4, p. 70.

NEW YORK, January 16, 1867. Received from James Carter FIVE HUNDRED AND SIXTY DOLLARS in full.

\$560.⁰⁰/₁₀₀.

P. DUFF.

FORM XIV.—A RECEIPT FOR MONEY ON ACCOUNT.—Note 2, p. 84.

\$800. Received from Peter Duff, EIGHT HUNDRED DOLLARS, on account.

NEW YORK, March 31, 1867.

R. LENOX.

FORM XV.—A RECEIPT FOR AN ENDORSEMENT UPON A NOTE.—Feb. 12, p. 74.

\$2000.⁰⁰/₁₀₀. Received from Mr. Thomas Edwards, TWO THOUSAND DOLLARS, which is endorsed upon his note.

NEW YORK, February 12, 1867.

P. DUFF.

FORM XVI.—A RECEIPT FOR A PROMISSORY NOTE.—January 18, p. 72.

\$600. Received from Mr. James Carter, his note at twenty days for SIX HUNDRED DOLLARS, which, when paid, will be in full to date.

NEW YORK, January 18, 1867.

P. DUFF.

FORM XVII.—AN ENDORSED NOTE.—Feb. 9, p. 74.

\$2100.⁰⁰/₁₀₀.

NEW YORK, February 9, 1867.

Four months after date, for value received, I promise to pay to the order of Messrs. Warden & Bell, TWO THOUSAND ONE HUNDRED DOLLARS.

WM. PARK.

Endorsed notes are always drawn payable to the endorser, not to the holder.

SET II.—MERCANTILE FORMS.

FORM XVIII.—A LETTER OF INTRODUCTION.

NEW YORK, May 30, 1867.

Dear Sir,

I have the pleasure of introducing to you the bearer, my much esteemed friend, William Hay, Esq., Merchant of this city. While in London he wishes to confer with you upon some business, the nature of which he will himself explain to you.

Recommending Mr. Hay to your usual kind attention, I remain,

Dear Sir,

To ROBERT MORRIS, Esq., }
Merchant, London.

Yours, Respectfully,

P. DUFF.

FORM XIX.—A LETTER OF CREDIT.

NEW ORLEANS, March 30, 1867.

Dear Sir,

If the bearer, Mr. James Draper, desires to make any purchases of merchandise of you on credit, you may consider us responsible to you for the payment of the same, to any amount not exceeding ONE THOUSAND DOLLARS. In the event of his failing to make his payments according to agreement, we require you to give us timely notice of the same. We are,

Dear Sir,

To MR. PETER DUFF, }
Merchant, New York.

Yours, Respectfully,

JOHN TAYLOR & Co.

FORM XX.—A LETTER WITH AN ACCOUNT.—See Form I., p. 115.

NEW YORK, June 30, 1867.

Dear Sir,

Inclosed I hand you your account current balanced by \$5676.59, in my favor due this day; to which, if you find it correct, please make your books conform. I am without any of your favors to reply to, but remain,

Dear Sir,

To R. MORRIS, Esq., }
Merchant, London.

Yours, Respectfully,

P. DUFF.

FORM XXI.—A LETTER OF ADVICE.—See Note 5, p. 84, and Note 1, p. 86.

NEW YORK, April 10, 1867.

Gentlemen,

I have to inform you that I have this day paid your bill of \$1200, on Sidney Wood & Co., which was protested for non-payment. Your bill of \$600 on the same parties, has also made its appearance, and the drawees having apprised me of their inability to give protection to your signature, I have accepted for your honor and will take care of it at maturity.

Bill paid \$1200. Expenses \$4. Commission $\frac{1}{2}$ per ct., \$6. Due this day \$1210.

Bill accepted *supra protest* \$600. Protest \$1. Commission \$3. Due 23d inst., \$604. which amounts please place to credit of,

Gentlemen,

To Messrs. JOHN TAYLOR & Co., }
Merchants, New Orleans.

Yours, Respectfully,

P. DUFF.

FORM XXII.—A LETTER OF ADVICE.—See Note 4, p. 76.

LONDON, December 24, 1866.

Dear Sir,

In my respects of the 18th instant, I inclosed you an invoice and bill of lading of a consignment of 30 Pipes Port Wine shipped per "Herald," which sailed on the 19th.

I have now to advise you that I have this day valued upon you at 10 days on account of the same for \$2500 in favor of Robert Banks, which please honor for account of

To Mr. P. DUFF, }
Merchant, New York.

Yours, Respectfully,

R. MORRIS.

DUFF'S BOOK-KEEPING.

PART II.

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DUFF'S BOOK-KEEPING.

PART II.

EXEMPLIFYING PARTNERSHIP BOOKS

Upon two different methods, for greatly abbreviating and simplifying the usual process of **DOUBLE ENTRY BOOK-KEEPING**. Adapted to the most limited retail, or to the most extended wholesale business; with the whole of the auxiliaries, with part, or without any of them. Illustrating a new method of

PROVING THE LEDGER:*

By means of which, **NO ENTRY ONCE MADE UPON THE DAY BOOK OR ANY OF THE AUXILIARIES CAN AFTERWARDS BE OMITTED AT ANY STAGE OF ITS PASSAGE TO THE LEDGER WITHOUT CERTAIN DETECTION**. Embracing also an exemplification of the

PRIVATE LEDGER,

By means of which the results of the business can only be known to the partners.

Practical directions for transferring the contents of **THE OLD LEDGER TO THE NEW ONE**, illustrating the formation of a

NEW FIRM BY THE INTRODUCTION OF A NEW PARTNER.

Also, particular directions for conducting partnership books during settlement, after dissolution.

MAKING OUT PARTNERSHIP BALANCE SHEETS.

RATES OF COMMISSION AND STORAGE established by the Chambers of Commerce of the cities of

NEW YORK and PHILADELPHIA, with various additional matters of important information for men of business.

* We do not present the six-columned Day Book or Journal as original. Our method of proving the Books is applicable to any form of Day Book or Journal.

SET I.—PART II.—PARTNERSHIP BOOKS.

PRELIMINARY REMARKS.

1. WE now propose to supply what other authors have omitted—an arrangement of the **DOUBLE ENTRY** principle, practically adapted to retail business,—a method divested of the cumbrous machinery of Auxiliaries, the dilatory intervention of the Journal, and, above all, the voluminous masses of writing created by the common mode of keeping and posting the Cash and Merchandise accounts.

2. Though the following method is conducted strictly under the first fundamental rule of Double Entry—equal debits and credits—it will be readily seen that a great saving of books, writing, posting and checking is effected, with increased security against error, with the full benefit of all the information obtained by the ordinary Double Entry process, and with the convenience of having your personal accounts daily posted up and ready for settlement at a minute's notice. Let us state its advantages over the common process more distinctly.

1st.—Dispensing with all books but the Day Book and Ledger.

2d.—Writing in the cash and merchandise accounts in the Ledger reduced to about **ONE LINE FOR ONE HUNDRED.**

3d.—Checking the cash and merchandise posting, reduced in the same proportion.

4th.—A yearly saving of forty or fifty folios of the Ledger.

5th.—Increased security against error, as no entry once entered upon the Day Book can be omitted in posting without detection.—See Note 1, p. 135.

6th.—Daily posting of the personal accounts, thereby having them always ready for settlement.

3. These are considerations which entitle this method to the particular attention of all retailers. And though, in ordinary retail business, the Day Book and Ledger are the only books absolutely required, we shall show hereafter, that as the business increases this arrangement will not be disturbed by the introduction of any one, or all the auxiliaries in use. It is therefore not only adapted to the most minute retail business, but to the most extensive operations of commerce.

4. No person should attempt to learn the science by commencing here. If he is unacquainted with its principles, he must first acquire them by the course of instruction in the preceding part of this work. Afterwards the form of these books, although somewhat complicated in appearance, can be understood and practised with ease. Indeed, after the Day Book Entry is once correctly made, the subsequent steps partake much of the simplicity of Single Entry. But, for obvious reasons, no one should attempt to apply it to business until he has gone through a course of exercises.

5. The following Day Book is ruled with six columns; the debits, as usual, always occupying the left, and the credits those on the right. The column next the writing on the left and that on the right, as you perceive by the post marks, are the only ones that are posted in detail. The cash and merchandise amounts, both debits and credits, are forwarded from page to page until the 30th March—p. 128. From there they are posted in one sum, affixing to it the post mark as usual.

In making the Day Book Entry, care must be taken to extend all cash and merchandise entries into their own columns. And those who are very expert in addition, and who desire to keep their work free from erasures, should foot and prove the addition first upon a waste sheet of paper, taking care afterwards to keep each set of figures under its own column.

6. In making an entry, the same form of expression is used as upon a common Journal. In entering an invoice of sale, the particulars are first short-extended, like Evans's or Butler's entries on the next page.

7. Observe, the Cash and Merchandise accounts can be posted monthly or yearly, as may suit your convenience, recollecting that every time these accounts are posted, it makes a period in the amounts brought forward on the Day Book, and the new period commences with the heads of the columns empty.—See Note 1, p. 128.

Mdse.	Cash.			Cash.	Mdse
	4000		Cash, Dr. to Sundries, To P. Duff, received on account of capital, " W. Gordon,	2500 1500	
3380			" "		
			Mdse., Dr. to Sundries, To T. P. Cope & Sons, for Invoice, " Wm. Hay, for Invoice, " Cash, paid freight,	2500 800	
			5.		80
			Sundries To Cash, Expense account paid laborers.		1605 50
1200		1 50	T. P. Cope & Sons, remitted them.		
400		1	Wm. Hay, remitted him.		
		4	Exchange account, paid Premium on drafts.		
			"		
		9 50	Robert Martin (270 Bowery), To Mdse., 1 pair fine Boots, \$6. Repairing two pair do. . . . 1. 1 pair Ladies' Boots 2.50		9 50
			"		
		4 50	James Carter, To Mdse., 1 pair Boys' Shoes, \$1.75 Footing 1 pair Boots, 2.75		4 50
			"		
		271 25	Robert Evans (Buffalo), To Mdse., 12 pair Boots, at \$8. . . . \$96. 24 " " Light, " 6. . . . 144. 24 " Boys' Shoes, " 1.25 . . . 30. Packing case and cartage, . . . 1.25		271 25
			10.		
		5	P. Duff, To Cash on account,		5
			"		
		8	James Moore (Pine St.), To Mdse., 1 pr. Boots,*		
			"		
		337 25	Robert Butler (Albany), To Mdse., 48 pair Ladies' Boots, at \$2. . . . \$96. 60 " Men's do. " 3. . . . 180. 60 " Boy's do. " 1. . . . 60. Box and cartage, 1.25		337 25
			"		
	954		Cash To Mdse. for sales to date, 20.		954
		10	W. Gordon, To Cash on account,		10
			"		
		4	J. Carter, To Mdse., for 2 pair Shoes, . . \$2.		4
3380	4954	2247	Amounts forwarded,	7300	1700 50 1580 50
		4954	Cash,	1700 50	
		3380	Merchandise	1580 50	
Paid	1700 50	10581	Proof	10581	
Ball	3258 50				

1. Pencil the cash paid under the amount received, and you can see the balance as often as you desire.—See Note 1, p. 128.

* Entries that are collected before posting, are marked so in the folio column, and the pen is run lightly through the figures on both sides. Omit these figures in the addition, and dispose of the cash as if received for a ready money sale.

Mdse.	Cash.		L.F.		L.F.	Cash.	Mdse.
3380	4954	2247		Bro't forward, . . .	7300	1700 50	1580 50
			50	"			
			2	R. Martin (270 Bowery), To Mdse., rep'g Boots,			50
				31.			
			6	1 P. Duff, To Mdse. for 1 pr. fine Boots,			6
				"			
			2 50	1 W. Gordon, To Mdse. for 1 pr. Ladies' Boots,			2 50
				Feb. 1.			
74				² Mdse. To Sundries,			
				To Cash paid Journeymen to date,		24	
				" J. Day, foreman's wages to date,	3	50	
				"			
			45	3 James Day, To Sundries,			
				To Cash, paid him on account,		20	
				" Mdse., a Black Dress Coat,			25
				5.			
			3 20	3 Expense acct. to Cash pd. for Coal \$3, post. 20,		3 20	
				"			
				Sundries To Cash,		706 50	
			500	1 T. P. Cope & Sons, remitted draft.			
			200	1 Wm. Hay, do. do.			
			6 50	3 Exchange acct., paid Prem. on the above drafts.			
				10.			
				Sundries To Mdse.,			47
			12	3 J. Day, pd. his order to W. Price.			
			35	2 R. Martin, do. to James Reed.			
				"			
16				Mdse., Dr. to Cash pd. Journeymen,		16	
				15.			
630				Mdse. To Cash, pd. Davis's Auction Bill,		630	
				"			
			25	3 J. Day, Dr. to R. Martin,	2	25	
				For our order on R. Martin.			
				"			
			45	2 A. Bell To Mdse., for 1 full Circle Cloak,			45
				20.			
60				Mdse., Dr. to Edward Pryor,	3	60	
				For his Invoice of Trimmings,			
				"			
	200			Cash To E. Pryor, rec'd in loan,	3	200	
				"			
			2 50	2 A. Bell To Mdse., repaired Coat and Vest,			2 50
				"			
			16	3 E. Pryor To Mdse., 2 pr. Blk Cassim. Pants at \$8.			16
				³ Amounts forwarded,	7635		
				Cash,	3100 20		
				Merchandise	1725		
			12460 20	Proof	12460 20		

1. After the books are open we discontinue the useless, though universal, practice of continually repeating the place of business at the head of every page.
 2. Mdse. is Dr. for the expense of manufacturing, although it is more proper to carry rents, clerks' wages, and the expense of selling it, to the Expense account.
 3. To save writing we may, hereafter, set the footings of the Cash and Merchandise columns, at once into the proof column.

PARTNERSHIP BOOKS.

THE LEDGER.

INTRODUCTORY REMARKS.

1. THE following Ledger is opened, conducted, and closed upon the same principles as those already explained. I have made one or two slight deviations from the common course, which the book-keeper may or may not adopt, as he pleases. In order to conflict as little as possible with the established process of teaching, I retained the prepositions *To* and *By* in the Double Entry Ledgers in the first part of this work; but as I consider them of no more use than the old practice of filling up the cent column with unmeaning ciphers, I have dropped them in both Ledgers in this part of the work.

2. In the next place, I have in some instances briefly detailed the Day-Book entries on the Ledger. I am aware that some ridicule all attempts at entering details of any kind of business upon the Ledger, and many persons are impressed with the idea, that it is contrary to the rules of accounts to do so. But retailers will be perfectly safe in giving what I suggest a trial. It is as easy to write 1 lb tea, a hat, a coat, or a pair of boots, at a man's account, as merchandise. The book-keeper's experience will soon enable him to judge how far it will be for his convenience to carry out this method of posting, recollecting that it is only recommended to retailers.

3. While teaching the principles of the science, dividing the Profit & Loss account into Expense, Exchange, Interest, &c., renders the subject more complex and tends to retard rather than facilitate the student's progress. For this reason none of these accounts were introduced in any of the preceding sets: but we have given an exemplification of each in this and the following set, with the necessary directions for closing. We may also observe, that these accounts ought always to be kept in every business that creates any considerable number of entries for them. Note 4, p. 24.

4. I have opened the Ledger with a cash capital of \$4000, placing \$2500 at the credit of Duff, and \$1500 at the credit of Gordon. The business closes with a gain, which is divided and carried to the credit of each partner in *proportion to his capital*.

5. It may be proper to observe here, that the rules of accounts have nothing to do with regulating the division of profits or losses; that is altogether a matter of private agreement. In our next Ledger will be found an illustration of the equal division of profits; and on page 181, various modes of adjusting the difference of capital by interest: our students shall have an ample variety of illustrations.

6. After closing this Ledger we have transferred the contents to a new set. This was done for the purpose of giving another practical elucidation of that process, and also to get an opportunity of exemplifying the application of our method of proving the books to an entire set. We think it proper to give this explanation here, because many persons imagine that every new partner who is introduced into a firm, makes it necessary to have a new set of books. This is not necessary, provided the old books have been regularly kept. It is, however, generally necessary to take an inventory of the property on hand and to make out a Balance sheet. The new partner's name is then introduced, with a credit for whatever he brings in, and a debit for what the firm may assume for him. The old partners' accounts are closed and their respective shares in the business at that period brought down.

7. A suspended list ought always to be opened upon these occasions for such debts as the old partners have any doubt of collecting.—See Suspended List, p. 134.—Of course they must make good to the new firm all old debts for which they credit themselves: and if many of these debts should afterwards prove wholly or partially irrecoverable, the adjustment of the matter has always to take place after the lapse of considerable time,—perhaps several years: it then becomes an awkward and very troublesome operation. In all such cases it is better, at the commencement, for the old partners to carry no debts to their credit but such as they are absolutely certain of collecting. Leave all the others behind upon the suspended list, and make new dividends of them, between themselves, as collected.—See Duff and Gordon's Account, page 169.

ON CLOSING A PARTNERSHIP LEDGER.

1. THE principles of opening, closing, transferring, and re-opening books have been already so carefully explained in the first part of this work, that it is to be hoped nothing need now be repeated that has been there explained.

2. The only new features in the process now before us are the dividends of gain or loss, the partners' accounts, and the suspended list; the management of all the other accounts is in every respect the same as in individual business.

3. The manner of finding the net gain or loss, is the same as we have previously explained: the division of it, and the operation of closing the account, can be best explained at the account itself—p. 134.

4. In closing the personal accounts, omit the partners' accounts, and leave them open until the last: they, like the stock account in individual business, being always affected, as you perceive by referring to them, by the closing entries of Profit & Loss, and must, therefore, be left open to receive their entries of gain or loss when that account is closed, which cannot be done until it receives all its transfers from the other accounts. Therefore, the partners' accounts, Profit & Loss and Balance, must be remaining open after all others are closed: these are then closed—first, Profit & Loss into the partners' accounts, then the partners' into Balance: then, if all be correct, Balance will be exactly closed by these last transfers from the partners' accounts. The accountant should always first make the closing entries of these last accounts in pencil, to be certain that the Balance will close by the last entries. For although this trial may have come out all correct, errors or omissions may have got into the work that he has done since, which will compel him to scratch and disfigure these, the most conspicuous accounts in his Ledger.

5. It may be proper to remark, that though both our partners' accounts here close To Balance, when a partner draws out more than his share of the gain and the amount he has paid in, his acct. closes *By* Balance. When all the partners' accounts close in this way, then the firm is insolvent. In short, after partners have received their transfer from Profit & Loss, their accounts then close in every respect like those of other persons.—See Notes, Balance account, p. 35.*

6. We have already alluded to the use of the Suspended List, and have now only to state, that it is opened for the purpose of exhibiting a list of all such accounts as we think we cannot safely make a dividend upon: the partners must themselves mark these for the book-keeper. The amount of such accounts must be known in order to enter the Profit & Loss account, for the Ledger will not, of course, balance without disposing of these accounts either in Profit & Loss or Balance: besides, the practical merchant or mechanic will find this companion to the Balance sheet a useful monitor every time it is made out.

7. The book-keeper can often materially shorten the balance sheet by sending round, before making it out, and paying off all trifling balances against him, and, at the same time, by collecting all balances of this kind. From inattention to what I here suggest, I have seen balance sheets made out with fifty or sixty accounts of trifling sums upon them, nearly all of which would have been paid if called for.

NOTE.—We think it unnecessary to annex an index to this Ledger: we give one to the next—page 164.

* If a partner is taken into the firm without capital, his account will open without a credit, and will remain so until the business places a profit at his credit.

Dr.		P.		DUFF.		Cr.		1	
1867.	10	Cash,	1	5	1867.	2	Cash,	1	2500
Jan.	31	1 pr. Fine Boots,	2	6	Jan.	31	Profit & Loss,	4	443 47
Mar.	1	6 yds. Blk. Cloth @ \$8.	3	48	Mar.				
	31	Balance,	f. 4	2884 47					
				2943 47					2943 47

1. Credit each partner for what he pays in, and for his share of the net gain, and debit him for what he draws out, and for his share of the net loss. Close To or By Balance.—Notes 4 and 5, p. 130.
2. When a partner leaves home, taking money with him to lay out for the business, he should leave a memorandum of the amount with the cashier, who can count this paper as money until the partner sends him a statement of the outlay; then the final entry is made. The practice of encumbering a partner's account with such transactions can never be recommended.

W.		GORDON.							
1867.	20	Cash,	1	10	1867.	2	Cash,	1	1500
Jan.	31	1 pr. Ladies' Boots,	2	2 50	Jan.	31	Profit & Loss,	4	266 08
Mar.	2	16 yds. F. Satin @ 1.50	3	24	Mar.				
		1 doz. Cravats, 48.50		12					
	31	Balance,	f. 4	1717 58					
				1766 08					1766 08

T. P.		(Philadelphia)		COPE & SONS.					
1867.	5	Cash,	1	1200	1867.	2	Mdse. Ⓢ Invoice,	1	2500
Jan.	5	"	2	500	Jan.				
Mar.	20	"	3	800	Mar.	25	Mdse. Ⓢ Invoice,	3	504
				2500					2500
	31	Balance	f. 4	504					

WILLIAM		HAY.							
1867.	5	Cash,	1	400	1867.	2	Mdse.,	1	800
Jan.	5	"	2	200	Jan.				
Mar.	31	Balance,	f. 4	200	Mar.				
				800					800

CASH		ACCOUNT.							
1867.	31	Sundries to date,	4	6391 25	1867.	31	Sundries to date,	4	4291 20
Mar.					Mar.		Balance,	f. 4	2100 05
				6391 25					6391 25

MERCHANDISE		ACCOUNT.							
1867.	31	Sundries to date,	4	4830	1867.	31	Sundries to date,	4	2606
Mar.		Profit & Loss,	f. 4	993 50	Mar.		Balance,	f. 4	3217 50
				5823 50					5823 50

2 Dr. ROBERT		(\$70 Bowery)		MARTIN.		Cr.	
1867.				1867.			
Jan. 5	1 pr. Fine Boots, Repairing 2 pr. do. 1 pr. Ladies' Boots,	1	6 1 2 50	Feb. 15	Our order to J. Day,	2	25
	20 Repairing Boots,	2	50	Mar. 31	Suspended List.	f. 4	20
Feb. 10	Pd. order to J. Reed		35				
			45				45
May 23	Bal. bro't down,		20	May 23	Pd. Duff, Gordon & Co.		20

Note 7, p. 129, and 6, p. 130.

1. The above account remained closed until Martin paid the amount to the new firm. It was then re-opened to record the payment: this must always be done in such cases.

2. If the business of the new firm had re-opened in these books, it would then have been necessary to re-open the suspended accounts with a Day Book Entry, making them Dr. To Duff & Gordon: then credit them for the payment.

JAMES		(Clerk)		CARTER.			
1867.				1867.			
Jan. 5	Shoes 1.75, Boots foot- ed 2.75,	1	4 50	Mar. 31	3 mos. sal'y to date,	4	90
	20 2 pr. Pumps, @ \$2,		4				
Mar. 31	Cash,	4	45				
	Balance,	f. 4	36 50				
			90				90

ROBERT		(Buffalo)		EVANS.			
1867.				1867.			
Jan. 5	Mdse. Invoice,	1	271 25	Mar. 10	Cash by mail,	3	250
Mar. 10	36 yds. col'd Satin 1.25	3	45	31	Suspended List,	f. 4	66 25
			316 25				316 25
May 31	Bal. bro't down,		66 25	May 31	Pd. Duff, Gordon & Co.		25
			66 25	June 10	"		41 25
							66 25

See Martin's account above, and Note 2, Suspended List, p. 134.

ROBERT		(Albany)		BUTLER.			
1867.				1867.			
Jan. 10	Mdse. Invoice,	1	337 25	Mar. 20	Cash by mail,	3	300
			337 25	31	" "	4	37 25
							337 25

ANDREW				BELL.			
1867.				1867.			
Feb. 15	1 full circle cloak,	2	45	Mar. 20	Our order to E. Pryor,	3	40
	20 Coat and vest repaired,		2 50	31	Profit & Loss,	f. 4	12 50
Mar. 10	1 Beaver Hat,	3	5				
			52 50				52 50

Considering this a bad debt, we close it into Profit & Loss.

JAMES				(Foreman)				DAY.				Cr. 3		
1867.								1867.						
Feb.	1	Cash,	2	20	Feb.	1	Mdse. wages to date,	2	50					
		Black Dress Coat,		25		28	" "	3	50					
	10	Pd. order to W. Price,	2	12	Mar.	30	" "	4	50					
	15	Our order on R. Martin,		25										
		tin, ^{sz.}		25										
Mar.	31	Balance, fol.	4	68										
				150					150					

EXPENSE

ACCOUNT.

1867.	Jan.	5	Cash,	1	1 50	1867.	Mar.	31	Profit & Loss, fol.	4	154 70
	Feb.	5	"	2	3 20						
	Mar.	30	" Store Rent,	4	60						
		31	J. Carter, salary, ^{154.70}		90						
					154 70						154 70

EXCHANGE.

ACCOUNT.

1867.	Jan.	5	Cash,	1	4	1867.	Mar.	31	Profit & Loss, fol.	4	10 50
	Feb.	5		2	6 50						
					10 50						10 50

1. This and the preceding account are branches of Profit & Loss, and are always closed into it.—Note 4, p. 24, and Note 3, p. 129. The student can never be at any loss in conducting them, they being of the same nature as Profit & Loss, and are therefore always debited when you lose, and credited when you gain by them.

EDWARD

PRYOR.

1867.	Feb.	20	2 pr. Blk. Pants, @ \$8.	2	16	1867.	Feb.	20	Mdse. Invoice,	2	60
	Mar.	1	Cash Loan 20th ult.,	3	200				Cash Loan, ^{200.}	2	200
		10	Mdse. pd. order to Wood		6		Mar.	31	Balance, fol.	4	2
		20	Our order on A. Bell ^{262.}		40						
					262						262

This method of entering loans dispenses with the Borrow & Loan account.

SAMUEL

GAYNOR.

1867.	Mar.	10	4 yds. best Blk. Cloth,	3	40	1867.	Mar.	31	Balance, fol.	4	91
			1 " Cassimere,		3						
		20	Paid order to H. Wallace, ^{48.}		48						
					91						91

1867.	Mar. 31	Cash counterfeit money	4	20	1867.	Mar. 13	Mdse.,	fol. 1	993 50
		Andrew Bell, fol.	2	12 50					
		Expense acct.,	3	154 70					
		Exchange acct.,		10 50					
		Suspended acct.,	4	86 25					
		P. Duff's net gain,	1	443 47					
		W. Gordon "		266 08					
				993 50					993 50

Read Note 4, p. 130.

1. The marginal pencil figures on each side show how the net gain is found: Then,

Duff's Capital was 2500.
Gordon's 1500.

4000 : 709.55 :: 2500 : 443.47, Duff's share of the gain.
Then, 4000 : 709.55 :: 1500 : 266.08, Gordon's do. do.

2. When each partner's share of the gain, thus found, is placed to the debit of this account, it must exactly close it.

BALANCE

ACCOUNT.

1867.	Mar. 31	Cash,	fol. 1	2100 05	1867.	Mar. 31	T. P. Cope & Sons, fol.	1	504
		Mdse.,	1	3217 50			Wm. Hay,		200
		E. Pryor,	3	2			James Carter,	2	36 50
		S. Gaynor,		91			James Day,	3	68
				5410 55			P. Duff, for net capital,	1	2884 47
							W. Gordon, "	1	1717 58
									5410 55

See Balance accounts, pp. 17 and 35.

- This account is made up from the Ledger, in all respects as in individual business; and the difference between the amount of the effects, and the debits owing by the firm, is the net joint capital. The proportion of that capital which belongs to each partner, can only be known from his account. When each partner's balance is transferred, it must, as you see above, close this account: neither more nor less.
- If any of the partners overdraw their capital, then, of course, the balance they owe the firm, like a balance due from any other individual, is part of the effects and comes to the Dr. side of this account.

SUSPENDED

LIST.

1867.	Mar. 31	Robert Martin,	fol. 2	20	1867.	Mar. 31	Profit & Loss,	fol. 4	86 25
		Robert Evans,		66 25					
				86 25					86 25

See Note 7, p. 129, and Note 6, p. 128.

- This account, as you perceive above, is closed into Profit & Loss. It will be seen by these accounts—p. 132—that when a payment is received upon it, the account must be re-opened by bringing the suspended balance down.
- I wish the learner to observe that when the business is transferred to new books, as in this case, there is no occasion for closing the suspended accounts. Find the balances as directed—Note 3, p. 113—and transfer them to the list and leave the accounts standing open until paid. But I have closed them, because, by so doing, it is easier to convey the idea of what was done with the balances, and more particularly when and how they were settled after the Ledger was closed, and all other accounts transferred.
- After what has been stated in Note 3, p. 113, it will be seen that it is never necessary to close an account for the mere purpose of finding its balance to make up any sheet or list.

PROOF SHEET, March 31, 1867.

Drs. Crs.

P. Duff	fol.	1			
W. Gordon					
T. P. Cope & Sons					
W. Hay					
Cash					
Mdse.					
Robert Martin		2			
Jas. Carter					
R. Evans					
Robt. Butler					
Andrew Bell					
James Day		3			
Expense Account					
Exchange Account					
Edward Pryor					
Samuel Gaynor					
Profit & Loss		4			

1. The above Proof or Trial sheet must embrace all amounts that have been posted since the last balance—closed accounts as well as open ones. See Cope & Sons' account above. By this means we have not only proof by equal debits and credits, but we have the sum total of the postings to the Ledger agreeing in amount with the sum total of the Day-Book transactions. Compare the above with the Day-Book footings, p. 128. This is the strongest and most conclusive proof that our Day-Book is completely posted. If one dollar or one cent be omitted, it is evident that this Trial must fall just that amount **SHORT** of the Day-Book footing. On the contrary, if any entry by any means gets twice posted, the Trial will certainly show it by footing up just the amount of the error **MORE** than the Day-Book.

2. In our next set our students will find an illustration of the monthly trial, also a full explanation of the mode of detecting and correcting errors.

3. If the business had continued in this Ledger, you must recollect, that in re-opening, the amounts composing the old Balance account do not pass through the Day-Book, for this reason, when you take your next trial, it will foot just the amount of this Balance account *more than the Day-Book*. Therefore at each succeeding trial after the first, until the re-opening entries are passed again through the Day-Book, deduct the amount of the previous Balance from the footing of the trial sheet, and the remainder must agree with the footing of the Day-Book as above.

SET II.—PART II.

OPENING WITH A TRANSFER OF THE CONTENTS OF THE LAST LEDGER.—EXHIBITING ALSO THE FORMATION OF A NEW FIRM BY THE ADMISSION OF A NEW PARTNER.—ILLUSTRATING THE USE OF ALL THE AUXILIARIES IN THE NEW PROCESS FOR DETECTING ERRORS AND

PROVING THE LEDGER.

1. We have shown in the last set our method of proving the Books, applied to the Day-Book and Ledger only. That set, as already stated, is only intended for a retail business. As the business extends, the Auxiliaries and the Journal become necessary. I may however remark, that the Journal would seldom be required in any ordinary business, if all persons about the establishment were instructed in keeping a Day-Book upon this principle. Where this is not done, a common Day-Book must be kept, from whence the book-keeper journalizes the entries.

2. Our purpose is now to show, that our method of detecting errors and proving the books, is applicable with the use of as few or as many of the Auxiliaries as the book-keeper may consider it necessary to keep.

3. By a slight alteration in the form of the Invoice Book, and adding up and forwarding the amounts from page to page, it will be seen that this book, the merchandise debit column in the Journal, and the debit side of the merchandise account in the Ledger, will correct each other; and by attending to the footings of this book and the Journal, an error cannot pass unobserved for a single page. It is to be observed, however, that all entries affecting the debit side of the merchandise account, must originate upon this book.

4. The next question that presents itself is, how are invoices of consignments to be disposed of? We exemplify two entries of this kind: one on April 30, p. 137, and one on June 4, p. 138. By these entries it will be seen that all such invoices, and invoices on account of ourselves and others in company, can be entered upon this book, without disturbing the entries of our own invoices, the amounts of which are extended into the right-hand column to be footed and forwarded as before directed.

5. By a similar arrangement it will be seen that we have made our Sales Book, the Merchandise credit column in the Journal, and the credit side of the merchandise account in the Ledger, agree with each other.

By the common mode of keeping the Cash Book, its balance and that of the cash account in the Ledger must agree, otherwise there must be error in one or the other—perhaps in both. This, however, furnishes no clue to where the error exists. From our arrangement of this Book in connection with the cash columns in the Journal, it will be seen that you can always in a few minutes point out the very page and generally the side of the Book upon which the error exists.

6. The Bill Books both control their representatives in the Ledger upon the principles explained in Note 4, p. 48. The Commission Sales Book governs the Consignment Sales acct. in the Ledger in a similar manner. And the same harmony is maintained between the Check Book and the Bank Account.

7. The following Invoice Book opens with an inventory of the Merchandise brought into the new firm by the old partners, as will be seen by the Journal; this Merchandise is carried to their credit. The Day-Book and Cash-Book show their other effects.

INVENTORY of Merchandise in Store belonging to DUFF & GORDON, April 1st, 1867. 1

				MDSE.	DR.
	6 pieces, 112 ² , 115 ² , 116, 112, 118, 117 = 691 yds. Ingrain Carpeting @ \$1.		691		
	4 " Blk. Broadcloth, 20 ² , 21 ² , 20 ² , 19 ² = 82 yds. 10.		820		
	2 " Blk. Gros de Naples, 60, 60 = 120 yds. 1.		120		
	12 " Blk. Bombazine 15.		180		
D. B. 1.	20 " Colored Florence 1510 yds. 30 cts.		453		
	20 " Blk. Crape de Paris 5.		100		
	4 " Black Satin Vestings 120 yds. 2.		240		
	2 " Green Broad Cloth 41 yds. 6.		246		
	100 " Prints 3.		300		
	20 " Furniture 3.25		65		
	1 " do.		2	50	3217 50
10.					
BOSTON, April 6th, 1867.					
D. B. 1	MESSRS. DUFF, GORDON & Co.				
Bo't of WM. HAY.					
D. G. & Co.	500 ps. Merrimac Prints @ \$3.		1500		
	200 " Furniture 4.		800		
	80 " Rolled Jaconets 1.25		100		
	60 " " " 1.50		90		
	Packing cases 4	40		2494	40
	Paid Cash, Freight, and Cartage			11	60
" "					
NEW YORK, April 10th, 1867.					
D. B. 1.	MESSRS. DUFF, GORDON & Co.				
Bo't of A. STUART & Co.					
	1 ps. Super Wool Black Cloth 22 ² @ \$8.		180		
	1 " Double Mill'd Cassimere 24 1.50		36		216
20.					
D. B. 1.	MESSRS. DUFF, GORDON & Co.				
Bo't of A. STUART & Co.					
	1 ps., 60 yds., Blk. Gros de Naples @ 75 cts.		45		
	1 " 60 " " Bombazine 50		30		75
30.					
Invoice of 40 pieces Brussels Carpeting, consigned to DUFF, GORDON & Co., for sale by order and for account of A. Stuart & Co.					
No. 4.	10 ps., 360 yds. @ \$1.		360		
" 6.	10 " 360 " 1.25		450		
" 8.	10 " 360 " Ingrain 1.50		540		
" 10.	10 " 360 " do. 2.		720		
NEW YORK, April 30th, 1867.			2070		
May 1.					
D. B. 2.	MESSRS. DUFF, GORDON & Co.				
Bo't of EDWARD PRYOR.					
	4 yds. Black Silk Velvet @ \$4.		16		
	6 " Fine Black Broadcloth @ \$8.		48		64
	Forwarded				6078 50

May 1, 1867.

	Bro't forward		6078	50
D. B. 2.	MESSRS. DUFF, GORDON & Co. Bo't of SAMUEL GAYNOR. 4 ps., 240 yds., Black Gros de Naples @ \$1. 1 ps. Green Crape NEW YORK, May 1st, 1867.	240 25		265
	23.			
	PHILADELPHIA, May 10th, 1867.			
D. B. 3.	MESSRS. DUFF, GORDON & Co. Bo't of T. P. COPE & SONS. 500 bbls. Superfine Flour @ \$4. 50 " Herring 6.	2000 300		2300
	June 4.			
F. H.	INVOICE of Broadcloths, consigned to DUFF, GORDON & Co., for sale by order and for account of Francis Hardman 6 ps. Super Blue, 19 ² , 20 ² , 21, 19, 18, 22 = 120 yds., @ \$8. 7 " Wool Black, 17, 23, 18, 22, 19, 21, 20 = 140 " @ 9. Packing case BOSTON, June 1st, 1867.	960 1260 2		2222
	"			
D. B. 4.	Taken to our account @ 3 months, 3 pieces A. Stuart & Co.'s Carpeting, viz. 2 pieces 72 yds. @ \$1.50, and 1 piece 36 yds. @ \$2.			180
	"			
D. B. 4.	MESSRS. DUFF, GORDON & Co. Bo't of S. HENRY & Co. 12 Cashmere Shawls @ \$50. 12 " " 30. 12 " " 10. 12 " Lamb's Wool Plaid do. 3.	600 360 120 36		1116
	Rec'd Payment, NEW YORK, June 4th, 1867. S. HENRY & Co.			
	10.			
D. B. 5.	DUFF, GORDON & Co. Bo't of WM. HAY. 24 pr. Super Bath Blankets @ \$7.			168
	"			
D. B. 5.	DUFF, GORDON & Co. Bo't of THOMAS FREEMAN. 12 pr. Super 10-4 Rose Blankets @ \$6.			72
	20.			
D. B. 5.	DUFF, GORDON & Co. Bo't of JAMES HAVEN. 14 pieces Satin Ribbon @ \$2.			28
	"			
D. B. 5.	DUFF, GORDON & Co. Bo't of A. STUART & Co. 500 ps. Merrimac Prints @ \$2. Rec'd payment By note @ 3 months, NEW YORK, June 20th, 1867. A. STUART & Co. June 30, Total purchases to date			1000 11207
				50

4 ps., 320 yds., Ingrain Carpeting	@ \$1.	320
700 " Merrimac Prints	4.	2800
400 barrels S. F. Flour	4.	1600
300 ps. Furniture Prints	4.	1200
400 " " "	2.	800
10 Cashmere Shawls	50.	500
8 " "	30.	240
50 barrels Herring	6.	300
10 ps. 200 yds., Broadcloth	3.	600
4 " 230 " Blk. Gros de Naples	1.	230
6 " 360 " Fancy "	1.	360
4 " 82 " Broadcloth	10.	820
6 " Crape de Paris	5.	30
Enter'd Ledger 2.		9800

CONCLUDING REMARKS.

1. It is not necessary to pass the Inventory of goods on hand through the books, unless at the transfer to new books, although there are no objections to doing so in the common mode of keeping books; but upon this plan, for the reasons named in note 3, p. 135, it would cause some trouble with the next trial sheet.

2. In a business where the invoices are so long, that copying them entire becomes inconvenient, an abstract of them will be found sufficient for this book; but we must again remind our student that he must see this book made complete. Every entry affecting the debit side of his merchandise account must originate here; but when this is done, this book becomes a direct and perfect check upon the Dr. side of the merchandise account in the Ledger. Nothing so completely establishes the correctness of this part of the book-keeper's work as the agreement of this book with its representative in the Ledger; and this is done on any day or at any hour you choose to compare its footing with those of the Journal: you are not obliged to wait until the time of making out the trial sheet.—Compare the footing of the last page with that of the debit merchandise column on the Journal, p. 161.

3. On the other hand, as the Invoice Book is usually kept, it affords no protection whatever against error in the Ledger. It is, indeed, of no practical use, except as a memorandum of the prices of the goods.

4. When this book is kept in this form, the work of posting can be shortened by another process. Post all the personal accounts direct from here to the Ledger, post marking them as usual; and at last post the merchandise debit from the end of the month or the end of the quarter, as may be decided upon, inserting the post mark on the same line with the sum. We shall show hereafter—p. 142—that the Sales Book can be posted in the same way, and thus do away with the merchandise columns in the Journal.

5. This is perhaps the shortest and simplest of all methods of posting; but there is not the same security against errors, nor the same facility in detecting them, that we have in the other arrangement: besides, there are some kinds of business to which it will not be applicable, whereas the arrangement we have given is applicable to any kind of business whatever.

THE SALES BOOK.

THE object for keeping this book is to avoid entering long invoices of sales upon the Day Book. It is generally ruled with one set of money columns; but for our purpose two sets are required. By means of these two sets of columns, it will be seen that all entries, usually made on a Sales Book, can be made upon this, in the common form, and with very little trouble. All amounts affecting the Merchandise account are separated, footed, and forwarded like the credit Merchandise column on the Journal; while all the particulars of the invoice of the sale are stated and exhibited in the inner column, as usual. It is so simple that any further explanation seems unnecessary. The first entry on April 30, and the last one on May 23, exemplify the management of entries when only a part of the amount is to go to the credit of merchandise.

1

NEW YORK, Saturday, April 10, 1867.

	Sold Robert Butler (Buffalo), @ 3 mos.,			
D. B. 1.	50 pieces Merrimac Prints \$4.	200		
	10 " Rolled Jaconets 2.	20		
	1 " 22 ² Fine Wool Black Broadcloth . . . 10.	225		
	30 " Furniture Prints 5.	150		
	Packing case	1	50	596 50
D. B. 1.	Edward Pryor to Mdse. for 2 yds. fine Brown Cloth @ \$3.			16
	"			
	Sold Richard Howe for Cash			
D. B. 1.	70 pieces Prints \$4.	280		
	5 " Furniture 5.	25		
	Packing box		75	305 75
	Tues. 20.			
D. B. 2.	¹ Paid E. Pryor's order to J. Burk in Mdse.			45
	"			
D. B. 2.	¹ Sold Samuel Gaynor on his order favor of C. Rhodes,			
	1 piece 20 yds. Super Black Cloth . . . @ 11.	220		
	1 " 118 yds. Ingrain Carpet 1.50	177		397
	"			
D. B. 2.	Sold James Camp for Cash,			
	2 pieces 19 ² , 20 ² =40 yds. Super Blue Broadcloth @ 11.	440		
	1 " 60 yds. Black Gros de Nap. 1.	60		
	10 pair Bath Blankets 12.	120		
	60 pieces English Prints 5.	300		
		920		
	5 per cent. for Cash	46		874
	Friday 30			
D. B. 2.	Sold Joel Post for Cash,			
	24 yds. Purple Silk Velvet . . . @ 4.50, \$108.			
	30 " Crimson and Gold Fringe . . . 1 30.	138		138
	4 ps. 144 yds. A. Stewart & Co.'s Carpets 2.50	360		
		498		
	Merchandise forward			2372 25
	<p>1. There is no necessity to specify the articles you have sold in payment for this order. Your possession of it is evidence of your having paid it. 2. When you furnish merchandise upon an open order—that is, an order permitting the bearer to draw any amount he desires—it is necessary to specify what you sell upon it, and to furnish the drawer of the order with a bill.</p>			

	Bro't forward			2372	25
D. B. 2.	Sold P. Duff on account, 4 yds. best Black Cloth @ \$8.	32			
	1 yd. Black Silk Velvet	5		37	
D. B. 2.	Sold C. Spencer on his note @ 20 days, 40 ps. Merrimac Prints @ \$3.	120			
	10 " Furniture " 4.	40			
	1 " 20 ^l Black Cloth " 6.	123			
	Packing case	1	50	284	50
D. B. 2.	Sold W. Gordon on account, 16 yds. Fig'd Gros de Naples @ \$1.25	20			
	1 Silk Cravat	1	50	21	50
D. B. 2.	Sold James Carter on account, 1 pr. Black Silk Gloves	1	25		
	12 yds. Linen @ 75c.	9		10	25
D. B. 2.	Sold Robert Banks on account, 1 yd. Fancy Velvet, \$1.50. 2 ^l Fancy Cassimere, @ \$2.				6 50
D. B. 3.	Received Cash for sales of Mdse. this day				160
	Monday, 23.				
D. B. 3.	Invoice of Mdse. shipped by the Brig "Tribune," Truck, Master, by order and for account and risk of Messrs. T. P. Cope & Sons, Philadelphia.				
	40 bbls. No. 1 Mackerel @ \$6.	240			
	300 boxes Smoked Herring 1.	300		540	
	CHARGES.			540	
	Commission 5 per cent. on \$540 \$27.				
	Cash paid for cooperage, cartage, &c. 12.			39	
	E. E. NEW YORK, May 23, 1867.			579	
	Tuesday, 31.				
D. B. 4.	Sold William Evans, payable in 10 days, 4 ps. Furniture Prints @ \$3.	12			
	2 " " " " 4.	8		20	
D. B. 4.	Sold J. Reed, payable next week, 1 ps. Super Black Cloth 22 ^l , @ \$8.				182
D. B. 4.	Sold Joel Post, payable in 10 days, 2 yds. Super Blue Broadcloth @ \$9.				18
D. B. 3.	Received Cash for sales 23d, \$180. 31st, \$86				266
D. B. 4.	Sold R. Butler wrappers for a bale A. Stuart & Co.'s Carpet				1 50
	Merchandise forwarded			3919	50

	Bro't forward			3919	50
D. B. 4.	Sold James Reed on account, 1 ps., 36 yds., Brussels Carpet @ \$2.25	81			
	1 Silk Shawl	15		96	
	"				
D. B. 4.	Sold Wm. Hay on account 1 Cashmere Shawl			60	
	"				
D. B. 4.	Sold Robert Parker, payable 1st July— 1 Cashmere Shawl			60	
	"				
D. B. 4.	Sold George Draper, on his note, 6 Cashmere Shawls @ \$55.	330			
	6 " " " 30.	180			
	6 Silk " " 20.	120		630	
	10.				
D. B. 5.	Sold R. Banks on account, 6 pr. 10-4 Super Bath Blankets @ \$10.	60			
	6 " 10-4 " Rose " " 8.	48		108	
	"				
D. B. 5.	Sold Edward Pryor on account, 3 pr. 10-4 Super Bath Blankets @ \$10.	30			
	3 " 10-4 " Rose " " 8.	24			
	1 ps., 21 ² yds., Blk. Broadcloth " 6.	129		183	
	20.				
D. B. 5.	Sold William Garden for Cash deposited, 500 ps. Merrimac Prints @ \$2.50			1250	
	Total sales to date			6306	50

CONCLUDING REMARKS.

1. Compare the above footing with that of the credit merchandise column in the Journal, p. 161, and every person at all acquainted with the subject must be convinced that there cannot be a more conclusive evidence of the correctness of this part of the work.

2. When the Sales Book is kept in this form it admits of being posted, as we have directed at the Invoice Book, note 4, p. 139; post the personal accounts as usual, and the merchandise in one sum from the foot of the account above.

3. If no Commission Sales Book is kept, the sales on consignment can be short extended as in first entry Apr. 30, p. 140.

4. It is scarcely necessary to observe that the way the Sales Book is generally kept, it affords no means whatever of proving its contents to be all transferred or posted; and there is the strongest reason to believe that errors, deeply affecting the interest of the proprietors, frequently pass for ever undiscovered in this book.

5. A few years ago a Western merchant called at the office of an extensive wholesale dealer in Philadelphia to pay his account. On referring to the Ledger it was found balanced. Upon the merchant representing that he had a subsequent invoice from them, the Sales Book was searched, and an invoice of about \$1300 found marked off that book as if journalized, but no entry appeared upon the Journal. Now, in this case, it is evident that the discovery of this omission was purely accidental, and it is equally certain, that, by our plan, it would have been undoubtedly discovered before we had journalized another page.

COMMISSION SALES BOOK.

1. We give here another exemplification of this book, for the purpose of illustrating a different mode of conducting the account in the Ledger. The management of this book itself is not essentially different from the former one, p. 65.
2. It is credited for all the sales, and debited for all charges, and for the net proceeds, when you pay it over or carry it to the credit of the owner; when it must be closed as you perceive Hardman's account is below.
3. You will perceive that there is not a separate account on the Ledger for each consignment account, as in our former set. Here we carry every one's sales and charges to one account. When you render account, and settle the sales, you do it upon this book, taking care that all the entries you make here are carried to the commission sales account on the Ledger.
4. The work is proved by comparing the total debits and credits of all the accounts on this book, with the total footings of the Commission Sales account on the Ledger.

Sales of Merchandise by order and for account of A. Stuart & Co. Dr.

	1867.		1867.				
Apr. 30	Paid Cash for Freight	24					
	Cartage and Labor	1 50					
			25 50				
				1867.			
				Apr. 30	Sold Joel Post for Cash,		
					4 ps. 144 yds. best Brussels Carpet @ \$2.50	360	
				May 31	Sold R. Butler @ 2 mos., due July 31,		
					5 ps. 180 yds. Brussels Carpet . \$2.	360	
					4 " 144 " " " 1.50	216	
				June 4	Taken to our acct. @ 3 mos., due Sept. 4,		
					2 ps. 72 yds. Brussels Carpet @ \$1.50	108	
					1 " 86 " " " 2.	72	
						180	

Sales of Merchandise by order and for account of Francis Hardman.

	1867.		1867.				
June 4	Paid Cash Freight and Cartage	12					
	" " Duties	736					
			748				
10	Commis'n on Total Sales 2740 @ 5 per ct.	137					
	Cash paid F. Hardman in full for n. p.	1855					
			1992				
				1867.			
				June 4	Sold to Jennings & Co. for Cash,		
					6 ps. Super Blue Broadcloth, viz.:		
					1 " " " " 19.	19	
					1 " " " " 20.	20	
					1 " " " " 21	21	
					1 " " " " 19	19	
					1 " " " " 18	18	
					22 120 @ \$10	1200	
					Sold M'Kearie & Abbott for Cash,		
					3 ps. S. W. Blk. Cloth, 17, 23, 18 = 58	1540	
					4 " " " 22, 19, 21, 20 = 82, 140, \$11	2740	
						2740	

1 Dr.

CASH

1867.	Apr.	1	Sundries	Balance $\text{\$}$ old Ledger, fol. 4.	2100	05
			P. Duff (S. A.)	Rec'd balance of his capital	115	53
			P. Duff	Rec'd on acct.	500	
			W. Gordon (S. A.)	Rec'd balance due on his capital	1282	42
			J. Carter (S. A.)	Rec'd on acct of his capital	2000	
		10	Merchandise	Rec'd from Howe	305	75
			R. Butler	Rec'd on acct.	100	
		20	Merchandise	Rec'd of Camp	874	
		30	Commission Sales	Rec'd for Stuart's carpets	360	
			Merchandise	Rec'd of J. Post	138	
					7775.75	
					48.15	
					7775	75
				Balance in hand bro't down	48	15
May		1	S. Gaynor	Rec'd on acct.	50	
			Merchandise	Rec'd for sales this day	160	
		23	B. Receivable	Rec'd for Spencer's Note	284	50
			Merchandise	Rec'd for sales this day	180	
			Duff & Gordon	Rec'd Martin's acct. Ledger A. p. 2	20	
		31	Merchandise	Rec'd for Sales this day	86	
			S. Gaynor	Rec'd on acct.	20	
			Duff & Gordon	Rec'd of R. Evans, Ledger A. p. 2	25	825
					873.65	
					9.65	
					873	65
				Balance in hand bro't down	9	65
June		4	Joel Post	Rec'd in full	18	
			James Reed	Rec'd on acct.	100	
			Commission Sales	Rec'd of Jennings for cloths	1200	
		10	R. Butler	Rec'd $\text{\$}$ mail	100	
			Commission Sales	Rec'd of McKenzie for cloths	1540	
			Duff & Gordon	Rec'd of R. Evans in full	41	25
		20	Profit & Loss	Rec'd gain on auction purchase	150	3149
					2158.90	
					2939.	
					219.90	
					11750	50
Total amt. received to date						

1. In business the Cash Book ought generally to be balanced every night; never at longer periods than a week. For obvious reasons, we could not, in a work like this, introduce a sufficient number of entries to do so: we have, therefore, only balanced it monthly.

2. The manner of making the entries upon this book, is in all respects the same as note 9, p. 53. The right hand column is used for carrying forward the sums total of all money received and paid, thereby enabling us to keep a constant check upon the Journal.—Compare the footings above, June 30, with those of the Journal, p. 161. And it will facilitate the detection of error to balance this book when the Journal is footed at the bottom of any page, where you can compare the cash columns together.

3. Observe, this Cash Book is always balanced in the inner columns, until the period of

ACCOUNT.

Cr. 1

1867.	Date	Description	Debit	Credit
Apr.	1	City Bank		5800
		Store Expenses	3	
		James Day	8	
	10	Mdse.	11	60
		R. Banks	20	
		P. Duff	30	
	20	B. Receivable		979
	30	Commission Sales		50
		" "	24	
		P. Duff	60	
		W. Gordon	25	
		James Carter	15	
		City Bank	750	
		Balance in hand carried down	48	15
			7775	75
May	1	R. Banks	30	
		Expense acct.	60	
		James Day	12	
		W. Gordon	10	
		P. Duff	5	
	23	T. P. Cope & Sons	12	
		James Day	10	
		W. Gordon	40	
	31	Profit & Loss	20	
		E. Pryor	200	
		R. Banks	10	
		W. Gordon	5	
		City Bank	450	
		Balance in hand carried down	9	65
			873	65
June	4	James Day	5	
		Commission Sales	748	
		City Bank	100	
	10	" "	100	
		Commission Sales	1855	
		James Day	13	
	20	R. Banks	90	
		James Haven	28	
		Total payments to date		11530
		Balance in hand carried down		219
				60
				11750
				50

posting the Cash from the Journal; it is then closed in the outer column; but the balance is brought down or forward in the inner column. The balance brought down must not be extended as money received again. This was done before the last balance. It must, however, be added in in striking the balance.

4. As in the Ledger, we have dropped the useless appendages of TO and BY in this book.

5. By having a folio column next the date or the money column the entries may all be posted direct from this book to the Ledger, and the sum total of money received and paid is posted in one sum from the bottom, as from the Journal.

* Day's signature—See Note 7, page 76.

CHECK BOOK.

1. In this form we follow our favorite theory of making this book prove the correctness of its representative in the Ledger. Our column of deposits, and that of checks, is preserved unbroken, and carried forward from page to page, corresponding with the debit and credit side of the Bank account in the Ledger—compare and see p. 168—until we get our Bank pass-book balanced; then we balance both our Check Book and Bank account in the Ledger, bringing the balances down as usual. The detection of errors in this form is so simple, and so speedy, that I cannot think it necessary to offer any directions.

2. I must insist, however, upon your drawing and numbering all your checks upon your own book. Any deviation from this practice will, sooner or later, give trouble.

DATE.	DEPOSIT.	DATE.	TO WHOM PAID.	N ^o	CHECK.		
1867		1867.					No. 1. NEW YORK, Apr. 20, 1867.
Apr.	1 5800						THE CASHIER OF THE CITY BANK, NEW YORK, pay to myself, or bearer, Seven Hundred and three Dollars $\frac{00}{100}$.
	30 750						$\$703.\frac{00}{100}$.
May	1 400	Apr. 20	for 2 notes	1	703 65		P. DUFF.
	13 91						
		May 23	W. Hay	2	2000		
			Bal.		4337 35		
					7041		
	7041						
Bro't down	4337 35						
May	31 450	May 31	Cope & Son	3	500		
	400						
June	4 200						
	10 100	31	W. Hay	4	200		
	10 491 95						
	20 1250	June 4	Stuart's n'o	5	291		
			S. Henry	6	1060 20		
			Cope & Son	7	1000		
			Bal.		1278 10		
	7329 30				7329 30		
Bro't down	4278 10						

3. When a deposit is made it must be entered in your pass-book, at the time it is made; all writing in this book must be done by the bank officers. The New York city banks collect notes and bills in the city, free of charge; but, if protested for non-payment, the owner must pay the expense of it.

4. Three days' grace are allowed upon all notes, for which discount is also taken: thus, a note having 60 days to run, 63 days' discount is deducted.—See note 2, p. 45.—In some of the States they charge 64 days' interest in such cases, charging interest both for the day of date and day of payment.

5. You can at any time show the balance in the margin with your pencil, as is shown by the small marginal figures above; but the deposit and check columns must be carried forward unbroken until your pass-book is balanced.

6. To prevent fraud, when dealing with strangers, checks are sometimes made payable to order: the bank will not then pay them until the holder endorses them and identifies himself the person named in the check.

EXPENSE BOOK.

1. This book is kept for the purpose of enabling the Book-keeper to avoid passing all minute items of expense separately through the books. One of the junior clerks, say R. Banks, is paid a sum of money sufficient to defray the expenses for a few weeks. The Book-keeper debits Banks, and credits his Cash account for this money when placed in Banks' hands. The Cash account is, by this means, kept free from derangement; and Banks should be provided with a separate drawer to keep this money in; and as he pays it out for expenses he must enter a precise statement of all the items upon this book, adding it up and carrying forward the amount to the end of the month, or to the time when it is proposed to enter the amount in the books. After examining the amounts and additions, the Book-keeper debits Expense and credits Banks for the amount, at the same time balancing this book as below.—See Day-Book, note 3, p. 155. Afterwards this book re-commences in all respects as before, Banks receiving an additional sum from the Cashier when the amount in his hands is expended.

2. If it be preferred, however, when the amount is paid into Banks' hands, the Book-keeper may make Expense Account Dr. To Cash at once, without passing it into Banks' account. The amount is then placed on the Cr. side of this book, and the details of expenditure on the Dr. side, in all respects as before, until the money is expended, when the book should be balanced, and re-commence anew as before. Either of these methods will greatly abridge the expense account in any business.

1867.		1867.		1867.
Apr. 10	For Cash paid postages	70	June 30	By amount to R. Banks Cr. 45
12	" cartage of goods	30		
"	" coach-hire	50		
"	" laborers	50		
14	" 2 rms. wrapping-paper	2 50		
"	" 4lb twine	1		
15	" for mending desk-stool	50		
"	" ream letter-paper	2 50		
"	" postage to N. Orleans	50		
"	" cartage of goods	3 50		
20	" Box rent at Post Office	5		
"	" printing 500 cards	6		
25	" painting a new sign	8		
30	" blank book	50		
"	" wafers	20		
"	" sealing-wax	50		
May 1	" 6 mos. sub. Tribune	3		
"	" 1 year " Sun	3		
"	" Taxes	4		
5	" postage for R. Butler	10		
"	" " W. Hay	20		
10	" laborers	50		
15	" omnibus	10		
25	" advertising	1		
June 5	" postages	10		
10	" wafers	10		
20	" ink, sand, &c.	22		
		45		45

BILLS

RECEIVABLE.

DATE.	No.	DRAWER'S NAME.	IN WHOSE FAVOR.	ON WHAT ACCOUNT.	TIME TO RUN.	WHEN DUE.												AMOUNT.	AND HOW DEPOSED OF.	WHEN.	AMOUNT.	
						1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.					
1867.																						
Apr. 10	1	S. Gaynor	Ourselves	Bal. of acct.	30 days					13								91	Rec'd in Cash	May 13 1867.	91	
20	2	R. Parker	"	Money lent	4 months													1000	Carried down	June 30 1867.	1000	
May 1	3	C. Spencer	"	Merchandise	20 days					24								284 50	Rec'd in Cash	May 23 1867.	284 50	
4	4	R. Butler	"	Bal. of acct.	3 months													496 50	Disct. City B'k	June 10 1867.	496 50	
June 4	5	G. Draper	"	Merchandise	3 "													630	Carried down	June 30 1867.	630	
																		2502				2502
Apr. 20	2	R. Parker	Ourselves	Money lent	4 months													1000				1000
June 4	5	G. Draper	"	Merchandise	3 "													630				630

1. I must take this opportunity of directing attention to a prevailing, but surely a very improper practice, that of writing, in ink, memorandums of date, name, &c., on the back of notes or acceptances. The back of a note ought certainly not to be defaced in this manner any more than the face of it. The utmost liberty that ought to be taken in this way, is to write the holder's private number upon it; but even this ought not to be done by any party until he actually becomes the holder. When a banker refuses to discount a note, he ought to return it as good as he receives it, and not with an indelible memorandum of its rejection, which must afterwards damage it more or less in the market. Pencil marks would, in all such cases, answer for private memorandums, and would not be liable to the objections just named.

BILLS

PAYABLE.

WHEN ACCEPTED.	No.	DRAWER'S NAME.	IN WHOSE FAVOR.	ON WHAT ACCOUNT.	TIME TO RUN.	WHEN DUE.												AMOUNT.	AND HOW PAID.	WHEN.	AMOUNT.					
						1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.									
1867.																										
Apr. 10	1	Wm. Hay	On ourselves	Bal. of acct.	10 ds. sight														200		Apr. 20 1867.	200	Paid by check	Apr. 20 1867.	200	
	2	Cope & Sons	"	"	10 ds. sight														504	"		504	"		504	
May 1	3	Ourselves	Stuart & Co.	"	1 month					4									291	"	June 4 1867.	291	"		291	
June 4	4	"	Cope & Sons	"	1 "														221	Carried down	June 30 1867.	221	"		221	
20	5	"	Stuart & Co.	Merchandise	3 "														1000	"		1000	"		1000	
																			2216				2216			2216
June 4	4	Ourselves	Cope & Sons	Bal. of acct.	1 month														221			221				221
20	5	"	Stuart & Co.	Merchandise	3 "														1000			1000				1000

These books require no further explanation than what is already given, pp. 48 and 63.

THE DAY BOOK.—SET II., PART II.

INTRODUCTORY REMARKS.

1. This set opens with the formation of a new firm, by the admission of James Carter as a partner. It will be seen that the contents of the old Ledger form the opening entries of these Books.—Compare Balance account, p. 134, with the first entry in the following Day Book, also with the first entry in the Invoice Book, p. 137, and the first debit entry Cash Book, p. 144. It is arranged that each partner shall contribute \$3000 capital; the two old members bring in the effects of their former business as so much of their capital, the new firm at the same time assuming their liabilities.

2. The usual manner of opening and conducting partners' accounts is to credit each for what capital he pays in at the time the books are opened and for each succeeding payment afterwards. I would, however, recommend that two accounts be opened with each partner, a PRIVATE ACCOUNT and a STOCK ACCOUNT.—See the partners' private accounts, p. 165, and their stock accounts, p. 173. The stock account to be credited for the whole amount of capital *to be paid in*. The private accounts are to be debited for any amount that is deficient of the stock, and for what they withdraw from the firm, and credited for what they pay in of the deficient stock, and for what they may temporarily pay over their capital.—See Duff's and Carter's accounts, p. 165.

3. By this arrangement, the stock account of each partner remains undisturbed until the time of closing the books, and if any adjustment of interest has to take place it will be upon the private account.

4. All judicious practical merchants are aware of the importance of avoiding all needless exposure of their affairs. This, in some establishments, is unavoidable where the partners' accounts and the results of the business are all exhibited on the public Ledger. In order to avoid this inconvenience I have, in this set, exemplified the PRIVATE LEDGER.

5. Keeping this book entails no additional trouble upon the book-keeper; there are no entries to make in it, except at the opening and closing of the Books. It opens—see p. 173—with nothing but the partners' stock accounts; the Profit & Loss, Balance and Suspended list are opened at the time of closing. By referring to these accounts—p. 174—it will be seen that the results of the business can only be known to those who have access to this book; it is impossible to find out any thing about it from the public Ledger alone.

6. In business it will also be advisable to place the opening entry of the business upon a PRIVATE JOURNAL, from whence it is posted direct to the Ledger without appearing upon the public Journal. This will create no impediment to our system of proof, for the book-keeper has only to obtain the footing of this private Journal, and add it to that of the public Day Book and Journal, and the amount must agree with that of the Trial Sheet. It is deemed unnecessary to give an exemplification of this private Journal here. It stands connected with the public Journal upon the same principle as the private Ledger does with the public one. Indeed the readiest way to comprehend them is to consider the two books as one.

7. The following Day Book is made up partly of original entries and partly by transfers from the old Ledger and the Auxiliaries. I shall show hereafter that the Journal may be composed direct from the Auxiliaries, without passing the entries through the Day Book, but for reasons before given—p. 62—I do not consider it advisable to attempt that process, until after the student is entirely master of the whole subject. The mode of procedure in transferring the Auxiliaries to the Day Book is not, however, unlike that of journalizing them; it forms a useful preparatory exercise for that operation.

SET II.—DOUBLE ENTRY BOOK-KEEPING.

1. It does not matter which of your Auxiliaries you transfer first: we shall commence with the Invoice Book, p. 137. We commence on the 10th April (the previous entry being already transferred in the opening entry), and transfer the two entries under that date to the Day Book—compare and see. Then turn to the Sales Book, p. 140, and do the same with three entries we find under that date, taking care to mark them off these books; but not until they are actually entered in the Day Book—Note 4, p. 142; next, look into the Commission Sales Book, but it contains no entries on this day. Go on to the Cash Book—p. 144—and you find two debits and three credits; pass them into the Day Book and mark them off as directed—Note 7, p. 53. The entries of the Check Book are generally made on the Day Book when they occur. The contents of the Expense Book are not usually transferred until the end of the quarter or the end of the month, as may be directed. Bills Receivable—p. 148—has one transfer, and Bills Payable two upon this date. After they are transferred mark them off as directed in the Cash Book. This completes the transfer of that day's business from the Auxiliaries: you now re-commence and go over them all in the same way again for the next day's business, and so on until the contents are all transferred. Observe, you cannot transfer several dates from any one book in one entry, because this throws the dates in confusion in the Ledger.

2. Our Day Book is footed and forwarded from page to page, and if all journalized correctly, must always exactly agree with that book. We generally only pencil the footings of the Day Book in practice: and you ought to bring forward these footings as fast as you journalize, in order to get the earliest notice of error if it gets in. You may foot your Day Book column any where on the page, when you desire to find the amount corresponding with the foot of the page on the Journal.

3. In making compound entries upon this Day Book, you must guard against the practice of extending both debits and credits, as many persons do. For instance, in the first entry on the opposite page, if we had full extended the \$5410.55 a second time, it would have caused a disagreement between the Day Book and Journal at once, of that amount.

4. In order to have our books all agree in amount, it is necessary that all entries relative to the balancing of accounts at the time of settlement should originate upon this book.—See first entry, May 10, p. 153.

5. We have dropped the useless practice of perpetually writing the name of our place of business at the head of every page of our Day Book and Journal. It is proper and perhaps necessary to do so on the first page of any book, but the repetition of it afterwards is entirely useless. But it will often be found useful to insert the day of the week with the day of the month.

6. I would advise the student not to be in too much haste to write these exercises, but first take a survey of the operations recorded by tracing them from one book to another up to the Ledger: thus mentally examining the whole subject before he attempts the mechanical execution of it.—See Note 4, p. 27.

7. I need hardly observe that if the preceding Sales Book be dispensed with then full particulars of every sale must appear upon the Day Book.

P. Duff, W. Gordon, and J. Carter have this day entered into partnership; it is agreed that each partner shall furnish a capital of 3000. Duff and Gordon bring in as a part of their capital, the effects of their late firm, and the new firm assumes their liabilities of their Balance acct. Ledger A. fol. 4, viz.:

1 Cash in hand	⌘ Ledger A. fol. 1.	2100.05		
Merchandise . . . . .	. . . . . 1.	3217.50		
Edward Pryor owes . . . . .	. . . . . 3.	2.		
S. Gaynor . . . . .	. . . . . 3.	91.	5410	55
Balances due to				
T. P. Cope & Sons	Ledger A. fol. 1.	504.		
Wm. Hay . . . . .	. . . . . 1.	200.		
James Carter . . . . .	. . . . . 2.	36.50		
James Day . . . . .	. . . . . 3.	68.		
P. Duff for his net capital . . . . .	. . . . . 1.	2884.47		
W. Gordon do. do. . . . .	. . . . . 1.	1717.58		
		<u>5410.55</u>		

" Rec'd the following sums in cash ⌘ Cash Book 1.				
From P. Duff for Balance due on his capital		115.53		
" do. on his private account		500.		
" W. Gordon for Balance due on his capital		1282.42		
" James Carter on account of his capital		2000.	3897	95

" Paid the following sums ⌘ C. B. 1.				
To the City Bank in deposit		5800.		
For Fuel		3.		
To James Day on account		8.	5811	

" 1 James Carter's 1/2 joint capital is \$3000.				
Balance due him by Duff and Gordon as above is 36.50.				
Cash received as above	2000.	2036.50		
Balance due on his capital to debit of his private account			963	50

Saturday, 10.

Bought Mdse. of Wm. Hay @ 3 mos. ⌘ Invoice Book 1.	2494.40			
Paid cash for freight of same	11.60		2506	

Bought of A. Stuart & Co., at 30 days, Mdse. ⌘ Invoice Book, p. 1.			216	
--	--	--	-----	--

" Sold R. Butler on account, @ 3 months,				
Mdse. ⌘ Sales Book, p. 1.		596.50		
Sold E. Pryor on acct. Mdse. ⌘ S. B. 1.		16.		
Sold R. Howe for cash do. do.		305.75	918	25

Received cash of R. Butler on acct.			100	
---	--	--	-----	--

" Paid cash to R. Banks on acct. of Expenses				
		20.		
" do. to P. Duff on account		30.	50	

Forward 19873 25

1. This entry embraces both sides of the Balance account in the last Ledger.—See p. 134. The pupil will insert the pages of his own Ledger—not ours.
 2. As the journalizing proceeds, mark the entries of the Day Book as directed.—Note 7, p. 28. The pages of the Journal are not necessary: the dates are always a sufficient reference.
 3. See Note 2, p. 149.

	Bro't over	19873	25
Received Samuel Gaynor's note No. 1, @ 30 days, for bal. of acct.		91	
Acc'd Wm. Hay's draft No. 1 on us, @ 10 days, for bal. due him 1st inst.		200	
Acc'd T. P. Cope & Sons' draft No. 2 on us, @ 10 days, for bal. due them		504	
Gave James Day our order on E. Pryor, payable in Merchandise, for			20
Tuesday, 20.			
Paid our acceptance No. 1 to Wm. Hay, due 23d inst., \$200, less disct. 10 cts.		\$199.90	
do. do. No. 2 to T. P. Cope, due 23d inst., \$504, less disct. 25 cts.		503.75	
Paid by check on City Bank		703.65	
Amount of discount is		.35	704
Paid E. Pryor's order in favor of J. Burk in Mdse. from store			45
Paid S. Gaynor's order in favor of C. Rhodes in Mdse. from store			397
Cash to Mdse. received for sale to J. Camp			874
Mdse., Dr. to A. Stuart & Co. for Invoice of Silks, &c.			75
Discounted for R. Parker his note No. 2, @ 4 mos., for \$1000.			
Paid him in cash, net proceeds		979.50	
$4\frac{3}{8}$ months' discount is		20.50	1000
Friday, 30.			
Paid cash freight and cartage of A. Stuart & Co.'s goods		25.50	
" P. Duff on acct.		60.	
" Wm. Gordon		25.	
" James Carter		15.	
" the City Bank in deposit		750.	875 50
Received cash for sale of A. Stuart & Co.'s goods, C. S. B. 1.		360.	
" " Mdse @ S. B. 1.		138.	498
Saturday, May 1.			
¹ Rec'd on account of our James Carter, cash deposited in City Bank, Net proceeds of his Bill on Gibson, Bright & Co.		\$300.	
Interest due him on Hall's mortgage		100.	400
Bought Mdse. of Edward Pryor, I. B. 1.		64.	
do. of Sam'l Gaynor, do. 2.		265.	329
Sold Mdse. @ Sales Book 2. To P. Duff on account		37.	
To C. Spenser on his note No. 3 @ 20 days		284.50	
" W. Gordon on account		21.50	
" James Carter on account		10.25	
" Robert Banks		6.50	359 75
¹ Rec'd of R. Butler his note, No. 4, @ 3 mos., to close acct.			496 50
	Forward		26742
<p>1. The firm have no entry to make with Gibson, Bright & Co.; though this bill was drawn by Carter, one of our partners, it was on his own private account. We credit him for the money received for the Bill, and also for the interest collected on Hall's mortgage.</p> <p>2. The number of a note must always accompany it, to enable us to post it as directed, note 1, p. 167.</p>			

Tuesday, May 31, 1887.

	Bro't over	38127	85
Sold W. Evans on acct. Mdse. ³ / ₄ Sales Book 2	20.		
James Reed on acct. " " 2	182.		
Joel Post " " " 2	18.	220	
"			
Sold Robert Butler (Erie) on acct. Stuart & Co.'s goods, C. S. B. 1	576.		
of our Mdse., S. B. 2	150	577	50
"			
Gave T. P. Cope & Sons our check on City Bank on acct.		500	
Gave W. Hay " " " "		200	
"			
¹ Received cash on acct. of James Carter, deposited in City Bank.			
For Cutler, French & Co.'s Note	250.		
From Stay & Hall on acct.	150.	400	
Saturday, June 4.			
Take to our acct. 3 ps. A. Stuart & Co.'s Carpet, I. B. 2		180	
"			
Bo't Mdse. of S. Henry & Co., I. B. 2, @ 5 ³ / ₄ ct. disct. for Cash \$1116.			
Net amount paid by check on City Bank	1060.20		
Discount	55.80	1116	
"			
Paid by check on City Bank our Note, No. 3, in favor of A. Stuart & Co.		291	
"			
J. Reed's private acct. is Dr. for transfer from "Sundry Drs. acct."		182	
"			
² Received Cash, deposited, of E. Pryor for our loan of 31st ulto.		200	
"			
Sold Merchandise, S. B. 3, to James Reed on acct.	96.		
" to Wm. Hay "	60.		
" to Robert Parker "	60.		
" to Geo. Draper on Note No. 5, @ 3 mos. 630.		846	
"			
Received Cash of Joel Post in full	18.		
" of James Reed on acct.	100.		
" of Jennings & Co. for sale of Hardman's goods	1200.	1318	
"			
Paid Cash to James Day on acct.	5.		
" to City Bank in deposit	100.		
" to freight and duty on Hardman's cloths,	748.	853	
"			
Settled with T. P. Cope & Sons.			
Gave them our check on the City Bank for	1000.		
Our Note, No. 4, at 30 days to close acct.	221.	1221	
	Forward,	46232	35

1. Here, as at Note 1, p. 152, the firm has collected money for their partner, Carter. It is almost unnecessary to say, that we have no entry to make about Cutler, French & Co.'s Note, nor about Stay & Hall's account, though we name them on the Day Book. We credit Carter for the amount collected; and he keeps his own private account with these parties.
2. We do not pass this cash into the Cash account because we sent it immediately to the Bank. The Bank account by this means materially diminishes the cash transactions, and renders that acct. easier to keep.—Note 1, Pryor's acct., p. 133.

	Brot. Forward	46232	35
Bot. of William Hay on account Mdse. I. B. 2	168.		
Bot. of Thomas Freeman on account do. 2	72.	240	
"			
Sold R. Banks on account Mdse. S. B. 3	108.		
do. E. Pryor do. 3	183.	291	
"			
Discounted at City Bank R. Butler's Note No. 4. for \$496.50			
Net proceeds at our Cr. in deposit	491.95		
55 days' Discount	4.55	496	50
"			
Received Cash on account of R. Butler by mail	100.		
Rec'd do of McKenzie & Abbot for sale of Hardman's goods, C. S. B. 1	1540.		
Rec'd do. of R. Evans, for Duff & Gordon	41.25	1681	25
"			
¹ We close sales of Hardman's cloths. Total sales C. S. B. 1, is \$2740.			
Our commission on the same 5 % ct., is	137.		
Net proceeds paid F. Hardman in cash, is	1855.	1992	
"			
Paid cash deposit in the City Bank	100.		
Paid James Day cash in full	13.	113	
Monday, 20.			
Bot. Mdse. of James Haven on account I. B. 2	28.		
Bot. Mdse. of A. Stuart & Co. on our Note, No. 5, @ 3 mos.	1000.	1028	
"			
² Sold Mdse. to W. Garden for cash deposited		1250	
"			
Bot. at auction 10 cases Irish linen, amounting to \$1500. Sold them again at the auction room for 10 % ct. advance. Rec'd the advance in cash.		150	
"			
Paid cash to R. Banks on account	90.		
Paid cash to James Haven in full	28.	118	
Thursday, 30.			
³ Cash paid Expenses Apr. 1st to date by R. Banks % Expense Book 1	45.		
R. Banks' salary as clerk 1st April to date is	300.	345	
⁴ Total transactions to date		53937	10

1. See Note 3, p. 143. Where you will see how this account is closed upon the Sales Book. There is no separate account opened for it upon the Ledger.
2. For the reasons given in Note 2, last page, this cash never appears in the cash account.
3. Refer to Notes 1 and 2, p. 147. You perceive Banks must here be credited for his salary and also for what he has paid out for the store by the Expense Book.
4. Compare this amount with the footing of the Journal, p. 161. This affords indisputable proof of the Day-Book being entirely Journalized. To every practical merchant the importance of this test between these books, must be at once apparent; for there is no step in the process of book-keeping, where omissions are more likely to take place, and where they are less looked for than between this book and the Journal. The major part of Book-keepers direct all attention to the Ledger: and they will sometimes search for weeks to find out a trifle that prevents their trial from coming out correct, while they perhaps never spend an hour in comparing their Day-Book and Journal. And after all, their trial of the Ledger proves nothing, even when it comes out correct, except that the Ledger agrees with itself. If it does not prove it to agree with any one other book, while our trial proves it to agree with the whole of them.—Note 4, p. 142.

REMARKS ON THE JOURNAL.

The following Journal is, in form, similar to that of the Day-Book, p. 125.

The columns on the left of the writing contain the debits and those on the right the credits. The columns next the writing on each side are the only ones posted in detail: the two others representing cash and merchandise, are footed and forwarded from page to page to the end of the month, or the end of the year, as may be desired, and from there posted in one sum into the Ledger, and the post mark affixed as usual.—See posting of our cash and merchandise accts. from the foot of page 161.

In the Journal in the first part of this work, an entry was made for every receipt and payment of cash, and for every purchase and sale of merchandise. Here you will find several collected together—see second and third Day-Book entries, April 1st,—and the student will perceive that there are several other entries that might be incorporated in one, for instance, the first and second entries on the 10th April, are both merchandise debits, and might, therefore, have been journalized in one entry; but I thought it better to leave something to the student's own discretion in the matter.

Before footing your Journal, always go over the entries again to see that all the amounts are extended into the proper column. Then foot them first upon waste paper, which ought to be ruled to the pattern of the Journal, otherwise you are sometimes liable, after the additions are correctly made, to transpose the figures, and place them in the columns to which they do not belong.

As you foot and forward the Journal, the Day-Book ought to be kept up also in order to get the earliest intimation of error, if it gets in. The Day-Book is generally only footed in pencil, and you can do it anywhere on the page where you wish to obtain the amount that ought to correspond with the Journal.

In posting the Journal to the Ledger you make use of the same phraseology as upon the Double Entry Ledger in the first part of this work. In our last Ledger, which is intended principally for a retail business, we, to some extent, particularized the Day-Book entries: that principle of posting, however, can hardly ever be carried to any extent in a wholesale business. Indeed it will rarely ever be necessary, because bills or invoices almost always accompany the sale.

As your posting is completed, you should always go over the work again and check it as directed—Note 2, p. 32. No one can expect to keep his books free from errors without this precaution.

These books are specially adapted to daily posting, and if my young readers are disposed to profit by my experience in this matter, they will never allow their books to fall behind for a single day, if they can possibly avoid it. In some kinds of business, keeping the books up is almost indispensable for successful and efficient management. There are a great many book-keepers who have got it into their heads, that posting books once a week, or once a month, is sufficient. There is a method of journalizing and posting all accounts only once a month, upon which I shall have some observations to make hereafter: but I now repeat that my advice to all book-keepers is, to keep their books in such a manner that when called upon for an account, they have only to open the Ledger and find the whole account before them, ready for settlement. Those who will give this mode of posting six months' trial, will not be easily persuaded to change it.

Mdse.	Cash.				Cash.	Mdse.
	2100 05			Sundries To Sundries, \$5410.55.		
3217 60				1 Cash Ledge. A, fol. 1		
		2	3	Mdse. "		
		91	1	Edward Pryor "		
				Samuel Gaynor "		
				To T. P. Cope & Sons "	1 2	504
				" William Hay "	1 2	200
				" James Carter's Stock acct. "	2 1	36 50
				" James Day "	3 3	68
				" P. Duff's Stock acct. "	1 1	2884 47
				" W. Gordon's Stock acct. "	1 1	1717 58
				"		
	8897 95			Cash To Sundries,		
				To P. Duff's Stock acct. 1	115 53	
				" P. Duff 1	500	
				" W. Gordon's Stock acct. 1	1282 42	
				" James Carter's Stock acct. 1	2000	
				"		
				Sundries To Cash		5811
	5800	4	4	City Bank		
	3	4	4	Expense account.		
	8	3	3	James Day.		
				"		
	963 50	1	1	James Carter, Dr.		
				To James Carter's Stock acct. 1	963 50	
				10.		
2506				Mdse. To Sundries,		
				To Wm. Hay 2	2494 40	
				" Cash		11 60
				"		
216				Mdse., Dr. to A. Stuart & Co. 2	216	
				"		
				Sundries To Mdse.,		918 25
	596 50	5	5	R. Butler.		
	16	3	3	Edward Pryor.		
				Cash.		
				"		
	305 75			Cash To R. Butler, 5	100	
				"		
	100			Sundries To Cash.		50
		20	5	R. Banks.		
		30	1	P. Duff.		
5939 50	8403 75	7530		Amounts forward	13082 40	5872 50 918 25
		6403 75		Cash	5872 50	
		5939 50		Merchandise	918 25	
		19873 25		Proof	19873 25	

1. In opening new books, always give a direct reference to the old Ledger for the transfers.
 2. We now open an account with the Bank, and debit it for all deposits, and credit it for all checks we draw.
 —Notes 1 to 7, p. 146.
 Post mark each entry with the Ledger page, on the same side and on the same line with the sum. Some write their post marks in red, but I can see no practical utility in doing so; and it keeps you handling two pens, while it is desirable to confine your whole attention to matters of greater importance.

Mdse.	Cash.	L.F.		L.F.	Cash.	Mdse.
5939 50	6403 75	7530	Bro't forward,		13082 40	5872 60
			"			918 25
		91	3 Bills Receivable, No. 1, To S. Gaynor to close,	1	91	
			"			
		200	1 Sundries To Bills Payable,			
		504	2 Wm. Hay for No. 1	3	200	
			2 T. P. Cope & Sons for No. 2	3	504	
			"			
		20	3 James Day To E. Pryor	3	20	
			20.			
		704	3 1 Bills Payable To Sundries,			
			To City Bank, No. 1, \$200, and No. 2, \$504,	4	703 85	
			" Interest acct.	4	85	
			"			
			Sundries To Mdse.			442
		45	3 Edward Pryor.			
		397	1 S. Gaynor.			
			"			
	874		Cash To Mdse.			874
			"			
			Mdse. To A. Stuart & Co.	2	75	
			"			
		1000	3 Bills Receivable, No. 2, To Sundries,			
			To Cash			979 50
			" Interest acct.	4	20 50	
			80.			
			Sundries To Cash			875 50
		25 50	5 Commission Sales.			
		60	1 P. Duff.			
		25	1 Wm. Gordon.			
		15	1 Carter.			
		750	4 City Bank.			
			"			
			Cash To Sundries,			
			To Commission Sales	5	360	
			" Mdse.			138
			25154.75*	25154.75		
			May 1.			
		400	4 City Bank to James Carter	1	400	
			"			
			Mdse. To Sundries,			
			To E. Pryor	3	64	
			" S. Gaynor	1	265	
			"			
			Sundries To Mdse.			359 75
		37	1 P. Duff.			
		284 50	3 Bills Receivable, No. 3.			
		21 50	1 W. Gordon.			
		10 25	1 James Carter.			
		6 50	5 Robert Banks.			
			"			
		496 50	3 Bills Receivable, No. 4, To R. Butler to close acct.	5	496 50	
			"			
		12622 75	Amounts forwarded,		16282 40	
		7775 75	Cash,		7727 60	
		6343 50	Merchandise		2732	
		26742	2 Proof		26742	

1. Each note being posted separately, it becomes necessary to particularize them by number on the Journal.—See Bill acct., p. 167.
 2. Compare the total footings here with those of the Day Book, p. 162.

* These figures are given to assist the learner in making out the trial sheet—p. 172.

Mdse.	Cash.					Cash.	Mdse.
6343 50	7775 75	12622 75		Bro't forward,		16282 40	7727 60 2732
		291	2	A. Stuart & Co. To B. Payable No. 3 to close acct.	3	291	
	210			Cash To Sundries, To S. Gaynor	1	50	160
				" Mdse. received for Sales			
				Sundries To Cash		117	
		30	5	R. Banks.			
		60	4	Expense account.			
		12	3	James Day.			
		10	1	W. Gordon.			
		5	1	P. Duff.			
				10.			
		28	3	1 James Day's old acct. Dr. to his new acct.	3	28	
				"			
		82	1	2 Samuel Gaynor's new acct. Dr. to his old acct.	1	82	
				18.			
		91	4	City Bank To Bills Receivable No. 1.	3	91	
				28.			
		2000	2	5 William Hay To City Bank.	4	2000	
2300				Mdse. To T. P. Cope & Sons	2	2300	
				"			
		579	2	T. P. Cope & Sons To Sundries, To Mdse.			540
				" Cash			12
				" Commission	6	27	
				"			
	484 50			Cash To Sundries, To Bills Receivable No. 3	3	294 50	
				" Duff & Gordon	5	20	180
				" Mdse.			
				"			
		10	3	Sundries To Cash			50
		40	1	James Day.			
				Wm. Gordon.			
				81.			
		4337 35	4	4 City Bank new acct. To old acct.	4	4337 35	
				"			
	131			Cash To Sundries, To Mdse.			86
				" S. Gaynor	1	20	
				" Duff & Gordon	5	25	
				"			
		200	3	Sundries To Cash			685
		20	4	5 E. Pryor (in loan).			
		10	5	Profit & Loss.			
		5	1	Robert Banks.			
				W. Gordon.			
		450	4	City Bank.			
		20883 10		Amounts forwarded,		25838 25	
		8601 25		Cash,		8591 60	
		8643 50		Merchandise		3698	
		38127 85		Proof		38127 85	

1. Here you first post the debit and balance Day's account; then post the credit in the new account.
2. Here you must first post the credit and balance Gaynor's acct.; then post the debit in the new acct.
3. Hay is made Dr. to the Bank for the check; no entry is required in the Cash Book.
4. You must now also balance your Check Book.—See p. 146.
5. See Note 1, p. 138.

Mdse.	Cash.	Dr.			Cr.		Cash.	Mdse.
9939 50	9919 25	26373 60		Bro't forward,		32022 25	9444 60	4765 50
240				"				
				Mdse. To Sundries,				
				To Wm. Hay	2	168		
				" 1 Thomas Freeman (S. C. acct.)	6	72		
				"				
				Sundries To Mdse.				291
		108	5	R. Banks.				
		183	3	E. Pryor.				
				"				
				Sundries To Bills Receivable No. 4	3	496 50		
		491 95	4	City Bank.				
		4 55	4	Interest.				
				"				
	1681 25			Cash To Sundries,				
				To R. Butler	5	100		
				" Commission Sales	5	1540		
				" Duff & Gordon	5	41 25		
				"				
		1992	5	Commission Sales To Sundries,				
				To Commission	6	137		
				" Cash			1855	
				"				
				Sundries To Cash.				113
		100	4	City Bank.				
		13	3	James Day in full.				
				20.				
1028				Mdse. To Sundries,				
				To James Haven (S. C. acct.)	6	28		
				" Bills Payable No. 5	3	1000		
				"				
		1250	4	City Bank To Mdse.				1250
				"				
	150			Cash To Profit & Loss	4	150		
				"				
				Sundries To Cash.				118
		90	5	Robert Banks.				
		28	6	James Haven in full.				
				80.				
		345	4	Expense account To R. Banks	5	345		
				12811.75		12811.75		
	30979 10			Total Amounts to date,		36100		
	11750 60	2		" 2 Cash	2	11530 60		
	11207 50	2		" Merchandise	2	6306 60		
	53937 10			3 Proof		53937 10		

1. This indicates Sunday Caxdrons' account.—See Note 1, last page, and p. 170.
 2. This makes our first Journal period. From here the total amounts of the cash and merchandise debits and credits are posted into the Ledger.—See p. 166.
 3. Compare this amount with our Day Book footing, p. 155, also with the trial sheet, p. 171.

CONCLUDING REMARKS UPON THE JOURNAL.

1. The mode of journalizing the last Day Book, it is presumed, will be sufficiently understood by the examples. We shall now endeavor to explain verbally the manner of composing the Journal from the Auxiliaries, without passing the entries through the Day Book, as we have here done. When the nature of the business will admit of this, it will considerably lessen the amount of writing.

2. It is to be observed, however, that in a business which frequently creates compound entries, journalizing in this way will meet with many awkward impediments; for instance, the first Day Book entry of this set, cannot be explicitly stated without embracing the first merchandise entry on the Invoice Book, and the first debit entry on the Cash Book. The only way of getting over this obstacle in journalizing the auxiliaries, is to let such entries pass into the Day Book and begin a new period—that is, commence immediately after these entries bringing forward and journalizing. We will now endeavor to explain the process of

JOURNALIZING FROM THE AUXILIARIES.

3. When this is done, the Day Book will contain a much smaller number of entries; for, if you adopt this method of journalizing, you must keep the entries belonging to each auxiliary upon itself. They must not appear upon the Day Book (except in such cases as above stated); if they do, they will certainly lead to confusion.

4. Although it does not matter which book we journalize first, yet it is better to adopt some regular course: say we begin with the Day Book, and journalize all the entries under the present date. Then make Cash Dr. to Sundries for all entries on the Dr. side of the Cash Book, and Sundries Dr. to Cash for all entries on the Cr. side. Merchandise is Dr. to Sundries for all entries under the same date on the Invoice Book; and Sundries Dr. to Merchandise for all entries on the Sales Book. Mark the entries off the Cash Book as directed Note 7, p. 53, and off the Sales and Invoice Book, as directed for the Day Book, Note 7, p. 28. Bills Receivable, Bills Payable, and Commission Sales Book, are each journalized in their turn in the same way, and marked off as directed with the Cash Book.

5. You next take each book in the same order, and journalize the following day's business as before; and so on, until you have all brought up; observing that the footings of the Invoice, Sales and Cash Book, agree with their representatives in the Journal as you proceed.

6. This process of journalizing does not disturb our mode of proof. The footing of the Auxiliaries, and that of the Day Book, have only to be added together to agree with the Journal.

7. Some journalize a whole month of the Cash Book in one entry, and then do the same with the Sales Book, preserving the order of the dates in the margin of the Journal; but this method produces such a confusion of dates in the Ledger, that it can never be recommended.

We have now to explain the SECOND MODE of abbreviation, viz.:

POSTING ALL THE PRIMARY BOOKS DIRECT TO THE LEDGER.

8. When the nature of the business admits of it, this plan of posting effects the greatest reduction in writing that perhaps can be made in Book-keeping. But it is subjected to the same impediments from compound entries, that we have just noticed, Note 2, and which can only be got over in the same way. We have already explained the manner of posting the Invoice and Sales Book, p. 139 and 142. When it is intended to post the Cash Book in this manner, a folio column will be required either next the money columns or next the date columns, in which you will insert the folio of the Ledger, as you proceed with the posting. The footings of these three books are summarily posted at the end of the month or the end of the quarter as from the Journal.

9. The Bill Books and the Commission Sales Book, may be posted, both sides, by the same process; but I would recommend their passing into the Day Book.

10. The Day Book should have the entries all made in Journal form, when it is intended to post it in this way. I am now alluding to the common form of Day Book.

11. Our proof is obtained by adding together the footings of the Cash, Invoice, Sales, and Day Book. The amount must agree with the amount of the Ledger trial, as on p. 171.

ON MONTHLY JOURNALIZING.

1. The object of this method is to condense, not only the cash and merchandise, but all the accounts in the Ledger, into one line each in the month. Many persons are strongly prejudiced in favor of this plan of journalizing, on account of the abridgment it makes in the accounts in the Ledger: in some kinds of business it will no doubt work tolerably well; but where the book-keeper is frequently called upon to make up statements of accounts, and to effect settlements, in a business of any magnitude, there must ever be this insuperable objection to it:—the books can never be kept up. You cannot commence the journalizing of the month's business until the month has expired, and before you can journalize and post this month, a considerable part of the next must have elapsed; in a word, the nature of the process will never permit you to get your books up to the date of settlement. Even the strongest advocates of this method admit the force of this objection, and can offer no advantage to counterbalance it, but the abridgment of the accounts in the Ledger. I must, however, name other objections to the process, viz. the chances of errors and omissions in journalizing; the risk of making errors in drawing off accounts current, and making settlements without having your books posted; the correctness of which can only be determined when the accounts are posted; then, the time required in searching up the Day Book entries for the Journal, is certainly at least equal to the time required for writing them. Consequently, in less time than any person could possibly journalize a month's business in this way, by our plan of posting our first Day Book, we should have it all posted up into the Ledger. The author once kept a set of books upon this plan; these remarks are, therefore, dictated by experience.

2. Some directions will now be required on the

DETECTION AND CORRECTION OF ERRORS.

If your trial does not agree with the footings of the Journal, compare the footings of your Cash Debits and Credits with those in that book: also, those of the Merchandise account; then the Bill Books and the Bill accounts. Get a trial from the Commission Sales Book to compare with its representative in the Ledger, compare the footings of the Check Book with the Bank account; and if you have posted direct from the Invoice, Sales and Cash Book, these books must be compared with their representatives in the Ledger. If all these books and the Ledger agree, the error must be in some of the personal accounts or some account not represented by any of the above books, and must be, between the Journal and the Ledger, in the Ledger or in the trial itself. Taking the Day Book and Journal as the best authority, we ascertain the difference between them and the Ledger trial. Sometimes we find one side agreeing with the Journal: in this case our attention is confined to one side of the Ledger only. In all cases it is proper to know the amount of error; for if there be but one, knowing the amount of it, sometimes readily leads to its discovery. When the error is found, if it cannot be corrected as directed, page 98, the correcting entry must originate upon the Day Book or some other primary Book.

3. When an error occurs in the Journal by extending into the wrong column, if you have footed and forwarded the amounts before discovering it, at your next footing *add* the amount to the column to which it belongs, and *subtract* it from that into which it was erroneously extended.—Read Note 2, p. 98.

Errors in any of the primary books are corrected as directed, Notes 10 and 11, page 98, and Note 2, p. 125.

4. We will now endeavor to give our readers some useful directions

IN RULING BOOKS OF ACCOUNTS.

In ordering books, always provide the binder with an exact pattern of the size of paper and ruling. Never choose books of any kind that will keep you constantly cramped for space to write upon. Many persons use Day Books and Cash Books made of cap paper "folded long," and are forever trying to cram their entries upon a line, very often leaving them half finished in the attempt.

In the next place, never throw away unnecessary space in margins and date columns.

Five-tenths of an inch is ample space for the month, and three-tenths for the date and cent columns. The width of the dollar column depends on the magnitude of the business; but the figures in this column ought not to be crowded. Five-tenths of an inch is a good space for four figures, and six figures ought to have seven-tenths. Three-tenths faint ruling is a good size for common Day Books, Journals, &c.; but Ledgers and the six-column Day Book or Journal may be somewhat narrower.

Mechanics and retailers, proposing to post their Ledgers as suggested, Note 2, p. 129, will find it useful to have the debit writing space, ruled one-fourth or one-third wider than the credit space. In small Ledgers it is better to bind the index in the book; in large ones it is more convenient to have it bound separate. In either case, direct the binder to "throw over" the first leaf of the index, and commence lettering on the third page. This enables the book-keeper to place the upper letter upon each leaf on the left page, and the lower one on the right, thus giving each letter a full page throughout the index.

In the six-column Day Book or Journal, it will be well to have the dividing lines between the cash and sundries column, on both sides, black or some dark color; it will also be useful to order a red footing line across the bottom of the page, the fourth line from the bottom.

Before concluding this subject, I will take leave to offer a suggestion upon the construction of

BOOK-CASES.

In vaults and safes, the book-cases are almost universally constructed for setting all the books on end, leaving the whole weight of the paper, by this means, hanging and straining upon the binding, and not unfrequently breaking it. It will take no more space to contain the books upon horizontal fixtures than in perpendicular ones, and it is obvious that all large books are less liable to injury in the one position than the other.

INDEX TO LEDGER B.

A.		J.	
Bills Receivable	3	K.	
Bills Payable	3	L.	
Banks, Robert	5	Merchandise	2
Butler, Robert	5	N.	
Carter, James	1	O.	
Cash	2	Pryor, Edward	3
Cope & Sons, T. P.	2	Profit & Loss	4
City Bank	4	Post, Joel	6
Commission Sales	5	Parker, Robert	6
Commission	6	Q.	
Duff, P.	1	Reed, James	6.6
Day, James	3	Stuart, A., & Co.	2
Duff & Gordon	5	Sundry Drs.	6
Expense	4	Sundry Crs.	6
Evans, W.	6	T.	
Freeman, Thomas	6	U.	
Gordon, Wm.	1	V.	
Gaynor, Samuel	1	W.	
Hay, William	2	X.	
Haven, James	6	Y.	
Interest	4	Z.	

Dr.		P.		DUFF.		Cr.			
1867.	Apr. 10	Cash,	1	30	1867.	Apr. 1	Cash,	1	500
	30	"	2	60	June 30	Duff & Gordon,	fol. 5	53	91
	May 1	Mdse.		37					
		Cash,	182.	5					
	June 30	Balance,	fol. 2	421 91					
				553 91					553 91
					June 30	Balance bro't down,			421 91

Read Notes 2 and 3, p. 149.

1. This and the two following accounts are the partners' private accounts; they are debited for all sums withdrawn and credited for any sums paid in over the capital. The credits of June 30 at this and Gordon's account are their dividends of debts collected for the old firm.

W.		GORDON.							
1867.	Apr. 30	Cash,	2	25	1867.	June 30	Duff & Gordon,	fol. 5	32 34
	May 1	Mdse.		21 50			Balance,	2	69 16
		Cash,	3	10					
	23	"		40					
	31	"		5					
				101 50					101 50
	June 30	Balance bro't down,		69 16					

JAMES		CARTER.							
1867.	Apr. 1	J. Carter's Stock acct.,	1	963 50	1867.	May 1	City Bank,	2	400
	30	Cash,	2	15	31	"	400	4	400
	May 1	Mdse.,	2	10 25	June 30	Balance,	fol. 2	188 75	75
				988 75					988 75
	June 30	Balance bro't down,		188 75					

1. The first debit entry above, is what this partner was deficient in his capital when the books were opened.—Refer to his stock account, p. 178.
 2. The two credits are payments on account of this deficiency. If interest is to be charged, a Day Book entry will be made of it, and it will be brought to this account, not to his stock account.

SAMUEL		GAYNOR.							
1867.	Apr. 1	Amt. $\frac{3}{8}$ Ledger A, fol.	3 x	91	1867.	Apr. 10	Bills Receivable,	2 x	91
	20	Mdse.	2	397	May 1	Mdse.,			265
						Cash,	3		50
				488		10	Balance debit in n/a.,		82
									488
	May 10	Balance on settlement,		82					
				82	June 30	Cash,	3		20
						Balance,	fol. 2		62
									82
	June 30	Balance bro't down,		62					

Refer to Note 2, Warden & Bell's account, p. 105.

1. Where a settled account is comprised in a single line, it is sufficient to mark the entries on each side as above, and omit them in the next account current. But the author has witnessed so much confusion and trouble in accounts from inattention to closing them at the time of settlement, that he again requests the student's attention to Note 1, Wood's account, p. 15, Note, p. 20, Notes 5 and 6, p. 23, Note 4, p. 70, and Note 1, Carter's account, p. 105.

2 Dr.

CASH.

Cr.

1867.	June 30	Sundries to date,	5	11750 50	1867.	June 30	Sundries to date,	2	11530 60
							Balance,	f. 2	219 90
				11750 50					11750 50
Jun	30	Balance bro't down,		219 90					

MERCHANDISE

ACCOUNT.

1867.	June 30	Sundries to date,	5	11207 50	1867.	June 30	Sundries to date,	5	6306 50
		Private Ledger,	f. 2	6306 50			Private Ledger,	f. 2	11207 50
				17514					17514

1. Post the new business to this account as before. When closing the Ledger, transfer again with a double balance as above.

T. P.

(Philadelphia)

COPE & SONS.

1867.	Apr. 10	Bills Payable,	2 ×	504	1867.	Apr. 1	Sundries to Ledge. A, f.	1 ×	504
May	23	Sundries,	3	579	May	23	Mdse.,	3	2300
	31	City Bank,	4	500					
June	4	Sundries,		1221					
				2804					2804

1. This account affords another illustration of what is alluded to in Note 1, Gaynor's account, p. 165. In business this mark is made upon the double red line, and so small as not to disfigure the account.

WILLIAM

(Boston)

HAY.

1867.	Apr. 10	Bills Payable,	2 ×	200	1867.	Apr. 1	Sundries Ledge. A, f.	1 ×	200
May	23	City Bank,	3	2000	Apr.	10	Mdse.,	10	2494 40
	31	" "	4	200	June	10	"	5	168
June	4	Mdse.,		60					
June	30	Balance,	fol. 2	402 40					
				2862 40					2862 40
					June	30	Balance bro't down,		402 40

A.

STUART & CO.

1867.	May 1	Bills Payable,	3	291	1867.	Apr. 1	Mdse.,	1	216
					Apr.	20	"	2	75
				291					291

Dr.		JAMES		(75 Tenth Street)		DAY.		Cr.	
1867.	Apr. 1	Cash,	1	8	1867.	Apr. 1	Sundries, Ledg. A, f.	1	68
	10	E. Pryor,	2	20					
May	1	Cash,	3	12					
	10	New acct.,		28					
				68					68
May	23	Cash,	3	10	May	10	Old acct.,	3	28
June	4	"	4	5					
	10	"	5	13					
				28					28

1. The last debit entry before the first balance above, and the first credit after it, are in one Journal entry, the first one posted before the account is balanced, and the last one after it.—Note 1, p. 169, and Note 1, p. 183.

Dr.		EDWARD		(25 John Street)		PRYOR.		Cr.	
1867.	Apr. 1	Amt. Ledg. A,	f. 3	2	1867.	Apr. 10	James Day,	2	20
	10	Mdse.,	1	16	May	1	Mdse.,		64
	20	"	2	45	June	4	City Bank, Loan of		
May	31	Cash in Loan,	3	200			31st ult.,	4	200
June	10	Mdse.,	5	183		30	Balance	f. 2	162
				446.					446
				162.					
June	30	Bal. bro't down,		162					

1. The above loan on May 31st, is passed through account as directed at Pryor's acct., p. 183.

Dr.		BILLS		Cr.		RECEIVABLE.		Cr.			
1867.	Apr. 10	S. Gaynor,	No. 1,	2	91	1867.	May 13	City Bank,	No. 1,	3	91
	20	Sundries,	2,	2	1000	June	30	Carried down,	2,		1000
May	1	Mdse.,	3,	4	284 50	May	23	Cash,	3,	3	284 50
		R. Butler,	4,	4	496 50	June	10	Sundries,	4,	5	496 50
June	4	Mdse.,	5,	4	630		30	Carried down,	5,		630
					2502						2502
June	30	Bro't down,	No. 2,		1000						
		"	"	5,	630						

Dr.		BILLS		Cr.		PAYABLE.		Cr.			
1867.	Apr. 20	Sundries,	No. 1,	2	200	1867.	Apr. 10	W. Hay,	No. 1,	2	200
		"	2,	2	504			Cope & Sons,	2,	2	504
June	4	City Bank,	3,	4	291	May	1	Stuart & Co.,	3,	3	291
	30	Carried down,	4,	4	221	June	4	Cope & Sons,	4,	4	221
		"	"	5,	1000		20	Mdse.,	5,	5	1000
					2216						2216
June	30	Bro't down,	No. 4,		221						
		"	"	5,	1000						

1. Referring our readers to the copious directions for the management of these accounts, pp. 83, 84, 82, 103, and 104, we have now only to explain the peculiarity in the mode of posting adopted above. The notes are all posted separately, accompanied with their respective numbers, and the counter-post, with its number, must be always kept upon the same line with the first entry, leaving blanks opposite all notes in hand in the Bills Receivable account, and opposite all unpaid notes in the Bills Payable account.

2. In closing, the blanks must be all filled in red, and the same notes, with their numbers, recapitulated in new account. This method of posting these accounts will contribute much to their correctness, and, in some cases, renders the Bill Book unnecessary.

4 Dr.

CITY

BANK

Cr.

1867.	Apr. 1	Cash,	1	5800	1867.	Apr. 20	Bills Payable,	2	703 65
	30	"	2	750	May 23	Wm. Hay,	3	2000	
May 1	J. Carter,			400	May 31	Balance to n/a.,		4337 35	
13	Bills Receivable,	3	91						
				7041				7041	
	31	Bal. bro't down,		4337 35	May 31	Sundries,	4	700	
		Cash,	3	450	June 4	Mdse.,		1060 20	
		James Carter,	4	400		Bills Payable,		291	
June 4	E. Pryor,			200		Cope & Sons,	3061.30	1000	
	Cash,			100	30	Balance,	f.	4278 10	
10	Bills Receivable,	5	491 95						
	Cash,			100					
20	Mdse.,			1250					
				7329 30				7329 30	
June 30	Bal. bro't down,			4278 10					

See Note 2, p. 157, and Note 1, Day's account, p. 167.
 Every house doing a business of any magnitude, should keep a Bank account. It simplifies and shortens the Cash account, and diminishes the trouble and chances of error in making payments.

PROFIT

&

LOSS.

1867.	May 31	Cash,	3	20	1867.	June 20	Cash,	5	150
June 30	Pr. & Loss, Pr. Ledg. f.	2	130						150
				150					

1. This account is continued in this Ledger until the time of closing, when its balance is transferred to the Profit & Loss in the Private Ledger.—See the above balance in Profit & Loss account, p. 174.

EXPENSE

ACCOUNT.

1867.	Apr. 1	Cash,	1	3	1867.	June 30	Private Ledger,	f.	2	408
May 1	"		3	60						408
June 30	R. Banks,	5	345							
				408						

INTEREST

ACCOUNT.

1867.	June 10	Bills Receivable,	5	4 55	1867.	Apr. 20	Bills Payable,	2	35
30	Pr. & Loss Pr. Ledg. f.	2	72 10	Apr. 20	Bills Receivable,				20 50
				June 4	Mdse.,	75.65	4	55 80	
								76 65	

1. This, and the Expense account, are both closed into the Profit & Loss account in the Private Ledger, p. 174.

Dr.

COMMISSION SALES.

Cr. 5

1867.	Apr. 30	Cash,	2	25	50	1867.	Apr. 20	Cash,	2	360
	June 4	"	4	748			May 31	Robert Butler,	4	576
	10	Sundries,	5	1992			June 4	Mdse.,		180
	30	Balance,	f. 2	3856				Cash,		1200
							10,	"	5	1540
							30	Balance,	f. 2	2765 50
				6621	50					6621 50
	June 30	Bal. bro't down,		2765	50		June 30	Bal. bro't down,		3856

See Notes 1 to 4, p. 143.

1. This account represents all our commission business. All the accounts are kept and settled on the Commission Sales Book.
 2. We have closed this account by *Double Balance*, for the purpose of practically exemplifying that operation, though this mode of balancing was not required here, or, indeed anywhere, except when transferring an account from one Ledger to another, which you wish to leave closed on the old book, and to re-open on the new one with the whole amount of each side brought forward. You will perceive that the above operation will effect that purpose.—See *Morris' Sales*, p. 107.

ROBERT

(Clerk)

BANKS.

1867.	Apr. 10	Cash,	1	20		1867.	June 30	Expense acct.,	5	345
	May 1	Mdse.,	2	6	50					
		Cash,	3	30						
	31	"		10						
	June 10	Mdse.,	5	108						
	20	Cash,		90						
	30	Balance,	f. 2	80	50					
				345						345
	June 30	Bal. bro't down,								80 50

ROBERT

(Albany)

BUTLER.

1867.	Apr. 10	Mdse.,	1	596	50	1867.	Apr. 10	Cash,	1	100
				596	50		May 1	Bills Receivable,	2	496 50
				577	50					596 50
	May 31	Sundries,	4	577	50		June 10	Cash,	5	100
				577	50		30	Suspended List,	f. 2	477 50
										577 50

DUFF

&

GORDON.

1867.	June 30	P. Duff,	fol. 1	53	91	1867.	May 23	Cash,	3	20
		W. Gordon	1	32	34		31	"		25
				86	25		June 10	"	5	41 25
										86 25

1. This account is credited for all collections made of Duff & Gordon's old debts, and if any thing is lost upon any of the accounts from which they credited themselves in the new firm, this account will be debited for the amount. Of the above collections they make a dividend in the same proportion as they divided the gain when they closed their books.—See *Profit & Loss* account, p. 134.

6 Dr.

SUNDRY

DEBTORS.

Cr.

1867.				1867.				
May	31	W. Evans,	4	20	June	30	W. Evans, car. down,	20
		Jas. Reed,		182		4	Jas. Reed's acct.,	4 182
		Joel Post,		18			Cash of Joel Post,	18
June	4	Robert Parker,		60	30		R. Parker, car. down,	60
				280				280
June	30	W. Evans, bro't down,		20				
		R. Parker, "		60				

1. In every business there are frequently small sales and unsettled balances due from persons with whom we expect to have no farther dealings. The simplest and easiest way to keep account of such transactions is under a **SUNDRY Drs.** head. Enter the name, sum, date, &c., as above, taking care to index each individual's name, as you perceive we have done—refer to the index, and see.
2. When payment is made, it comes through the books as far as the Journal, as though the party had an open account. By the index, the name is found on this account, post it like Joel Post's entry, 4th June, above, *on the same line opposite the debit*, and it settles the transaction.
3. You must recollect, however, that you cannot make more than one debit and one credit to each individual. If the transactions exceed this, you must re-page the party's name in the index, and transfer, through the Day Book, the amount from this account to his private account, as we have done above with J. Reed.

SUNDRY

CREDITORS.

1867.				1867.				
June	30	T. Freeman car. down,		72	June	10	Due T. Freeman,	5 72
	20	Cash paid J. Haven,	5	28	20		" Jas. Haven,	100 28
				100				100
					June	30	Due T. Freeman, bro't down,	72

1. This account is managed in all respects like the last one, except that the entries first appear at the credit side.
2. When a purchase is made of a party with whom you have not an account, and intend to pay it in a short time, let the transactions, as those in the last account, come through the books as far as the Journal, in the usual way, then post the name, amount, &c., to this account, recollecting to index the name. When payment is made, it must be always placed on the Dr. side, *on the same line with the credit*, as with Haven's entry above.
3. These two accounts close by filling up the vacant spaces in red, as above, recapitulating all the names and amounts in the new account.

JAMES

REED.

1867.				1867.				
June	4	To Sundry Drs. acct.,	4	182	June	4	Cash,	4 100
		" Mdse.,		96	30		Suspended List,	f. 2 178
				278				278

1. This account was first commenced under the **SUNDRY Drs.** head, but finding he was going to deal farther with us, we re-indexed his name, and opened a private account with him. This will frequently occur in business, but, as the name is already in the index, the trouble is trifling compared with the old-fashioned plan of keeping a petty Ledger for such accounts.

COMMISSION

ACCOUNT.

1867.				1867.				
June	30	Profit & Loss,	f. 2	164	May	23	Cope & Sons,	3 27
				164	June	10	Commission Sales,	5 137
								164

TRIAL SHEET, June 30, 1867.

Drs. Crs.

	fol.	Drs.	Crs.
P. Duff	1		
W. Gordon			
James Carter			
S. Gaynor			
"			
Cash	2		
Merchandise			
T. P. Cope & Sons			
Wm. Hay			
A. Stuart & Co.			
James Day	8		
"			
Edward Pryor			
Bills Receivable			
Bills Payable			
City Bank	4		
"			
Profit & Loss			
Expense Account			
Interest Account			
Commission Sales	5		
Robert Banks			
Robert Butler			
"			
Duff & Gordon			
Sundry Debtors	6		
Sundry Creditors			
James Reed			
Commission			
Private Ledger			

1. By comparing these footings with those of the Day-Book and Journal, and finding them to agree, we have direct and indisputable evidence that no omissions can have occurred either in journalizing or posting. Whereas the common Trial Balance affords no security against any errors but such as disturb its equilibrium. And it is well known that omissions deeply affecting the interest of the Merchant frequently take place between his Sales Book, or his Day-Book and his Journal, which the method we are now introducing affords the means, and the ONLY MEANS, of detecting with certainty.—Note 4, p. 142.

2. There are so many obvious advantages in taking a MONTHLY TRIAL, that it is strongly recommended in business. On the next page, I have given a form, by which, when the titles are once written, the amounts only require to be afterwards inserted until the end of the year.

AN IMPROVED FORM OF MONTHLY TRIAL SHEET FOR 1887.

ACCOUNTS.	Feb.	DRS.	APRIL.	Crs.	DRS.	MAY.	Crs.	DRS.	JUNE.	Crs.
P. Duff,	1	90		500		42				
W. Gordon,		25				76	50			
James Carter,		978	50			10	25	800		
Samuel Gaynor,		488		91		82		417		
Cash,	2	7775	75	7727	60	825	50	864	3149	25
Merchandise,		6014	50	2372	25	2629		1547	25	2564
T. P. Cope & Sons,		504		504		1079		2300		1221
Wm. Hay,		200		2694	40	2200			60	168
A. Stuart & Co.				291		291				
James Day,	3	28		68		50		28	18	
Edward Pryor,		63		20		200		64	183	200
Bills Receivable,		1091				781		375	50	630
Bills Payable,		704		704				291		291
City Bank,	4	6550		703	65	5678	35	7037	35	2141
Expense Account,		3				60			345	
Interest Account,				20	85				4	55
Commission Sales,	5	25	50	360				576	2740	55
Robert Banks,		20				46	50		198	345
R. Butler,		596	50	100		577	50	496	50	100
Private Ledger,	1			9000						
APRIL		25156	75	25156	75					
Profit & Loss,	4					20				150
Duff & Gordon,	5							45		41
Sundry Debtors,	6					220			60	200
Commission,								27		137
MAY						14868	60	14868	60	
Sundry Creditors,	6								28	100
James Reed,									278	100
JUNE									13911	75
									13911	75

- The above form of monthly trial will require medium or royal paper, ruled with six debit and credit columns on each page. This will enable the book-keeper to take his trial in about half the usual time, inasmuch as the titles once written serve for the whole year.
- As our Journal is not posted in monthly periods, you cannot find the cash and merchandise amounts for the above trial from the Ledger, but you can procure them from the Sales, Invoice, and Cash Books; and I have given the monthly totals in small figures in the margin of the Journal, so that you can see when your trial agrees with that book.
- Before making out each month of this sheet, go over the Ledger, carefully adding up the month's business, inserting it in pencil in the margin of each account: from these marginal figures the trial is filled up.
- To facilitate this operation, the author originally had his Ledger ruled with two sets of money columns on each side, so that every account could have each month's business extended in monthly sections, like our Cash Book. But some of his mercantile friends expressing a strong dislike to this manner of ruling the Ledger, he has been induced, in deference to their opinion, to abandon it, although his own opinion of its practical utility remains unchanged.
- Want of time is the greatest objection to the monthly trial, but it is believed, that if a proper estimate is made of the time usually required for correcting books at the end of the year, the advantage will often be in favor of the monthly trial, which gives timely notice of the existence of error, and but a short space of business to examine in order to find it.
- In conclusion we may also name another advantage of the monthly trial. When it always comes out correct, there is not any necessity of ever making out a Balance Account. Dividends can be safely made upon the Profit & Loss Account, after closing into it all accounts representing gain or loss. Indeed, this may be done in any case where there is satisfactory evidence of the entire correctness of the books; but, as all experienced accountants know, in the ordinary mode of keeping books, the Balance Account affords the only satisfactory evidence of this. When a dividend is made, and a net capital exhibited in the Stock or Partners' Accounts, the Balance Account must at the same time be shown, as evidence of the existence of effects to represent that capital.

THE PRIVATE LEDGER.

1. The object of this book having been explained, Note 4, p. 149, we have now only to observe, that, although it is, in business practice, always a separate book, it must be dealt with as though it formed part of the other Ledger. After the accounts are opened, no public business can require any reference to it. Indeed, no reference is ever required to it, except at the time of closing the books or taking the trial. The sum of its footings must appear upon the trial as you see on p. 171. At the time of closing, the transfers are all made from the public Ledger to Profit & Loss, Suspended List, and Balance, as if these accounts were opened in the same book. If the dividend is made without making out a balance account, as suggested in Note 6, p. 172, the course to be followed with the other accounts in this book will still be the same as it now is.

Dr.	P.	(Stock Acct.)	DUFF.	Cr.	1
			1867. Apr. 1	Sundries, Ledg. A, f. 1	2884 47
				Cash, <small>acco.</small> 1	115 53
			June 30	Profit & Loss, f. 2	1400 53
				Net Capital at date,	4400 53

W.	(Stock Acct.)	GORDON.	Cr.	1	
			1867. Apr. 1	Sundries, Ledg. A, f. 1	1717 58
				Cash, <small>acco.</small> 1	1282 42
			June 30	Profit & Loss, f. 2	1400 53
				Net Capital at date,	4400 53

JAMES	(Stock Acct.)	CARTER.	Cr.	1	
			1867. Apr. 1	Sundries, Ledg. A, f. 2	36 50
				Cash, 1	2000
				J. Carter's Pr. acct. <small>acco.</small> 1	963 50
			June 30	Profit & Loss, f. 2	1400 54
				Net Capital at date,	4400 54

1. We have, above, carried the whole amount of each partner's dividend to his credit in Stock account, but our attentive student no doubt recollects what we stated, Note 5, p. 129, and he will therefore readily understand, that the partners may order various other dispositions of their dividends; for instance, they may agree to carry a certain percentage on their capital to the credit of their private accounts to cover sums that they have withdrawn, and allow the remainder to pass to the credit of their Stock accounts to increase their capital. They may think proper to order the whole amount to the credit of their private accounts, or draw the cash for it as soon as the amount is known, as in banks and joint stock companies.

2 Dr. MDSE.

ACCT. Cr.

1867.		June 30		From Public Ledg., f. 2	11207 50	1867.		June 30		From Public Ledg. f. 2	6306 50	
				Profit & Loss,	2	4899				Balance,	2	9800
						16106 50						16106 50
				Balance,		9800						

1. The balance will always be brought down upon this Ledger. Every time the Ledger is balanced, the total postings to the account on the Public Ledger are transferred by double balance as above.

PROFIT & LOSS.

1867.		June 30		Expense, Public L. f. 4	408	1867.		June 30		Pr. & Loss, Pub. L., f. 4	130	
				Suspended List, 1063.50	2	655 50				Merchandise,	2	4899
				P. Duff, 1/2 n/g.	1	1400 53				Interest,	4	72 10
				W. Gordon, 1/2 "	1	1400 53				Commission, 5385.10 1063.50	6	164
				J. Carter, 1/2 "	1	1400 54				) 4301.50 1400.53		5265 10
						5265 10						5265 10

See Notes 4 and 5, p. 130, and Note 1, p. 173.
The above gain is carried to the partners' stock accounts.

BALANCE

ACCOUNT.

1867.		June 30		W. Gordon, fol. 1	69 16	1867.		June 30		P. Duff, fol. 1	421 91	
				James Carter,		188 75				Wm. Hay,	2	402 40
				Samuel Gaynor,		62				Bills Payable,	3	1221
				Cash,	2	219 90				Commission Sales,	5	3856
				Mdse.,		9800				R. Banks,		80 50
				Edward Pryor,	3	162				Sundry Crs.,	6	72
				Bills Receivable,		1630				P. Duff, n. c.,	1	4400 53
				City Bank,	4	4278 10				W. Gordon, n. c.,		4400 53
				Commission Sales,	5	2765 50				James Carter, n. c.,		4400 54
				Sundry Drs., 19255.41	6	80						
						19255 41						19255 41

SUSPENDED

ACCOUNTS.

1867.		June 30		Robert Butler, f. 5	477 50	1867.		June 30		Profit & Loss, fol. 2	655 50
				James Reed, 655.50	6	178					655 50
						655 50					

See Notes 1 to 3 Suspended List, p. 134.

1. We have only to remark further, that if these accounts have been closed, you will allow them to remain so, until you receive a payment upon them. When this takes place the account is to be re-opened with a debit for the suspended balance; but this cannot be done upon the face of the Ledger. Profit & Loss having been debited for the amount at the last balance, must now be credited for it upon the Day Book, making the individual Dr. To Profit & Loss for balance per Suspended List. It may, perhaps, be asked, why not carry such payments to the credit of Profit & Loss, without re-opening these accounts? This will not do, because these individuals' accounts must record the payments they have made upon them.

BALANCE SHEET, DUFF, GORDON & CO. JUNE 30, 1867.

	EFFECTS.		LIABILITIES.	
1867. June 30.	Balance due on W. Gordon's account . . . . .	. f. 69	Balance due P. Duff on private account . . . . .	. f. 421
	do. do. J. Carter's do.	188	do. due Wm. Hay	402
	do. do. Saml. Gaynor's do.	62	do. on notes in circulation	1221
	Cash in hand	219	Amount of sales on consignment	3856
	Merchandise in hand per Inventory	9890	Balance due R. Banks on account	80
	Merchandise due on E. Pryor's account	162	Sundry creditors	72
	Bills Receivable in hand	1680	P. Duff's paid up capital	\$3000.
	Balance of deposit in City Bank	4278	Dividend now carried to his credit	1400.53
	Advances on consignments	2765	W. Gordon's paid up capital	3000.
	Sundry debtors	80	Dividend now carried to his credit	1400.53
		19255	Jas. Carter, for his paid up capital	8000.
		41	Dividend now carried to his credit	1400.54
				4400
				58
				4400
				54
				19255
				41
				150
				4899
				72
				10
				164
				5285
				10
				10

ABSTRACT OF DUFF, GORDON & CO.'S

Incidental expenditures to date . . . . .	. f. 20
Amount of expense account	408
Doubtful debts	655
Gain to Duff's credit, p. bal. sheet	\$1400.53
do. to Gordon's do.	1400.58
do. to Carter's do.	1400.54
Net gain on 8 months' business . . . . .	. . . . .

PROFIT & LOSS ACCOUNT, JUNE 30, 1867.

Incidental gains to date . . . . .	. f. 150
Gain on merchandise account	4899
Gain on Interest account	72
Gain on commission account	10
Gain on commission account	164

Merchants will recognize in the above balance sheet a perfectly practical form, by which a detailed and most comprehensive view can be given, of any kind or any extent of business, in a form that can be understood by any person. Business men will find it a useful substitute for those fancy balance sheets, which, on account of the difficulty in applying them, never have been, and probably never will be, generally adopted in business practice.

ON PARTNERSHIP SETTLEMENTS.

DIRECTIONS FOR CONDUCTING THE BOOKS AFTER THE DISSOLUTION OF THE FIRM, AND RECORDING THE TRANSACTIONS FOR EFFECTING THE SETTLEMENT AND FINAL CLOSURE OF THEM.

WHEN a concern is dissolved, the books being generally left in the hands of one or more of the firm for the purpose of settling up, each of the partners should be provided with a Balance Sheet, similar to that on the preceding page. From this Balance Sheet each retiring partner makes the proper Journal entry in his own books. If the remaining partners continue the business in their own name, unless they have bought out the interest of the retired partners, they should make no use of any of its books to record transactions relating to their own business.

To those who understand the preceding set of books, the following Exercises will fully explain the subject. The student should write out his own answers before he consults those in our Key.

EXERCISES ON WINDING UP PARTNERSHIP BOOKS.

1. On the 30th June, the day on which the preceding books were balanced, suppose that Gordon and Carter retire from the firm, and leave the books in the hands of Duff for settlement: what entry will each retiring partner make in his own private books in conformity with the Balance Sheet of the late firm, supposing they had no previous entry in their private books of their investment in the firm?
2. What entry will Duff make in his books?
3. The Bank Deposit, Cash in hand, and Bills Receivable, being available property, what entry will Duff make of the same in his books on receipt of them?
4. What entry will he make for the same in the books of the firm?
5. What entry for the Merchandise in hand and debts due the firm?
6. What entry in his own books when he makes a payment of \$1000 in cash to Gordon, one of the retired partners, on account of his Stock?
7. What entry for the same transaction in the books of the firm?
8. What will be Gordon's entry when he receives the money?
9. What will be Duff's entry, in his own books, when he sells Merchandise belonging to the firm for cash, \$2000?
10. What entry in the books of the firm for this sale?
11. What entry in the firm's books if he sell James Carter, one of the retired partners, \$3000 worth of Merchandise, on account of the balance due him by the firm?
12. What entry for this sale in Duff's private books?
13. What entry will Carter make in his books for the same?
14. What entry in his own books, when Duff collects cash due the firm; say the amount of S. Gaynor's account?
15. How will the same be entered in the books of the firm?
16. What entry in his own books when he pays, cash, a debt due by the firm; say the balance due Robert Banks?
17. What entry for the same in the books of the firm?
18. When the merchandise belonging to the firm is all disposed of, how is the account to be closed upon the books of the firm?
19. If any of the personal accounts due the firm are wholly or partially lost, what entry in the books of the firm at the final settlement?
20. When any of the suspended accounts, say Robert Butler's, is collected in cash, what entry in the books of the firm?
21. When the effects of the firm are all made available, how is the Profit & Loss account to be finally closed on their books?
22. How will the partners' accounts be finally closed on the books of the firm?
23. What entry will each partner make on his own books to close the account with the firm, after the effects are all paid over?

PARTNERSHIP SETTLEMENTS.—PART II.

THE foregoing exercises illustrate the course to be pursued when a firm is dissolved with a view to dividing the effects only as they are collected and made available. But it will always be found more convenient and advantageous for all parties, if the retiring partners agree upon a stipulated allowance for bad debts, expense of collecting, &c. In this case, the books and all the effects of the firm become the property of the remaining partners, and they continue the business in the same books as before the dissolution; at the same time becoming liable to the retired partners, in the terms agreed upon, for the balances they have accepted for their interest in the house.

24. Suppose Gordon and Carter retire, and Duff takes the effects, books, and the whole business into his own hands, assuming all the liabilities of the firm, as also the balances due the retiring partners, less five per ct. off their last dividend, to cover bad debts, what entry will he make upon the books of this discount?

25. What entry will Carter and Gordon make upon their books to show the transaction?

After this, Duff debits them as he pays them off, in cash, merchandise, &c.; they at the same time making conforming entries in their books.

In the above exercises, we have made no allusion to the open consignment accounts. In every house doing a commission business there must always be a number of consignments on hand, partly sold at the time of closing the books. When a balance sheet is made up, either for the purpose of admitting a new partner, or settling with a retiring one, it is obvious that the commission upon these sales, as far as they are effected, must be taken into account; and to do so, the commission, so far earned, must be carried to the credit of the commission account. In doing so, some other account must be debited for the same amount: now, the question is, what is the proper account to debit? It would be manifestly improper to debit the sales account without rendering the owner a statement, and it is by no means proper nor desirable to render him an account, unless he calls for it, until the sales are completed.

The commission thus earned, being part of the effects of the parties who have thus far conducted the sales, their Balance account must be debited for it. To make Balance account Dr. to Commission, is a peculiar and somewhat anomalous entry; and it will, perhaps, be asked, what effects have we got to represent it? To this we reply, that the entry represents our claim against this person's sales; and this claim is of the same nature as that against Pryor, or any other individual. The only difference is, that we do not, just now, for the reasons above named, place the amount to the debit of the sales.

Now, it must be recollected, that the Commission account closes *By Balance* and to Profit & Loss; and, like all other balance-closing entries, this one must be brought down into new account; and when the account afterwards receives its credit for the commission on the sales, when completed, the effect of this debit entry, so brought down, will be to extinguish its amount out of the credits of the account at the next dividend, thus preventing a new dividend of that portion of the commission accounted for in the old account.

When dividends are made as we have suggested, note 6, p. 172, without making up a Balance account, then our Day Book entry will be, Commission new account, Dr. To old account. After posting the credit entry, close the account into Profit & Loss; and, after the closing lines are drawn, post the debit entry.

It is to be observed that, in business, the entries we are now considering will often have to embrace the commission upon a large number of different accounts. A Day Book entry, specifying all the particulars, will, therefore, always be required in form something like the following:—

BALANCE ACCOUNT DR. TO COMMISSION.				
For commission	5 per ct.	on A. B.'s sales	effected to date, \$500.	\$25.
"	"	2½ "	on C. D.'s " " "	2000. . . 50.
"	"	5 "	on E. F.'s " " "	3400. . . 170. \$245.

It may be proper to remark, that this adjustment of the commission due upon the sales thus far effected makes no change in the disposition of the balance of the account. The differences between the sales and the charges must appear in the balance sheet, as usual.

DUFF'S BOOK-KEEPING.

I may also observe, that I am now treating the subject of Partnership Settlements for professional readers only; persons not well versed in the science of accounts will not, therefore, find it intelligible until they make themselves acquainted with the principles of the art, as explained in the preceding part of this work. The experienced book-keeper will, however, no doubt, perceive that this mode of adjusting the commission effects all that is necessary for making and recording a dividend, without disturbing a figure in the consignment accounts—avoiding the awkward expedient of either making a partial charge of commission in the account, or rendering a statement of it, before the sales are completed.

Such of our readers as understand the application of this principle to the Consignment accounts, will readily perceive that it may be, at any time, conveniently applied under similar circumstances, to the Interest or Profit & Loss account, or any of its branches.

In consequence of the unexpected retiring of a partner, between the periods of annual or semi-annual settlement of the books, a balance sheet and settlement may require to be made with the retiring partner, when it would be extremely inconvenient and irregular to present your accounts to your mercantile neighbors and correspondents for settlement. In extensive houses, where interest is allowed and charged on book accounts, there will be many accounts upon which interest will be running, some in favor of the house, and some against it. We now propose to show by a short *pro forma* statement, with what ease and simplicity interest upon any number of accounts, notes, bonds, &c., may be adjusted in a partnership settlement without disturbing or disfiguring the accounts. It must be recollected, that such statements must be always made upon the Day Book, with full particulars for future reference, if required. The form will be something like the following:—

BALANCE DR. TO INTEREST ACCOUNT.			
For balance of interest due us on Cox & Martin's account to date,		\$68.	
" " on G. Haven's "		122.	
" " on Henry Noble's "		140.	
" " on John Manly's note		60.	390.
Less balance of interest due G. W. Smith on account		70.	
" " Martin Rowley on bond		40.	110.
	Balance to credit of interest		280.

This entry is posted to the Balance and Interest accounts, as directed with the Commission account last page. But no entry is now made at the accounts of any of the above parties for these amounts of interest. Their accounts are carried on without interruption until the next period of settlement, when they will have an entry for the interest for the whole period, as if no adjustment of this kind had now taken place between the partners; and though the interest account will then get credit for the whole amount computed upon the accounts, the balance entry, now brought down from the old account, will extinguish that amount of it, leaving only what will have accrued after the present settlement for a new dividend.

Our attentive reader, no doubt, already perceives that this principle may be applied to any account which we do not wish to disturb at the time of settling or balancing the books. For instance: the 1st Co. Sales or Ship Roscoe and owners, p. 109, may be dealt with in the same way, by making Balance Dr. to Profit & Loss for our share of the gain to date. Then Profit & Loss would re-open as before stated, and the ship's account would remain undisturbed until the time of making the dividend.

ON PARTNERSHIP SETTLEMENTS.

ON KEEPING PARTNERSHIP BOOKS WITH A STOCK' ACCOUNT.

THOUGH the author considers the manner of keeping Partnership Books exemplified in the preceding sets, the best adapted for general business in private co-partnership, yet in some large firms, particularly manufacturing establishments, where there are a number of silent partners, it will be found more convenient to place the whole capital at the credit of a STOCK ACCOUNT, as is done in Banks and other Joint-Stock Companies. In this case, the amount of capital invested by each partner is shown by receipts or other private documents. All the partners' transactions with the concern are recorded precisely as they are at the partners' private accounts in the preceding Ledger; and the opening Journal entry will be the same in all the debits and credits, with the exception of the \$3000 carried to the credit of each partner's stock account. This will appear in one sum (\$9000) at the credit of the Stock Account; and no separate stock account will be opened for each partner. Take, for illustration, the first, second, and fourth entries of our Journal, p. 157, and embrace them in one entry, viz.:

SUNDRIES To SUNDRIES	\$10272.	
Cash		\$5998.
Merchandise		3217.50
E. Pryor		2.
S. Gaynor		91.
James Carter		963.50
To T. P. Cope & Sons		504.
" William Hay		200.
" James Day		68.
" P. Duff		500.
" Stock		9000.

Carrying the whole capital to the credit of the Stock account, as if it were an individual business.

As we have before remarked, the disposition of the Profits is altogether a matter of private agreement. If it be agreed to carry the whole profit to Stock, to increase the capital, the Profit & Loss will close thus—see p. 174.

PROFIT & LOSS To STOCK for net gain		\$4201.60
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If it be arranged that the profits are to be divided:

PROFIT & LOSS To SUNDRIES		\$4201.60
To P. Duff for his $\frac{1}{3}$ net gain		1400.53
" W. Gordon "		1400.53
" J. Carter "		1400.54

Or, if they agree to divide, say 10 per cent. upon their capital, and allow the surplus to increase the stock—10 per cent. on \$9000 is 900.

PROFIT & LOSS To SUNDRIES		\$4201.60
To P. Duff for his 10 per cent. dividend		300.
" W. Gordon "		300.
" J. Carter "		300.
" Stock for surplus profits		3301.60

At the time of dissolution, or any other time, if desired, the stock may be closed into the partners' accounts, thus:

STOCK To SUNDRIES, to close account		\$13201.60
To P. Duff for his $\frac{1}{3}$ capital		4400.53
" W. Gordon "		4400.53
" J. Carter "		4400.54

The partners' accounts will then show what is due them by the firm, or what they have to refund, if any of them have overdrawn.

DUFF'S BOOK-KEEPING.

ON ADJUSTING INTEREST ON PARTNERS' ACCOUNTS.

THE author left the exemplification of this matter out of his Partnership Books, believing that he could give a more comprehensive explanation of it in a separate section, than upon a Day-Book.

Many book-keepers cast interest upon each partner's capital, and, after deducting from this, interest on the sums withdrawn, carry the balance to each respective partner's credit, and to the debit of the Interest account. Although the results arising out of this disposition of the interest will all come out perfectly correct, yet it gives such a distorted appearance to the Interest account, that we think the following adjustment will be preferred by all good accountants. It will be observed that the interest is adjusted between the partners' accounts without disturbing the Interest account, which should embrace nothing but the interest of business transacted with the firm.

Suppose Hay & Gordon, partners, to share equally in the gain or loss, and the interest upon Gordon's capital to be	\$240.	
Less interest on sums withdrawn	80.	Balance 160.
Interest upon Hay's capital	150.	
Less interest on sums withdrawn	50.	Balance 100.
Balance of interest in favor of Gordon		60.

Here we cancel the \$100 interest due to Hay, and allow it to extinguish that amount out of the \$160 due to Gordon. Then, by a little reflection, the reader will perceive, that if he credits Gordon for the remaining \$60, and debits the Interest account, Gordon will himself have afterwards to pay, out of his share of the profits, one-half of this \$60, and Hay the other half: then, if we make

Hay Dr. To Gordon for half balance of Interest, \$30.

the result will be correct. It will leave both partners' accounts in the same position as if they had been credited for their respective balances of interest above stated.

When there are more than two partners a different operation is required. The following rule will serve for any number:—

RULE.—Add together the balances of interest due to each partner: divide the sum by the number of partners; the quotient is the average, or amount, of interest that would be due to each partner, provided they were equally interested. Therefore, the balances ABOVE the average must be placed to the credit of their respective owners, and those BELOW it must appear at the debit of their owners. The sum of the differences above, and that of the differences below, the average, will always equal each other, as will be seen by the following illustration:—

Suppose the bal. of Interest due Duff	\$650 — 394.	Bal. for Duff's Cr.	256.		
"	" Gordon 490 — 394.	"	Gordon Cr.	96.	Total Crs. 352.
"	" Hay 250.				
"	" Banks 186.				
Number of partners	4	1576.			
	394 — 186.	Bal. for Banks' Debit	208.		
And	394 — 250.	"	Hay's "	144.	Total Drs. 352.

The Journal entry will be,

Sundries To Sundries	\$352.
Banks, for balance of interest on his capital	\$208.
Hay, for " " "	144.
To Duff, for balance of interest due him on his capital	256.
" Gordon, for " " "	96.

ON PARTNERSHIP SETTLEMENTS.

The principle just applied to the settlement of partners' interest, will often be found useful in arranging other matters in partnership settlements. We have known an expert accountant not a little perplexed to settle a matter similar to the following.

George Draper, William Stone, James Best, and Charles Hill, having lately dissolved their firm, sold off all their effects, divided the proceeds, and find their accounts standing as follows:—

There is a balance due to Draper of \$460, to Stone, \$270, to Best, \$184, to Hill, \$430. Their shares in the business were each one-fourth, their books were kept by Single Entry, and there are no farther effects to divide. Required the settlement of the matter between the partners.

Balance due Draper is	\$460	—	336	=	124.	
" Stone, is	270.					
" Best, is	184.					
" Hill, is	430	—	336	=	94.	218.
<hr style="width: 50%; margin-left: 0;"/>						
Number of partners,	4	)	1344			
Each partner's loss,	336	—	270	=	66	
	336	—	184	=	152.	218.

Now, it appears that the whole loss was \$1344, which, when borne equally by the four partners, will leave a balance due to each of \$336, and those who have drawn out so far as to reduce their balances *below* this, must refund the difference to those whose balances *exceed* this amount. It will be better understood in a Journal entry.

Sundries To Sundries, \$218.	
George Draper,	\$124.
Charles Hill,	94.
To Wm. Stone,	66.
" J. Best,	152.

When the above sums are paid over by Stone & Best, and received by Draper & Hill, the above Journal Entry will be made, and when the amounts are posted, they will leave the balances due to each partner equal, viz.: \$336, the amount of each partner's loss.

Before concluding the subject of partnership settlements it will be proper to direct the reader's attention to settlements upon investments of part of the joint capital of the firm, in which it is arranged that the profits or losses are to be divided in different proportions from those of their general business: for instance, suppose Hay, Wood & Banks, equal partners in business, purchase the Union Cotton Factory for \$16000, paying one-fourth in cash, and giving the notes of the firm for the balance, \$12000. Wood & Banks decline owning more than one-fourth each of the mill, whereupon Hay takes the other half. It is agreed that the gain or loss by the factory shall be divided in these proportions. Required the Journal entry for opening the account.

Sundries To Sundries.	
Hay,	\$8000.
Wood,	4000.
Banks,	4000.
To Bills Payable,	12000.
" Cash,	4000.

The receipts and expenditures of the mill will be kept under the head of, Union Mill and owners, and dividends made of the gain or loss, as with Ship Roscoe and owners, page 97. But the cost of purchase can be placed to no other accounts than those of the owners while they own it in proportions different from their business.

CONCLUDING REMARKS UPON SET II.

WE have already demonstrated the advantages of this mode of arranging and conducting books. We have practically exemplified its efficacy in preventing error, and the facilities it affords for detecting it when it occurs. We have shown that no entry once made upon the Day Book, or any of the primary books, can afterwards be omitted, in its passage through the books, without detection. While the common Double Entry Trial Sheet proves nothing, but that Ledger agrees with itself; if what is posted into it is posted correctly the trial will say, all is right, no matter how much you may leave behind in the primary books. Our trial requires the Ledger to agree with all the other books, thereby affording a security against error, which we believe has never yet been introduced into practice.

It will be proper to point out the advantage that will be derived from even a partial adoption of this method. Persons who do not choose to adopt and apply it to its full extent, may introduce a single book at a time, and keep it upon this principle in connection with the common Double Entry books, and derive all the advantages we have pointed out, as far as that book is concerned, without disturbing either their other books or their business. Take our Cash Book, for instance, p. 144, and you will find nothing in it to prevent its being kept in connection with any kind of books whatever. It admits of being balanced like any other Cash Book, at any time that it suits your convenience, the outer columns being always forwarded, unbroken by the balances, to correspond with their representatives in the Ledger, and as soon as an error gets into one book or the other, a disagreement between the amount of these columns is the immediate consequence. You see at once which side it is upon, and then have only to ascertain where this disagreement commences, and you find the error immediately.

But with the old form of Cash Book, although you perceive by its disagreeing *in balance*, with that of the account in the Ledger, it affords not the slightest clue to where, or upon which side, the error exists. You have no means of finding it, but by beginning at the time the account was last balanced on the Ledger, and comparing every entry on both sides.

The same remarks apply to our Bill Books. The clearness and simplicity of these accounts, when conducted upon this method, must be apparent to all. We have spent days in correcting a Bill account, where the number of entries was not over one hundred, but where the notes on one side were frequently posted in collected amounts, and on the other, broken up and posted in partial payments, endorsed upon the notes. We have no fear of any book-keeper, who has had a task of this kind to perform, readily appreciating the value of our plan of keeping these books and accounts.

Those who keep a Sales Book can derive the same advantages from it in connection with common books as we do. It will check the credit side of the merchandise account, and if they choose, they can post the merchandise from it, in accumulated amounts, as we have recommended, p. 142. The same remarks apply to the Invoice Book if properly kept. And there is nothing to prevent any one from footing and forwarding the amount of their Day Book to check the Journal. Our form of Check Book may be introduced in any business, with all the advantages we have pointed out in correcting the Bank account. In a word, the introduction of our method requires no upsetting of the established principles of conducting accounts, in any establishment. It can be introduced by piecemeal—one book at a time until its practical working is fairly tested.

KEY,

CONTAINING THE ANSWERS OF SUCH EXERCISES AS ARE NOT
GIVEN IN THE PRECEDING WORK.

ANSWERS TO THE QUESTIONS FOR EXAMINATION ON BALANCING THE INTRODUCTORY SET.

PAGE 36.

- ANS. 1.—The Stock and Balance accounts show the net capital \$2980.
 At the second balance it is 28500.
- 2.—The Profit & Loss account shows a loss of 20.
 In the second balance, a gain of 520.
- 3.—My whole gain was \$260.; my whole loss was \$280.
 In the second balance, the whole gain was \$673.75; the whole loss, \$153.75.
- 4.—I gained \$170. on the first, and \$600. on the second balance.
- 5.—\$1700. on the first, and (the balance brought down included) \$4600. in the second balance.
- 6.—\$1870. in the first, and \$2200. in the second balance.
- 7.—None in the first balance; in the second, \$3000.
- 8.—\$3080. in the first, and \$7300. in the second balance.
- 9.—\$500. in the first, and \$3000. in the second balance.
- 10.—\$300. in the first, and the same in the second balance.
- 11.—The Cr. side of Balance account shows it to be \$900. in the first, and \$2800. in the second balance.
- 12.—The Dr. side of Balance account shows the first \$3880.; the second, 31,300.
- 13.—The Cr. side of Stock shows it to be \$3000. in the first, and \$2980. in the second balance.
- 14.—Solution given for first Balance, is $\$71\frac{2}{3}$.
- 15.— do. do. is 10 per cent.

PROOF SHEET FOR LEDGER B, June 30, 1867.

		Des.	Crs.
Stock	f. 1		
Merchandise			
Bills Receivable	3		
William Hay			
Bills Payable	4		
House in Broadway			
Robert Morris	5		
Ship Hudson	6		
Profit & Loss			
Shipment to Liverpool	7		
J. Taylor & Co.	8		
Commission			
Estate A. Lenox	10		
House in Cedar Street			
City Bank Stock			
C. Lenox			
R. Lenox			
Cash	12		
C. Hartwell			

DUFF'S BOOK-KEEPING.

ANSWERS TO THE EXAMINATION ON PAGE 36,

APPLIED TO CLOSING THE PRINCIPAL LEDGER, REFERRED TO AT THE BALANCE ACCOUNT, p. 113.

- ANS. 1.—Stock and Balance show it to be \$61,544.50.
 2.—Profit & Loss account shows it to be \$28,044.50.
 3.—Total gains, \$31,599.30. Total expenses and losses, \$3554.80.
 4.—I gained \$13,743.12.
 5.—Total purchases were \$50,830.10.
 6.—Total sales, \$46,445.
 7.—Amount on hand, per Inventory, is \$18,128.22.
 8.—Cash account shows it to be \$8891.
 9.—Bills Receivable account shows it to be \$8680.
 10.—Bills Payable account shows it to be \$6927.22.
 11.—The Balance account shows it \$46,750.34.
 12.—The Balance shows it \$108,294.84.
 13.—The Stock shows it \$31,300.
 14.—Allowing 156 business days between the 1st January and 30th June,—
 the average daily sales would be \$297.72
 15.—The total purchases were 50,830.10
 The amount on hand is 18,128.22
 Leaving the cost of the part sold \$32,701.88

Then, 32,701.88 : 13,743.12 :: 100 : 42 per cent. average gain, nearly.

The teacher should now require the learner to give, upon a slate or sheet of paper, the opening Journal entry of the contents of this Ledger, supposing it was required to transfer the same to a new set of books. It would be :

SUNDRIES To STOCK		\$108,294.84
Merchandise fol. 1	\$18,128.22	
Bills Receivable " 3	8,680.	
House in Broadway " 4	15,000.	
R. Morris " 5	5,676.59	
Ship Hudson " 6	16,000.	
Shipment to Liverpool " 7	8,000.	
John Taylor & Co. " 8	1,745.28	
House 49 Cedar Street " 10	12,000.	
City Bank Stock " "	10,000.	
Charlotte Lenox " "	500.	
Robert Lenox " "	800.	
Cash " 12	8,891.	
C. Hartwell " "	2,863.75	
 STOCK To SUNDRIES	 \$46,750.34	
To William Hay fol. 3	. . . \$10,813.12	
" Bills Payable " 4	. . . 6,927.22	
" Estate of A. Lenox " 10	. . . 29,010.	

He should also be directed to make the same entry upon the principle explained in Note 1, p. 70, viz.—

SUNDRIES To SUNDRIES, \$108,294.84.

Inserting the debits of the Balance account for one side of the entry, and the credits for the other side. This form of the opening entry of books makes only one entry for the Stock account—the net capital, and is to be preferred to the common method of making two entries.

KEY.

ANSWERS TO THE EXERCISES ON PAGE 176.

1. Duff, Gordon & Co., the late firm, Dr. to stock for the balance due them on the firm's books.
2. The same as the other partners.
3. Sundries, Dr. to Duff, Gordon & Co.
Cash, for the money in hand.
City Bank, for balance transferred.
Bills Receivable, for amount of Notes in hand.
4. Duff, Dr. to Sundries.
 To City Bank, to close account.
 " Cash, do. do.
 " Bills Receivable, do.
5. No entry until converted into available funds.
6. Duff, Gordon & Co., Dr. to Cash \$1000.
7. Gordon, Dr. to Duff . . 1000.
8. Cash, Dr. to the late firm . . 1000.
9. Cash, Dr. to Duff, Gordon & Co. 2000.
10. Duff, Dr. to Merchandise . . 2000.
11. Carter, Dr. to Merchandise . . 3000.
12. No entry, he having given the firm no credit for the Merchandise.
13. Merchandise, Dr. to Duff, Gordon & Co. \$3000.
14. Cash, Dr. to Duff, Gordon & Co. . . 62.
15. Duff, Dr. to S. Gaynor, to close account . . 62.
16. The firm, Dr. to Cash, paid R. Banks in full 80.50
17. Banks, Dr. to Duff, to close account . . 80.50
18. The same as if the firm still existed, To or By Profit & Loss.
19. Profit & Loss, Dr. to the individual, for the amount lost.
20. Re-open the account as directed, Suspended List, p. 174; then, Duff, Dr. to Butler, for the amount received.
21. In the usual way, To or By the partners' accounts.
22. When Duff pays over each partner the balance due him, it will close both their accounts and his.
23. They will close their accounts To or By Profit & Loss.
24. Sundries, Dr. to Profit & Loss . . 140.05.
 J. Carter, for 5 $\frac{1}{2}$ cent. discount on \$1400.53 \$70.02
 W. Gordon, do. do. . . 70.03
25. Duff, Dr. to Stock, for balance due on account, less discount allowed.

REMARK.—By a careful comparison of the above answers with the questions, p. 176, and the amounts in the balance sheet, it will be seen, that although the firm no longer exists, each partner must keep his account with it, and it keeps account with them until finally settled up. The books of an old firm must record the whole settlement of its affairs, as completely as if it still existed.

The retiring partners can never debit the remaining ones for their claim against the firm. The retiring partners are not accountable any faster than the effects are converted into available funds. To carry such entries into private account would inevitably lead to the greatest confusion.

It is at all times advisable, where the amount can be agreed upon, for the parties to agree to an allowance for bad debts, &c., and one party to sell out, and the other to buy, as exemplified in questions 24 and 25. The business then goes on without interruption.

When this arrangement cannot be effected, the new firm has no other course to follow, than that laid down upon page 176. And if it has dealings on its own account with the retired partners, the greatest care must be taken to distinguish between payments made on private account, and on account of the late firm, otherwise the accounts of the new and old firm may become involved in inextricable confusion.

DUFF'S BOOK-KEEPING.

MANUFACTURERS' FORMS.

TIME AND WAGES REGISTER OF THE PITTSBURGH NOVELTY WORKS.

1867.	JANUARY 1.			JANUARY 8.		
Name.	Quantity.	Rate.	Amount.	Quantity.	Rate.	Amount.
Patrick Birch	6 doz.	Locks.	\$4.			
John Brown	5½ "	"	5.			27 50
Robert Hammer	4 "	"	6.			24
Levi Wall	3½ "	"	7.			24 50
Joel Black	2½ "	"	8.			20
Wm. End	15 "	Latches.	1.50			22 50
Charles Dunn	12 "	"	1.75			21
Joseph Castle	10 "	"	2.			20
John Cross	25 "	Hooks.	.50			12 50
George McCoy	30 "	"	.40			12
Forward						208

The above form is designed for paying the men by the piece, in weekly payments. We have extended the first week's wages upon the first page. In business, the above \$208 is brought forward into the head of the "amount" column upon the next page, and so continued from page to page until the whole list of workmen (often several hundred) is complete. On pay-day the whole list is extended as above. The men assembled, the pay-clerk calls the names in their order upon the Register, hands each the amount due him, and checks it upon the left money column, thus ✓.

From the foot of the last page of the Register, the weekly amount total is transferred and marked "entered Cash Book."

This book should be made of paper large enough to contain four weeks' business. It will save writing to continue the ruling over two pages. The names will not then have to be re-written until the weekly spaces are all filled. If a workman is discharged, it is noted opposite his name, and his remaining weekly spaces remain blank.

TIME AND WAGES REGISTER OF THE PITTSBURGH UNION FOUNDRY,

For Two Weeks, ending Saturday, January 12, 1867.

NAMES.	M.	Tu.	W.	Th.	Fr.	S.	M.	Tu.	W.	Th.	Fr.	S.	Extra Time.	Whole Time.	Rate per Week.	Amount.	Paid.	Due.	Remarks.
	John Mills	1	1	1	1	1	1	1	1	1	1	1	1		11	12	22	22	
Joel Post	1	1	1	1	1	1	1	1	1	1	1	1		10	15	25	25		
Frank Hart	1	1	1	1	1	1	1	1	1	1	1	1		9	18	27	20		
Hiram Hardy	1	1	1	1	1	1	1	1	1	1	1	1	4	16	18	40	40	7	
John Frost	1	1	1	1	1	1	1	1	1	1	1	1	3	15	12	30	30	8	
Neil Gow	1	1	1	1	1	1	1	1	1	1	1	1	1	13	12	26	26		
James McKee	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12	24	24		
William Park	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12	24	24		
G. W. Silk	1	1	1	1	1	1	1	1	1	1	1	1	1	12	18	36	30	6	
James Tanner	1	1	1	1	1	1	1	1	1	1	1	1	1	12	15	30	30		
Patrick Wade	1	1	1	1	1	1	1	1	1	1	1	1	1	12	12	24	24		
Ent'd Cash Book																	295		

If the men are paid weekly, only six day-columns are necessary. When paid every second week, the above form will enable the foreman to register every man's time accurately. Men who work extra time have it recorded in that column. If one page will not contain all the names, continue the list as directed in the last form, forwarding the "paid column" to the end of the list, where it is marked, as above, "Entered in Cash Book." The men are paid as directed in the last form, and usually paid in full; but if any desire part of their wages to stand over till the next pay-day, the balance is extended into the "due column," to be added to their earnings on the next register.

By having a large book, one space for names will serve for four weeks; the ruling for the third and fourth week to extend upon the opposite page.

The foregoing forms will guide the book-keeper in projecting forms for registering time and wages for any manufacturing establishment; for payment by the day, week, or month, by piece, or by weight, as the nature of the business may require.

FORM OF A RECEIVING AND RECEIVED.

Date.	Marks and Articles.	Received from.	Consigned to.	Weights.	Charges paid.
1867. Jan. 2	C. D. 14 Bales	Penna. R. R.	C. Day, Cincinnati	700, 70 460, 970 466, 671 221, 970 447, 100 801, 1200 740, 1427 <hr/> 9248	869 72
Feb. 10	W. Wade, 170 B. Flour	P. F. W. & C. R. R.	W. Wade, N. Y.		85
Mar. 1	R. O., 2 Hhds.	S. B. Velocity	R. Owens, Philada.		
Mar. 10	W. & Co. 10 Hhds. Hams	S. B. Dart	Webb & Co., N. Y.		50
Mar. 20	B. & Co., 200 B. Flour	S. B. Peru	Beck & Co., N. Y.		
Apr. 1	J. P. 9 Bales	Penna. R. R.	J. Pope, St. Louis, Mo.	400, 740 300, 860 660, 610 480, 920 210, <hr/> 5130.	102 60
Apr. 10	W. H. 800 B. Oil	S. B. Diadem	Pike & Co., Baltimore		75

The above form will be found suitable to almost all kinds of Receiving and Forwarding business. It will be seen that the column for "weights" is left blank when the freight is charged by the package; and the money column, "charges paid," is only used when we have to pay charges to the carrier from whom we receive the articles.

The amounts of commission and charges are entered in the Cash Book and Journal, out of the column "commission and charges," when the amount is marked off thus, ✓. Sometimes we collect both commission and charges of the conveyance by which we forward, inserting the amount in their bill of lading, to collect of the consignee when they deliver the freight. If we have an account with the consignee, we can debit his account for the amount. Suppose this to be the case with the first entry above, our Journal entry will be

C. Day, Dr. to Sundries	\$415.94	
To Cash, paid charges to Penna. R. R. on 14 bales		369.72
" Commission, forwarding same p. S. B. Herald		46.22.

FORWARDING REGISTER.

FORWARDED.

Date.	Conveyance.	Articles and Weights.	Consigned to.	Comm.		Comm. & Charges.	
1887. Jan.	4 Steamer Herald	14 Bales 9248 cwt.	C. Day, Cincinnati	46	22	415	94
Feb.	15 Penna. R. R.	170 Bbls. Flour	W. Wade, New York	8	50	98	50
	16 " "	2 Hhds. Tobacco	R. Owens, Philada.	2		2	
Mar.	20 " "	10 Hhds. Hams	Webb & Co., N. York	10		10	
	21 " "	200 B. Flour	Beck & Co., N. York	10		60	
Apr.	4 S. B. Dart	9 Bales	J. Pope, St. Louis	25	65	128	25
	11 Penna. R. R.	800 Bbls. Crude Oil	Pike & Co., Baltimore	80		105	

Or, if our arrangements require us to charge the boat or company by which we forward, take the second entry:

Penna. R. R. Co, Dr. to Sundries	\$93.50	
To Cash paid P. F. W. & C. R. R. on 170 Bbls. Flour		85.
" Commission, forwarding same		8.50.

If we collect of the conveyance, we debit cash for the amounts so collected. Credits as above.

In extensive business, this book must be paged and the consignees' names indexed. The index will be of the common form, and lettered in the beginning of the book.

DUFF'S BOOK-KEEPING.

RATES OF STORAGE

ALLOWED BY THE CHAMBER OF COMMERCE OF PHILADELPHIA WHEN NO SPECIAL AGREEMENT IS MADE, OR NOTIFICATION GIVEN.—CHARGEABLE PER MONTH.

	Ground Floor.	Cellars or below.		Ground Floor.	Cellars or below.
Almonds, per bale	10	8	Iron, bloom, or pigs, per 1000 lbs	8	6
Ashes, per bbl.	7	6	" bars	10	8
Bale Rope, per 100 lbs	2	1½	" hollow ware	20	15
Barilla, per ton	30	25	Lard, per keg	1½	1
Bark, Quercitron, per hhd.	30	25	Lead, in pigs, per 1000 lbs	7	5
Bottles, per gross	8	6	" in sheets,	10	8
Burr Stones	½	¾	" in oil or dry	15	11
Butter, per keg	1½	1	Leather, per side	½	¾
Candles, per box 25 lbs	¼	½	Lemons, per box	2	1½
" Sperm, per box	1	¾	Lumber, in yard, per 1000 feet 12½ c.		
Cassia, per box	5	4	Madder, per hhd.	25	20
" per 100 lb mats	12½	10	Molasses, per hhd.	25	20
Champagne, in baskets, per doz.	1½	1½	" per tierce	18	14
Cheese, per 100 lbs	2	1½	" per barrel	6	5
Coal, in shed or yard, ¼ per bushel.			Nails, per 1000 lbs	15	10
Cocoa, per 100 lbs	2	1½	Naval stores, per barrel	6	4
Codfish, per drum	12½	10	Oil in casks, per 100 gallons	20	15
" loose, per 100 lbs	1½	1	Oil in baskets, per dozen	¾	¾
Coffee, per hhd.	20	15	Pepper and Pimento, per 100 lbs	1½	1
" in 100 lb bags	1½	1	Plaster, not under cover, 10 c. pr ton.		
Copper sheathing, per case	12½	10	Provisions, per bbl.	6	4
" rods, per 100 lbs	12½	10	Quicksilver, per flask	1½	1
Cordage, per 100 lbs	2	1½	Raisins, per keg	1½	1
Corks, per bale	12	10	" per box	½	¾
Cotton, per square bale	12½	10	Rice, per tierce	12	10
" per round bale	15	12	Salt, per bushel	¾	½
Duck, per pack, 2 bolts	1½	1	Saltpetre, per bag	1½	1½
Dyewoods, Braziletto and Nicaragua, per ton	50	37½	Segars, per 1000	1	1
" other kinds, per ton	25	20	Steel, per 1000 lbs	10	8
Earthen and glass ware, per hhd.	20	15	Staves, in yard or wharf.		
Figs, per drum	½	¾	for pipes, per 1000, 25 c.		
Fish, per barrel	5	4	Sugar, per hhd.	25	20
Flax, per 100 lbs	2½	2	Sugar, per bbl.	5	4
Flax seed, per tierce	9	7	" per box, under 500 lbs	6	4½
Flour, and other clean barrels	3	2	" other packages 100 lbs	1½	1½
Ginger, per 100 lbs	2½	2	Tea, per chest	4	3
Grain and seed, in bulk, per bushel	¾	1	Tin, block, per 1000 lbs	10	8
Hams, per hhd.	15	11	" sheet, per box	½	¾
Hay, per bale	12½	10	Tobacco, Ohio & Maryland, p. hhd.	25	20
Hemp, loose, per ton	75	62½	" other kinds	30	22
" in bales, per 100 lbs	2	1½	" manufactured, per keg	3	2
Hides, each	1	¾	" per seroon	4	3
Hoops, in yard or wharf, 15 c. per 1000.			Wines and Liquors, per cask of		
Hops, per bale	10	8	" 130 to 150 gallons	30	25
Horns, per 1000	50	37½	" less than 130 gallons	25	20
Indigo, per seroon	6	5	" not over 63 "	12½	10
" per case,	12	10	" not over 35 "	6	5
			" not over 20 "	5	4
			" per dozen bottles	1	¾

All merchandise taken on storage pays for one month, and it is chargeable with another month if it remains one day after this time. The owners of the goods pay all charges for storing, tiering reasonably high, and for delivering.

DUFF'S BOOK-KEEPING.

RATES OF COMMISSION

ESTABLISHED BY THE CHAMBER OF COMMERCE OF THE CITY OF PHILADELPHIA,
WHEN NO SPECIAL AGREEMENT EXISTS,
ON INLAND AND FOREIGN BUSINESS.

	PER CT.		PER CT.
MERCHANDISE , for selling, <i>on the total amount</i> (Foreign)	5	INLAND AND FOREIGN BILLS OF EXCHANGE , endorsing or drawing and negotiating, in every case, <i>on the proceeds</i>	2½
" (Domestic)	2½	for purchasing without endorsing, <i>on cost and charges</i>	½
for purchasing and shipping, or accepting bills for purchases, <i>on cost and charges</i>	2½	for selling, <i>on the net proceeds</i>	½
for receiving and forwarding, <i>on the value</i>	½	for collecting, <i>on the amount collected</i>	½
on responsibilities incurred for same	2½	for paying over, <i>on the amount paid</i>	½
VESSELS , for purchasing or selling, <i>on the gross amount</i>	2½	for remitting, <i>on the amount remitted</i>	½
for chartering to proceed to another port or for procuring freight	2½	SPECIE AND BANK NOTES, DRAFTS AND PUBLIC STOCKS , for selling, <i>on the proceeds</i>	½
for collecting freight or general average, <i>on the amount collected</i>	2½	for purchasing, <i>on cost and charges</i>	½
paying for repairs, outfits, or disbursements, <i>on the total amount</i>	2½	PUBLIC STOCK , for collecting dividends, <i>on the amount collected</i>	½
MARINE INSURANCE , for effecting, when the premium does not exceed 10 ¢ ct., <i>on the amount covered</i>	½	Advancing money, or for accepting bills, <i>in all cases on the amount advanced or accepted</i>	2½
if the premium exceed 10 ¢ ct., <i>on the amount of premium</i>	5	COLLECTING claims on insolvent estates or litigated or disputed accounts, <i>on the amount recovered</i>	5
settling and collecting losses without litigation, <i>on the amount collected</i>	2½	RECEIVING AND PAYING all moneys from which no other commission is rec'd	1
FIRE INSURANCE , for effecting, <i>on the amount of premium</i>	5	Receiving "	½
for adjusting and collecting losses, <i>on the amount collected</i>	1	Paying "	½
		Guarantee, in every case	2½

All consignments of merchandise withdrawn or re-shipped are subject to full commission to the extent of all advances and responsibilities incurred, and to half commission on the current value of remainder.

For selling merchandise previously consigned to another house, but withdrawn from them, when no responsibilities are incurred, only half commission is to be charged upon the current value, such value to be determined in all cases by the certificates of two competent merchants or brokers.

Bills remitted for collection under protest for non-acceptance or non-payment are subject to half commission only.

The above commissions are exclusive of storage, brokerage, guarantee, and all other expenses incurred.

Unless he order Insurance, the risk of loss by fire, robbery, and all other unavoidable risk, is with the owner of the consignment, ordinary care being taken by the consignee to secure it.

DUFF'S BOOK-KEEPING.

RATES OF COMMISSION

ESTABLISHED BY THE CHAMBER OF COMMERCE OF THE CITY OF NEW YORK,
WHEN NO SPECIAL AGREEMENT EXISTS TO THE CONTRARY.

[*Extracted from the Minutes, Vol. II., pp. 29 and 30.*]

FOR INLAND BUSINESS.

	PER CT.		PER CT.
MERCHANDISE, for buying, selling, shipping, or accepting for purchases without funds in hand to cover the same	2½	REMITTANCES in Bills, in every case	½
STOCKS, for buying or selling	1	RECEIVING AND FORWARDING goods, on the value of the same	½
SPECIE, " "	½	when the same is entered for duty or debenture	1
BILLS OF EXCHANGE, selling without endorsement	½	COLLECTING dividends on stocks	½
BANK NOTES, or Drafts, uncurrent, for selling	½	COLLECTING BILLS, and paying over the amount	1
BILLS OF EXCHANGE, endorsing and selling	2½	RECEIVING AND PAYING money upon which no other commission has been received	1
VESSELS, purchasing or selling	2½	COLLECTING AND SETTLING Insurance losses	2½
chartering, to take in cargo at other ports	2½	MARINE INSURANCE, for effecting, in every case where the premium does not exceed 10 ¢ ct., on the amt. covered	½
procuring freight	2½	when the premium exceeds 10 ¢ cent., on the amount of premium	5
collecting freight	2½		
outfits, repairs, and disbursements	2½		
collecting general average	2½		

FOR FOREIGN BUSINESS.

	PER CT.		PER CT.
MERCHANDISE, for selling	5	MARINE INSURANCE, for effecting, in every case where the premium exceeds 10 ¢ cent., on the amount of premium	5
for buying and shipping with funds in hand, on the total amount of cost and charges	2½	DIVIDENDS ON STOCK, for collecting	½
STOCKS, for purchasing or selling	1	LITIGATED OR DELAYED ACCOUNTS, collecting	5
SPECIE, " "	½	INSURANCE LOSSES, adjusting and collecting	2½
BILLS, DRAWING or ENDORSING, in every case	2½	RECEIVING AND PAYING MONEY upon which no other comm. is charged	1
VESSELS, purchasing or selling	2½	REMITTANCES IN BILLS, in every case	½
for procuring freight	5	LANDING and re-shipping Merchandise from vessels in distress, on the value	2½
collecting freight on general average	2½	RECEIVING AND FORWARDING Merchandise entered at the Custom-House, on the value	1
repairs, outfits, or disbursements, with funds in hand	2½	on all responsibilities incurred for the same	2½
MARINE INSURANCE, for effecting, in every case where the premium does not exceed 10 ¢ cent., on the amount covered	½		

The above commissions are without guarantee of debts for sales on time, brokerage, storage, and all other charges incurred. In the absence of instructions for insurance, the risk of loss by fire is always borne by the proprietor, as also the risk of loss by theft, robbery, or any other unavoidable accident, provided ordinary care be taken for the security of the property. Bills remitted for collection and returned under protest for non-acceptance, or non-payment, are subject to the same commission as when duly honored. All consignments of merchandise withdrawn or re-shipped are subject to full commission, to the extent of the advances or responsibilities incurred, and to half commission on the balance of value.

DUFF'S BOOK-KEEPING.

RATES OF STORAGE

CHARGEABLE MONTHLY, ESTABLISHED BY THE CHAMBER OF COMMERCE OF THE
CITY OF NEW YORK, WHEN NO PRIVATE AGREEMENT EXISTS.

[*Extracted from the Minutes, Vol. II., p. 31 to 34.*]

	CENTS.		CENTS.
Almonds in packages, per cwt.	6	Liquors, in puncheons of 120 galls., per	
Alum in bags or casks, per ton	40	puncheon	30
Ashes, pot or pearl, per bbl.	8	Liquors, in quarter casks	6½
Beef do.	6	do. in pipes 120 gallons	30
Bottles, quart, in crates or hampers, per		do. bottled in casks or boxes, per	
gross	8	dozen	1½
Bark, Quercitron, in casks, per ton	60	Leather, per side	1
Bagging, in bales or loose, per piece	3	Lard, in 60 lb firkins	2
Butter, in firkins of 60 lb, per firkin	2	Lead, in sheets or pigs, per ton	20
Cocoa, in bags or casks, per cwt.	2½	do. ground in oil or dry, per ton	40
Chocolate, in 50 lb boxes, per box	2	Molasses, in 110 gallon hhd.	30
Candles, in 50 to 60 lb boxes, per box	2	Other casks in proportion to their size.	
Coffee, in casks, per cwt.	2½	Nails, in casks, per cwt.	2
do. in bags, per cwt.	2	Oil, in 110 gallon casks or hhd.	30
Copperas, in casks, per ton	40	do. in 30 flask chests, per chest	4
Copper, in pigs, do.	20	do. in baskets, per dozen bottles	1½
do. in sheets or bolts, do.	30	Paints, in kegs or casks, per ton	40
do. braziers' bottoms, do.	75	Pork, per barrel	6
Cordage do.	50	Pepper, in bags, per cwt.	2½
Cassia, in boxes or bags, per cwt.	10	Pimento, in casks or bags, per cwt.	2½
Cotton, American, in square bales 300 lbs	12½	Rice, in tierces, per tierce	12
do. do. round bales	16	do. in half tierces, per half tierce	8
do. E. I., in bales, per 300 lbs	9	Rags, in bales, per cwt.	6
Cheese, in boxes or loose, per cwt.	3	Raisins, Malaga, in casks	3
Duck, heavy, per bolt	1½	do. in boxes	1
do. Ravens, or Russia sheeting, per		do. other packages, per cwt.	2
piece	¾	Saltpetre, in bags, per cwt.	2
Dry goods, in bales or boxes, per 40		do. in casks, per cwt.	1½
cubic feet	40	Salt, in kegs or bulk, per bushel	2
Earthenware, in crates of 25 to 30 ft.	15	Shot, in casks, per ton	37½
do. in hhd. of 40 to 50 ft.	30	Soap, in 50 or 60 lb boxes, per box	2
Fish, pickled, per bbl.	6	Steel, in bars or bundles, per ton	30
do. dry, in boxes or casks, per cwt.	4	do. in boxes or tubs, per ton	40
do. in bulk, per cwt.	2½	Sugar, in boxes or bags, per cwt.	2
Figs, in frails or drums, per cwt.	2½	do. in casks, per cwt.	2½
Flax, per ton	60	do. refined in p'kges or casks, per cwt.	3
Flax seed or other articles, in casks of		Tallow, in casks or other packages, do.	2
7 bushels	10	Tea, Bohea, in whole chests, per chest	15
Flour, or other dry articles, per barrel	4	do. in half chests	8
Grain, in bulk, per bushel	1	do. green or black, in qr. chests	4½
Ginger, in bags, per cwt.	2	do. other size boxes in proportion.	
Glass, window, in 50 feet boxes	1½	Tin, block, per ton	20
Hemp, per ton	75	do. in the usual sized boxes, per box	1½
Hides, dried or salted, per hide	1½	Tobacco, in hhd., per hhd.	37½
Hardware, in casks or cases, per 40 feet		do. in bales or seroons, per cwt.	4
cubic	40	do. manufactured, in 100 lb kegs	2
Indigo, in boxes or seroons	4	Woods for dyeing, under cover, per ton	50
Iron, in bar or bolts, per ton	20	do. in yards, per ton	25
do. in hoops, sheets, or nail rods, per ton	30	Whiting, in hhd., per ton	37½

On articles rating by weight, it is understood to be gross weight; and on liquors, oils, &c., the rate always refers to the whole capacity of the casks, whether they are full or not. The expense of putting the goods in store, stowing away, and turning out of store, to be borne by the proprietor of the goods. All goods stored are subject to one month's storage; if taken out within fifteen days after the expiration of the month, to pay half a month's storage; if after fifteen days, a whole month is charged.

THE QUANTITY OF GOODS TAKEN FOR A TON IN
FREIGHTING VESSELS.

EXTRACT FROM THE BY-LAWS OF THE CHAMBER OF COMMERCE OF THE CITY OF
NEW YORK.

Resolved, That when vessels are freighted by the ton, and no special agreement is made between the owner of the vessel and the freighter of the goods, respecting the proportion of tonnage, which each particular article shall be computed at, the following regulations shall be the standard of computation.

That the articles, the bulk of which shall compose a ton, to equal a ton of the heavy materials, shall be in weight as follows :

- 1568 lbs of Coffee in casks.
- 1830 lbs of Coffee in bags.
- 1120 lbs of Cocoa in casks.
- 1307 lbs of Cocoa in bags.
- 952 lbs of Pimento in casks.
- 1110 lbs of Pimento in bags.
- 8 barrels Flour, 196 lbs each.
- 6 do. Beef, Pork, Tallow, Pickled Fish, Pitch, Tar, and Turpentine.
- 20 cwt. Pig and Bar Iron, Pot Ashes, Sugar, Logwood, and all heavy Dyewoods, Rice, Honey, Copper Ore, and all other heavy goods.
- 16 cwt. Coffee, Cocoa, and Dried Fish in bulk.
- 12 cwt. Dried Codfish, in casks of all sizes.
- 6 cwt. Ship Bread, in casks.
- 7 cwt. do. in bags.
- 8 cwt. do. in bulk.
- 200 gallons Wine measure (on the full capacity of the cask) of Oil, Wine, Brandy, and all other Liquors.
- 22 bushels of Grain, Peas, or Beans, in casks.
- 36 " " " in bulk.
- 36 " European Salt, in bulk.
- 31 " Salt from the West Indies.
- 29 " Sea Coal.
- 40 feet (cubic) of Mahogany, Square Timber, Oak Timber, Oak Plank, Pine, and other Boards, Beaver, Furs, Peltry, Beeswax, Cotton, Wool, and Bale Goods of all kinds.
- 1 hhd. of Tobacco.
- 10 cwt. Dried Hides.
- 8 cwt. China Raw Silk.
- 10 cwt. Net Bohea Tea.
- 8 cwt. Green Teas.

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DUFF'S BOOK-KEEPING.

PART III.

COMMERCIAL CALCULATIONS,

COMPREHENDING ABBREVIATED METHODS OF PRACTICAL COMPUTATION, SETTLEMENT OF ACCOUNTS, &c. NOT FOUND IN COMMON ARITHMETICS.

ADDITION.

Young accountants, though good arithmeticians, often experience difficulty in adding up long columns of figures with certainty. Such persons will find the following method useful:

Set down upon waste paper the sum of each column under each other, adding downwards for proof, and if found correct, point off the right hand figures, carrying the left to the next column, thus:

4796.27	4.1
9832.39	3.7
325.41	1.9
9800.99	2.4
4723.78	3.5
70.87	29

Mark off the two upper places in the column of amounts, for cents. Read the figures marked off at the right upwards—29549.71, the total product. Any persevering student can in a few weeks attain a high degree of proficiency and accuracy in addition by writing out long columns of figures upon slips of paper, say sixty or seventy figures in length, and practice adding them for half an hour, daily. By this means of regular daily exercise, the student can ultimately attain such a facility of addition as to enable him to add several columns of figures at once. Take the above four columns of dollars, and carrying 3 from the cents makes the first amount read 73; 73 and 4723 are 4796; 4796 and 9800 are 14596, and so on to the head of the column. The student must practice first upon short columns, such as will require but little carrying. As he uses longer columns, carrying becomes unavoidable, but the eye soon becomes accustomed to the reading process in figures as well as letters. It only requires time and application to acquire it in either.

DUFF'S BOOK-KEEPING.

PROFIT AND LOSS.

Under this head we shall confine ourselves to exercises upon the rule for determining the per centage gain or loss upon a merchandise account. See pp. 33 and 36.

EXAMPLE 1. Purchases of merchandise for \$11400.25. Sales effected in seventy-three days, \$9400.84. On hand, \$3400.84. Required the total gain, the average daily sales, the average gain per cent. and the average daily profits.

ANSWER.	Total gain	\$1401.43.
	Average daily sales	128.78, nearly.
	Average gain per cent.	17½, nearly.
	Average daily profits	19.19+.

Ex. 2. Suppose the purchases \$12405. Sales effected in 150 days, \$7609. On hand, \$6800. Required the total gain, the average gain per cent. the average daily sales, and the average daily gains.

ANS. Total gain, \$2004. Average gain per cent. $35\frac{845}{1121}$. Average daily sales, \$50.72½. Average daily profits, \$13.36.

Ex. 3. Purchased, \$8000. Sold in 90 days, \$5000. Amount on hand, \$4000. Required the daily average sales, the daily average profits, the total gain, and the gain per cent.

ANS. Total gain, \$1000. Daily sales, \$55.55½. Daily profits, \$11.11½, and 25 per cent. gain.

Ex. 4. Purchased, \$4226. Sold in 60 days, \$1585. Remaining on hand, \$3202. Required the daily average sales, the total gain, the daily gain, and the gain per cent.

ANS. Total gain, \$561. Daily gain, \$9.35. Daily sales, \$26.416. Average gain, $54\frac{29}{112}$ per cent.

Ex. 5. Purchases, \$6895. Sold in 36 days, \$4011. On hand, \$2223. Required the total gain or loss, the daily sales, the daily gain or loss, and the gain or loss per cent.

ANS. Total loss, \$661. Daily sales, \$111.41½. Daily loss, \$18.36½, and 14 + per cent. loss.

The same rule gives the per centage gain or loss upon any amount of sales.

Ex. 6. Bought candles at 13 cents and sold them at 16 cents. Required the gain per cent.

ANS. $23\frac{1}{3}$ per cent.

Ex. 7. Bought sugar at 5½ cents per lb and sold it at 7½ cents. Required the gain per cent.

ANS. $36\frac{4}{11}$ per cent.

Ex. 8. Bought molasses at 25 cents per gal. and sold it for 23½ cents. Required the loss per cent.

ANS. 5 per cent.

Ex. 9. Bought cloth at \$2.62½ and sold it at \$3.10. Required the gain per cent.

ANS. $18\frac{2}{11}$ per cent.

Ex. 10. Sold merchandise at 10 per cent. advance on the first cost, from which I deduct 5 per cent. from the face of the invoice for prompt payment. Required the net per centage gain.

ANS. 4½ per cent.

Ex. 11. Sold merchandise at 30 per cent. advance; from the face of the invoice deducted 20 per cent. Required the net per centage gain.

ANS. 4 per cent.

Ex. 12. Sold merchandise at 50 per cent. advance on the prime cost. Allowed the retailer 40 per cent. discount on the face of the invoice. What is my net per centage, gain or loss?

ANS. 10 per cent. loss.

Ex. 13. A manufacturer sold his productions by retail at 25 per cent. advance on the cost of production. He gave up the retail business, and agreed to furnish retailers at 20 per cent. discount upon his retail prices. Required his net per centage gain.

ANS. Nothing.

NOTE.—The effect of discounts in such cases as the above is often overlooked by the inexperienced. The results of these examples show the practical importance of understanding the matter.

ON COMMERCIAL CALCULATIONS.—PART III.

TO FIND COMMISSION AND BROKERAGE.

RULE.—For 1 per cent. point off two places, and for 10 per cent. point off one place, to the right of the given sum. Take aliquot parts for the intermediate rates.

Ex. 1.	Required	½ per cent.	brokerage on	\$1268.	Ans.	\$3.17.
Ex. 2.	"	½	"	1842.	Ans.	9.21.
Ex. 3.	"	¾	"	850.	Ans.	6.375.
Ex. 4.	"	1	"	899.	Ans.	8.99.
Ex. 5.	"	1½	commission on	1668.88.	Ans.	20.861.
Ex. 6.	"	2½	"	248.44.	Ans.	6.211.
Ex. 7.	"	5	"	1499.90.	Ans.	74.995.
Ex. 8.	"	7½	"	664.40.	Ans.	49.83.
Ex. 9.	"	10	"	779.49.	Ans.	77.949.

Ex. 10. Received \$5000 to invest in a bill on New Orleans, which I purchase at par. Required the amount of the bill, and also my brokerage, which is ½ per cent. on the bill.
 Ans. Bill, \$4975.124. Brokerage, \$24.876.

Ex. 11. Received \$3000 to invest in a bill, which I procure at 2 per cent. discount. Required the amount of the bill, also my brokerage, which is ½ per cent. on the face of the bill.
 Ans. Bill, \$3045.68+. Brokerage, \$15.23, nearly.

Ex. 12. Net proceeds of J. Taylor & Co.'s sales, \$2639. They desire the amount invested in a bill on New Orleans, and remitted them. Bills are 1 per cent. premium. My brokerage is ½ per cent. on the investment. Required the amount of the bill.
 Ans. \$2600.

Ex. 13. Remitted my correspondent in Mobile, \$6000, to be invested in cotton. His commission is 5 per cent. on the investment. Required the amount of the invoice and his commission.
 Ans. Invoice, \$5714.29. Commission, \$285.71.

Ex. 14. Received from G. Page, \$9000, to be invested in hops. My commission for purchasing is 2½ per cent. on the investment. Required the amount of my invoice and my commission.
 Ans. Invoice, \$8780.49. Commission, \$219.51.

ON INTEREST.

The legal rate of interest in Pennsylvania, New Jersey, Delaware, Maryland, Virginia, North Carolina, Tennessee, Kentucky, Ohio, Indiana, Illinois, Missouri, Arkansas, District of Columbia, and on all debts due the United States, is 6 per cent.

In New York, Michigan, Wisconsin, Iowa, and South Carolina, it is 7 per cent.

In Georgia, Alabama, Mississippi, Texas, and Florida, it is 8 per cent.

In Louisiana it is 5 per cent.

In England and France, 5 per cent.

In Canada, Nova Scotia, and Ireland, it is 6 per cent.

When the rate of interest is above or below 6 per cent., first find the interest at 6 per cent., then add or subtract the difference, viz.: For 5 per cent. deduct ⅓, for 7 per cent. add ⅓, and for 8 per cent. add ⅓ of the interest found at 6 per cent.

TO FIND THE INTEREST AT SIX PER CENT. FOR MONTHS.

RULE I.—Remove the decimal point two places to the left in the principal, then multiply by half the number of months. The product is the interest required.

ON COMMERCIAL CALCULATIONS.—PART III.

EXAMPLE 44.	Required the interest of \$960.84 for 17 days.					ANS. \$2.722+
" 45.	" " 1236.18	" 19	" "	" "	" "	3.914+
" 46.	" " 1122.22	" 27	" "	" "	" "	5.049+
" 47.	" " 1860.48	" 29	" "	" "	" "	8.992+
" 48.	" " 246.24	" 37	" "	" "	" "	1.518+
" 49.	" " 321.21	" 39	" "	" "	" "	2.087+
" 50.	" " 9666.	" 40	" "	" "	" "	64.44

Ex. 51. A note is dated January 27, 1853, @ 60 days. Required the unexpired time, February 27. ANS. 32 days.

Ex. 52. A note dated March 30, @ 90 days. Required the unexpired time, May 23. ANS. 39 days.

Ex. 53. A note dated 31st March, @ 3 months. Required the unexpired time on the 1st June. ANS. 32 days.

Ex. 54. A note dated October 31, 1852, @ 4 months. Required the unexpired time, February 1, 1853. ANS. 30 days.

Ex. 55. A note for \$1368.72, dated 10th September, 1852, having 12 months to run, is discounted on the 21st October. Required the interest on the unexpired time.

OPERATION.

Due .	Year.	Month.	Day.
	1853 . .	9 . .	13
	1852 . .	10 . .	21

10 . . 23 unexpired time.*

ANS. Interest on the same, \$73.682+.

Ex. 56. A note for \$360, dated May 31, @ 6 months, is discounted September 14. Required the unexpired time and interest for that time.

ANS. Time, 80 days. Interest, \$4.80.

Ex. 57. A note for \$960.96, dated 30th June, @ 90 days, is discounted September 9. Required the unexpired time and the discount.

ANS. Unexpired time, 22 days. Discount, \$3.523+.

It now remains to notice what is called Partial Payments—where notes or bonds are paid by installments. There are two rules for computing the interest in such cases.

I. THE MERCANTILE RULE.—Find the amount of the principal at the date of settlement; then find the amount of each payment to the same date; subtract the sum of these amounts from the amount of the principal. The remainder is the balance due.

This is the principle upon which Morris' Account Current is settled. (Page 114.)

II. THE LEGAL RULE.—Compute the interest on the principal to the time of the first payment, or such payments as, taken together, exceed the interest then due. From the amount of the principal and interest subtract the payment. The remainder is the new principal. Proceed in the same manner with all subsequent payments.

The Courts of the United States and most of the State Courts have adopted this rule.

No person of ordinary attainments in Arithmetic will have any difficulty in applying either of these rules. Our object in introducing them here is to show the widely different results that will often arise from their application. The following transaction, which recently came into our hands for settlement, will serve to show it:

* See note on page 200.

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Bond for \$900 on interest at 6 per cent. commencing May 8, 1838, was settled Sept. 8. 1852.
Payments as follows, viz :

1st payment,	May 8, 1839		\$168.
2d "	June 4, 1839		86.
3d "	Jan. 9, 1840		50.
4th "	June 10, 1840		104.
5th "	Jan. 15, 1841		28.
6th "	May 25, 1841		50.
7th "	June 12, 1841		6.
8th "	July 2, 1841		5.
9th "	Aug. 19, 1841		20.
10th "	Sep. 1, 1841		20.
11th "	Nov. 1, 1841		15.
12th "	Dec. 7, 1841		10.
13th "	Feb. 16, 1842		10.
14th "	Sept. 24, 1842		19.
15th "	Oct. 27, 1845		80.50.
16th "	July 6, 1846		25.
17th "	Oct. 14, 1846		50.
18th "	Mar. 20, 1847		25.
19th "	Mar. 2, 1848		40.
20th "	May 4, 1848		20.
21st "	July 4, 1848		35.
22d "	Sep. 30, 1848		43.50.
23d "	Apr. 15, 1849		58.
24th "	Mar. 1, 1850		48.
25th "	Sep. 7, 1852		9.

Upon computing the interest on the above transaction by the Mercantile Rule it leaves a balance due on the mortgage of \$88.07. By the Legal Rule we find the balance \$266.37, making a difference in the settlement of this \$900 mortgage of \$178.30. It must be admitted, however, that the annual rests usually made by merchants in settling accounts would have made a difference in favor of the creditor; but as these rests were not made at the proper time we could not go back into the account and make them afterwards. It is to be observed, however, that the Legal Rule, in this and all similar cases, gives the creditor compound interest in its most exacting form, as every time the debtor makes a payment the interest is compounded against him. I could have adduced many other examples to show, in the most striking manner, the difference resulting from these different methods of computing interest—to show that the difference is always increased in an accelerated ratio as the payments are multiplied or the time prolonged. In the case of *Clancerty vs. Latouche, 1 Ball & Beat. 420*, the difference resulting from the different methods of computing interest was about £24000 sterling. It may be asked what remedy is to be proposed in the confusion and uncertainty that exists in the law relating to this matter? We answer, None. It is only proposed to make all concerned aware of the difference resulting from the two methods, and leave the parties interested to govern their transactions accordingly. If I mistake not, the law allows the debtor, when paying money to a person to whom he is indebted on two accounts, to appropriate the payment to the discharge of whichever account he pleases—the one which is the most burthensome to him, the one which bears interest—provided he makes his election at the time of payment. If he does not do so, the creditor can make his election, and will, of course, apply the payment to discharge the interest first, and the surplus to paying the principal. If neither party makes an election, I believe the law will do it for them, and will apply the payments to discharge that debt which bears hardest upon the debtor.

It will be seen that the debtor on the above mortgage made eight payments upon it in one year, and the creditor, availing himself of the Legal Rule at the time of settlement, compounded the interest against him eight times in that year. Nothing but ignorance of the

ON COMMERCIAL CALCULATIONS.—PART III.

consequences would permit any debtor to make payments in such a manner. What I have now stated will, it is to be hoped, make the matter fully understood.

ADJUSTMENT OF INTEREST, GAIN, LOSS, &c.

For Rule see page 180.

EXAMPLE 1. Kay's paid up capital for 12 months is		\$12000.
He drew out for 6 months	\$600.	
Long's paid up capital for one year was		\$14000.
He drew out for 5 months	\$800.	

Required the Journal entry for adjusting the interest between the partners without passing it into the interest account.

ANSWER. Kay Dr.		\$59.
To Long		\$59.

EX. 2. C. paid in \$8000 for 1 year and drew out \$400 for 9 months.		
D. paid in \$16000 for 1 year and drew out \$300 for 3 mos. and \$400 for 8 mos.		
E. paid in \$14000 for 1 year and drew out \$11000 for 4 months.		
F. paid in \$11000 for 1 year and drew out nothing.		

Required the Journal entry for adjusting the interest between the parties.

ANS. Sundries, Dr. to D.		\$268.50
C.	\$206.50	
E.	48.50	
F.	8.50	

The same rule will adjust lost time between mechanics who are in partnership.

EX. 3. Three mechanics, X., Y., & Z, equal partners in their business, with the understanding that each is to be charged with \$1.50 per day for all lost time. At the time of settlement it was found that X. had lost 24 days, Y. 6 days, and Z. 32 days. Required the Journal entry for adjusting the matter between them.

ANS. Sundries To Y.		\$22.
X.	\$ 5.	
Z.	17.	

EX. 4. N. is $\frac{3}{8}$, O. $\frac{2}{8}$, P. $\frac{1}{8}$, and Q. $\frac{2}{8}$, proprietors in the business. N. lost 24, O. 48, and P. 6 days. Q. lost no time. Each was chargeable with \$1.50 per day for lost time. Required the Journal entry for adjusting the matter.

ANS. O. To Sundries		\$42.75
" N.		\$7.87
" P.		5.63
" Q.		29.25

EX. 5. R., S., T., & U. dissolved partnership, and divided all their effects, when it was found that the following balances were due to each, viz.:

R.	\$760.	T.	\$582.
S.	470.	U.	680.

The books were kept by single entry. The partners are equal in gain or loss. Required the Journal entry that will be made when the sums are paid and received for final settlement.

ANS. Sundries To Sundries		\$194.
R.	\$137.	
U.	57.	
To S.		\$153.
" T.		41.

EX. 6. V., W., & X. dissolved partnership, and after dividing all their effects there was a balance due V. of \$940; due W. \$90. X. was indebted \$140. The firm owes a note of \$268.

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The partners are equal in gain or loss. Required the sums to be paid and received among the partners, which will leave them all to share equally in the loss, and take up their note.

ANS. V. receives \$554. W. pays \$296. X. pays \$526.

Journal entry when the money is paid and received :

Sundries To Sundries, \$822.		
Bills Payable, for note taken up	\$268.	
V. for amount paid him	554.	
To W., for amount refunded		\$296.
" X. " "		526.

Ex. 7. G. is $\frac{1}{4}$, H. is $\frac{1}{4}$, I. $\frac{1}{4}$, and J. $\frac{1}{4}$, partners in business. After dissolution and division of all their effects, their accounts stood as follows :—Balance due G. is \$28, H. \$84, I. is indebted to the firm \$44, and J.'s account is balanced. Required the Journal entry that will be made in the books of the firm, when the amounts are paid and received, for the final settlement between the partners.

ANS. Sundries To Sundries, \$78.

G.	\$2.50	
H.	75.50	
To I.		\$61.
" J.		17.

Ex. 8. K., L., M., and N. partners in business, kept their books by single entry, and after dissolution and division of all their effects, they find their accounts standing as follows upon their books, viz. :—There is a balance due K. of \$280; due L. \$840; M. is indebted to the firm \$440; N.'s account stands balanced. K.'s original capital was \$3400; L.'s, \$1200; M.'s, \$2220; and N.'s, \$2180. The profit or loss was to be divided in proportion to the original paid up capital. Required the Journal entry that will be made in the books of the firm, when the amounts are paid and received, to effect the final settlement between the partners.

ANS. Sundries To Sundries, \$772.44

K. for amt. received	\$23.11	
L. " "	749.33	
To M. for amt. paid in		\$607.73
" N. " "		164.71

Ex. 9. C. Rush, R. Lyell, and F. Fish, partners in business, kept their books for several years by single entry. They finally closed them, made a dividend of the profits, and reopened them by double entry, which necessarily exhibited each partner's net capital at this date. Some time afterwards, Rush furnished their book-keeper with an account of \$840, which he had withdrawn for his own use from the firm, previous to the closing of the old books, and which he had kept a private account of without entering it to his account in the books of the firm. Rush and Lyell were each $\frac{1}{2}$ and Fish $\frac{1}{2}$ gain or loss in the business. Required the Journal entry to settle the above \$840 between them on their new books.

ANS. Rush To Sundries, \$630.

To Fish	\$420.
" Lyell	210.

Ex. 10. On July 1, 1853, W. Wood retires from the firm of Hay & Wood. Their Balance Sheet is made out for settlement. We find their Profit & Loss Account Dr. \$1280, Cr. \$2450, and their Commission Account is credited \$3400, in addition to which it is entitled to 5 per cent. commission on sales effected on the following consignments, which are only partly sold, viz. :—On R. Cargo's sales, which is Dr. for charges posted, \$400, and Cr. for sales effected, \$7800; due by average May 1, 1853. M. Loder's sales is Dr. for charges posted, \$300; Cr. for sales effected, \$9400; due by average September 1, 1853.

Required the Ledger specification exhibiting the disposition of the above consignments, with the commission and interest on the same in the partners' Balance sheet. (See Directions, page 177.)

ON COMMERCIAL CALCULATIONS.—PART III.

Then suppose Hay continues the business in his own name and completes the sales of Cargo's goods—total sales, \$9800. He also completes Loder's sales—\$10,400. The charges posted are, in both cases, as above stated. Under the Ledger specification already made, exhibit Hay's Commission Account, re-opened and credited for the commission on the final settlement of the consignments.

Ans. The firm will owe Hay \$70.10 int.

The student will write out the Ledger specification.

BUYING AND SELLING STOCKS, &c.

Ex. 1. Required the value of Hudson River Railroad Stock, which makes a dividend of 8% per annum, payable semi-annually, money being worth 6 per cent. per annum, payable semi-annually.

Solution.— $6 : 100 : 8 :: \$133\frac{1}{2}$. Ans. That is, \$100 of stock is worth \$133½, or 33½ per cent. advance.

Ex. 2. What is the value of the Citizens' Bank Stock, which has made a dividend of 5 per cent. per annum? Money worth 6 per cent. Ans. 16½ per cent. discount.

Ex. 3. Bought \$500 in Exchange Bank Stock, which divides 9 per cent. dividend per annum. Money being worth 6 per cent. interest. I am to pay the amount in Tennessee money which is at 3 per cent. discount. Required the amount of Tennessee money it will take to pay for the stock. Ans. \$773.20, nearly.

Ex. 4. Sold \$2000 of City Bank Stock, which divides 7½ per cent. per annum. Received in part payment \$1000 of Winchester Railroad Stock, which divides 4½ per cent. per annum. Money worth 6 per cent. interest. Required the balance I am to receive in money. Ans. \$1750.

Ex. 5. London Bridge Stock is said to divide 2 per cent. per annum. Money in England being worth 5% interest. Required the value of this stock. Ans. 60% discount.

DOMESTIC AND FOREIGN EXCHANGES.

Ex. 1. Bought a bill on Boston, for \$780, at 1% premium. What must I pay for it? Ans. \$787.80.

Ex. 2. Bought a bill on New Orleans, for \$1680, at ½ per cent. discount. What must I pay for it? Ans. \$1667.40.

Ex. 3. Sold my bill on St. Louis, for \$1840, for 1½% discount. Required the amount I shall receive. Ans. \$1812.40.

Ex. 4. Sold my bill on London, for £450 sterling, for 8 per cent. premium. Required the amount.* Ans. \$2160.

Ex. 5. Bought a bill on London, for £1266 15s.† at 9½% premium. What shall I have to pay for it? Ans. \$6164.85.

Ex. 6. I owe Holderness & Chilton, of Liverpool, \$7218, net proceeds of sales of merchandise effected for them, which I am to remit them in a Bill of Exchange on London for such amount as will close the transaction, less ½ per cent. on the face of the bill, for my

* RULE.—To change sterling money into Federal currency, multiply by 4½. To change Federal currency into sterling, divide by 4½.

† If there be shillings and pence, change them into the decimal of a pound, and multiply as before.

DUFF'S BOOK-KEEPING.

commission for investing. Bills on London are 8 per cent. premium. Required the amount of the bill, in sterling, to be remitted. ANS. £1500 5s. 6½d.

Ex. 7. A., of Pittsburgh, sent articles to the World's Fair, in London, which were afterwards sold by B., of London, on A.'s account—net proceeds, £1266 15s. sterling. B. was instructed to invest this amount in Bills on New York, and remit to A., which was accordingly done. B. charged ¼ per cent. brokerage, on the face of the bills, for investing, and purchased the bills at 7 per cent. discount. Required the amount of the bill A. must receive in Federal currency to close the transaction. ANS. \$6037.53, nearly.

We confine our illustrations of Foreign Exchange to Great Britain, because a knowledge of it is necessary to understanding the accounts in this system of Book-keeping. But to treat of Exchange upon all foreign countries would require space which we can appropriate to matters of greater interest to the majority of our patrons.

INDIRECT EXCHANGE

Effects a remittance through one distant place to another. It is sometimes termed the
ARBITRATION OF EXCHANGE.

Ex. 1. I wish to remit George Wildes & Co., of London, £3600 sterling. Exchange on London, in New York, is 10 per cent. premium. Exchange on London can be obtained at Halifax, Nova Scotia, for 9 per cent. premium. New York Bills on Halifax are ¼ per cent. discount. If I remit a draft to Halifax, and pay my agent ½ per cent. for investing it in Bills on London, what will I gain over the direct Exchange?

SOLUTION.

£3600 sterling = \$16000 @ 10% prem. = cost of the direct Exchange	\$17,600.00
Halifax Bill on London, @ 9% + ¼% for investing	\$17,520.00
¼% discount for New York on Halifax	43.80
Cost of the indirect Exchange	17,476.20
Gain	\$123.80

Ex. 2. I have to remit £6300 to London. New York Bills on London are 10½ per cent. premium. New York on St. John, New Brunswick, ¾ per cent. discount. St. John on London is 9½ per cent. premium. If I pay my agent in St. John ½ per cent. for investing, what will I gain by the indirect Exchange? ANS. \$370.48.

INSURANCE.

INSURANCE is a security given by underwriters or insurance companies to the owners of ships, houses, or other property, to indemnify them in case of loss by fire or shipwreck.

The premium is always a percentage on the value insured. The written and printed document held by the party insured as evidence of the contract of indemnity is called the POLICY.

Ex. 1. If I get my house insured for \$4500, at 1½ per cent. premium, what shall I pay as premium? ANS. \$56.25.

ON COMMERCIAL CALCULATIONS.—PART III.

Ex. 2. Insured my ship, the Chieftain, for \$65000, to Canton and back, for 4½ per cent. premium. What will it amount to? ANS. \$2762.50.

Ex. 3. Insured the ship Ironwood, for \$48000, at 2½%, and gave my note for the premium. Before the note was paid the ship was lost, and the insurers paid the loss. Required the amount I received, taking up my note as part payment. ANS. \$46800.

Ex. 4. Insured the ship Roscoe, (which was worth \$47500,) for \$45000 at 2 per cent. policy, \$1, to Liverpool and back to New York. Freight out was \$12500. Expenses at Liverpool, \$4500. The ship was lost on her return. The insurance company has paid the insurance. Required each owner's share of the net proceeds of the vessel. W. Hay is ¼, myself ¼, and C. Hartwell ½.

ANS. My share, \$13024.75. Hay's, \$13024.75. Hartwell's, \$26049.50.

Ex. 5. I wish to insure merchandise on board the ship Chieftain, for San Francisco. Amount of invoice, \$12447; cost of policy, \$1; premium is 2 per cent. Required the premium, and the sum upon which we insure to cover the premium and policy. (See Note 3, page 84.) ANS. Amount to cover, \$12702.04. Premium, \$254.04.

SIMPLE EQUATIONS.

RULE.—See page 68.

Ex. 1. Received from John Fowler, for sale on commission, 900 bbls. flour, upon which paid freight and charges, \$14. After charges, storage, 6½ cts. ¾ bbl. Laborers' wages, for storing and hoisting out, \$2.50. Commission for selling, 2½%. Sales effected as follows, viz.:

May 1,	40 bbls.	@	\$4.50,	for cash;
" 19,	60 "	@	4.75,	on acct. @ 30 days;
June 2,	150 "	@	4.80,	on note, @ 60 "
" 2,	50 "	@	4.50,	for cash;
" 11,	500 "	@	4.75,	on note, @ 90 days;
" 21,	50 "	@	4.80,	" @ 30 "
" 30,	50 "	@	4.50,	for cash.

Required the account sales showing the net proceeds, and when due.

ANS. Net proceeds, \$4071. Due, August 13th.

Ex. 2. Received from Lyon, Haven & Co. for sale on consignment, 150 bbls. mackerel and 40 bbls. salmon, upon which paid freight and cartage, \$190. Labor in storing, \$1.70. Commission on the sales, 5 per cent. Sales effected as follows, viz:

June 7,	40 bbls.	mackerel,	@	\$12.50,	on acct. @ 3 mos.
" 19,	10 "	salmon,	@	18.75,	on note, @ 30 days;
July 1,	5 "	" "	@	18.00,	for cash;
" 17,	100 "	mackerel,	@	12.75,	on note, @ 60 days;
" 29,	16 "	salmon,	@	18.75,	on acct. @ 30 days.

State the account sales, showing the net proceeds, when due by equation, and the balance of goods on hand.

ANS. Net proceeds, \$2043.175. Due, September 5.

Ex. 3. Received from George Carver, for sale on his account, 80 tons Iron. Freight and charges paid, \$74. Commission for selling, 5 per cent. which was sold as follows:*

* The sales being all at 6 months, we may equate between the days of sale.

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May 20,	Sold at 6 months,	on acct.	12 tons,	@ \$65.
" 31,	" " "	" " "	8 "	@ 66.
June 20,	" " "	" " "	15 "	@ 65.
" 30,	" " "	" " "	18 "	@ 64.
July 11,*	" " "	" " "	5 "	@ 66.
" 11,	" " "	" " "	4 "	@ 65.
" 11,	" " "	" " "	8 "	@ 65.
" 19,	" " "	" " "	4 "	@ 66.

We are to pay Carver the net proceeds in a note payable 6 months after date. Required the amount of it, and the day on which it must be dated. Also, the account sales, showing the amount on hand.

ANS. Date of note, for \$4494.55, June 22. On hand, 6 tons.

Ex. 4. Sold John Taylor & Co. :

April 30,	Invoice of Merchandise,	@ 4 months,	\$620.49
May 1,	" " "	@ 6 "	730.50
" 30,	" " "	@ 30 days	480.80
July 1,	" " "	@ 60 "	560.95
" 11,	" " "	@ 60 "	330.40
" 11,	" " "	@ 4 months,	500.00

Required the day upon which the above account will fall due, by average.

ANS. September 16.

Ex. 5. Received of Charles Page, for sale on his account, 30 hhds. N. O. sugar, upon which paid freight, \$60; cartage, \$7.50; storage \$9. Commission and guarantee, 5 per cent. Sales effected as follows :

Aug. 1,	Sold, on note @ 60 days,	4 hhds.	4660 lbs.	less 10 per cent. tare,	5½ cts.
" 30,	" " @ 3 mos.	6 "	5880 "	" "	5½ "
" 30,	" for cash,	3 "	3390 "	" "	5½ "
" 30,	" on acct. @ 60 days,	7 "	6990 "	" "	5½ "
Sep. 16,	" for cash,	4 "	4830 "	" "	5½ "
" 30,	" on note, @ 3 mos.	6 "	5960 "	" "	5½ "

Required the account sales, exhibiting the net proceeds and the day when the same is due, by average.

ANS. Net proceeds, \$1424.78. Due, November 1.

STORAGE EQUATIONS.

Equation is applied to the storage of property by the following

RULE.—Multiply the number of packages by the number of days that they have been in store. Divide the product by 30; the quotient is the number of packages subject to one month's storage. †

Ex. 1. I have stored 1500 bbls. flour for 4 days. Required the number of bbls. subject to one month's storage.

Solution.—1500 × 4 days = 6000 ÷ 30 = 200 bbls. ANS.

Proof.—1500 : 200 :: 30 : 4.

* This and the two following sales may be added together and make but one product.

† Note.—Where a number of packages are received and delivered at different dates, proceed as in Compound Fellowship.

ON COMMERCIAL CALCULATIONS.—PART III.

<p>Ex. 2. May 1, Received 200 bbls. flour.</p> <p style="padding-left: 2em;">" 16, " 300 " "</p> <p style="padding-left: 2em;">June 1, " 400 " "</p> <p style="padding-left: 2em;">July 13, " 500 " "</p> <p style="padding-left: 2em;">Aug. 20, " 700 " "</p>	<p>May 10, Sold 150 bbls.</p> <p style="padding-left: 2em;">" 18, " 30 "</p> <p style="padding-left: 2em;">June 10, " 550 "</p> <p style="padding-left: 2em;">July 30, " 660 "</p> <p style="padding-left: 2em;">Aug. 30, " 700 "</p>
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Required the number of bbls. subject to one month's storage on August 31.

ANS. 1269 bbls.

Ex. 3. Received the following consignments from J. L. Starr & Co., viz. :

<p>Sept. 1, Received 15 hhds. sugar.</p> <p style="padding-left: 2em;">" 12, " 80 bbls. molasses.</p> <p style="padding-left: 2em;">" 30, " 30 hhds. tobacco.</p> <p>Oct. 6, " 40 " sugar.</p> <p style="padding-left: 2em;">" 20, " 50 bbls. molasses.</p> <p>Nov. 30, " 40 hhds. tobacco.</p>	<p>Sept. 20, Sold 12 hhds. sugar.</p> <p>Oct. 1, " 40 bbls. molasses.</p> <p>Nov. 1, " 43 hhds. sugar.</p> <p style="padding-left: 2em;">" 10, " 60 bbls. molasses.</p> <p>Dec. 1, " 65 hhds. tobacco.</p>
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Required the number of hhds. and bbls. subject, each, to one month's storage, Dec. 1.

ANS. 48 hhds. sugar. 160 bbls. molasses. 63 hhds. tobacco.

COMPOUND EQUATIONS.

For Rule, see note on page 116.

Ex. 1. May 1, 1866, received of R. Morris, London, 40 bales carpet. Paid freight and other charges in cash, \$1600. Sold the carpets the same day, on note at 6 mos. for \$6000. Commission and guarantee, 5%. Required the day on which R. Morris' net proceeds are due in cash.

ANS. January 11, 1867.

Ex. 2. Received, May 30, of C. Hartwell, of Boston, 50 cases Lowell prints. Paid freight and charges in cash, \$120. June 2, accepted his draft on me at 30 days' sight for \$2000. On the same day sold the 50 cases prints, on note at 4 mos. for \$5400. Commission and guarantee, 5%. Storage, \$10. Required the day on which the balance of the net proceeds will be due in cash.

ANS. Balance, \$3000. Due, Dec. 5, 1866.

Ex. 3. July 2, 1866, sold R. Manly an invoice of dry goods, amounting to \$2800, on account, at 4 mos. On the same day I bought of him an invoice of flour, at 30 days, for \$1800. I am to have his note at 4 mos. for the balance. Required the day on which this note must be dated so that neither party will lose interest.

ANS. Note for \$1000. Balance will bear date December 15, 1866.

Ex. 4. Our account with Robert Carver is as follows :

1867.	Jan. 1.	Sold him goods on account, at 3 months . . .	\$600.00
	" 27.	" " " " . . .	550.50
	Feb. 20.	" " " " . . .	449.80
	Mar. 12.	" " " " . . .	500.49
	Apr. 1.	" " " " . . .	400.21

CRS.

1867.	Jan. 16.	Received cash on account . . .	\$250.00
	Feb. 10.	" " " " . . .	300.00
	Mar. 4.	" his order on John Doe, at 10 days . . .	350.00
	Apr. 1.	" cash on account . . .	200.00

Required the day on which the balance of the account will fall due by average.

ANS. July 14.

Ex. 5. Find the day on which the balance of William Hay's account (page 116) will fall due.

ANS. May 16.

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Ex. 6. Our account with George Draper stands as follows, viz. :

July	1.	Sold him merchandise, at 4 mos.	\$1600
"	10.	Paid his order in cash	80
"	30.	Merchandise at 60 days	600
Aug.	2.	" " 3 mos.	850
"	19.	Paid his order in cash	100
Sept.	30.	Merchandise at 30 days	300
Oct.	1.	" " 60 "	450
July	30.	Credit for his note at 4 mos.	\$1680
Aug.	31.	" " 90 days	1450
Oct.	1.	" " 30 "	400
"	30.	" cash in full	450

Required the interest due to us or by us on the above account by equation.

Ans. Dr. equation, Oct. 26. Cr. Nov. 29. Interest due us, Oct. 30, \$20.33.

COMPUTING FREIGHT.

Marine freights are computed by the ton of 2240 lbs for all articles occupying less than forty cubic feet to the ton.

RULE.—Multiply the given number of tons by the rate; the product is the freight.

- Ex. 1. Required the freight of 131 tons 15 cwt. of Iron, at \$2.50 per ton.
ANS. \$329.38.
- Ex. 2. Required the freight of 71 tons 5 cwt. of Copper, at \$2.40 per ton.
ANS. \$171.

In the Western River Navigation freight is computed by the net 100 lbs.

RULE.—Multiply the given number of pounds by the rate, and divide the product by 100; the quotient is the freight.

- Ex. 3. Required the freight of 47491 lbs, at 15 cents per 100 lbs.
ANS. \$71.24, nearly.
- Ex. 4. Required the freight of 61221 lbs, at 37½ cents per 100 lbs.
ANS. \$229.58, nearly.
- Ex. 5. Required the freight of 31121 lbs, at 18½ cents per 100 lbs.
ANS. \$58.35+.
- Ex. 6. Required the freight of 40411 lbs, at 12½ cents per 100 lbs.
ANS. \$50.51+.

The same Rule applies in computing the price of Scantling, Boards, &c.

- Ex. 7. Required the amount of 1721 feet of Scantling, at \$1.37½ per 100 feet.
ANS. \$23.66+.
- Ex. 8. Required the amount of 118372 feet of Boards, at \$11.25 per M.
ANS. \$1331.69.
- Ex. 9. Required the amount of 70112 feet of Flooring, at \$21 per M.
ANS. \$1472.35+.
- Ex. 10. Required the amount of 1129 feet of Oak Scantling, at \$3.12½ per C.
ANS. \$35.28+.

ON COMMERCIAL CALCULATIONS.—PART III.

GENERAL AVERAGE.

When damage or loss is incurred by any part of the vessel or cargo, for the benefit of all concerned, all who profited by the safety of the vessel or cargo must contribute to the relief of those whose property was thus sacrificed. This contribution is called General Average.

Such sacrifices cannot be made without consultation of the officers and crew, and must be absolutely necessary for the safety of the vessel, otherwise General Average will not take place.

Particular Average means a partial loss of the ship or cargo, by the dangers of the sea, fire, or other unavoidable accident. This loss must be borne by the owners of the property, or their insurers.

The vessel and goods injured, saved or lost, are valued at what they would have brought in cash at the port of destination.

It is customary, in calculations of General Average, to allow only two-thirds of the cost of replacing vessels' masts or furniture, the new articles being worth one-third more than the old.

The rule for finding the General Average is similar to that of Fellowship.

RULE.—As the sum of the values of the contributory articles is to the total loss, so is 100 to the per centage loss.

Ex. 1. Suppose the Ship Hudson, on her passage from Liverpool to New York, to have sustained the following damages, viz. :

Cost of replacing masts, rigging, and cables, cut away	\$3000	
Less $\frac{1}{3}$, extra value for being new	1000	\$2000
Cost of one anchor, which was lost		800
15 pipes of wine, thrown overboard		3000
Towing into harbor		200
General average loss		\$6000

Contributory interests, viz. :

Ship Hudson, valued at	\$16000	
Cargo		42000
Freight	\$4000	
Less portage bill	2000	2000
		\$60000

As 60000 :: 6000 : 100 :: 10 per cent.

So that the ship's owners must contribute		\$1600
Owners or insurers of the cargo		4200
Owners or insurers of the freight		200
		\$6000

Ex. 2. The ship Roscoe, on her voyage from New Orleans to New York, was thrown upon her beam ends and obliged to cut away her masts, when she righted, but sprung a leak, in consequence of which the following property was thrown overboard to lighten the vessel, which was ultimately towed into New York :

20 hds. Sugar, belonging to R. Dyer		\$1600
30 " " " W. Kane		1800
Damage done to G. Halis' goods		1600
Freight of goods thrown overboard		120
Cost of new cables, masts, sails, and rigging	\$3600	
Less $\frac{1}{3}$, for newness	1200	2400
Towing the ship into port		80
		\$7600

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Contributory interests, viz. :

R. Dyer's goods, thrown overboard	\$1600
W. Kane's " "	1800
Value of W. Hay's goods, less freight and charges	4200
" G. Page's " " " "	5950
" R. Manly's " " " "	12650
" G. Halis' " " " "	14800
" the ship	\$20000
Deduct for damages	3600
	16400
Value of the freight	\$6800
Less seamen's wages	3400
	3400
	\$60800

Required the per centage that each party must lose of his interest in the ship, cargo, and freight.

ANS. $12\frac{1}{2}$ per cent.

We have above given the rule for General Average, with illustrations to explain its application, which any good arithmetician will readily understand. But it is to be observed, that to understand in all cases what will constitute a General Average loss, and what interests are to contribute to it, requires an intimate knowledge of the Law of Insurance. For instance, it has been decided that the damage sustained by a merchant vessel and cargo, in fighting and beating off a privateer, is not a subject for General Average. Also, the removal of a quantity of perishable fruit while the vessel was in a port of refuge for the purpose of repairs, which removal increased an incipient decay, and caused an entire loss of the fruit; this was also decided to be no matter for General Average. In fact, it is said by an eminent writer upon law to be "the most intricate and perplexing in the whole Law of Insurance." The subject will be found judiciously treated in the American editions of "Smith's Mercantile Law," and "Abbott upon Shipping."

ON OPENING BOOKS BY DOUBLE ENTRY.

Ex. 1. I open my books with cash in hand, \$100. Deposit in the City Bank, \$4900. R. Gain's note for \$4000; interest due on the same, \$200. I own house and lot on Water Street, worth \$30000, upon which I owe \$10000 on bond, with \$500 interest due on the same. H. Stubbs owes me on account, \$700. I owe R. Ryan on account, \$1500. Required the Journal entry for opening my books.

Ex. 2. Commenced business with cash in hand, \$250. Deposit in Exchange Bank, \$7000. Eighty shares Hudson River Rail Road Stock, \$100 per share, with 25 per cent. paid upon it. Forty shares City Bank Stock, \$50 per share, in full. One hundred shares Central Rail Road Stock, \$100 per share, with 60 per cent. paid upon it. Required the opening Journal entry.

Ex. 3. Jacob Ring pays in cash, \$2100. Aaron Budd, \$1990. They are to do business under the firm of Ring & Budd. Required the Journal entry for opening their books.

Ex. 4. J. Park and P. Buchan, partners in business. Park pays in cash, \$1000; merchandise, \$1100. Buchan pays in cash, \$1000; merchandise, \$890; notes due him, \$100. Required the Journal entry for opening their books.

ON COMMERCIAL CALCULATIONS.—PART III.

- Ex. 5.** Rowen & Cox commence business with the following capital, viz. :
 J. Rowen pays in cash, \$2000; merchandise, \$500; notes due him, \$400. Wm Tell owes him, on account, \$100. Rowen owes debts which the firm assumes, viz. : On his notes, \$300; to Wm. Yates, on account, \$400.
 B. Cox pays in cash, \$1800; merchandise, \$800; notes due him, \$600. J. Pond owes him, on account, \$300. Cox owes debts which the firm assumes, viz. : On his notes, \$700; to Geo. Oates, on account, \$500.
 Required the Journal entry for opening their books.
- Ex 6.** Dean & Brady commence business as follows :
 R. Dean pays in cash, \$1400; notes due him, \$1200; interest due on these notes, \$130; merchandise, \$600. Sands & Turner owe him, on account, \$200. The firm assumes the following debts owing by Dean, viz. : On his notes, \$500; to Fulton & Gowan, \$200.
 D. Brady pays in cash, \$1200; notes due him, \$1500; interest due on these notes, \$160. The firm assumes notes owing by Brady, \$980.
 Required the Journal entry for opening their books.
- Ex. 7.** D. Mills is the owner of a Factory, which, together with other effects belonging to his business, constitutes a net capital of \$40000, which is at the credit of his Stock Account in a regular set of double entry books. Without closing his books or exhibiting any inventory of his property, he agrees to admit J. Roy and B. Gates as equal partners, on their paying into the firm as capital \$20000 each, and paying him a bonus of \$10000 each, also, in cash; which was to constitute all three partners equal in property, and equal in gain or loss. Required the Journal entry for introducing the new partners and their capital into the old books.
- Ex. 8.** Suppose Mills' capital to be \$60000, at the credit of his Stock Account. Roy and Gates agree to come in as $\frac{1}{2}$ partners in the business by paying in, as capital, \$30000 each, in cash, and also to pay Mills a bonus of \$5000 each, in cash. Required the Journal entry to introduce the new partners' names into the books. Mills to be $\frac{1}{2}$, and Roy and Gates each $\frac{1}{4}$ in property and $\frac{1}{4}$ gain or loss.

When a firm establishes branches of its business at distant points, these branches are debited and credited in all respects like strangers, and the branches do the same with each other and with the head of the firm.

EXERCISES IN CLOSING THE LEDGER.

Ex. 1.	Stock	is Dr. \$1200	Cr. \$2800
	Merchandise	3470	" 2400, on hand, \$1250
	Profit & Loss	850	" 1650
	Bills Receivable	2700	" 1800
	Bills Payable	240	" 1200
	W. Horn	180	" 270
	D. Camp	1900	" 420

Write out a Ledger specification of the above, open a Balance Account, and close the whole of the accounts.

Ex. 2.	Stock	is Dr. \$1800	Cr. \$2200
	Merchandise	7500	" 4600, on hand, \$3500
	Profit & Loss	2150	" 250
	Bills Receivable	980	" 880
	Bills Payable	200	" 6600
	R. Irons	750	" 150
	John Doe	1600	" 300

Write out the Ledger statement, open the Balance Account, and close the books.

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Ex. 3.	Stock	is Dr.	\$750		Cr.	\$4800
	Profit & Loss	"	1220		"	1880
	Interest	"	150		"	450
	Expense	"	1410		"	110
	Storage	"	750		"	1250
	Commission	"	—		"	600
	Balance	"	9890		"	5080

Write out the Ledger statement and make the final closing entries.

Ex. 4. John Doe and Richard Roe, partners in business, are balancing their books, which they find standing at the final closing as follows:

J. Doe's account is Dr.	\$420		Cr.	\$3800
R. Roe's "	60		"	3600
Profit & Loss "	700		"	4900
Balance "	17320		"	6200

The partners are equal in gain or loss. Required the final closing of the Ledger.

Ex. 5. S. Boon and R. Simmons find their books standing as follows:

S. Boon's acct. is Dr.	\$1230		Cr.	\$2700
R. Simmons' "	1050		"	1300
Profit & Loss "	6600		"	900
Balance "	9220		"	13200

S. Boon is $\frac{2}{3}$ and R. Simmons $\frac{1}{3}$ gain or loss. Required the final closing of the Ledger.

PARTNERSHIP SETTLEMENTS BY SINGLE ENTRY:

In single entry Book-keeping, where no Profit & Loss Account is kept, the gain or loss is determined as directed on page 18.

Ex. 1. A. paid into firm \$600, and drew out \$180. B. paid in \$300, and drew out \$120. The undivided effects amount to \$450. A. is $\frac{2}{3}$ and B. $\frac{1}{3}$ gain or loss. Required the division of the \$450 between them.

Ex. 2. C. paid in \$2400, drew out \$750.
 D. " 2100, " 1100.
 E. " 2000, " 120.

Each partner's share in the gain or loss is equal. At the date of dissolution they are owing debts, \$2750, and have cash, notes, merchandise, and other effects, \$8660. Required the balance due each partner.
 ANS. Due C. \$2110; D. \$1460; E. \$2340.

Ex. 3. A. paid in \$700, drew out \$150.
 B. " 800, " 290.
 C. " 500, " 400.

At the time of their dissolution their cash, merchandise, and other effects amount to \$1848, and they owe \$950. The partners share equally in the gain or loss. Required the balance due each.
 ANS. Due A. \$462.67; B. \$422.67; C. \$12.66.

Ex. 4. F. pays in \$3200, draws out \$650.
 G. " 1624, " 500.
 H. " 1500, " 1450.

F. is to be $\frac{1}{2}$ gain or loss, and G. and H. each $\frac{1}{4}$. G. and H. retire from the business. The cash and merchandise on hand is \$3800. Outstanding debts due the firm \$2850, upon

ON COMMERCIAL CALCULATIONS.—PART III.

which it is agreed to allow 10 per cent. discount for bad debts. The firm owes, on notes and book debts, \$3400. Required the sums F. will have to pay G. and H. on retiring—F. to become the owner of all the effects of the firm and assuming all their liabilities, as above stated.

ANS. F. pays G. \$934.25, and H. pays F. \$139.75.

Ex. 5. A. was $\frac{2}{3}$ and B. $\frac{1}{3}$ gain or loss, and at the time of dissolution B. agrees to take the whole stock of cash, merchandise, and other effects of the firm, for \$3010.79—A. retiring from the business. By their accounts it appeared that A. had drawn out \$592.82, and paid in \$1146.78; B. had drawn out \$103.27, and paid in \$504.92. No interest was to be charged on either side. Required the sum B. must pay A. on retiring.

ANS. \$1924.08.

FOR RECTIFYING DERANGED DOUBLE ENTRY BOOKS.

RULE.—Close all the impersonal accounts into Profit & Loss; then place the amount of each side of the Profit & Loss in the list of Effects and Liabilities, carrying back to the Profit & Loss the difference between the Effects and Liabilities. Close the Profit & Loss into the partners' accounts in all respects as in double entry. This transforms the single entry Ledger into a double entry one. (See pp. 7, 18, and 19.)

Ex. 6. N. paid in \$2460, drew out \$975.
 O. " 2660, " 420.
 P. " 2800, " 1100.

At the time of dissolution they owe \$4500, and have cash, merchandise, and other effects, \$8840. They also have an expense account open which is debited for \$1260. Required the balance due each partner, exhibiting the expense account closed, each partner sharing equally in the gain or loss.

ANS. Due N. \$1123.34. Due O. \$1878.33. Due P. \$1338.33.

Ex. 7. Q. paid in \$2560, drew out \$1075.
 R. " 2770, " 520.
 S. " 2890, " 200.

At the time of settlement the firm owes \$4450, and have cash, merchandise, and other effects, \$8780. Their expense account is debited for \$1480. Profit & Loss is Dr. \$640, and Cr. \$1400. Commission account is credited for \$1850. The partners are equal in gain or loss. Required the balance due each, and exhibit the impersonal accounts all closed.

ANS. Due Q. \$786.67. Due R. \$1551.67. Due S. \$1991.66.

If there be property accounts open, close them By Balance for the value on hand, and bring the balance down, and carry the gain or loss to the Profit & Loss account. Then proceed as directed in the above Rule.

Ex. 8. N., O., and P., partners in business, paid into the concern as follows:

N. paid in \$2464, and drew out \$985.
 O. " 2665, " 424.
 P. " 2880, " 1110.

At the time of dissolution they owe \$4595. They have merchandise on hand valued at \$4400; cash, \$1840; notes and book debts due them, \$2218. Their expense account is debited for \$1286. Their merchandise account is debited for \$40050, and credited for \$39500. Their Profit & Loss account is debited for \$1665, and credited for \$1580. Each partner shares equally in the gain or loss. Required the balance due each at the time of dissolution.

ANS. Balance due N. \$936.67. Due O. \$1698.67. Due P. \$1227.66.

DUFF'S BOOK-KEEPING.

Ex. 9. R. and S., partners in business, desire to make a dividend of their gain or loss. They find their books standing as follows:

R.'s account is	Dr.	\$6600	Cr.	\$15000
S.'s " "	"	950	"	12000
Merchandise	"	24000	"	12500 on hand, \$11000
Cash	"	13000	"	9500
Bills Receivable	"	16500	"	7500
Bills Payable	"	4800	"	8300
Profit & Loss	"	700	"	2700
Commission	"		"	2200
Interest	"	880	"	1400
R. Roy	"	2200	"	
C. Page			"	800

Required the Ledger Specification of the book, exhibiting the balance sheet and each partner's capital.

ANS. R.'s capital, \$9375. S.'s capital, \$12025. Each partner's gain, \$975.

When the capital is paid in at different times, and it is agreed that profit or loss is to be divided in proportion to the time it is invested, the gain or loss is found by the preceding rules, and divided by the following

RULE.—Multiply each partner's capital by the time it was employed; then add all the products together and say, as the sum of these products is to each partner's product, so is the whole gain to each partner's share of it.

Ex. 10. K., L., and M., partners in business, commencing 1st January, 1866.

Jan. 1,	K. paid in	\$1200
March 1,	" "	900
June 1,	" "	1100
Aug. 1,	" drew out	800
Jan. 1,	L. paid in	1100
May 1,	" "	1400
Oct. 1,	" drew out	200
Jan. 1,	M. paid in	1800
	" drew out nothing	

At the time of dissolution, 31st December, 1866, the firm has cash and merchandise in hand, \$5500; notes and book debts, \$4500. They owe \$3200. The gain or loss is to be divided in proportion to the amount of capital paid in by each partner, and for the time it was in the business. Required the balance due each partner.

ANS. K.'s gain, \$112.14.	Balance due him, \$2512.14.
L.'s " 98.48.	" " 2398.48.
M.'s " 89.38.	" " 1889.38.

Ex. 11. N., O., and P. partners in business, commencing January 1, 1867.

Jan. 1,	N. pays in	\$600
March 1,	" "	800
July 1,	" draws out	200
Sept. 1,	" pays in	600
Jan. 1,	O. " "	700
May 1,	" "	400
June 1,	" draws out	200
Aug. 1,	" pays in	1200
Jan. 1,	P. " "	1000
Oct. 1,	" "	600

ON COMMERCIAL CALCULATIONS.—PART III.

At the date of settlement, December 31, 1867, the firm has cash and other effects in hand, \$7500, and are owing debts to the amount of \$3400. Required the division of the gain or loss, in proportion to the amount and time each partner's capital was invested, and the net balance due each partner.

	ANS.	N.'s net loss, \$494.83.	Balance due him,	\$1305.17.
		O.'s " 488.79.	" "	1611.21.
		P.'s " 416.38.	" "	1183.62.

Ex. 12. X. and Y. partners in business, commencing 1st January, 1867.

Jan.	1,	X. paid in	\$9000
May	1,	" "	2400
June	1,	" drew out	1800
Sep.	1,	" "	2000
Oct.	1,	" paid in	800
Jan.	1,	Y "	3000
March	1,	" drew out	1600
May	1,	" "	1200
June	1,	" paid in	1500
Oct.	1,	" "	8000

At the time of settlement, on the 31st of December, 1867, their merchandise account was Dr. \$32000; Cr. \$27000. Balance of merchandise on hand, per inventory, \$10500. Cash on hand, \$4900. Bills Receivable, \$12400. R. Draper owes on account, \$2450. They owe on their notes, \$1890. They owe G. Roe on account, \$840. Their Profit & Loss account is Dr. \$866; Cr. \$1520. Expense account is Dr. \$2420. Commission account is Cr. \$2760. Interest is Dr. \$480; Cr. \$950. The gain or loss is to be divided in proportion to each partner's capital, and in proportion to the time it was invested. Required each partner's share of the gain or loss, the net balance due each, and a Ledger specification exhibiting the closing of all the accounts and the balance sheet.

	ANS.	X.'s share net gain, \$6671.73.	Net balance due him,	\$15071.73.
		Y.'s " " 2748.27.	" "	12448.27.

Ex. 13. J. Boyd and W. Page, partners in business, dividing the gain or loss equally. Page retires from the firm. Their books are kept by single entry; and the partner's accounts stood as follows:—J. Boyd is Dr. for sums withdrawn, \$6200; Cr. for sums paid in, \$8100. W. Page is Dr. for sums withdrawn, \$5100, and Cr. for sums paid in, \$7800. Their effects consist of

Cash which Page takes to his account	\$4400.
Bills Receivable which he also takes to acct.	3700.
Mdse. on hand which Boyd takes to his acct.	5600.
Book debts which he also takes to acct.	6300.
They owe on notes, which Boyd assumes	2200.
They owe Book debts, which he assumes	1100.

Required which partner is indebted to the other, and what amount?

Ex. 14. A. became embarrassed, and failed in business. His effects were sold off at auction, and the net proceeds, \$7770, paid over by the auctioneer to the assignee. A. was indebted as follows, viz :

To B. on notes and book account	\$4800
" C. on account	5600
" D. "	3600

Each creditor is to receive in proportion to the amount of his claim. The assignee's commission is 5 per cent. on the amount paid over to the creditors. Required the amount to be received by each.

	ANS.	B. receives \$2537.14.
		C. " 2960.
		D. " 1902.86.

DUFF'S BOOK-KEEPING.

ON THE SETTLEMENT OF ACCOUNTS.

Referring to our directions for making out accounts, (page 114,) we have only to observe that, under the date of the semi-annual settlement, spare space is usually left in the Day-Book to insert entries of all omissions that are discovered upon exchanging accounts current. These omissions are entered and posted up under date of the last day of the last month's business embraced in the account for the semi-annual settlement; but the payment must appear under the date upon which it takes place. To enter or post it under a back date would derange the cash account.

In those cases in which we expect to receive the balance of the account rendered before any new transactions take place, it is unnecessary to balance the account on the Ledger until we can post up the payment and close the account. But if new transactions take place between the parties before the payment of the balance of the old account is made, it will generally be found more convenient to balance the old account in the Ledger, and bring down the balance into new account, in which an entry of the payment will appear when made. Those who prefer excluding this old balance and its payment from the next account current, can star out the entries on the Ledger, as seen in the following specification, and leave the amounts out of the new account current. Loans of money, and other transient matters, may be left out of the account current by the same means. (See Pryor's account, page 167:)

Dr.		R. CARVER.				Cr.			
1867.					1867.				
Jan.	17	To Merchandise	7	416 40	Feb.	4	By Cash	15	416 40
Feb.	1	" "	14	4200 20		28	" Bills Receivable	19	4000
Mar.	10	" "	20	780 80	Mar.	8	" Merchandise	20	918 80
June	28	" Sundries	27	1160	June	30	Bal. to new acct.		1222 20
				6557 40					6557 40
June	30	To Bal. of acct. ren'd		1222 20	July	1	By Merchandise		730
July	7	" Merchandise	30	480		17	" Cash on old acct.	34	800
Aug.	4	" Order to F. Oaks	39	79 74		20	" My order per	} 33	140
Sep.	30	" " to R. Rankin	46	130 40			Ryan & Co.		
Oct.	21	" Merchandise	56	494 70	Aug.	1	" Cash in full for	} 38	422 20
Dec.	7	" Order to Winters	69	73 30			old acct.		
	30	" Merchandise	84	360 60					

In business a note is generally taken for such a balance as the above, and the account is immediately closed.

Between houses keeping interest accounts with each other, unless the balance of the account is paid, with a note or money, on presentment, it and the other payments will appear in the next account.

On page 146 will be found a practical exemplification of the Check Book, kept in such a manner as to check both sides of the Bank account in the Ledger. We shall now add some additional directions for settling with your banker.

When you get your Pass Book balanced, if it contains any charges for discounts, commissions, or any entries not in your books, enter them both on your Check Book and Day-Book. If all your checks have not been returned, enter the numbers and amounts, in red ink, on the

ON COMMERCIAL CALCULATIONS.—PART III.

Dr. side of your Check Book and Ledger, and if all your work is right, the balance in deposit will close the account. Close the account, and bring down the balance on the Check Book and Ledger in the usual manner, and bring down the outstanding checks in the same manner on the Cr. side. To make the matter clearly understood, we subjoin a specification of it on a Check Book :

DATE		AMOUNTS DEPOSITED.		DATE		NAME	No.	AMOUNT.		CHECKS.
1867.				1867.						
June	30	Bro. forw'd	4278	June	30	Checks out,		1100	40	
July	5	Deposited	800	July	2	R. Hill,	174	900		
	12	"	1300		5	W. Wood,	175	600		
August	1	"	400	Aug.	2	R. Cox,	176	1100	60	
	19	"	1140	Sept.	9	B. Ray,	177	970		
Sept.	1	"	660	Sept.	18	W. Boon,	178	1480		
	4	"	840	Sept.	30	Balance,		5095	80	
	7	"	521							
	24	"	216							
Out, 175		\$800.								
177		970.								
			1570							
			1196					1196	80	
			80							
Sept.	30	Balance	5095	Sept.	30	Checks out,		1570		

You will understand that the above \$5095.80 represents the balance made by the banker on your Pass Book ; but he made that balance before two of your checks (Nos. 175 and 177) were presented ; consequently your books will not show the same balance until the amount of these checks is counterentered. This should be done in red in the old, and black in the new account.

I feel confident that no business man will try this form of Check Book, and not prefer it to the old practice of entering Checks and Deposits all in one column.

Young accountants will find the advantage of having their Pass Books frequently balanced. In a business of any magnitude it should be done monthly—never at longer periods than three months.

EXERCISES IN INVOICES.

See Forms, page 59.

Ex. 1. Sold Draper, Son & Co. July 6, 1867 : 1 piece superfine Black Broadcloth, No. 427, 19² yds. @ \$3.62½. 1 end, 10² yds. Green do. No. 401, @ \$3.62½. 1 end Blue do. No. 644, 10 yds. @ \$3.62½. 2 pieces Black do. Nos. 4202 and 4203, 18 and 18² yds. @ \$3.31½. 4 ends Vesting, 6², 8², 9², and 7² yds. @ \$2.50. 2 pieces do. 14 and 16 yds. @ \$3. Required the invoice, exhibiting the correct amount. ANS. \$434.66.

Ex. 2. Sold King, Wood & Co., July 10, 1867, 12 doz. Black Silk Hose, @ \$10. 9 doz. Ladies' best Black Kid Gloves, @ \$7.62½. 4 doz. Men's do. @ \$9.87½. 2 doz. do. out sizes, @ \$11.50. 6 doz. Men's fancy colored do. @ \$9.75. 8 doz. Children's do. @ \$4.62½. 6 doz. do. Thread, @ \$2. 12 doz. Men's fancy Silk Half Hose, @ \$3.75. 6 doz. do. Black Ribbed, @ \$4. Required the invoice, exhibiting the correct amount. ANS. \$427.63.

DUFF'S BOOK-KEEPING.

Ex. 3. Sold George Gains & Co. July 30, 1867: 10 doz. Lyell's Shovels, @ \$7.75. 15 doz. Bowman's Spades, @ \$10.75. 5 doz. do. Cast steel, @ \$12.50. 5 boxes Derby Scythes Stones, @ \$3.50. 20 doz. Grass Scythes, @ \$11.50. 12 doz. Corn do. @ \$13.50. 3 Mouse-hole Anvils, 120, 230, and 330 lbs, @ 12 cts. $\frac{3}{4}$ lb. 3 Birmingham Anvils, 100, 150, and 250 lbs, @ 8 cts. $\frac{3}{4}$ lb. Required the invoice and correct amount. ANS. \$832.35.

Ex. 4. Sold Richard Carver & Son, July 31, 1867.

At 5% discount*—55 Patent Balances, @ \$10. 30 doz. Patent Coffee Mills, @ \$5. 20 doz. Lippincott's Axes, at \$10. 25 doz. do. Hatchets, @ \$4. 30 doz. do. @ \$3.75.

At 10% discount—30 Roland's 6-foot Mill Saws, @ \$3.75. 25 do. 6 $\frac{1}{2}$ -foot Cross-cut Saws, @ \$3.75. 4 doz. Hand Saws, @ \$7.50. 6 doz. do. @ \$9. 4 doz. do. @ \$6.50.

The following are net—10 gross Gilt Vest Buttons, of each No. 479, @ \$1; 566, @ 1.20; 667, @ \$1.30; 494, @ \$1.40; 993, @ \$1.50; 337, @ \$1.60. 2 doz. Rodgers' Penknives, of each No. 4200, @ \$7; 4900, @ \$8; 4300, @ \$9; 4400, @ 9.50. 12 doz. best balance-handled Ivory Table Knives and Forks, @ \$10.50. Required the invoice and amount.

ANS. \$1614.49.

Ex. 5. Sold David Chesman & Co.: 4 hhds. Sugar, each 1146, 1104, 1107, and 1003 lbs gross, tare 10%, @ 5 cts. 16 boxes Mould Candles, 56 lbs each, @ 10 $\frac{1}{2}$ cts.; boxes 25 cts. each. 30 boxes Bloom Raisins, @ \$3. 40 doz. Corn Brooms, @ \$2. 2 chests, 84 lbs each, Y. H. Tea, @ 68 cts. 6 half chests do. 240 lbs, @ 65 cts. Required the invoice and amount.

ANS. \$734.52.

Ex. 6. Sold Mason & Sands: 6 Detached Lever Silver Watches, @ \$12. 8 do. @ \$15. 5 do. Gold do. @ \$40. 5 Duplex Lever Gold do. @ \$65. 6 do. do. @ \$75. 1 $\frac{1}{2}$ doz. Gold Spectacles, @ \$60 per doz. $\frac{1}{2}$ doz. do. @ \$75 per doz. 3 doz. Silver do. @ \$10. 2 doz. do. @ \$15. 1 doz. Eight-day Clocks, \$65. $\frac{1}{2}$ doz. Church Clocks, @ \$80. Required the invoice.

ANS. \$1439.50.

EXAMINATION ON

SETTLING CONSIGNMENTS AND JOINT ACCOUNTS.

See Questions 25 and 26, page 41.

Ex. 1. William Mount's sales are completed. Total sales, \$3420. Charges posted, \$780. After charges, viz.: Commission and guarantee, 5%. Storage, \$20. Required the Journal entry to close the sales on the Ledger, supposing the net proceeds to be carried to Mount's credit.

Ex. 2. G. Glen's sales are effected to amount of \$14040. Charges posted, \$1729. After charges, viz.: Commission and guarantee, 5%. Storage, \$56. Required the Journal entry for closing the sales, supposing we pay over the net proceeds at the same time in cash.

Ex. 3. Effected sales for David Carman, \$4660. Charges posted, \$4440. After charges are, Commission, 5 per cent.; Storage, \$36. Required the Journal entry to close the sales.

Ex. 4. Effected sales of Michael May's goods, \$9840. Charges posted, \$9910. After charges, Commission and guarantee, 5 per cent.; Storage, \$45. Required the Journal entry to close the sales.

Ex. 5. Completed sales of merchandise on joint account with Wm. Hay, each one-half. Our first cost was \$2400. Total sales, \$6400. Charges posted, \$800. After charges, Commission and guarantee, 5 per cent. Storage, \$18. Required the Journal entry to close the sales, carrying Hay's net proceeds to his account.

Ex. 6. Completed sales of merchandise on joint account with Wm. Hay, each one-half. Our half, first cost, \$6000. Total sales, \$12600. Charges posted, \$490. After charges,

* Short-extend each discount, and from the marginal addition subtract the discount, full-extending the net amounts. Less than five mills count nothing in the extensions; five mills and upward count another cent.

ON COMMERCIAL CALCULATIONS.—PART III.

Commission and guarantee, 5 per cent. Storage, \$66. Required the Journal entry for closing the sales; carrying Hay's net proceeds to his credit.

Ex. 7. Suppose the above total sales to be \$6000. Our half, first cost, the same, (\$6000). No charges are made. Required the Journal entry to settle the transaction, supposing we give Hay our note at 60 days for his share of the net proceeds.

Ex. 8. Suppose our half, first cost, and the total sales to be equal, as in the last problem—\$6000 each—and the after charges, Storage, \$30; Commission and guarantee, 5 per cent. Required the Journal entry to close the sales, supposing Hay's net proceeds to be paid him in cash.

Ex. 9. Suppose our half, first cost, \$9000. Total sales, only \$8000. Commission and guarantee, 5 per cent. Storage, \$28. Required the Journal entry to close the account, supposing we give Hay an order on James Carter for his share of the net proceeds.

Ex. 10. Our half, first cost, was \$11500. Charges posted, \$500. Total sales, \$18000. After charges, Storage, \$84; Commission and guarantee, 5 per cent. The inventory of the joint property unsold is \$8000.* Required the Journal entry to close the account, supposing Hay's $\frac{1}{2}$ net proceeds to be carried to his account.

Ex. 11. Suppose our half, first cost, \$10500. Charges posted, \$560. Total sales, \$15000. After charges, Commission and guarantee, 5 per cent.; Storage, \$48. Property on hand, \$6200. Required the Journal entry for closing the account, paying over Hay his half net proceeds in cash.

Ex. 12. Our half, first cost, was \$14800. Charges posted, \$150. Total sales, \$7800. Joint property on hand, \$13200. After charges, viz.: Storage, \$64; Commission and guarantee, 5 per cent. Required the Journal entry to close the account, supposing it to include our note to Hay for his half net proceeds.

Ex. 13. Our half, first cost, was \$9000. Charges posted, \$8800. Commission, 5 per cent. Storage, \$24. Total sales, \$4400. Joint property unsold, \$2200. Required the Journal entry to close the account and carry Hay's share of the deficiency to his account.

EXERCISES IN DISCOUNTING BUSINESS PAPER.

Ex. 1. Received Hall Smith's note for \$1200, dated August 31, 1867, at 6 months, endorsed by James Betts. Discounted the same December 27. Required the note, the unexpired time, and discount.

Ex. 2. Received J. W. Frost's note for \$900, dated October 28, 1867, at 4 months, endorsed by W. Summer. Discounted December 13. Required the note, unexpired time, and discount.

Ex. 3. Received A. T. Howden's note for \$1800, dated October 31, 1867, at 4 months, endorsed by D. Bowers. Discounted November 30. Required the note, the unexpired time, and discount.

Ex. 4. Received J. Warden's note for \$1266, dated March 31, 1867, at three months, endorsed by I. N. Forner. Discounted May 31. Required the unexpired time, and discount.

Ex. 5. Received R. Manly's note for \$624, dated March 30, 1867, at 3 months, endorsed by J. Carter. Discounted May 1. Required the note, the unexpired time, and discount.

Ex. 6. Received W. S. Haven's note for \$1566, in my favor, dated April 30, 1867, at ninety days. Discounted June 26. Required the note, the unexpired time, and discount.

Ex. 7. Received Hay & Wood's note, in my favor, for \$1824, dated August 30, 1867, at ninety days. Discounted September 30. Required the note, unexpired time, and discount.

Ex. 8. Received H. Winslow's note, in my favor, for \$966, dated December 30, 1867, at ninety days. Discounted February 28. Required the note, the unexpired time, and discount.

* See Note 4, 1st Co. Sales, page 102.

DUFF'S BOOK-KEEPING.

EX. 9. A JUDGMENT NOTE.—(January 10, p. 70.)
\$3000.⁰⁰.

NEW YORK, January 10, 1867.

Thirty days after date, for value received, I promise to pay to the order of P. Duff, THREE THOUSAND DOLLARS, and in case of non-payment at maturity I hereby authorize any attorney in any court in the United States or elsewhere, to enter up judgment upon the same, without stay of execution or benefit of any exemption law, with costs and five per cent. attorney's fees for collecting.

THOMAS EDWARDS.

NOTE.—If the holder wishes to enter judgment on receipt of this note, leave out the clause, "and in case of non-payment at maturity."

FINAL EXAMINATION.

1. What is the fundamental rule in Double Entry Book-Keeping? (See note 1, page 26.)
2. What constitutes the distinction between Single and Double Entry? (Note 1, Bills Payable account, p. 17.)
3. How is the capital disposed of in opening books by Single Entry, in an individual business? (Note 1, p. 7.)
4. How in Double Entry? (Notes 1 and 2, Stock acct. p. 33.)
5. How is the capital disposed of in opening Partnership Books by Single Entry? (Note 2, p. 7.)
6. How in Double Entry? (Note 1, Duff's acct. p. 131.)
7. Is there any difference in the rule for conducting personal accounts in Single and Double Entry? (Notes 3 and 4, p. 7, and 3 and 4, p. 26.)
8. Is there any difference in recording Orders, Drafts, &c.? (Note 5, p. 7, and Rule 9, p. 40.)
9. What is the use of the Cash-Book? (Note 1, p. 9, and note 1, p. 53.)
10. Where are all cash transactions generally first entered? (Note 6, p. 53.)
11. What is done with the Cash-Book entries as they are transferred to the Day-Book or Journal? (Note 7, p. 53.)
12. How do we ascertain the balance of money in hand? (Note 4, p. 53.)
13. How are the Ledger titles for money received and paid exhibited? (N. 10 and 11, p. 53.)
14. How are entries made on the Day-Book? (Note 5, p. 24.)
15. What is meant by posting a Day-Book or Journal? (Note 7, p. 24.)
16. What is the first thing to be done after the Day-Book or Journal is posted? (Note 4, p. 14, and note 2, p. 32.)
17. How do the partners' accounts close after the Profit & Loss is closed into them? (Note 2, Duff's account, p. 15, and note 4, p. 130.)
18. What does the final closing entry of the partners' account represent? (Note 1, Gordon's acct. p. 15; note 1, Balance acct. p. 134.)
19. What will it represent if he draws out more than he has in the firm? (Note 2, Balance acct. p. 134.)
20. When an acct. has filled up its space, how is it continued to a new page? (Note 2, Wood's acct. p. 15, and note 1, p. 102.)
21. How does an account re-open on the same page? (Note 2, Hay's acct. p. 16, and note 2, p. 113.)
22. Upon which side of an account is the final closing entry made? (Sect. 2, p. 18.)
23. Why note the transfers on the face of the Ledger folio? (Note 6, p. 18, and note 5, Stock acct. p. 33.)
24. What are the objections to making original entries affecting the personal accounts on the Ledger, without a Day-Book entry? (Note 7, p. 18, and note 3, p. 25.)
25. What is the general rule for finding the gain or loss in Single Entry Book-Keeping? (Sect. 4, p. 18.)
26. How is it found in Double Entry? (Note 4, Profit & Loss acct. p. 35.)

FINAL EXAMINATION.—PART III.

27. What balances are brought down in re-opening Single Entry books? (Note 1, p. 19.)
28. What is meant by closing an account? (Note 6, p. 23.)
29. Why not carry Expense, Commission, and Exchange directly to Profit & Loss, and avoid opening these accounts? (Note 4, p. 24, and note 3, p. 129.)
30. What is meant by checking? (Note 2, p. 32.)
31. What is the use of the Journal? (6, p. 25.)
32. How may this book be dispensed with? (6, p. 25, and 5, p. 91.)
33. What other title would better express the nature of the Stock account? (Note 1, p. 26.)
34. Why drop the ciphers in the cent column? (Note 8, p. 27.)
35. How do we show how far the Day-Book is Journalized? (7, p. 29.)
36. How do we show how far the Journal is posted into the Ledger? (6, p. 29.)
37. What is to be done when the Journal is posted? (Note 2, p. 32.)
38. What must be done before attempting to close the Ledger? (Note 3, p. 32.)
39. What is the use of the Trial Sheet? (Note 1, p. 36.)
40. All closing entries for the Balance account are written red, while Profit & Loss, and all others, are black. Why is this distinction? (Note 6, Stock acct. p. 33, and note 7, Merchandise acct. p. 33.)
41. What composes the Dr. and Cr. sides of Stock? (Notes 1 and 2, Stock acct. p. 33.)
42. What composes the Dr. and Cr. sides of Merchandise? (Notes 1 and 2, Mdse. acct. p. 33.)
43. How does this account close if all the property be sold? (Note 3, Mdse. acct. p. 33, and Rule 2, p. 99.)
44. How does it close if part of the property remain in hand? (Note 5, Mdse. acct. p. 33, and Rule 2, p. 99.)
45. What is an Inventory, and where is it entered? (1st entry, pp. 59, 61, 137, and 139.)
46. What composes the Dr. and Cr. sides of Bills Receivable account? (Note 1, Bills Rec. acct. p. 33.)
47. What does the difference between the two sides represent?
48. How does this account always close?
49. What do the Dr. and Cr. sides of the Cash account represent? (Cash acct. p. 34.)
50. What does the difference between the two sides represent?
51. How does this account always close?
52. What does the difference between the sides of Bills Payable represent? (Bills Payable acct. p. 34.)
53. How does this account always close?
54. If the Dr. side be \$4000, and the Cr. side \$6000, what does the difference represent?
55. How do all personal accounts close? (Hay's acct. note 2, p. 34.)
56. How do property accounts close if all or part of the property be on hand? (Case 2, Rule 2, p. 99.)
57. What do the Dr. and Cr. sides of Profit & Loss exhibit? (Profit & Loss acct. p. 35.)
58. What accounts close into it? (Note 2, Profit & Loss, p. 35; Note 1, Bell's acct. p. 132; Exchange acct. p. 133.)
59. When is this account closed, and into what account or accounts does it close? (Note 3, Profit & Loss, p. 33; Sect. 4, p. 130; Note 2, Profit & Loss, p. 134.)
60. What is Expense account Dr. for, and how does it close? (Note 1, Exchange acct. p. 133.)
61. What is the Exchange account Dr. and Cr. for, and how does it close? (Note 1, Exch. acct. p. 133.)
62. What is the Interest account Dr. and Cr. for, and how does it close? (Note, Interest acct. p. 168.)
63. What is the Suspended List debited for, and how does it close? (Note 6, p. 130; Note 7, p. 129; Note 1, p. 134.)
64. What is to be done when a suspended account is paid? (Note 1, Martin's acct. p. 132.)
65. What do the Dr. and Cr. sides of Balance account represent? (Balance, p. 35.)
66. If the Dr. side be \$15000, and the Cr. side \$10000, what does the difference represent? (Note 4, Balance acct. p. 35.)
67. If the Drs. be \$8000, and Crs. \$12000, what does the difference represent? (Note 3, Balance acct. p. 35.)

DUFF'S BOOK-KEEPING.

68. What precaution is necessary in closing this account? (Balance acct. p. 35, and note 4, p. 130.)
69. Where should this account be made? (Sect. 1, p. 19.)
70. What is meant by re-opening a Ledger? (Note 1, p. 113.)
71. Suppose there be not sufficient space under the old account to re-open? (Note 1, p. 113.)
72. How are the daily average sales ascertained for any given time? (Note 14, p. 36.)
73. How is the average gain per cent. ascertained upon sales of Merchandise when all is sold? (Note 15, p. 36.)
74. How if part of the Merchandise remain on hand?
75. What entry is made of an invoice of a consignment received? (Note 21, p. 41.)
76. What is the rule for keeping account of consignments received? (Rule 10, p. 41.)
77. When the property is sold, how do we find the net proceeds? (Note 25, p. 41.)
78. If the owner of this consignment draw on you on account of these sales, what account do you debit for his draft? (Note 29, p. 41.)
79. How do you keep account of property which you consign to others for sale on your own account? (Rule 11, p. 41.)
80. If you draw on the consignee on account of a consignment? (Note 31, p. 41.)
81. What are Joint Accounts? (Note 1, p. 42.)
82. What title does the manager of a joint speculation give the account in his books? (Note 4, p. 42.)
83. What title do the silent partners use in their books? (Note 9, p. 42.)
84. What is the general rule for conducting joint accounts as manager? (Rule 12, p. 43.)
85. How do the other partners keep an account of their investments in the speculation? (Note 1, 2d Co. Shipment to London, p. 111, and note 9, p. 42.)
86. How does the manager find the net proceeds when all the property is sold? (Note 1, p. 43.)
87. How if part of the property remains on hand? (Note 4, 1st Co. Sales, p. 109.)
88. How does the manager find his net gain or loss? (Note 13, p. 43, and note 3, p. 80.)
89. What is the rule for determining the maturity of an acceptance or note having its running time in days? (Note 1, p. 45.)
90. When the running time is months? (Note 3, p. 45.)
91. When will one day's advance in the date of a note give three or four days' advance in the time of payment? (Note 1, p. 46.)
92. When will one day's advance in the date give two days' advance in the maturity? (Note 2, p. 46.)
93. Upon what occasions may three or four notes, dated on different days, having the same running time in months, all become due on the same day? (Note 1, p. 47.)
94. When will two notes, dated on different days, having the same running time in months, become due on the same day? (Note 2, p. 47.)
95. What ought to be done with notes which remain in hand over due? (Note 4, p. 52.)
96. How do we enter a note on the Bill Book when received? (Note 1, p. 49.)
97. How when passed away? (Note 2, p. 49.)
98. What is the use of the Invoice Book? (Note 1, p. 58.)
99. Where is the first entry of an Invoice? (Note 3, p. 58.)
100. What particulars of an Invoice is required in the Day Book? (Note 3, p. 58.)
101. What is the use of the Sales Book? (Note 1, p. 62.)
102. When this book is not kept, where are the particulars of the sales entered? (N. 3, p. 62.)
103. How is the Commission Sales Book kept? (Note 1, p. 65.)
104. What composes its Dr. and Cr. sides? (Notes 2 and 3, p. 65.)
105. Where do the entries pass from this book? (Sect. 3, p. 66.)
106. How is the net proceeds found, and how is it disposed of when found? (N. 2, p. 66.)
107. How do you enter a re-consignment on the Commission Sales Book? (Entry Feb. 12, Commission Sales Book, p. 67.)
108. Repeat the rule for equating time on account of sales. (Rule, p. 68.)
109. Repeat the rule for the Compound Equation. (Rule, p. 116.)
110. Where do we obtain the materials for opening a new set of books in continuation of old ones? (Note 1, p. 69.)

FINAL EXAMINATION.—PART III.

111. How can a new set of books be opened from old ones without passing the contents through the Day Book and Journal? (Sect. 3. p. 19.)
112. What is the general rule for correcting errors in the Ledger? (Notes 2 and 5, p. 98.)
113. What is the general rule for correcting errors in the Journal? (Notes 10 and 2, p. 98.)
114. How are errors corrected in the Day Book? (Notes 11 and 2, p. 98.)
115. What precaution is necessary in indexing accounts? (Note 1. p. 100.)
116. Where do we obtain the particulars for an account current? (Note 3, p. 114.)
117. Where do we obtain the particulars for an account of sales? (Note 1, p. 117.)
118. How are the Cash and Merchandise accounts posted from the six-column Day-Book or Journal? (Note 7, p. 124, and note 2, p. 161.)
119. How can the Merchandise Drs. be posted direct from the Invoice Book? (N. 4, p. 139.)
120. How may the Merchandise Crs. be posted from the Sales Book? (Note 2, p. 142.)
121. What is the use of the Private Ledger? (Note 1, p. 173.)
122. What accounts are kept in it? (Pages 173 and 174.)
123. What is the rule for settling interest on partners' capital? (Page 180.)
124. What is the rule for casting 1 and 10 per cent. commission? (Rule, p. 199.)
125. How are the intermediate rates found?
126. What is the rule for finding interest at 6 per cent. for months? (Rule, p. 199.)
127. What is the shortest rule for finding it for 60 days? (Rule, p. 200.)
128. What for 6 days?
129. What if the rate be over or under 6 per cent.?
130. What is the mercantile rule for settling interest on running accounts? (Rule, p. 201.)
131. What rule is adopted in the United States Courts? (Rule, p. 201.)
132. What is the rule for working storage equations? (Rule, p. 208.)
133. What is the rule for ascertaining general average? (Rule, p. 211.)
134. Repeat the rule for dividing profits in proportion to time and amount of capital. (Rule, p. 216.)

DUFF'S BOOK-KEEPING.
PART IV.
JOINT STOCK ACCOUNTS,
ILLUSTRATED IN A COMPLETE SET OF
NATIONAL BANK BOOKS:
AND ONE SET OF
RAILROAD BOOKS.
TO WHICH IS ADDED A FULL SET OF
PRIVATE BANKER'S BOOKS.

INTRODUCTORY REMARKS.

In the following set of National Bank Books, we present all the practical details of the first six months' business, from the preliminary proceedings of the originators of the company, down to the declaration of the first dividend. The exercises are such as will guide the accountant in opening, conducting, and closing Joint Stock Books of any kind.

We have given explanatory notes wherever we deemed them necessary for the learner's information; but for the rules and principles of the science he must refer to the early part of the work, where he will find them minutely explained, and where every one ought to commence the study of it.

In the transactions recorded in Foreign Bills of Exchange we have to acknowledge our obligations to Messrs. JAMES G. KING & SONS, Bankers of New York, for valuable information promptly and courteously afforded us in matters upon which we could obtain no information from other Banks, as but few Joint Stock Banks in New York do any direct business with foreign countries.

We have arranged the forms of the following set for posting by three different methods, viz. :—

FIRST.—By Journalizing the contents of the General Cash Book.

SECOND.—By constructing the General Cash Book so as to admit of direct posting from it to the Ledger.

THIRD.—We have arranged the Ledger Titles upon the Receiving and Paying Teller's Cash Books in such form as to admit of direct daily posting from these books to the Ledger without the intervention of either a Journal or General Cash Book, introducing the greatest abridgment that the process will admit of.

For obvious reasons, we have made no entries of the present premiums upon Gold.

MINUTE BOOK.

CITY NATIONAL BANK.

DECEMBER, 1866.

1. This book is a journal of the preliminary proceedings of the Company. We have not continued it after the general business of the Bank commenced. After that date there is but little to record but the date and names of the members present at each meeting. The book is usually in the charge of the Cashier.

DUFF'S BOOK-KEEPING—PART IV.

MINUTES OF THE BOARD OF DIRECTORS OF
THE CITY NATIONAL BANK.

FIRST MEETING.

The provisional Board met at the office of John Ward, Esq., December 10th, 1866.

PRESENT.

JOHN WARD,
JAMES HARPER,
WM. MAJOR,

WM. B. ARCHER,
WM. HAY,
J. C. BAKER.

MR. WARD, the acting President, stated that Article V. of the Articles of Association directs us to call a meeting of the Stockholders for the purpose of electing three additional Directors, to complete the Board, within ten days of the date when the subscription to the Capital Stock was completed. As all the stock has been subscribed, he would offer the following resolution:—

RESOLVED, That the subscribers to the Capital Stock of the City National Bank be notified that an election of three Directors, to complete this Board, will be held at this office on the 20th day of December, 1866, between the hours of 12 M. and 4 P.M.

Adjourned to meet on December 20th.

CHAS. P. DUFF,
ACTING CASHIER.

MINUTES OF SECOND MEETING.

Office of John Ward, Esq., Thursday, December 20th, 1866.

PRESENT.

JOHN WARD,
J. C. BAKER,
WM. HAY,

WM. B. ARCHER,
JAMES HARPER,
WM. MAJOR.

MR. WARD, acting President, laid before the meeting the following report of the inspectors of elections.

The undersigned, inspectors of the election of Directors for the City National Bank, hereby certify that the following statement is the true and correct number of votes given for the three Directors elected this day at the office of John Ward, Esq., by the Stockholders of the said Bank, to complete the Board of Directors for the same for the year 1867:—

Thomas Mitchell, 4400 votes.
Robert Lenox, 4391 "
Robert Banks, 3998 "

R. C. ROOT,
RICHARD IRVIN, } Inspectors of Election.
THOS. B. SMITH, }

Sworn before me this 20th day of December, 1866.

THOS. ARCHER, Alderman.

NATIONAL BANK ACCOUNTS.

Mr. Harper then offered the following resolution, which was adopted :—

RESOLVED, That Thomas Mitchell, Robert Lenox, and Robert Banks, are duly elected members of this Board, and the acting Cashier is hereby directed to notify the said parties of their election.

Mr. Hay then proposed the following resolution, which was adopted :—

RESOLVED, That the Board adjourns to meet at this office on Monday, December 24th, 1866, at 2 P.M., for the purpose of electing a President and Cashier.

Adjourned.

CHAS. P. DUFF,
ACTING CASHIER.

MINUTES OF THE THIRD MEETING.

At the office of John Ward, Esq., Monday, December 24th, 1866.

PRESENT.

JOHN WARD,
JAMES HARPER,
WM. MAJOR,
THOMAS MITCHELL,

WM. B. ARCHER,
WM. HAY,
J. C. BAKER,
ROBERT LENOX,

ROBERT BANKS.

Mr. Ward stated that the Board had met for the purpose of electing Bank Officers for the year 1867. For the office of President of the Board he understood there were but two candidates, Mr. Archer and himself. He declined saying any thing of his own qualifications; but of his friend Mr. Archer, he felt it his duty to say that his long, successful, and honorable career among us as a merchant eminently fitted him for this responsible office.

Mr. Hay arose and stated that he fully agreed with Mr. Ward in his high opinion of his friend Mr. Archer; but he thought the members of the Board would agree with him in the opinion that both the candidates were eminently fitted for the office.

Mr. Lenox then moved that the Board proceed with the election. And for this purpose he nominated, as Judges, Robert Banks and Thomas Mitchell, who were accepted.

The Directors voted, as usual, by ballot, and the Judges reported

For John Ward, five votes.

For Wm. B. Archer, four votes.

Mr. Banks then announced to the Board that Mr. John Ward was duly elected President of the City National Bank for the year 1867.

The Board next proceeded to elect the Cashier.

Mr. Harper nominated Mr. Chas. P. Duff.

Mr. Lenox nominated Mr. Wm. Draper.

Upon the ballot Mr. Duff received six votes; Mr. Draper received three votes.

Whereupon Mr. Banks announced that Mr. Chas. P. Duff was duly elected Cashier of the City National Bank.

The President suggested the appointment of a committee of three to procure a suitable building for the Bank.

DUFF'S BOOK-KEEPING—PART IV.

Mr. Ward nominated Mr. Archer.

Mr. Harper nominated Mr. Hay.

Mr. Lenox nominated Mr. Banks.

When the following resolution was read and adopted :—

RESOLVED, That Messrs. W. B. Archer, Wm. Hay, and Robert Banks, are hereby appointed a committee to procure a suitable building for a Bank, and report upon the same at the next meeting of the Board.

The President next recommended the appointment of a committee to draft By-Laws to define the duties and regulate the powers of the Officers and Directors.

Mr. Major nominated Mr. J. C. Baker.

Mr. Mitchell nominated Mr. Robert Lenox.

Mr. Hay nominated Mr. Jas. Harper.

Whereupon the following resolution was read and adopted :—

RESOLVED, That Messrs. J. C. Baker, Robert Lenox, and James Harper, are hereby appointed a committee to draft By-Laws for the government of the Officers and Directors of this Association.

The meeting adjourned to meet on Monday, December 31st, 1866.

CHAS. P. DUFF,

CASHIER.

MINUTES OF THE FOURTH MEETING.

At the office of John Ward, Esq., Monday, December 31st, 1866.

PRESENT.

THE PRESIDENT,

WM. B. ARCHER,

JAMES HARPER,

WM. HAY,

WM. MAJOR,

J. C. BAKER,

THOS. MITCHELL,

ROBERT LENOX,

ROBERT BANKS.

After reading the minutes of the last meeting, Mr. Archer, chairman of the Committee on Bank Building, reported, That, not being able to find a building that they can recommend for purchasing, the committee advise the Board to lease the premises No. 41 Wall Street, recently occupied as a Banking House by Messrs. Greenwood, Cox & Co. Immediate possession can be obtained at a rent of \$4000 per annum, and the committee are of the opinion that \$1400 will cover all expenses necessary to prepare the building for our business.

Mr. Mitchell then offered the following resolution, which was adopted :—

RESOLVED, That the President is hereby authorized to lease the premises No. 41 Wall Street, for a term of five years from the first day of January, 1867, for the use of this Association, and to contract for such repairs and improvements upon the same as he may deem necessary to fit them for our Bank, and that the expenses of all such repairs and improvements, together with the rents of the said premises, during the said lease, be paid out of the funds of the Bank.

Mr. Lenox proposed the following, which was also adopted :—

NATIONAL BANK ACCOUNTS.

RESOLVED, That the Cashier is authorized to purchase the necessary furniture, books, stationery, and such other articles as he and the President shall deem necessary to prepare the Bank for business.

The President then stated that about \$300,000 of the Capital Stock had been paid in. Would it not be proper to invest a part of this amount in United States Bonds?

Whereupon Mr. Harper moved the following resolution:—

RESOLVED, That the President is hereby authorized to invest in United States Bonds such amount of the funds of this Association, now in hand, as he may deem expedient. Adopted.

Mr. Banks then proposed the following resolution, which was also adopted:—

RESOLVED, That the third instalment of 50 per cent. of the Capital Stock of this Association shall be due and payable on the 10th day of January next ensuing, and that the Cashier notify the subscribers of the same.

Mr. J. C. Baker, from the Committee on By-Laws, presented their report, which was read, adopted, and ordered to be engrossed in a suitable book for reference by the Directors and Officers.

Mr. Banks stated that the repairs of the Banking rooms could no doubt be so far completed as to admit of holding their next meeting in them; Therefore,

RESOLVED, That the Board shall meet at their Bank, No. 41 Wall Street, on the 5th day of January next, at 12 M., for the purpose of appointing clerks, &c. Passed. Adjourned.

CHAS. P. DUFF,
CASHIER.

MINUTES OF THE FIFTH MEETING.

At the City National Bank, Saturday, January 5th, 1867.

PRESENT.

THE PRESIDENT,

WM. B. ARCHER,
JAMES HARPER,
WM. HAY,
WM. MAJOR,

J. C. BAKER,
THOMAS MITCHELL,
ROBERT LENOX,
ROBERT BANKS.

The minutes of last meeting were read.

The President stated that he had leased the premises in which we are now met, for the use of the Bank, for five years from the 1st instant, for the annual rent of \$4000, and that he had contracted with B. Carpenter & Co. for the necessary repairs and alterations for \$1400. He also stated that he had invested \$200,000 of the Bank funds in United States Five-Twenty Bonds, bearing interest at 6 per cent., which he had deposited with the Comptroller of the Currency of the United States, at Washington, as security for the issues of the Bank, as required by the "National Currency Act," which now authorizes us to commence business, which he would recommend the Board to announce at an early day; Therefore,

DUFF'S BOOK-KEEPING—PART IV.

RESOLVED, That the Cashier give public notice that the City National Bank will be open for business on the 10th inst.

Mr. Archer moved that the Board now consider the appointment of General Book-keeper, Teller, &c. There were a number of applicants for each office, but he hoped the Board would deem it their duty to allow no consideration to influence these appointments but that of capability.

After considering the credentials of the different applicants, the following appointments were agreed upon :—

For General Book-keeper, W. J. Parker.

For First Teller, (Paying,) J. J. Jones.

For Second Teller, (Receiving,) Geo. Dexter.

For Messenger, Simon Parry.

The Cashier was directed to apprise the parties of their appointment, and to request them to execute the necessary bonds, with sureties, to lodge with the President on or before the 10th instant.

These appointments were deemed sufficient for the business of the Bank at its commencement. Others are left until increased business requires them.

Adjourned to meet 10th instant.

CHAS. P. DUFF,
CASHIER.

MINUTES OF THE SIXTH MEETING.

At the City National Bank, Thursday, January 10th, 1867.

PRESENT.

THE PRESIDENT,

WM. B. ARCHER,

JAMES HARPER,

WM. HAY,

WM. MAJOR,

J. C. BAKER,

THOMAS MITCHELL,

ROBERT LENOX,

ROBERT BANKS.

The minutes of the last meeting were read.

The President stated that the officers appointed at the last meeting had executed and lodged with him the necessary bonds, with sureties, and had entered upon their duties; and the Comptroller of the Currency having authorized us to commence business, the Bank was accordingly opened this morning.

The Offering Book was then laid before the Board, and such notes as were approved were passed.

Adjourned.

CHAS. P. DUFF,
CASHIER.

NATIONAL BANK ACCOUNTS.

BY-LAWS OF THE CITY NATIONAL BANK,

ADOPTED DECEMBER 31, 1866.

ARTICLE I.—The Bank shall be open for general business every weekday from 10 A.M till 3 P.M., except holidays and such days as the Government appoint as public fast-days. And the Board of Directors shall meet for the transaction of their regular business every weekday from 12 M. to 1 P.M.

ARTICLE II.—The President, when present, shall preside at all the meetings of the Board. In case of his absence, a majority of the members present shall elect a President pro tem. And at all meetings of the Board the President or Cashier, with four Directors, shall constitute a quorum for the transaction of business.

ARTICLE III.—There shall be a standing committee of Two, called the Examining Committee, who shall inspect the assets of the Bank, compare them with the books, and make quarterly reports of the same to the Board. These committees are elected as follows. The President nominates a member of the Board. If this member is approved, he nominates a second, who, if approved, in turn nominates a third: the yeas and nays being taken on each nomination.

ARTICLE IV.—A book of minutes shall be kept of the meetings of the Board,
recording
The names of each member present,
The resolutions adopted,
And other general business of the Board.

ARTICLE V.—The President, on entering upon his duties, must subscribe to the following oath:—"I, the undersigned, do solemnly swear (or affirm) that I will truly and faithfully administer and discharge all the duties, trusts, and obligations devolving upon me as President elect of the City National Bank of New York, and deliver the same to the custody of my successor."

ARTICLE VI.—The Cashier and Clerks employed by the Board must give such bonds and sureties, for the faithful performance of their several duties, as shall be satisfactory to the Board; these bonds to remain in the custody of the President.

ARTICLE VII.—All business transactions of the Board, the votes and opinions of members, the business of the customers of the Bank, with the state of their accounts, shall be held in the strictest confidence, and never disclosed out of the Bank, unless required in a court of justice.

ARTICLE VIII.—The Cashier shall be required to lay before the Board, at their meetings, all such statements of the affairs of the Bank as they require, in reference to
Its Liabilities and Assets.

DUFF'S BOOK-KEEPING—PART IV.

The Liabilities as principals and endorsers of customers.

Discounted Notes on hand.

Discounted Notes under protest.

Overdrafts of Depositors.

Notes of the Bank in circulation.

Deposits on hand.

Specie on hand.

To register all notes put in circulation.

To check the Tellers' Books and balances.

To report promptly all delinquencies connected with the Bank.

ARTICLE IX.—The Cashier shall pay all the expenses of the Bank, and report the same to the Board monthly.

ARTICLE X.—In granting loans to individuals on collateral security, the vote of the members present shall decide the acceptance or rejection of the application. If there be a tie, the President may give the casting vote. When he deems the security unexceptionable, the President may discount business-paper between the meetings of the Board, to an amount not exceeding \$10,000; and he may purchase Foreign Bills of Exchange of undoubted security, to an amount not exceeding \$50,000; but he must report all such transactions to the Directors at their next meeting. No note or draft will be accepted for discount for less than \$100, and none for collection for less than \$50.

ARTICLE XI.—The Board may at any time reconsider any question or resolution before it, unless the motion to reconsider be negatived by the President.

ARTICLE XII.—When any Director shall cease to own, in his own right, Ten Shares of the Capital Stock of the Bank, he shall vacate his seat at the Board, and a majority of the remaining Directors shall elect his successor.

ARTICLE XIII.—No Teller, Clerk, or Book-keeper shall be allowed to keep an account of deposit with the Bank.

ARTICLE XIV.—The following salaries shall be paid the officers and employees of the Bank for the year 1867, payable quarterly, viz. :—

To the President.....	\$2000	per annum.
To the Cashier.....	1800	“
To the General Book-keeper.....	1500	“
To the Receiving Teller.....	1000	“
To the Paying Teller.....	1000	“
To the Messenger.....	600	“
	<u>\$7,900</u>	

ARTICLE XV.—The foregoing By-Laws may be amended by a vote of two-thirds of the entire Board, upon one week's previous notice of the motion.

Adopted, by resolution of the Board of Directors, December 31, 1866.

ARTICLES OF ASSOCIATION.
CITY NATIONAL BANK.

1866.

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ARTICLES OF ASSOCIATION OF THE
CITY NATIONAL BANK OF NEW YORK.

Know all men by these presents, that we who have hereunto subscribed our names and set our seals do hereby associate ourselves for the purpose of conducting the business of Banking, under the Act of Congress of the United States to provide for a National Currency, secured by pledge of United States Stocks, approved June 3d, 1864. And we hereby bind ourselves, our heirs, administrators, and assigns, to comply with all the regulations and obligations of the following articles, hereby solemnly ratifying and confirming the same as our Articles of Association.

ARTICLE I.—Our Association shall be called the CITY NATIONAL BANK, and shall be situated in the City of New York, with a Capital Stock of Six Hundred Thousand Dollars, divided into Six Thousand Shares of One Hundred Dollars each, agreeably to Section 12 of said Act of Congress.

ARTICLE II.—The first instalment of THIRTY DOLLARS on each share of the above-named Capital Stock shall be due and payable within five days after signing these articles, and the second instalment of TWENTY DOLLARS shall be due and payable within twenty days after subscribing to these articles. The dates of payment for the balance of the Capital Stock to be named by the Board of Directors, to be chosen as hereinafter prescribed, for the direction and management of our Bank. All instalments shall be payable in lawful money of the United States, or such funds as are readily convertible into the same.

ARTICLE III.—The powers and privileges conferred upon our Association by the aforesaid Act of Congress, authorize us to delegate the management of our business to Nine Directors, of whom a majority shall constitute a quorum, who are further authorized to appoint a President, Cashier, and Clerks, and to determine their salaries and their duties; and also to enact and adopt such By-Laws, not at variance with the aforesaid Act of Congress, or with any of these Articles, as they shall deem necessary for the regulation of the business of the Bank.

ARTICLE IV.—The Board of Directors shall be composed exclusively of citizens of the United States; and, agreeably to Section 9 of the aforesaid Act, no person shall be eligible to a seat in the Board who does not hold in his own name at least Ten Shares of the Capital Stock; and we hereby nominate and appoint the following parties as a Provisional Board of Directors, leaving the remaining three seats to be filled by the election of the Stockholders:—

JOHN WARD,

JAMES HARPER,

WM. MAJOR,

WM. B. ARCHER,

WM. HAY,

J. C. BAKER.

And we further appoint the said JOHN WARD President pro tem., and CHAS. P. DUFF Cashier pro tem.

NATIONAL BANK ACCOUNTS.

ARTICLE V.—An election to complete the Board of Directors shall be called by our said President pro tem. within ten days after the subscription to our Capital Stock is completed; and there shall be an annual election of Directors for our Association held in the City of New York on the first Monday in January; ten days' previous notice of said election to be published, in two of the city daily papers. Each Stockholder shall be entitled to one vote on each share of stock held by him.

ARTICLE VI.—At their first meeting, or as soon after as practicable, the Directors shall elect by ballot one of their number as President of this Association, who shall be, and who is hereby, acknowledged as the official head of this Association; who, when present, shall preside at all meetings of the Board, and who is hereby authorized and empowered, with the consent of the said Board, to purchase and convey all such Real Estate as it may be lawful for this Company to hold; to buy, sell, and transfer stocks, bonds, and mortgages, or other property or evidences of debt, held as security or belonging to this Company, and to receive all rents, dividends, and incomes arising from the same; to invest the funds of the Company in United States Bonds, and to deposit the same with the Comptroller of the United States Currency, in the City of Washington, as security for the notes put in circulation by this Bank, and to sign all its notes so put in circulation; to sue and be sued for values claimed by or of this Company; to grant and sign Powers of Attorney for special purposes; and to perform all other acts consistent with these Articles of Association, and the aforesaid Act of Congress, that may be beneficial to this Association. And in case of the unavoidable absence of the President, the Board of Directors are hereby empowered to elect a President pro tem., who is authorized to perform all the aforesaid duties until the President can resume his office, or until a new President is elected.

ARTICLE VII.—The Directors shall appoint the Cashier, who shall keep the minutes of the meetings of the Board, countersign and register all notes issued, examine the books of the Tellers' accounts, and conduct the business of the Bank agreeably to the instructions of the Board, furnishing them at all times with such information as they may require.

ARTICLE VIII.—The Board of Directors shall require the Cashier, Tellers, and all other employees, before entering on their duties, to give bonds, with sureties satisfactory to the President, for the faithful discharge of all trusts and duties required of them.

ARTICLE IX.—The Board of Directors are authorized to appoint, from time to time, committees composed of their own body, and to empower them to transact special matters of business, and to revoke such appointments at pleasure. They are also authorized to appoint three of the Stockholders to serve as Inspectors and Judges to conduct the annual elections of Directors. But no Director can be eligible to the office of judge of elections. And we

DUFF'S BOOK-KEEPING—PART IV.

hereby nominate and appoint R. C. ROOT, RICHARD IRVIN, and THOS. B. SMITH inspectors of our first election of Directors.

ARTICLE X.—The Cashier pro tem. shall grant receipts to the subscribers of the Capital Stock for each instalment as paid in, such receipts to be countersigned by the President pro tem. No Certificate of Stock shall be granted to any subscriber until the whole amount of the subscription is paid in.

ARTICLE XI.—All Certificates of Stock shall be signed by the Cashier and the President, and all transfers of stock shall invest the new holders with all the rights and privileges, interests and obligations, conferred by these Articles; and each subscriber to these Articles, in consideration of the number of shares set aside for him or her, hereby holds himself or herself bound by these Articles for the full amount of such shares of Capital Stock as are written opposite his or her name, hereby binding themselves to make punctual payment of all instalments due on the same by these Articles, or by subsequent orders of the Board of Directors, and to pay six per cent. interest upon any instalments that may remain overdue; and when any instalment is withheld for sixty days, the Directors are hereby empowered and authorized to transfer, forfeit, and sell for the benefit of this Association such share or shares, with all payments made on the same, agreeably to Section 15 of the aforesaid Act of Congress, and to erase the name or names representing the same from the books of the Company.

ARTICLE XII.—The Directors are authorized to pay all expenses of this Association out of the funds of the same. And for the general information of the Stockholders, they shall make out and submit to their inspection semi-annual statements of the Assets, Liabilities, Expenditures, and Profits, verified by the Cashier and President; and the Directors shall declare and pay the Stockholders such dividends as they may deem proper out of the net profits of the Company.

ARTICLE XIII.—This Association shall commence business in the month of January in the year of our Lord One Thousand Eight Hundred and Sixty-Seven, and shall have succession by the name designated in these Articles for twenty years, agreeably to Section 8 of the aforesaid Act of Congress, unless sooner dissolved by the act of the Shareholders.

ARTICLE XIV.—The Directors of this Association may at any time propose amendments to these Articles, upon giving thirty days' notice, with a copy of the proposed amendments, to each Stockholder; and upon the representatives of two-thirds of the Capital Stock signing their written consent to the same, then the said amendments shall become as binding on the Company as the Articles above written and now adopted.

NATIONAL BANK ACCOUNTS.

We, the undersigned, subscribe to the foregoing Articles of Association of the CITY NATIONAL BANK OF NEW YORK, and for the Capital Stock of the same set opposite our names and seals at the date of subscription.

DATE.	NUMBER OF SHARES.	SHARES.	SIGNATURE AND SEAL.	RESIDENCE.	
1866. Dec.	1	I subscribe for Five Hundred Shares,	500	John Ward, . . . Seal,	New York.
		I subscribe for Five Hundred Shares,	500	Jas. Harper, . . . Seal,	New York.
		I subscribe for One Hundred Shares,	100	James W. Cox, . . . Seal,	New York.
		I subscribe for One Hundred Shares,	100	J. C. Baker, . . . Seal,	Jersey City.
		I subscribe for One Hundred Shares,	100	Wm. H. Duff, . . . Seal,	Pittsburgh, Pa.
		I subscribe for Two Hundred Shares,	200	Wm. Hay, . . . Seal,	Brooklyn.
		We subscribe for Three Hundred Shares	300	Barclay, Hope & Co., Seal,	New York.
	5	I subscribe for Fifty Shares, . . .	50	Harriet Lenox, . . Seal,	New York.
		I subscribe for One Hundred Shares,	100	Robert Lenox, . . . Seal,	New York.
		I subscribe for Two Thousand Shares,	2000	W. B. Archer, . . . Seal,	New York.
		I subscribe for One Hundred Shares,	100	R. C. Root, Seal,	New York.
	10	I subscribe for One Hundred Shares,	100	P. Duff, Seal,	Pittsburgh, Pa.
		I subscribe for Twenty Shares, . .	20	Wm. Draper, . . . Seal,	Buffalo, N. Y.
		I subscribe for Thirty Shares, . . .	30	James R. Compton, Seal,	Lockport, N. Y.
		I subscribe for One Hundred Shares,	100	Samuel Warren, . . Seal,	Brooklyn.
		I subscribe for Six Hundred Shares,	600	Robert Banks, . . . Seal,	Jersey City.
		We subscribe for One Hundred Shares,	100	Richard Irvin & Co., Seal,	New York.
		I subscribe for Five Hundred Shares,	500	Thos. Mitchell, . . . Seal,	New York.
		I subscribe for One Hundred Shares,	100	Thos. B. Smith, . . . Seal,	New York.
		I subscribe for One Hundred Shares,	100	James Harper, . . . Seal,	New York.
	I subscribe for Three Hundred Shares,	300	Wm. Major, Seal,	Brooklyn.	
		6000			

In witness to the foregoing subscriptions and signatures, we, the undersigned, hereunto set our hands and seals, in the City of New York, this tenth day of December, A.D. 1866.

JOHN WARD, President pro tem. Seal.

CHAS. P. DUFF, Cashier pro tem. Seal.

INSTALMENT LIST.

INSTALMENT No. 1.

Subscribers to the Capital Stock of the CITY NATIONAL BANK. Thirty Dollars per share due December 1st to 15th, 1866. Agreeably to Articles of Association, Article II.

WHEN DUE.	WHEN REC'D.	SUBSCRIBERS' NAMES.	SHARES.	INSTALMENT.	INT.	AMOUNT REC'D.
1866. Dec. 6	1866. Dec. 1	Barclay, Hope & Co., . . .	300	9000		9000
6	5	John Ward,	500	15000		15000
6	5	James Harper,	500	15000		15000
6	5	Jas. W. Cox,	100	3000		3000
6	5	J. C. Baker,	100	3000		3000
6	6	Wm. H. Duff,	100	3000		3000
6	9	Wm. Hay,	200	6000	3	6003
10	10	Harriet Lenox,	50	1500		1500
10	10	Robert Lenox,	100	3000		3000
10	10	Wm. B. Archer,	2000	60000		60000
10	10	R. C. Root,	100	3000		3000
15	15	P. Duff,	100	3000		3000
15	15	Wm. Draper,	20	600		600
15	15	Jas. R. Compton,	30	900		900
15	15	Samuel Warren,	100	3000		3000
15	15	Robert Banks,	600	18000		18000
15	15	Richard Irvin & Co.,	100	3000		3000
15	15	Thos. Mitchell,	500	15000		15000
15	18	Thos. B. Smith,	100	3000	1 50	3001 50
15	18	James Harper,	100	3000	1 50	3001 50
15	18	Wm. Major,	300	9000	4 50	9004 50
		Interest,	6000	180000	10 50	
				10 50		
				180010	50	180010 50
		Dec. 1 Ent'd Cash Book 1		9000		
		5 " " " 1		36000		
		6 " " " 1		3000		
		9 " " " 1		6000		
		10 " " " 1		67500		
		15 " " " 1		43500		
		18 " " " 1		15000		
		" " " 1		10 50		
				180010	50	

INSTALMENT LIST.

INSTALMENT No. 2.

Subscribers to the Capital Stock of the CITY NATIONAL BANK. Twenty Dollars per share due December 21st to 31st, 1866. Agreeably to Articles of Association, Article II.

WHEN DUE.	WHEN REC'D.	SUBSCRIBERS' NAMES.	SHARES.	INSTALMENT.	INT.	AMOUNT REC'D.
1866. Dec.	1866. Dec.	19 John Ward,	500	10000		10000
		19 James Harper,	500	10000		10000
		19 Jas. W. Cox,	100	2000		2000
		21 J. C. Baker,	100	2000		2000
		21 Wm. H. Duff,	100	2000		2000
		21 Wm. Hay,	200	4000		4000
		27 Barclay, Hope & Co.,	300	6000	6	6006
		25 Harriet Lenox,	50	1000		1000
		25 Robert Lenox,	100	2000		2000
		25 Wm. B. Archer,	2000	40000	20	40020
		25 R. C. Root,	100	2000		2000
		28 P. Duff,	100	2000		2000
		28 Wm. Draper,	20	400		400
		28 Jas. R. Compton,	30	600		600
		30 Samuel Warren,	100	2000		2000
		30 Robert Banks,	600	12000	2	12002
		30 Richard Irvin & Co.,	100	2000		2000
		30 Thomas Mitchell,	500	10000		10000
		30 Thos. B. Smith,	100	2000		2000
		30 James Harper,	100	2000		2000
		30 Wm. Major,	300	6000		6000
		Interest,	6000	120000	28	
				28		
				120028		120028
		Dec. 19 Ent'd Cash Book 1.		22000		
		21 " " " " 1		8000		
		25 " " " " 1		5000		
		27 " " " " 1		6000		
		28 " " " " 1		43000		
		30 " " " " 1		24000		
		31 " " " " 1		12000		
		" " " " 1		28		
				120028		

INSTALMENT LIST.

INSTALMENT No. 3.

Subscribers to the Capital Stock of the CITY NATIONAL BANK. Fifty Dollars per share due January 10th, 1867. Agreeably to resolution of the Board of Directors, passed December 31st, 1866.

WHEN DUE.	WHEN REC'D.	SUBSCRIBERS' NAMES.	SHARES.	INSTALMENT.	INT.	AMOUNT REC'D.
1867. Jan. 10	1867. Jan. 9	John Ward,	500	25000		25000
10	9	James Harper,	600	30000		30000
10	9	Jas. W. Cox,	100	5000		5000
10	9	J. C. Baker,	100	5000		5000
10	9	W. H. Duff,	100	5000		5000
10	9	Wm. Hay,	200	10000		10000
10	9	Barclay, Hope & Co.,	300	15000		15000
10	9	Harriet Lenox,	50	2500		2500
10	9	Robert Lenox,	100	5000		5000
10	10	Wm. B. Archer,	2000	100000		100000
10	10	R. C. Root,	100	5000		5000
10	10	P. Duff,	100	5000		5000
10	10	Wm. Draper,	20	1000		1000
10	10	Jas. R. Compton,	30	1500		1500
10	10	Samuel Warren,	100	5000		5000
10	10	Robert Banks,	600	30000		30000
10	10	Richard Irvin & Co.,	100	5000		5000
10	10	Thomas Mitchell,	500	25000		25000
10	10	Thomas B. Smith,	100	5000		5000
10	10	Wm. Major,	300	15000		15000
			6000	300000		300000
		Jan. 9 Ent'd Cash Book 1		102500		
		10 " " " 1		197500		
				300000		

Instalment Scrip, No. 1.

Dated Dec. 5, 1866.

City National Bank.

500 Shares of \$100 each.

First Instalment, 50 per cent.

\$15000.

Received Receipt for same,

James Harker.

No. 1. Instalment Scrip No. 2.

\$15,000.

Stamp.

500 Shares of \$100 each.

CAPITAL STOCK OF THE CITY NATIONAL BANK.

Received of James Harker, Fifteen Thousand Dollars, being Thirty Dollars per share and the first instalment on Five Hundred Shares of the

The said shares received and set apart for him as assigns, on condition that he at they fulfil the terms of out-

scription.

In Witness Whereof, We have subscribed our names, in the City of New York, this

5th day of December, One Thousand Eight Hundred and Sixty-Six.

Chas. P. Duff, Cashier.

John Ward, President.

1. The book of Instalment Scrip exhibits the numbers and particulars of the instalment receipts.
 2. When the stock is all paid in, these receipts are exchanged for Certificates of Stock of the form following.
 3. When the Stock is transferred, the old Certificate is given up, and a new one issued.

City National Bank

Stock Certificate No. 5.

500 Shares.

Issued to

Wm. H. Duff.

Dated Jan. 9, 1867.

Received this Certificate, Wm. H. Duff.

No. 5. Stock Certificate No. 5.

CAPITAL STOCK.

\$600,000.

Stamp.

CITY NATIONAL BANK OF NEW YORK.

We hereby certify that William H. Duff is entitled to One Hundred Shares, of One Hundred Dollars each, in the Capital Stock of the City National Bank, transferable only on the Books of the said Bank, by him or his lawful representative, on orders of this Certificate.

In Witness Whereof, We have hereunto affixed our signatures, in the City of New York, this 9th day of January, in the year of our Lord One Thousand Eight Hundred and Sixty-Seven.

Chas. P. Duff, Cashier.

John Ward, President.

NUMBER OF SHARES,

6,000,

OF \$100 Each.

THE TRANSFER BOOK.

The Stockholder fills up and signs the order for transferring the whole or part of his Stock. Post-mark in the left column.

LP	March 16th, 1867.	
	FROM	
2	James R. Compton	
	TO	
3	George H. Duncan. \$1000	
	10 Shares of \$100 each.	
	No. of Certificates,	
	CANCELLED, ISSUED,	

New York, March 16th, 1867.

For value received, I hereby assign and transfer to
 George H. Duncan all my right, title, and interest in Ten Shares of the
 Capital Stock of the City National Bank,
 standing in my name on the Books of the said Bank.

WITNESS:
 Chas. P. Duff.

James H. Compton.

LP	April 15th, 1867.	
	FROM	
2	William Draper	
	TO	
3	George H. Duncan. \$2000	
	20 Shares of \$100 each.	
	No. of Certificates,	
	CANCELLED, ISSUED,	

New York, April 15th, 1867.

For value received, I hereby assign and transfer to
 George H. Duncan all my right, title, and interest in Twenty Shares of the
 Capital Stock of the City National Bank,
 standing in my name on the Books of the said Bank.

WITNESS:
 Chas. P. Duff.

William Draper.

NOTE.—When Stock is transferred by an attorney, his authority to do so must be lodged with the Bank. (See form p. 262.)

CITY NATIONAL BANK,
GENERAL CASH-BOOK,

1867.

1. All receipts and payments preceding the commencement of general business are first recorded in this book. Afterwards it is made up from the Receiving and Paying Tellers' Cash Books. In a large business it ought to be journalized and balanced daily, and its balance must agree with the balance of money in the vault, and in the Tellers' hands, consisting of

Notes of other Banks,
Checks on other Banks,
Treasury Notes,
Specie, and
Our own Notes in hand, used as money.

2. In our Private Banker's accounts, we shall exhibit this book posted direct to the General Ledger, which may be done in any banking business. But we think the Journal will make this set more easily understood by the student. When it is to be posted direct to the Ledger, the form of our Private Banker's book is preferable. See p. 352.

CASH

1866.	1	Capital Stock	Received on First Instalment	9000	
Dec.	5	" "	" " "	36000	
	6	" "	" " "	3000	
	9	" "	" " "	6000	
	10	" "	" " "	67500	
	15	" "	" " "	43500	
	18	" "	" " "	15000	
	19	Discount and Interest	on past due Instalments	10	50
	21	Capital Stock	Second Instalment	22000	
	25	" "	" " "	8000	
	27	" "	" " "	5000	
	28	" "	" " "	6000	
	30	" "	" " "	43000	
	31	" "	" " "	24000	
		Discount and Interest	on past due Instalments	12000	
1867.	9	Capital Stock	Third Instalment	28	
Jan.	10	" "	" " "	102500	
				197500	
				600038	50
Jan.	10	Depositors	Balance bro't down	399238	50
		Iron City National Bank	Per Receiving Teller's C. B.	12300	
		1st National Bank, Chicago	" " "	1000	
		1st Nat. Bank New Orleans	" " "	1500	
		Circulation	" " "	500	
				160000	
				574538	50
Feb.	15	Circulation	Balance bro't down	218471	84
		Bills discounted	Per Receiving Teller's C. B.	232000	
		Depositors	" " "	7900	
		Exchange	" " "	21164	
				136	
				479671	84
Mar.	16	Circulation	Balance bro't down	353071	84
		Bills Discounted	Per Receiving Teller's C. B.	88000	
		Depositors	" " "	18600	
		1st Nat. Bank, New Orleans	" " "	6800	
		1st Nat. Bank, Chicago	" " "	1200	
		Iron City Nat. Bank	" " "	1600	
				1200	
				470471	84

ACCOUNT.

Ca. 1

1866. Dec.	5	Expense	P'd Root, Anthony & Co., for Stationery	150	
		"	P'd Times & Tribune, Advertising	50	
1867. Jan.	2	United States Bonds	" for 200 5/20 Bonds of \$1000 each	200000	
	3	Bank Furniture	P'd Ashley & Son's bill	600	
	10		Balance to n/a	399238	50
				600038	50
Jan.	10	Depositors	Per Paying Teller's C. B.	7900	
		1st Nat. Bank, Chicago	" " "	500	
		1st " " New Orleans	" " "	1000	
		Foreign Bills of Exchange	" " "	44444	44
		Exchange	" " "	2222	22
		United States Bonds	" " "	300000	
			Balance to n/a	218471	84
				574538	50
Feb.	15	Depositors	Per Paying Teller's C. B.	18600	
		United States Bonds	" " "	100000	
		Iron City Nat. Bank	" " "	3564	
		1st Nat. Bank, Chicago	" " "	792	
		1st Nat. Bank, New Orleans	" " "	3528	
		Exchange	" " "	116	
			Balance to n/a	353071	84
				479671	84
Mar.	16	Depositors	Per Paying Teller's C. B.	10300	
		1st Nat. Bank, Chicago	" " "	1188	
		1st Nat. Bank, New Orleans	" " "	2352	
		Iron City Nat. Bank	" " "	1782	
		Foreign Bills of Exchange	" " "	22222	22
		Exchange	" " "	1189	11
			Balance carried forward	431438	51
				470471	84

CASH

1867.					
			Bal. bro't forward	431438	51
Apr.	15	Bills Discounted	Per Receiving Teller's C. B.	7200	
		Depositors	" " "	51100	
		1st Nat. Bank, New Orleans	" " "	8000	
		Iron City Nat. Bank	" " "	2000	
		1st Nat. Bank, Chicago	" " "	4000	
		Baring Bros. & Co.	" " "	26666	67
		Exchange	" " "	2666	67
			Certified Check unpaid	800	
				<u>533871</u>	<u>85</u>
			Balance bro't down	500606	85
May	14	Depositors	Per Receiving Teller's C. B.	12788	
		Discount and Interest	" " "	18000	
		Baring Bros. & Co.	" " "	40000	
		Exchange	" " "	4112	
		Iron City Nat. Bank	" " "	2	
		Bills Discounted	" " "	5700	
		1st Nat. Bank, Chicago	" " "	6900	
		1st Nat. Bank, Boston	" " "	2394	
				<u>590502</u>	<u>85</u>
			Balance bro't down	576799	10
June	12	Depositors	Per Receiving Teller's C. B.	18984	
		Baring Bros. & Co.	" " "	20003	50
		Exchange	" " "	2116	
		Profit and Loss	" " "	2000	
		Discount and Interest	" " "	204	94
				<u>620107</u>	<u>54</u>
			Balance bro't down	603847	54

ACCOUNT.

CR. 2

1867.	Date	Description	Per Paying Teller's C. B.	Amount	Balance
Apr.	15	Circulation		500	
		Foreign Bills of Exchange	" " "	20000	
		Exchange	" " "	1290	
		Depositors	" " "	8500	
		Expense	" " "	2975	
			Balance to n/a	500606	85
				533871	85
May	14	Depositors	Certified Check out*	800	
		Iron City Nat. Bank	Per Paying Teller's C. B.	4903	75
		Bank of Montreal	" " "	1980	
		1st Nat. Bank, Boston	" " "	3564	
		Exchange	" " "	2394	
			" " "	62	
			Balance to n/a	576799	10
				590502	85
June	12	Depositors	Per Paying Teller's C. B.	8300	
		Iron City Nat. Bank	" " "	2772	
		1st Nat. Bank, Chicago	" " "	2970	
		Foreign Bills of Exchange	" " "	2000	
		Exchange	" " "	218	
			Balance to n/a	603847	54
				620107	54


* Checks are certified with the understanding that they are to be immediately paid into another bank, which will present them promptly for payment. If the holder uses his check for a distant remittance, if unpaid at the time of balancing this book it must be re-entered, as in this case.

FORM OF A POWER OF ATTORNEY TO TRANSFER STOCK.

For Value Received hereby constitute and appoint irrevocably
..... true and lawful attorney for
and in name to transfer to

..... Shares in the Capital Stock of the
CITY NATIONAL BANK OF NEW YORK.

Witness hand and seal this day of 18.....

Witness present. 

LETTER OF AUTHORITY TO SIGN BUSINESS PAPER.

NEW YORK, June 30, 1867.

SIR:—I have to-day authorized my Book-keeper, Mr. F. L. Rainbow, to sign my name to Promissory Notes, Checks, and Drafts; also, in like manner, to use my signature in accepting Orders, Drafts, and Bills of Exchange; also, in endorsing Promissory Notes, Checks, Drafts, and Bills of Exchange.

Very respectfully, yours,
W. B. ARCHER.

To the Cashier City National Bank, }
New York. }

The above authority must, in every case, be strictly observed in form and extent, otherwise the validity of the act may be endangered.

JOURNAL,
CITY NATIONAL BANK,

JANUARY, 1867.

Although banks do not generally keep this book, we retain it to enable the uninitiated to understand more readily the process of arranging the contents of so many books for the General Ledger. When this book is kept, the General Ledger receives no entries from any other book.

1	Cash, Dr. To Sundries, per Gen'l. C. B. 1	300038	50	
1	To Capital Stock			300000
3	" Discount & Interest			38 50
3	Expense, Dr.,	200		
1	To Cash, per Gen'l. C. B. 1			200
Jan. 10, 1867.				
1	Cash, Dr., per Gen'l. C. B. 1	300000		
1	To Capital Stock			300000
1	Sundries, Dr. To Cash, per Gen'l. C. B. 1			200600
1	United States Bonds	200000		
2	Bank Furniture	600		
1	Cash, Dr. To Sundries, per Gen'l. C. B. 1	15300		
2	To Depositors			12300
4	" Iron City Nat. Bank			1000
4	" First Nat. Bank, Chicago			1500
4	" First Nat. Bank, New Orleans			500
1	Sundries, Dr. To Cash, per Gen'l. C. B. 1			56066 66
2	Depositors	7900		
4	First Nat. Bank, Chicago	500		
4	First Nat. Bank, New Orleans	1000		
2	Foreign Bills of Exchange	44444	44	
3	Exchange	2222	22	
2	Bills Discounted, Dr. To Sundries, D. B. 1	12100		
2	To Depositors			11958 87
3	" Discount & Interest			89 13
3	" Exchange			52
1	Cash, Dr., per Gen'l. C. B. 1	160000		
3	To Circulation			160000
1	United States Bonds, Dr.	300000		
1	To Cash, per Gen'l. C. B. 1			300000
12.				
4	Baring Brothers & Co., Dr.	44444	44	
2	To Foreign Bills of Exchange for Brown Brothers & Co., on G. Peabody £10000 St'g.			44444 44
Feb. 15.				
1	Cash, Dr. To Sundries, per Gen'l. C. B. 1	261200		
3	To Circulation			232000
2	" Bills Discounted			7900
2	" Depositors			21164
3	" Exchange			136
1	Sundries, Dr. To Cash, per Gen'l. C. B. 1			126600
2	Depositors	18600		
1	U. S. Bonds	100000		
4	Iron City Nat. Bank	3564		
4	First Nat. Bank, Chicago	792		
4	First Nat. Bank, New Orleans	3523		
3	Exchange	116		

February 15, 1867.

2

2	Bills Discounted, Dr. To Sundries, per D. B. 1	14400		
2	To Depositors		14267	60
3	" Discount & Interest		66	40
3	" Exchange		66	

March 16.

1	Cash, Dr. To Sundries, per Gen'l. C. B. 1	117400		
3	To Circulation		88000	
2	" Bills Discounted		18600	
2	" Depositors		6800	
4	" First Nat. Bank, New Orleans		1200	
4	" First Nat. Bank, Chicago		1600	
4	" Iron City Nat. Bank		1200	

1	Sundries, Dr. To Cash, per Gen'l. C. B. 1		39033	33
2	Depositors	10300		
4	First Nat. Bank, Chicago	1188		
4	First Nat. Bank, New Orleans	2352		
4	Iron City Nat. Bank	1782		
2	Foreign Bills of Exchange	22222	22	
3	Exchange	1189	11	

2	Bills Discounted, Dr. To Sundries, per D. B. 1	7200		
2	To Depositors		7164	
3	" Discount & Interest		36	

4	Baring Bros. & Co., Dr.	22222	22	
2	To Foreign Bills of Exchange, for Pollock & Gilmore, on R. Rankin & Co. £5000 St'g.		22222	22

April 15.

1	Cash, Dr. To Sundries, per Gen'l. C. B. 2	101633	34	
2	To Bills Discounted		7200	
2	" Depositors		51100	
4	" First Nat. Bank, New Orleans		8000	
4	" First Nat. Bank, Chicago		4000	
4	" Iron City Nat. Bank		2000	
4	" Baring Bros. & Co.		26666	67
3	" Exchange		2666	67

1	Sundries, Dr. To Cash, per Gen'l. C. B. 2		33265	
3	Circulation	500		
2	Foreign Bills of Exchange	20000		
3	Exchange	1290		
2	Depositors	8500		
3	Expense	2975		

2	Bills Discounted, Dr. To Sundries, D. B. 1	7300		
2	To Depositors		7253	12
3	" Discount & Interest		34	88
3	" Exchange		12	

4	Baring Brothers and Co., Dr.	20000		
2	To Foreign Bills of Exchange, for Betts & Turner, on Bold & Starkey £4500 St'g.		20000	

May 14, 1867.

1	Cash, Dr. To Sundries, per Gen'l. C. B. 2	89896		
2	To Depositors			12788
3	" Discount & Interest			18000
4	" Baring Bros. & Co.			40000
3	" Exchange			4112
4	" Iron City Bank			2
2	" Bills Discounted			5700
4	" First Nat. Bank, Chicago			6900
4	" First Nat. Bank, Boston			2394
"				
1	Sundries, Dr. To Cash, per Gen'l. C. B. 2			12903 75
2	Depositors	4903	75	
4	Iron City Nat. Bank	1980		
4	Bank of Montreal	3564		
4	First Nat. Bank, Boston	2894		
3	Exchange	62		
"				
2	Bills Discounted, Dr. To Sundries, per D. B. 2	6200		
2	To Depositors			6062 30
3	" Discount & Interest			87 70
3	" Exchange			50
June 12.				
4	Baring Brothers & Co., Dr.	2000		
2	To Foreign Bills of Exchange, for Dyer & Morgan, on Swainson & Willis £450 St'g.			2000
"				
1	Cash, Dr. To Sundries, per Gen'l. C. B. 2	43308	44	
2	To Depositors			18984
2	" Baring Brothers & Co.			20003 50
3	" Exchange			2116
5	" Profit & Loss			2000
3	" Discount & Interest			204 94
"				
1	Sundries, Dr. To Cash, per Gen'l. C. B. 2			16260
2	Depositors	8300		
4	Iron City Nat. Bank	2772		
4	First Nat. Bank, Chicago	2970		
2	Foreign Bills of Exchange	2000		
3	Exchange	218		
"				
2	Bills Discounted, Dr. To Sundries, D. B. 2	9200		
2	To Depositors			9014 77
3	" Discount & Interest			167 23
3	" Exchange			18

STOCK LEDGER,
CITY NATIONAL BANK,

1867.

1. This book records nothing but the number of Shares of the Capital Stock of the Company held by each shareholder, and the instalments that he has paid upon them. The entries are first obtained from the Instalment List. When transfers afterwards take place, they are posted to this Ledger from the Transfer Book.

2. The aggregate credits of this Ledger must always agree with the credit of the "Capital Stock" account in the General Ledger.

3. Keeping these accounts in alphabetical order enables us more easily to keep them so on the Dividend List.

1	DR.	WM. B.				ARCHER.	CR.	
			Sha.					
				1866.	10	1st Instalment	Sha. 2000	60000
				Dec.	23	2d "		40000
				1867.				
				Jan.	10	3d "		100000

		J. C.				BAKER.		
				1866.	5	1st Instalment	100	3000
				Dec.	21	2d "		2000
				1867.				
				Jan.	9	3d "		5000

		BARCLAY,				HOPE & CO.		
				1866.	1	1st Instalment	300	9000
				Dec.	27	2d "		6000
				1867.				
				Jan.	9	3d "		15000

		ROBT.				BANKS.		
				1866.	15	1st Instalment	600	18000
				Dec.	31	2d "		12000
				1867.				
				Jan.	10	3d "		30000

		J. W.				COX.		
				1866.	5	1st Instalment	100	3000
				Dec.	19	2d "		2000
				1867.				
				Jan.	9	3d "		5000

		J. R.				COMPTON.			
1867.	16	G. R. Duncan	10	1000	1866.	15	1st Instalment	30	900
Mar.					Dec.	28	2d "		600
					1867.	10	3d "		1500
					Jan.				

		WILLIAM				DRAPER.			
1866.	15	G. R. Duncan	20	2000	1866.	15	1st Instalment	20	600
Apr.					Dec.	28	2d "		400
					1867.	10	3d "		1000
				2000	Jan.				2000

		GEO. R.				DUNCAN.			
					1867.	16	J. R. Compton	10	1000
					Mar.	15	Wm. Draper	20	2000
					Apr.				

Dr**P.****DUFF.****Cr. 2**

					1866.				
					Dec.	15	1st Instalment	Sha.	3000
					1867.	28	2d "	100	2000
					Jan.	10	3d "		5000

WM. H.**DUFF.**

					1866.				
					Dec.	6	1st Instalment	100	3000
					1867.	21	2d "		2000
					Jan.	9	3d "		5000

JAMES**HARPER.**

					1866.				
					Dec.	5	1st Instalment	500	15000
						18	1st "	100	3000
						19	2d "		10000
					1867.	30	2d "		2000
					Jan.	9	3d "		30000

WM.**HAY.**

					1866.				
					Dec.	9	1st Instalment	200	6000
					1867.	21	2d "		4000
					Jan.	9	3d "		10000

RICHARD**IRVIN & CO.**

					1866.				
					Dec.	15	1st Instalment	100	3000
					1867.	30	2d "		2000
					Jan.	10	3d "		5000

HARRIET**LENOX.**

					1866.				
					Dec.	10	1st Instalment	50	1500
					1867.	25	2d "		1000
					Jan.	9	3d "		2500

ROBERT**LENOX.**

					1866.				
					Dec.	10	1st Instalment	100	3000
					1867.	25	2d "		2000
					Jan.	9	3d "		5000

3 DR.

THOS.

MITCHELL.

CR.

				1866.			Shs.	
				Dec.	15	1st Instalment	500	15000
				1867.	30	2d "		10000
				Jan.	10	3d "		25000

WM.

MAJOR.

				1866.				
				Dec.	18	1st Instalment	300	9000
				1867.	30	2d "		6000
				Jan.	10	3d "		15000

R. C.

ROOT.

				1866.				
				Dec.	10	1st Instalment	100	3000
				1867.	25	2d "		2000
				Jan.	10	3d "		5000

T. B.

SMITH.

				1866.				
				Dec.	18	1st Instalment	100	3000
				1867.	30	2d "		2000
				Jan.	10	3d "		5000

JOHN

WARD.

				1866.				
				Dec.	5	1st Instalment	500	15000
				1867.	19	2d "		10000
				Jan.	9	3d "		25000

SAMUEL

WARREN.

				1866.				
				Dec.	15	1st Instalment	100	3000
				1867.	30	2d "		2000
				Jan.	10	3d "		5000

RECEIVING TELLER'S CASH BOOK,
CITY NATIONAL BANK,
JANUARY, 1867.

Upon the left page are entered all amounts for the General Ledger; upon the right page, all amounts for the Depositors' Ledger, into which each Deposit is posted as indicated by the post-marks. We have passed the amounts of both sides into the General Cash Book. By comparing this book with the General Ledger, the titles of the accounts will be found so distinctly arranged upon it as to admit of direct posting without a Journal or General Cash Book.

RECEIPTS FOR GENERAL LEDGER. New York,

* Iron City Nat. Bank.	Rec'd Check on 1st Nat. Bk., N.Y.	1000
1st Nat. Bk., Chicago.	" Draft on 9th Nat. Bk., N.Y.	1500
1st Nat. Bk., New Orleans,	" Draft on Chemical Nat. Bk.	500
Circulation,	of U. S. Comptroller, per B. N. R. 1	80000
Circulation,	" " " "	80000
G. C. B. 1		163000

February

Bills Discounted,	Rec'd Gregg & Hall, No. 1	2000	7900
	Mount, Joy & Co. 2	1000	
	G. W. Leeds, 3	1800	
	Hay & Wood, 4	1600	
	Bateman & Hill, 6	1500	
Circulation,	" of U. S. Comptroller, B. N. R. 1	200000	232000
	" " " "	32000	
Exchange,	" for sundry exchanges,		136
G. C. B. 1			240036

* When posted direct to the General Ledger, insert the pages in this column.

January 10, 1867. FOR DEPOSIT LEDGER.

1

1	R. Irvin & Co.	Dep'd Smith on Chemical Bk.	200	1500
		Draft on O. H. Bliss, Chicago	500	
		Bank Notes	800	
1	R. Lenox	" Bank Notes		1200
1	R. C. Root, Anthony & Co.	" Cluley on 9th Nat. Bk.	600	1600
		" Bank Notes	1000	
2	John Ward	" Bank Notes	1000	1800
		Moore on 1st Nat. Bank	400	
		Lawson on 4th Nat. Bank	400	
2	Harriet Lenox	" Bank Notes		1000
2	Harper & Bros.	" Draft on F. J. Herron, New Orleans	1000	2000
		Bank Notes	1000	
3	Barclay, Hope & Co.	" Bank Notes		800
3	Duff Brothers & Co.	" Coin	500	1000
		Robb on 3d Nat. Bk.	500	
3	J. Carver	" Bank Notes		600
4	Ryan & Dale	" " "		800
		G. C. B. 1		12300

15, 1867.

1	R. C. Root, Anthony & Co.	Dep'd Bank Notes		900
1	R. Irvin & Co.	" Brown on 1st Nat. Bk.	1100	1800
		Bank Notes	700	
1	R. Lenox	" " "		1400
3	Duff Bros. & Co.	" " "		1000
5	A. B. Hunter	" " "		400
2	Harper & Brothers	" " "		2500
4	Ryan & Dale	" Coll. on Bates & Bell, Pittsburgh	3600	3528
		Less Exchange	72	
2	Harper & Bros.	Coll. on W. S. Hunter, Chicago	800	784
		Less Exchange	16	
1	R. Irvin & Co.	Coll. on J. Kane, New Orleans	1600	1552
		Less Exchange	48	
3	Barclay, Hope & Co.	Coll. Baker & Fox, City		1600
1	R. Irvin & Co.	" Joel Post, "		2400
3	Jas. Carver	" R. S. Davis, "		1200
4	Lyon & Haven	" J. B. Marks, "		2100
		G. C. B. 1		21164

RECEIPTS FOR GENERAL LEDGER.

March

Bills Discounted			18600
	Rec'd Patterson & Wild, No. 5	1200	
	J. W. Loring 7	3000	
	W. Page 8	3600	
	Hay & Wood 9	2400	
	R. Bruce 10	1800	
	Hunter & Co. 11	3300	
	J. Morton 12	1200	
	J. Carver 13	2100	
1st Nat. Bk., New Orleans	" Draft on Ryan & Dale		1200
1st Nat. Bk., Chicago	" Draft on R. C. Root, Anthony & Co.		1600
Iron City Nat. Bk.	" Draft on Harper & Bros.		1200
Circulation			88000
	of U. S. Comptroller, B. N. R. 1	40000	
	" " "	20000	
	" " "	10000	
	" " "	10000	
	" " "	8000	
	G. C. B. 1		110600

April

Bills Discounted			7200
	Rec'd Day & Martin, No. 14	1500	
	Hart & Bowman, 15	2400	
	Duncan, Dunlap & Co., 16	900	
	Geo. Wilde, 17	2400	
1st Nat. Bk., New Orleans	" our Draft No. 1, favor W. B. Morgan		8000
Iron City Nat. Bank	" " " 2, " Kramer & Rahm		2000
Baring Bros. & Co.	" " Bill " 1, at 60 days' sight		
	favor R. Banks & Co. £8000 St'g		2666 67
1st Nat. Bk., Chicago	" J. Astley & Co.		4900
Exchange	" 10 % prem. for our Bill No. 1		2666 67
	G. C. B. 2		50533 34

2	John Ward	Dep'd S. Hill on Union Bk.	800	1500
		Bank Notes	700	
2	Harriet Lenox	" " "		1200
3	Barclay, Hope & Co.	" " "		1400
5	A. B. Hunter	" " "		1100
5	J. W. Burnham	" "	700	1600
		Jas. Wood on 1st Nat. Bk.	900	
		G. C. B. 1		6800

1	R. Lenox	Dep'd Bank Notes	1000	3000
		Hill on 9th Nat. Bk.	2000	
1	R. C. Root, Anthony & Co.	" Bank Notes	3800	5000
		Mackey on Chemical Bk.	1400	
2	John Ward	" Bank Notes		2500
2	Harriet Lenox	" " "		1800
2	Harper & Brothers	" " "		5700
3	Duff Bros. & Co.	" " "		6500
3	J. Carver	" " "		2100
4	W. B. Archer	" " "		10000
4	Lyon & Haven	" " "		4350
5	Roy, Wade & Co.	" " "		3700
5	J. W. Burnham	" " "		1950
5	R. P. Duff	Certificate of Deposit No. 1*		2100
5	H. P. Ford	" " " 2		2400
		G. C. B. 2		51100

* See Form, p. 274.

RECEIPTS FOR GENERAL LEDGER.

May

Discount & Interest	Rec'd for May Coupons $\frac{1}{2}$ bonds		18000
Baring Bros. & Co.	" " Bill No. 2 @ 60 days s'gt in favor of C. Bell, £9000 St'g protest on A. J. Turner, No. 8, ret'd.		40000
Iron City Nat. Bank			2
Bills Discounted			5700
	" J. Barker & Co., No. 18	2400	
	S. Lewis & Co., 20	1500	
	J. W. Bliss 21	1800	
1st Nat. Bk., Chicago			6900
	" Baker & Hill	3600	
	Porter & Dick	2100	
	W. G. Ray	1200	
1st Nat. Bk., Boston	" Draft on Chemical Bank		2394
Exchange			4112
	" 10 % prem. on Bill No. 2 sundry exchanges	4000	
		112	
	G. C. B. 2		77108

June

Baring Bros. & Co.,	Rec'd of Stacy & Evans for No. 3 ret'd	20000	20003	50
	" for protest on do	3	50	
Profit & Loss	" 10% damages on do		2000	
Discount & Interest	" Interest on do		204	94
Exchange	" 10% premium on do	2000	2116	
	sundry exchanges	116		
	G. C. B. 2		24324	44

14, 1867.

FOR DEPOSIT LEDGER.

3

1	R. C. Root, Anthony & Co.	Dep'd Bank Notes		1400		3000
		Coin		1600		
3	Duff Brothers & Co.	Dep'd Bank Notes		1100		2000
		Coin		900		
2	Harriet Lenox	" "				1100
5	G. R. Duncan	Certificate of Deposit No. 3				1200
1	R. Irvin & Co.					784
		Coll. R. Glass & Co., Pittsburgh		800		
		Less Exchange		16		
2	Harper & Bros.					1176
		Coll. W. Payson, Pittsburgh		1200		
		Less Exchange		24		
1	R. Lenox	Coll. G. Wilde & Co., Montreal	2400			3528
		" J. Carter, "	1200	3600		
		Less Exchange		72		
		G. C. B. 2				12788

12, 1867.

4	Lyon & Haven	Dep'd Coin		700		1300
		Bank Notes		600		
5	A. B. Hunter	" Brown on 4th Nat. Bk.		900		1200
		Coin		300		
3	Duff Bros. & Co.	" Coin		1200		2100
		Jones on Winslow, Lanier & Co.		900		
2	Harriet Lenox	" Bank Notes				1800
1	R. C. Root, Anthony & Co.	" Coll. J. L. Dixon		1600		2700
		" Day & Martin		1100		
1	R. Lenox	" Coll. W. Burton		2400		4200
		Jas. Carver		1800		
4	W. B. Archer	" Coll. C. H. Ball, Pittsburgh,	800			2744
		" " J. Horne, "	2000	2800		
		Less Exchange		56		
4	Lyon & Haven	" Coll. W. Baker, Chicago		3000		2940
		Less Exchange		60		
		G. C. B. 2				18984

REGISTER OF SIGNATURES.

DATE.	NAME.	PLACE OF BUSINESS.	WITNESSES.
1867.			
	A.		
Jan. 10	W. B. Archer	City	J. J. Jones.*
	B.		
Jan. 10	Barclay, Hope & Co., by A. C. Barclay . . .	City	
Mar. 16	J. W. Burnham	"	
	C.		
Jan. 10	James Carver	City	
	D.		
Jan. 10	Duff Brothers & Co., by Wm. H. Duff . . .	City	
	Duff Brothers & Co., " T. C. Duff	"	
	Duff Brothers & Co., " R. P. Duff	"	
	H.		
Jan. 10	Harper & Brothers, by John Harper . . .	City	
	Harper & Brothers, " James Harper	"	
	I.		
Jan. 10	Richard Irvin & Co., by R. Irvin	City	
	L.		
Jan 10	Lyon & Haven, by Wm. M. Lyon	City	
	Lyon & Haven, " J. W. Haven	"	
	Robert Lenox	"	
	Harriet Lenox	"	
	R.		
Jan. 10	R. C. Root, Anthony & Co., by R. C. Root . . .	City	
	R. C. Root, Anthony & Co., " J. Anthony, Jr.	"	
	R. C. Root, Anthony & Co., " A. S. Allison . . .	"	
	Ryan & Dale, " W. L. Ryan	"	
Feb. 15	Roy, Wade & Co., " J. C. Roy	"	
	W.		
Jan. 10	John Ward	City	

* In this book the Bank ought to have registered, in alphabetical order, the signatures of all persons keeping accounts with it; and these signatures should be witnessed by the Paying Teller, or some other officer of the Bank.

PAYING TELLER'S CASH BOOK,
CITY NATIONAL BANK,

JANUARY, 1867.

1. This book is of the same form as the Receiving Teller's Cash Book, the left page recording all transactions for the accounts of the General Ledger, and the right page for the Depositors' Checks paid and certified, and for Certificates of Deposit. Although we have passed the contents of this book into the General Cash Book, the Accountant will soon perceive that the arrangement of the Ledger titles enables him to post them direct from here as easily as from a Journal. When this mode of posting is adopted, no General Cash Book is required,—the balance of that account being obtained from the Cash account in the General Ledger.

1

PAYMENTS FOR GENERAL LEDGER.

New York,

1st Nat. B'k, Chicago	P'd Draft on O. H. Bliss		500
1st Nat. B'k, New Orleans	" " " F. J. Herron		1000
Foreign Bills of Exchange	" for Brown, Brothers & Co., on G. Peabody for £10,000 St'g		44444 44
Exchange	" 5% Premium for do.		2222 22
U. S. Bonds	" for 300 5/20 Bonds of \$1000 each		300000
	G. C. B. 1		<u>348166 66</u>

February

Iron City Nat. Bank			3564
	P'd Coll. Bates & Bell	3600	
	Less Exchange	36	
1st Nat. B'k, Chicago	" Coll. W. S. Hunter	800	792
	Less Exchange	8	
1st Nat. B'k, New Orleans			3528
	" Coll. Gregg & Hall	2000	
	" " J. Kane	1600	
	Less Exchange	72	
U. S. Bonds	" for 100 5/20 Bonds of \$1000 each		100000
Exchange	" Sundry Exchanges		116
	G. C. B. 1		<u>108000</u>

March

1st Nat. B'k, Chicago			1188
	P'd Coll. Patterson & Wild	1200	
	Less Exchange	12	
1st Nat. B'k, New Orleans	" Coll. Hay & Wood	2400	2352
	Less Exchange	48	
Iron City Nat. B'k			1782
	" Coll. R. Bruce	1800	
	Less Exchange	18	
Foreign Bills of Exchange	" for Pollock & Gilmore on R. Rankin & Co., for £5000 St'g		22222 22
Exchange	" 5% Premium on ditto	1111 11	1189 11
	" Sundry Exchanges	78	
	G. C. B. 1		<u>28733 33</u>

January 10, 1867.

FOR DEPOSIT LEDGER.

1

2	Harper & Bros.	Paid Check		1800
3	Barclay, Hope & Co.	" "		1500
4	W. B. Archer	" "		1000
4	Lyon & Haven	" "		1200
1	Rich'd Irvin & Co.	" "		2400
G. C. B. 1				7900

15th, 1867.

2	Harper & Bros.	Paid Check		2000
1	R. Irvin & Co.	" "		2100
1	R. C. Root, Anthony & Co.	" "		600
1	R. Lenox	" "	1500, 1000	2500
3	Duff Bros. & Co.	" "		1100
2	Harriet Lenox	" "		600
2	John Ward	" "	600, 500	1100
4	Lyon & Haven	" "	1500, 1000	2500
3	Jas. Carver	" "	300, 400, 600	1300
4	Ryan & Dale	" "	600, 200	800
4	W. B. Archer	" "	1400, 1600	3000
5	Roy, Wade & Co.	" "		1000
G. C. B. 1				18600

16th, 1867.

5	J. W. Burnham	Paid Checks	500, 700	1200
5	A. B. Hunter	" "	200, 100	300
5	Roy, Wade & Co.	" "	400, 600	1000
4	Ryan & Dale	" "	2000, 500	2500
3	J. Carver	" "	1600, 400	2000
3	Barclay, Hope & Co.	" "		1100
3	Duff Bros. & Co.	" "	1200, 1000	2200
G. C. B. 1				10300

The left money column is used for short-extending checks where one depositor draws a number on one day.

PAYMENTS FOR GENERAL LEDGER.

April

Circulation	P'd mutilated ret'd per B. N. R. 1		500
Foreign Bills of Exchange	" for Betts & Turner on Bold & Starkey for £4500 St'g		20000
Exchange	" 6% Premium for ditto	1200	1290
	" 1% disc't on our Dr'ft No. 1	80	
	" 1/2% " " " " " 2	10	
Expense	" Rent to April 1st	1000	2975
	" Salaries to April 1st	1975	
	G. C. B. 2		24765

May

Iron City Nat. B'k	P'd Coll. R. Glass & Co.	800		1980
	" " W. Payson	1200	2000	
	Less Exchange		20	
Bank of Montreal	" Coll. G. Wilde & Co.	2400		3564
	" " J. Carter	1200	3600	
	Less Exchange		36	
1st Nat. B'k, Boston	" Coll. J. Barker & Co.		2400	2394
	Less Exchange		6	
Exchange	" Sundry Exchanges			62
	G. C. B. 2			8000

June

Iron City Nat. Bank	P'd Coll. C. H. Ball	800		2772
	" " J. Horne & Co.	2000	2800	
	Less Exchange		28	
1st Nat. B'k, Chicago	" Coll. W. Baker		3000	2970
	Less Exchange		30	
Foreign Bills of Exchange	" for Dyer & Morgan on Swainson & Willis, £450 St'g			2000
Exchange	" 8% Premium on ditto		160	218
	" Sundry Exchanges		58	
	G. C. B. 2			7960

15th, 1867.

FOR DEPOSIT LEDGER.

2

1	R. Irvin & Co.	Paid Check		2000
1	R. Lenox	" "		1100
1	R. C. Root, Anthony & Co.	Certified Check		1000
2	Harriet Lenox	Paid	"	600
3	Duff Brothers & Co.	Certified*	"	800
5	A. B. Hunter	"	"	1000
2	John Ward	Paid	"	2000
		Paid		5700
		Certified		2800
		G. C. B. 2		8500

14th, 1867.

2	Harper & Bros.	Paid Checks	400, 500	900
2	Harriet Lenox	" "		700
2	John Ward	" "	300, 400, 700	1400
3	J. Carver	" "	200, 300	500
4	Ryan & Dale	" "	600, 800	1400
1	R. Lenox	" Protest on No. 8, ret'd		2
4	Lyon & Haven	" " " " 19		175
		G. C. B. 2		4903 75

12th, 1867.




2	Harriet Lenox	Paid Check		1300
2	Jno. Ward	" "	600, 500	1100
3	Duff Bros. & Co.	" "	200, 300	500
1	R. C. Root, Anthony & Co.	" "	400, 500	900
4	W. B. Archer	" "	300, 900	1200
5	R. P. Duff	Certificate of Deposit No. 1		2100
5	G. R. Duncan	" " " " 3		1200
		G. C. B. 2		8300

* See Form, Page 274.

TELLER'S STATEMENT, January 10th, 1867.




	A.M.		P.M.	
"City National Bank" Notes			10000	
Legal Tender	150000		150000	
National Bank	160000		44500	
Gold	87000		10000	
Silver	2238	50	1871	84
Checks and Drafts			2100	
Memoranda				
Receipts	399238	50	218471	84
Payments	175300		356066	66
	574538	50	574538	50

A CERTIFICATE OF DEPOSIT.

	No. 7.	City National Bank of New York,	<i>April 15, 1867.</i>
	<i>Robert P. Duff</i> has deposited in this Bank		
	STAMP.	<i>Two Thousand One Hundred</i>	Dollars payable to his
		<i>order on return of this certificate properly endorsed.</i>	
			

This certificate is negotiable either by blank or special endorsement. (See Entry, p. 265.)

A CERTIFIED CHECK.

	No. 2.	CITY NATIONAL BANK OF NEW YORK,	<i>New York, April 15, 1867.</i>
	Pay to	TELLER. <i>Ourselves</i>	<i>as Bearer,</i>
	STAMP.	<i>Eight Hundred</i>	 ⁰⁰ / ₁₀₀ Dollars.
			<i>Duff Brothers & Co.</i>

THE
OFFERING BOOK,
CITY NATIONAL BANK,
JANUARY, 1867.

1. This is a memorandum of the business paper offered to the Board of Directors for discount. The owner endorses his signature on each piece of paper. If rejected, it is returned to him. If accepted, it is numbered, and entered in the Book "Notes and Bills Discounted."

OFFERED THURSDAY, JANUARY 10, 1867.

Date.	Time.	Payer.	Where Payable.	Entorser.	Discounter.	Amount.	Memoranda.
1866. Dec. 1	2 months	Gregg & Hall	New Orleans	W. S. Haven	Harper & Bros.	2000	Accepted
Nov. 12	3 "	Mount, Joy & Co.	City	J. W. Burnham	Ryan & Dale	1000	Accepted
Dec. 14	60 days	G. W. Leeds	"	W. S. Murray	Barclay, Hope & Co.	1800	Accepted
Dec. 14	60 "	Hay & Wood	"	Joel Post	James Carver	1600	Accepted
Nov. 14	4 months	J. W. Burnham	"	R. Manly	Wm. Macgregor	900	Rejected
Nov. 10	4 "	Patterson & Wild	Chicago	R. C. Root	W. B. Archer	1200	Accepted
Dec. 14	60 days	Bateman & Hill	City	Hardy, Jones & Co.	Lyon & Haven	1500	Accepted
1867. Jan. 14	3 months	J. W. Loring	"	R. Banks	R. Irvin & Co.	3000	Accepted
Jan. 9	90 days	May & Robertson	"	Cannon & Miller	Roy, Wade & Co.	800	Rejected
Jan. 9	3 months	Buck & Massey	"	Geo. Wildes & Co.	A. B. Hunter	700	Rejected

OFFERED FRIDAY, FEBRUARY 15, 1867.

1866. Dec. 13	3 months	J. Wier & Co.	City	Jas. Beck & Co.	Wm. Macgregor	3000	Rejected
Nov. 13	4 "	Wm. Page	"	W. B. Archer	W. B. Archer	3600	Accepted
Oct. 8	5 "	Hay & Wood	New Orleans	Wm. Irons	R. Irvin & Co.	2400	Accepted
Sept. 9	6 "	R. Bruce	Pittsburgh	John Doe	Roy, Wade & Co.	1800	Accepted
1867. Feb. 13	6 "	M. Hunter & Co.	City	Duff Bros. & Co.	Duff Bros. & Co.	3300	Accepted
Jan. 11	30 days	J. Morton	"	Lyon & Haven	R. Lenox	1200	Accepted
Jan. 12	60 "	J. Carver	"	J. W. Ryan	R. C. Root, Anthony & Co.	2100	Accepted
1866. Sept. 13	6 months	S. Hardy	"	R. Morris	Ryan & Dale	1800	Rejected
Nov. 20	4 "	Jno. Smith	St. Paul, Minn.	Wm. Pagan & Co.	Wm. Pagan & Co.	1100	Rejected
Sept. 30	6 "	W. Moody	Iowa City	J. Mills & Co.	Carter & Bates	1700	Rejected
Nov. 1	4 "	Birch & Woods	Mobile, Ala.	Wall & Birney	Wall & Birney	900	Rejected

OFFERED SATURDAY, MARCH 16, 1867.

Date.	Time.	Payer.	Where Payable.	Endorser.	Discounter.	Amount.	Memoranda.
1867. Jan. 12	3 months	Day & Martin	City	Smith & Beck	A. B. Hunter	1500	Accepted
Feb. 11 1868.	60 days	Hart & Bowman	"	Paul Cooper	J. W. Burnham	2400	Accepted
Dec. 12 1867.	4 months	Duncan, Dunlap & Co.	"	Wm. Porter	Duff Bros. & Co.	900	Accepted
Mar. 13 Jan. 3 1868.	30 days 90 "	Geo. Wilde Hiram Fish	" Denver City, Col.	J. Ward Walker & Best	John Ward Walker & Best	2400 1700	Accepted Rejected
Dec. 27	4 months	J. W. Moore	Austin, Texas	Turner & Reed	Turner & Reed	800	Rejected

OFFERED MONDAY, APRIL 15, 1867.

1867. Apr. 10	30 days	J. Barker & Co.	Boston	J. Carver	J. Carver	2400	Accepted
Feb. 11	3 months	J. Kane	City	R. Morris	Lyon & Haven	1600	Accepted
Jan. 11	4 "	S. Lewis & Co.	"	J. Barker	W. B. Archer	1500	Accepted
Mar. 12	60 days	J. W. Bliss	"	Porter & Hill	Ryan & Dale	1800	Accepted
Feb. 1	4 months	J. Dean	Nashville	J. K. Brookes	J. K. Brookes	1300	Rejected

It is deemed unnecessary to continue the form of this book further.

NOTES AND BILLS DISCOUNTED

No.	Drawer.	Endorser.	Payer.	Payable in
1	Harper & Bros.	W. S. Haven	Gregg & Hall	New Orleans
2	Note	J. W. Burnham	Mount, Joy & Co.	City
3	"	W. S. Murray	G. W. Leeds	"
4	"	Joel Post	Hay & Wood	"
5	W. B. Archer	R. C. Root	Patterson & Wild	Chicago
6	Note	Hardy, Jones & Co.	Bateman & Hill	City
7	"	R. Banks	J. W. Loring	"

NOTE.—1. All paper discounted by the Board is entered in this book. It is the property of the Bank, and differs from paper received for collection. Protested paper is registered in the "Protest" Book.

NOTES AND BILLS DISCOUNTED

8	Note	W. B. Archer	Wm. Page	City
9	"	Wm. Irons	Hay & Wood	New Orleans
10	"	John Doe	R. Bruce	Pittsburgh
11	"	Duff Bros. & Co.	M. Hunter & Co.	City
12	"	Lyon & Haven	J. Morton	"
13	"	J. W. Ryan	J. Carver	"

NOTES AND BILLS DISCOUNTED

14	Note	Smith & Beck	Day & Martin	City
15	"	Paul Cooper	Hart & Bowman	"
16	"	Wm. Porter	Duncan, Dunlap & Co.	"
17	"	J. Ward	Geo. Wildes	"

NOTES AND BILLS DISCOUNTED

18	Note	J. Carver	J. Barker & Co.	* Boston (sent 1st Nat. Bk)
19	"	R. Morris	J. Kane	City
20	"	J. Barker	S. Lewis & Co.	"
21	"	Porter & Hill	J. W. Bliss	"

* Where we have only an occasional collection, it is unnecessary to open an account on the "Bills Remitted for Collection" Book. The above memorandum is sufficient. See P. T. C. B., 272, and R. T. C. B., 266.

Thursday, January 10, 1867.

Discounter.	Date.	Time.	Due.	Unexp. Time.	Rate of Exch.	Amount.	Int.	Exch.	Int. & Exch.	Net Proceeds.	Pa. Li.	When Paid.
Harper & Bros.	1866. Dec. 1	2 mos.	1867. Feb. 4	25	2%	2000	8 33	40	48 33	1951 67	2	1867. Feb. 15
Ryan & Dale	Nov. 12	3 "	15	36		1000	6		6	994	4	15
Barclay, Hope	Dec. 14	60 ds.	15	36		1800	10 80		10 80	1789 20	3	15
J. Carver	14	60 "	15	36		1600	9 60		9 60	1590 40	3	15
W. B. Archer	Nov. 10	4 mos.	Mar. 13	62	1%	1200	12 40	12	24 40	1175 60	4	Mar. 16
Lyon & Haven	Dec. 14	60 ds.	Feb. 15	36		1500	9		9	1491	4	Feb. 15
R. Irvin & Co.	14	3 mos.	Mar. 17	66		3000	33		33	2967	1	Mar. 16*
							89 13	52	141 13	11958 87		Deprs
										89 13		Int.
										52		Exch.
						12100				12100		Jour. 1 †

* Mar. 17 was Sunday.

† The Journal explains how to post these matters direct to General Ledger.

Friday, February 15, 1867.

W. B. Archer	1866. Nov. 13	4 mos.	1867. Mar. 16	29		3600	17 40		17 40	3582 60	4	Mar. 16
R. Irvin & Co.	8	5 "	11	24	2%	2400	9 60	48	57 60	2342 40	1	16
Roy, Wade & Co.	Oct. 9	6 "	12	25	1%	1800	7 50	18	25 50	1774 50	5	16
Duff Bros. & Co.	1867. 13	6 "	16	29		3300	15 95		15 95	3284 05	3	16
R. Lenox	Feb. 11	30 ds.	16	29		1200	5 80		5 80	1194 20	1	16
Root, Anthony & Co.	Jan. 12	60 "	16	29		2100	10 15		10 15	2089 85	1	16
							66 40	66	132 40	14267 60		Deprs.
										66 40		Int.
										66		Exch.
						14400				14400		Jour. 2

Saturday, March 16, 1867.

A. B. Hunter	1867. Jan. 12	3 mos.	1867. Apr. 15	30		1500	7 50		7 50	1492 50	5	Apr. 15
J. W. Burnham	Feb. 11	60 ds.	15	30		2400	12		12	2388	5	15
Duff Bros. & Co.	1866. Dec. 12	4 mos.	15	30		900	4 50		4 50	895 50	3	15
John Ward	1867. Mar. 13	30 ds.	15	30		2400	12		12	2388	2	15
							36		36	7164		Deprs.
										36		Int.
						7200				7200		Jour. 2

Monday, April 15, 1867.

J. Carver	1867. Apr. 10	30 ds.	1867. May 13	28	½%	2400	11 20	12	23 20	2376 80	3	May 14
Lyon & Haven	Feb. 11	3 mos.	14	29		1600	7 73		7 73	1592 27	4	Prof'd
W. B. Archer	Jan. 11	4 "	14	29		1500	7 25		7 25	1492 75	4	May 14
Ryan & Dale	Mar. 12	60 ds.	14	29		1800	8 70		8 70	1791 30	4	14
							34 88	12	46 88	7253 12		Deprs.
										34 88		Int.
										12		Exch.
						7300				7300		Jour. 2

NOTES AND BILLS DISCOUNTED

No.	Drawer.	Endorser.	Payer.	Payable in
22	A. J. Pierce	J. W. Burnham	Hay & Wood	New Orleans
23	Harper & Bros.	J. Betts & Co.	J. R. Weldin & Co.	Pittsburgh
24	Note	Lyon & Haven	Davy, Jones & Co.	City
25	A. Stewart & Co.	J. W. Myers	J. Horne	Pittsburgh

NOTES AND BILLS DISCOUNTED

26	Harper & Bros.	Harper & Bros.	W. G. Johnston & Co.	Pittsburgh
27	Note	J. Page	A. B. Weed	City
28	"	A. T. Howden	J. Gardner	"
29	J. West & Co.	Barclay, Hope & Co.	F. L. Rainbow	Pittsburgh
30	Note	R. Irvin & Co.	R. Banks	City

FOREIGN

1. This is a register of all Foreign Bills of Exchange usually bought by the President under (By-Board. But this paper, being usually bought at a premium, cannot be registered on "Bills Discounted")

Foreign Bills

When received.	No.	Drawers.	Drawees.	Endorsers.
1867.				
Jan. 10	1	Brown Brothers & Co.	George Peabody	Wm. Page
Mar. 16	2	Pollock & Gilmore	R. Rankin & Co.	Marks & Cowden
Apr. 15	3	Betts & Turner	Bold & Starkey	Stacy & Evans
June 12	4	Dyer & Morgan	Swainson & Willis	W. Martin

Tuesday, May 14, 1867.

2

Discounter.	Date.	Time.	Due.	Unexp. Time.	Rate of Exch.	Amount.	Int.	Exch.	Int. & Exch.	Net Proceeds.	L. F.	When Paid.
John Ward Barclay, Hope Lyon & Haven Roy, Wade & Co	1867. May 14	90 ds.	1867. Aug. 15	93*	2%	1200	18 60	24	42 60	1157 40	2	
	14	60 "	July 16	63	1%	800	8 40	8	16 40	783 60	3	
	1	3 mos.	Aug. 4	82		2400	32 80		32 80	2367 20	4	
	14	90 ds.	15	93	1%	1800	27 90	18	45 90	1754 10	5	
							87 70	50	137 70	6062 30		Depra.
					6200				87 70		Int.	
									50		Exch.	
									6200		Jour. 3	

* In some States the law authorizes the banks to charge interest for the day of discount and day of payment. In New York the rule is as stated p. 46.

Wednesday, June 12, 1867.

Discounter.	Date.	Time.	Due.	Unexp. Time.	Rate of Exch.	Amount.	Int.	Exch.	Int. & Exch.	Net Proceeds.	L. F.	When Paid.
Harper & Bros. J. W. Burnham A. B. Hunter Barclay, Hope R. Irvin & Co.	1867. June 12	60 ds.	1867. Aug. 14	63	1%	600	6 30	6	12 30	587 70	2	
	30	4 mos.	Oct. 3	113		1600	30 13		30 13	1569 87	5	
	1	3 "	Sept. 4	84		1800	25 20		25 20	1774 80	5	
	5	4 "	Oct. 8	118	1%	1200	23 60	12	35 60	1164 40	3	
	10	4 "	13	123		4000	82		82	3918	1	
						167 23	18	185 23	9014 77		Depra.	
					9200				167 23		Int.	
									18		Exch.	
									9200		Jour. 3	

BILL BOOK.

Laws, Article X.) direction of the Board; or, if desired, each transaction may be submitted to the book without changing its form.

of Exchange.

Where drawn.	Dated.	Sight.	Payable in.	Amount.	When Remitted.	Memoranda.
New York	1867. Jan. 10	60 days	London	£ 10000	1867. Jan. 12	Jour. 1 *
Montreal	Mar. 5	60 "	Liverpool	5000	Mar. 16	2
Toronto	Apr. 10	30 "	"	4500	Apr. 15	2
New York	June 12	60 "	London	450	June 12	3

* See also P. T. C. B. I.

PROTESTED PAPER.

No.	No. of Dict.	Date Protested.	Drawer.	Endorser.	Payer.	Amount.	Memoranda.
1	19	May 14	Note	R. Morris	J. Kane	1600	
2		16	Betts & Turner	Stacy & Evans	Bold & Starkey	£4500	Paid June 12

NOTE.—1. Some Banks open an account for "Protested Paper" belonging to the Bank in the Ledger. As paper of this kind, if paid at all, is generally promptly taken up by some of the parties, the registry and payment of it as above will be all the record necessary. But when the other method is preferred, the account in the Ledger will be debited for all protested paper, and credited for the same when paid.

2. Collection paper when protested is noted on that Register and returned to the owner, he at the same time refunding expenses of protest.

BANK-NOTE REGISTER,
CITY NATIONAL BANK,

JANUARY, 1867.

1. This book registers all Bank-notes received from the Comptroller of the Currency. As they are signed, they pass into the Receiving Teller's Cash Book as money. When mutilated, and returned to the Comptroller, they pass into the Paying Teller's Cash Book to credit of Cash and debit of "Circulation."

BANK-NOTE

ISSUED.	IMPRES- SIONS.	LET- TER.	DATE.	TREASURY NUMBER.	BANK NUMBER.	DENOMI- NATION.	AMOUNT.	MEM.
1867. Jan.	10	A	1867. Jan. 5	324001 to 328000	1 to 4000	5s	20000	
		B		324001 " 328000	1 " 4000	5s	20000	
		C		324001 " 328000	1 " 4000	5s	20000	
		D		324001 " 328000	1 " 4000	5s	20000	
							80000	R.T.C.B. 1
	10	A	Jan. 5	328001 to 330000	4001 to 6000	10s	20000	
		B		328001 " 330000	4001 " 6000	10s	20000	
		C		328001 " 330000	4001 " 6000	10s	20000	
		D		328001 " 330000	4001 " 6000	10s	20000	
							80000	R.T.C.B. 1
Feb.	15	A	Jan. 5	415001 to 425000	6001 to 16000	5s	50000	
		B		415001 " 425000	6001 " 16000	5s	50000	
		C		415001 " 425000	6001 " 16000	5s	50000	
		D		415001 " 425000	6001 " 16000	5s	50000	
							200000	R.T.C.B. 1
	15	A	Jan. 5	425001 to 425800	16001 to 16800	10s	8000	
		B		425001 " 425800	16001 " 16800	10s	8000	
		C		425001 " 425800	16001 " 16800	10s	8000	
		D		425001 " 425800	16001 " 16800	10s	8000	
							32000	R.T.C.B. 1
Mar.	16	A	Jan. 5	430001 to 430500	16801 to 17300	20s	10000	
		B		430001 " 430500	16801 " 17300	20s	10000	
		C		430001 " 430500	16801 " 17300	20s	10000	
		D		430001 " 430500	16801 " 17300	20s	10000	
							40000	R.T.C.B. 2
	16	A	Jan. 5	430501 to 430600	17301 to 17400	50s	5000	
		B		430501 " 430600	17301 " 17400	50s	5000	
		C		430501 " 430600	17301 " 17400	50s	5000	
		D		430501 " 430600	17301 " 17400	50s	5000	
							20000	R.T.C.B. 2
	16	A	Jan. 5	430601 to 430625	17401 to 17425	100s	2500	
		B		430601 " 430625	17401 " 17425	100s	2500	
		C		430601 " 430625	17401 " 17425	100s	2500	
		D		430601 " 430625	17401 " 17425	100s	2500	
							10000	R.T.C.B. 2
	16	A	Jan. 5	430626 to 430630	17426 to 17430	500s	2500	
		B		430626 " 430630	17426 " 17430	500s	2500	
		C		430626 " 430630	17426 " 17430	500s	2500	
		D		430626 " 430630	17426 " 17430	500s	2500	
							10000	R.T.C.B. 2
	16	A	Jan. 5	430631 to 430632	17431 to 17432	1000s	2000	
		B		430631 " 430632	17431 " 17432	1000s	2000	
		C		430631 " 430632	17431 " 17432	1000s	2000	
		D		430631 " 430632	17431 " 17432	1000s	2000	
							8000	R.T.C.B. 2

FORM OF PROTEST FOR NON-PAYMENT.

UNITED STATES OF AMERICA.



Be it Known, That on the day of
the date hereof, *J. W. B. Cook*, Notary
Public, by authority of the Commonwealth of
Pennsylvania, duly commissioned and sworn,
residing in the City of Pittsburgh, County of
Allegheny, in the said Commonwealth, at the request of

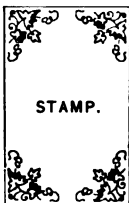
The Iron City National Bank,

exhibited the original *Note* whereof a true copy is on the other side
written (the time therein specified for its payment having fully expired),
To A. J. Turner, and demanded payment thereof, which was
refused.....

.....
whereof I duly notified the *Maker and Endorser*.

Whereupon I, the said Notary, at the request aforesaid, Have
Protested, and Do hereby solemnly Protest, against the *Maker and*
Endorser of the said *Note*, and all others concerned, for all exchange,
re-exchange, costs, damages and interests, suffered and to be suffered
for want of *Payment* thereof.

Thus Done and Protested, at Pittsburgh, the *12th* day of *May*, 1867.



In Testimony Whereof, I have hereunto set my
hand and affixed my Notarial seal, the day
and year above written.

W. B. Cook, Notary Public

CITY COLLECTION REGISTER,

CITY NATIONAL BANK,

JANUARY, 1867.

1. Notes and Bills received for collection and payable in the City are registered in this book. In a limited business the payments may pass direct into the Receiving Teller's Cash Book. But, as the amounts never mature in the same order that they are entered, the dates of payment can be more conveniently brought into regular order on the "Passed Collection Register."

THE FOREIGN COLLECTION REGISTER

2. Records all paper falling due out of the City and which has to be forwarded to our agent in time for presentation on day of maturity. As forwarded, each is passed into the Book "Notes and Bills Remitted for Collection."

CITY NOTES AND BILLS

When received.		Payer.	Endorser.	Owner.
1867.				
Jan.	10	Baker & Fox Joel Post R. S. Davis J. B. Marks	R. C. Root J. W. Burnham R. Barnes & Co. Paul Jones	Barclay, Hope & Co. R. Irvin & Co. Jas. Carver Lyon & Haven
Mar.	3	Ryan & Dale R. C. Root, Anthony & Co.	Jno. Taylor & Co. Wm. Black	1st Nat. Bk. New Orleans 1st Nat. Bk. Chicago
Apr.	25	Baker & Hill Porter & Dick W. G. Ray	J. W. Burnham Bailey & Coy W Morris	" " " " " " " " "
May	14	J. L. Dixon Day & Martin W. Burton Jas. Carver Wm. Beach H. J. Holmes Allen Park A. B. Ryan J. W. Parker	Paul Jones G. A. Bayard Joel Post R. Lenox Harper & Brothers Barclay, Hope & Co. " " " J. Hardy J. Carter	R. C. Root, Anthony & Co. " " R. Lenox " " Harper & Bros. Barclay, Hope & Co. " " " J. Carver "

FOREIGN NOTES AND BILLS

When received.	No.	Drawer.	On whom.	In favor of.	Payable in.
1867.					
Jan.	10	1 Bates & Bell 2 Harper & Bros. 3 R. Irvin & Co.	Note W. S. Hunter J. Kane	A. Stewart & Co. Harper & Bros. R. Irvin & Co.	Pittsburgh Chicago New Orleans
Apr.	15	4 Wm. Pagan 5 R. Manly 6 R. Glass & Co. 7 W. Payson	G. Wilde & Co. Jas. Carter Note " "	R. Lenox " J. W. Burnham R. Dick & Co.	Montreal " Pittsburgh "
May	14	8 A. J. Turner 9 C. H. Ball 10 J. Horne & Co. 11 Wm. Baker 12 J. Morton 13 Roy, Wade & Co. 14 A. D. Walker 15 Chas. Page 16 J. Butler 17 Myers & Hunter	" " " " J. C. Baker & Co. W. S. Haven Note " " "	R. Lenox Wm. Hood Wm. Lyon Wm. White A. B. Hunter Ourselves R. Weston Lyon & Haven W. Watts J. Post	" " " Chicago New Orleans Pittsburgh Chicago Pittsburgh Chicago New Orleans

RECEIVED FOR COLLECTION.

1

No.	Date.	Time.	Due.	Amount.	Memoranda.
	1866.		1867.		
1	Aug. 12	6 months	Feb. 15	1600	Passed Feb. 15th
2	Oct. 12	4 "	15	2400	" 15th
3	Nov. 12	3 "	15	1200	" 15th
4	Dec. 14	60 days	15	2100	" 15th
5	Feb. 20	10 ds. s'gt.	Mar. 16	1200	" Mar. 16th
6	26	10 "	16	1600	" 16th
7	11	3 months	May 14	3600	" May 14th
8	Jan. 11	4 "	14	2100	" 14th
9	Mar. 12	60 days	14	1200	" 14th
10	9	3 months	June 12	1600	" June 12th
11	Feb. 9	4 "	12	1100	" 12th
12	Jan. 9	5 "	12	2400	" 12th
13	Feb. 9	4 "	12	1800	" 12th
14	Apr. 9	3 "	July 12	900	
15	Mar. 9	4 "	12	1200	
16	9	4 "	12	1800	
17	Apr. 9	3 "	12	1800	
18	Feb. 9	5 "	12	1500	

RECEIVED FOR COLLECTION.

Owner.	Date.	Time.	Due.	Amount.	Exchange.	Net Proceeds.	Memoranda.
	1866.		1867.				
Ryan & Dale	Dec. 12	60 days	Feb. 13	3600	36	3564	Passed Feb. 15
Harper & Bros.	Nov. 9	3 months	12	800	8	792	" 15
R. Irvin & Co.	Oct. 8	4 "	11	1600	32	1568	" 15
R. Lenox	Feb. 8	3 "	May 11	2400	24	2376	" May 14
R. Lenox	Jan. 8	4 "	11	1200	12	1188	" 14
R. Irvin & Co.	Mar. 10	60 days	12	800	8	792	" 14
Harper & Bros.	Feb. 9	3 months	12	1200	12	1188	" 14
R. Lenox	Jan. 9	4 "	12	1800		Ret'd	Protested
W. B. Archer	May 7	30 days	June 9	800	8	792	Passed June 12
W. B. Archer	Apr. 7	60 "	9	2000	20	1980	" 12
Lyon & Haven	7	60 "	9	3000	30	2970	" 12
A. B. Hunter	May 14	60 ds. sgt.	Aug. 27	2400			
Roy, Wade & Co.	14	60 "	22	1000			
Roy, Wade & Co.	Mar. 15	4 months	July 18	1500			
Lyon & Haven	15	4 "	18	800			
A. B. Hunter	15	4 "	18	1600			
Duff Bros. & Co.	Apr. 15	3 "	18	1100			

NOTES AND BILLS REMITTED FOR COLLECTION.

Iron City National Bank, Pittsburgh.

When sent.	No.	Payer.	Amount.	When due.	Memoranda.	
1867. Feb.	1	1	Bates & Bell	3600	1867. Feb. 13	Passed Feb. 15
Mar.	1	10	R. Bruce	1800	Mar. 12	R. T. C. B. Mar. 16
May	1	6	R. Glass & Co.	800	May 12	Passed May 14
		7	W. Payson	1200	12	" 14
		8	A. J. Turner	1800	12	Protested
	14	9	C. H. Ball	800	June 9	Passed June 12
		10	J. Horne & Co.	2000	9	" 12
		13	W. S. Haven	1000	60 ds. sgt.	

First National Bank of New Orleans.

1867. Jan.	20	1	Gregg & Hall	2000	1867. Feb. 4	R. T. C. B. Feb. 15
Feb.	1	3	J. Kane	1600	11	Passed Feb. 15
Mar.	1	9	Hay & Wood	2400	Mar. 11	R. T. C. B. Mar. 16
May	14	12	J. C. Baker & Co.	2400	60 ds. sgt.	

First National Bank of Chicago.

1867. Feb.	1	2	W. S. Hunter	800	1867. Feb. 12	Passed Feb. 15
Mar.	1	5	Patterson & Wild	1200	Mar. 13	R. T. C. B. Mar. 16
May	14	11	Wm. Baker	3000	June 9	Passed June 12

Bank of Montreal, Canada.

1867. Apr.	25	4	Geo. Wilde & Co.	2400	1867. May 11	Passed May 14
		5	Jas. Carter	1200	11	" 14

1. In our Private Bankers' Accounts, pp. 360 and 361, we give another form of this book. The above is the most convenient for a large foreign collection business.

2. All paper remitted to our agents for collection is entered upon this book.

3. After allowing sufficient time for the return of the paper, we enter our own in the "Receiving Teller's Cash Book," and Collections in the "Passed Collection Register," debiting at the same time our agent for the amount.

PASSED CITY AND FOREIGN
COLLECTION REGISTER.

CITY NATIONAL BANK,

JANUARY, 1867.

1. Banks generally keep a Passed City and a Passed Foreign Collection Register. To save space, we have entered both on this book, the use of which is explained in "City Collection Register," p. 287. When the business requires two Passed Collection Registers, this form will serve for both. Reference to the Receiving Teller's Cash Book explains the mode of posting them.

2. Sight Drafts sent us for collection are entered in this book without passing through "City Collection Register."

PASSED COLLECTIONS.

When passed.	No.	Paid by.	Where paid.	To whom paid.	Owner.	Amount.	Ex-change.	Net pro-ceeds.	Mem.
1887.	10	1st National Bank	City	Ourselves	Iron City Nat. Bank	1000		1000	R.T.C.B.
		9th "	"	"	1st Nat. Bank, Chicago	1500		1500	"
		Chemical Nat. Bank	"	"	1st Nat. B'k, New Orleans	500		500	"
Feb.	1	Baker & Fox	"	"	Barclay, Hope & Co.	1600		1600	"
	2	Joel Post	"	"	R. Irvin & Co.	2400		2400	"
	3	R. S. Davis	"	"	James Carver	1200		1200	"
	4	J. B. Marks	"	"	Lyon & Haven	2100		2100	"
	1	Bates & Bell	Pittsburgh	Iron City Nat. Bank	Ryan & Dale	3600	72	3528	"
	2	W. S. Hunter	Chicago	First Nat. Bank	Harper & Brothers	800	16	784	"
	3	J. Kane	New Orleans	First Nat. Bank	R. Irvin & Co.	1600	48	1552	"
Mar.	16	Harper & Bros.	City	Ourselves	Iron City Nat. Bank	1200		1200	"
	5	Ryan & Dale	"	"	1st Nat. B'k, New Orleans	1600		1600	"
	6	Root, Anthony & Co.	"	"	" " Chicago	4000		4000	"
Apr.	15	J. Astley & Co.	"	"	" " "	800	16	784	"
May	14	R. Glass & Co.	Pittsburgh	Iron City Nat. Bank	R. Irvin & Co.	1200	24	1176	"
	7	W. Payson	"	"	Harper & Brothers	2400	48	2352	"
	4	Geo. Wilde & Co.	Montreal	Bank of Montreal	R. Lenox	1200	24	1176	"
	5	Jas. Carter	"	"	" " "	3600		3600	"
	7	Baker & Hill	City	Ourselves	1st Nat. Bank, Chicago	2100		2100	"
	8	Porter & Dick	"	"	" " "	1200		1200	"
	9	W. G. Ray	"	"	" " "	1600		1600	"
June	12	J. L. Dixon	"	"	Root, Anthony & Co.	1100		1100	"
	11	Day & Martin	"	"	" " "	2400		2400	"
	12	W. Burton	"	"	R. Lenox	1800		1800	"
	13	Jas. Carver	"	"	" " "	800	16	784	"
	9	C. H. Ball	Pittsburgh	Iron City Nat. Bank	W. B. Archer	2000	40	1960	"
	10	J. Horne & Co.	"	"	" " "	3000	60	2940	"
	11	Wm. Baker.	Chicago	First Nat. Bank	Lyon & Haven				"

TICKLER,
CITY NATIONAL BANK,

JANUARY, 1867.

1. This book records the day of payment of all the business paper in the Bank. It is made up from the Discount Book and Collection Registers. One, and sometimes two pages have to be reserved for every day's business in the year. And in extensive business it is often convenient to have one book for discounted paper, and another for collections, and sometimes one for Foreign collections. To save room, we have entered all in one book, the form of which will serve for the others when the nature and extent of the business require them. Although a very important book, it is, strictly speaking, only a memorandum-book, from which payers are notified of the day upon which their paper falls due. The Directors also regulate their discounts by learning from it the amount of discounted paper falling due every day.

2. As paid, our own paper is marked "Entered," or "Paid." Collections are marked "Passed."

NOTES AND BILLS DUE FEBRUARY 4, 1867.

No.	Collected for.	Drawer.	Payer.	Endorser.	Payable in.	Amount.	Memoranda.
1	Ourselves	Harper & Brothers	Gregg & Hall	W. S. Haven	New Orleans	2000	Ent'd Feb. 15
3	R. Irvin & Co.	R. Irvin & Co.	Due February 11th, 1867 J. Kane	R. Irvin & Co.	New Orleans	1600	Passed Feb. 15
2	Harper & Brothers	Harper & Brothers	Due February 12th, 1867 W. S. Hunter	Harper & Bros.	Chicago	800	Passed Feb. 15
1	Ryan & Dale	Note	Due February 13th, 1867 Bates & Bell	A. Stewart & Co.	Pittsburgh	3600	Passed Feb. 15
2	Ourselves	Note	Due February 15th, 1867 Mount, Joy & Co.	J. W. Burnham	City	1000	Paid Feb. 15
3	"	"	G. W. Leeds	W. S. Murray	"	1800	15
4	"	"	Hay & Wood	Joel Post	"	1600	15
6	"	"	Bateman & Hill	Hardy, Jones & Co.	"	1500	15
1	Barclay, Hope & Co.	"	Baker & Fox	R. C. Root	"	1600	Passed Feb. 15
2	R. Irvin & Co.	"	Joel Post	J. W. Burnham	"	2400	15
3	J. Carver	"	R. S. Davis	R. Barnes & Co.	"	1200	15
4	Lyon & Haven	"	J. B. Marks	Paul Jones	"	2100	15
9	Ourselves	Note	Due March 11th, 1867 Hay & Wood	Wm. Jones	New Orleans	2400	Ent'd Mar. 16
10	Ourselves	Note	Due March 12th, 1867 R. Bruce	John Doe	Pittsburgh	1800	Ent'd Mar. 16
5	Ourselves	W. B. Archer	Due March 13th, 1867 Patterson & Wild	R. C. Root	Chicago	1200	Ent'd Mar. 16

NOTES AND BILLS DUE MARCH 16th, 1867.

No.	Collected for.	Drawer.	Payer.	Endorser.	Payable in	Amount.	Memoranda.
8	Ourselves	Note	Wm. Page	W. B. Archer	City	3600	Paid Mar. 16
11	"	"	M. Hunter & Co.	Duff Bros. & Co.	"	3300	" " 16
12	"	"	J. Morton	Lyon & Haven	"	1200	" " 16
13	"	"	J. Carver	J. W. Ryan	"	2100	" " 16
5	1st Nat. B'k, New Orleans	Jno. Taylor & Co.	Ryan & Dale	J. Taylor & Co.	"	1200	Passed " 16
6	1st Nat. B'k, Chicago	Wm. Black	R. C. Root, Anthony & Co.	Wm. Black	"	1600	" " 16
7	Ourselves	Note	Due March 17th, 1867 J. W. Loving	R. Banks	City	3000	Paid Mar. 16
14	Ourselves	Note	Due April 15th, 1867 Day & Martin	Smith & Beck	City	1500	Paid April 15
15	"	"	Hart & Bowman	Paul Cooper	"	2400	" " 15
16	"	"	Duncan, Dunlap & Co.	Wm. Porter	"	900	" " 15
17	"	"	Geo. Wilde	J. Ward	"	2400	" " 15
4	R. Lenox	Wm. Pagan	Due May 11th, 1867 G. Wilde & Co.	R. Lenox	Montreal	2400	Passed May 14
5	R. Lenox	R. Manly	J. Carter	R. Lenox	"	1200	" " 14
6	R. Irvin & Co.	Note	Due May 12th, 1867 R. Glass & Co.	J. W. Burnham	Pittsburgh	800	Passed May 14
7	Harper & Brothers	"	W. Payson	R. Dick & Co.	"	1200	" " 14
8	R. Lenox	"	A. J. Turner	R. Lenox	"	1800	Ret'd Prot'd 14
18	Ourselves	Note	Due May 13th, 1867 J. Barker & Co.	J. Carver	Boston	2400	Ent'd May 14
19	Ourselves	Note	Due May 14th, 1867 J. Kane	R. Morris	City	1600	Protested
20	"	"	S. Lewis & Co.	J. Barker	"	1500	Paid May 14
21	"	"	J. W. Bliss	Porter & Hill	"	1800	" " 14
7	1st Nat. B'k, Chicago	"	Baker & Hill	J. W. Burnham	"	3600	Passed " 14
8	"	"	Porter & Dick	Bailey & Coy	"	2100	" " 14
9	"	"	W. G. Ray	W. Morris	"	1200	" " 14

NOTES AND BILLS DUE JUNE 9th, 1867.

No.	Collected for.	Drawer.	Payer.	Endorser.	Payable in	Amount.	Memoranda.
9	W. B. Archer	Note	C. H. Ball	Wm. Hood	Pittsburgh	800	Passed June 12
10	" "	"	J. Horne & Co.	Wm. Lyon	"	2000	" " 12
11	Lyon & Haven	"	Wm. Baker	Wm. White	Chicago	3000	" " 12
10	Root, Anthony & Co.	Note	Due June 12th, 1867	Paul Jones	City	1600	Passed June 12
11	" "	"	J. L. Dixon	G. A. Bayard	"	1100	" " 12
12	R. Lenox	"	Day & Martin	Joel Post	"	2400	" " 12
13	" "	"	W. Burton	R. Lenox	"	1800	" " 12
14	Harper & Brothers	Harper & Bros.	Due July 12th, 1867	Harper & Brothers	City	900	
15	Barclay, Hope & Co.	Barclay, Hope & Co.	Wm. Beach	Barclay, Hope & Co.	"	1200	
16	" "	"	H. J. Holmes	"	"	1800	
17	J. Carver	Note	Allen Park	J. Hardy	"	1800	
18	" "	"	A. B. Ryan	J. Carter	"	1500	
23	Ourselves	Harper & Brothers	Due July 16th, 1867.	J. Betts & Co.	Pittsburgh	800	
14	Roy, Wade & Co.	Note	Due July 18th, 1867.	R. Weston	Chicago	1500	
15	Lyon & Haven	"	A. D. Walker	Lyon & Haven	Pittsburgh	800	
16	A. B. Hunter	"	Chas. Page	W. Watts	Chicago	1600	
17	Duff Bros. & Co.	"	J. Butler	J. Post	New Orleans	1100	
			Myers & Hunter				

The preceding entries are deemed sufficient to illustrate this book.

DEPOSITORS' LEDGER.
CITY NATIONAL BANK.
JANUARY, 1867.

1. This book contains no accounts but those of Depositors and Certificates of Deposit. We have adopted a new form which we think Banks will find very convenient in business, as it constantly shows the balance of each account. The accounts are never closed until the depositor desires his Pass Book balanced. His account is then footed, and the balance brought down into the new account. See Duff Brothers & Co.'s account, p. 300.

2. The aggregate balances of this Ledger must agree with the balance of the "Depositors'" account in the General Ledger.

I

RICHARD IRVIN & CO.

		CHECKS.	DEPOSITS.	BALANCE.	
1867.					
Jan.	10		1500		
			2967		
		2400			2067
Feb.	15		1800		
			1552		
			2400		
			2342	40	
		2100			8061
Apr.	15	2000			40
					6061
May	14		784		40
June	12		3918		10763
					40

ROBERT LENOX.

		CHECKS.	DEPOSITS.	BALANCE.	
1867.					
Jan.	10		1200		
Feb.	15		1400		
			1194	20	
		2500			1294
Apr.	15		3000		20
		1100			3194
May	14		3528		20
		2			6720
June	12		4200		10920
					20

R. C. ROOT, ANTHONY & CO.

		CHECKS.	DEPOSITS.	BALANCE.	
1867.					
Jan.	10		1600		
Feb.	15		900		
			2089	85	
		600			3989
Apr.	15		5000		85
		1000			7989
May	14		3000		85
June	12		2700		10989
		900			85
					12789

JOHN WARD.

2

			CHECKS.	DEPOSITS.	BALANCE.
1867.					
Jan.	10	Cash		1800	
Feb.	15	Checks	1100		700
Mar.	16	Discount No. 18		2388	
		Cash		1500	4588
Apr.	15	"		2500	
		Check	2000		5088
May	14	Discount No. 22		1157 40	
		Checks	1400		4845 40
June	12	"	1100		3745 40

HARRIET LENOX.

1867.					
Jan.	10	Cash		1000	
Feb.	15	Check	600		400
Mar.	16	Cash		1200	1600
Apr.	15	"		1800	
		Check	600		2800
May	14	Cash		1100	
		Check	700		3200
June	12	Cash		1800	
		Check	1300		3700

HARPER & BROTHERS.

1867.					
Jan.	10	Cash		2000	
		Discount No. 1		1951 67	
		Check	1800		2151 67
Feb.	15	Cash		2500	
		Collection		784	
		Check	2000		3435 67
Apr.	15	Cash		5700	9135 67
May	14	Collection		1176	
		Checks	900		9411 67
June	12	Discount No. 26		587 70	9999 37

DUFF BROTHERS & CO.

		CHECKS.	DEPOSITS.	BALANCE.
1867.				
Jan.	10		1000	
Feb.	15		1000	
			3284 05	
		1100		4184 05
Mar.	16		895 50	
		2200		2879 55
Apr.	15		6500	
		800		8579 55
May	14		2000	10579 55
June	12		2100	
		500		12179 55
	30	12179 55		
		16779 55	16779 55	
June	30		12179 55	

BARCLAY, HOPE & CO.

		CHECKS.	DEPOSITS.	BALANCE.
1867.				
Jan.	10		800	
			1789 20	
		1500		1089 20
Feb.	15		1600	2689 20
Mar.	16		1400	
		1100		2989 20
May	14		783 60	3772 80
June	12		1164 40	4937 20

JAMES CARVER.

		CHECKS.	DEPOSITS.	BALANCE.
1867.				
Jan.	10		600	
			1590 40	2190 40
Feb.	15		1200	
		1300		2090 40
Mar.	16	2000		90 40
Apr.	15		2376 80	
			2100	4567 20
May	14	500		4067 20

RYAN & DALE.

4

			CHECKS.	DEPOSITS.	BALANCE.
1867.					
Jan.	10	Cash		800	
		Discount No. 2		994	1794
Feb.	15	Collection		3528	
		Checks	800		4522
Mar.	16	"	2500		2022
Apr.	15	Discount No. 21		1791 30	3813 30
May	14	Checks	1400		2413 30

W. B. ARCHER.

1867.					
Jan.	10	Discount No. 5		1175 60	
		Check	1000		175 60
Feb.	15	Discount No. 8		3582 60	
		Checks	3000		758 20
Apr.	15	Discount No. 20		1492 75	
		Cash		10000	12250 95
June	12	Collections		2744	
		Checks	1200		13794 95

LYON & HAVEN.

1867.					
Jan.	10	Discount No. 6		1491	
		Check	1200		291
Feb.	15	Collection		2100	
		Checks	2500		109
Apr.	15	Discount No. 19		1592 27	
		Cash		4350	5833 27
May	14	Discount No. 24		2367 20	
		Protest on No. 19	1 75		8198 72
June	12	Cash		1300	
		Collection		2940	12438 72

The red figures indicate the balance overdrawn.

A. B. HUNTER.

		CHECKS.		DEPOSITS.		BALANCE.	
1867.							
Feb.	15	Cash		400			
Mar.	16	Discount No. 14		1492	50		
		Cash		1100			
		Checks	300			2692	50
Apr.	15	Certified Check	1000			1692	50
June	12	Discount No. 28		1774	80		
		Cash		1200		4667	30

ROY, WADE & CO.

1867.							
Feb.	15	Discount No. 10		1774	50		
		Check	1000			774	50
Mar.	16	Checks	1000			225	50
Apr.	15	Cash		3700		3474	50
May	14	Discount No. 24		1754	10	5228	60

J. W. BURNHAM.

1867.							
Mar.	16	Discount No. 15		2388			
		Cash		1600			
		Checks	1200			2788	
Apr.	15	Cash		1950		4738	
June	12	Discount No. 27		1569	87	6307	87

CERTIFICATES OF DEPOSIT.

1867.							
Apr.	15	R. P. Duff,	No. 1		2100		
		H. P. Ford,	2		2400		4500
May	14	G. R. Duncan,	3		1200		5700
June	12	R. P. Duff,	1	2100			
		G. R. Duncan,	3	1200			2400

GENERAL LEDGER,

CITY NATIONAL BANK

JANUARY, 1867.

1. This book, like the Ledger in any other business, is the book which exhibits all the results of the business. In the present instance it is made up exclusively from the Journal. In a business in which that book is dispensed with, the Ledger is made up from the General Cash Book, as in our Private Banker's Books. But, as we stated, notes pp. 261 and 269, we have arranged the Receiving and Paying Tellers' Cash Books so as to admit of direct posting to this Ledger. When that mode of keeping the books is adopted, these two books will be auxiliaries to the Deposit and the General Ledger.

2. From this book the monthly and semi-annual statements are made out.

3. Having given indexes to all the Ledgers in the first three parts of this work, we omit them in the fourth part.

4. The Taxes on the profits, circulation, and deposits of the Bank, being payable in July and January, could not be practically exhibited here.

5. Before closing, a Trial Balance must be taken. We have made the closing entries on the face of the Ledger. Those who prefer journalizing them can do as we have done with our Rail Road accounts, pp. 334 and 335.

DR. DISCOUNT				&				INTEREST.				CR.		
1867.	June	30	Profit & Loss	f	5	18724	78	1866.	Dec.	31	Cash	1	38	50
								1867.	Jan.	10	Bills Discounted	1	89	13
									Feb.	15	" "	2	66	40
									Mar.	16	" "	2	36	
									Apr.	15	" "	2	34	88
									May	14	Cash	3	18000	
											Bills Discounted	3	87	70
								1867.	June	12	Cash	3	204	94
											Bills Discounted	3	167	23
						18724	78						18724	78

EXPENSE

ACCOUNT.

1866.	Dec.	31	Cash	1	200			1867.	June	30	Profit & Loss	f	5	3175
1867.	Apr.	15	"	2	2975									
					3175									3175

EXCHANGE

ACCOUNT.

1867.	Jan.	10	Cash	1	2222	22		1867.	Jan.	10	Bills Discounted	1	52		
	Feb.	15	"	1	116				Feb.	15	Cash	1	136		
	Mar.	16	"	2	1189	11					Bills Discounted	2	66		
	Apr.	15	"	2	1290				Apr.	15	Cash	2	2666	67	
	May	14	"	3	62						Bills Discounted	2	12		
	June	12	"	3	218				May	14	Cash	3	4112		
	June	30	Profit & Loss	f	5	4131	34			June	12	Bills Discounted	3	50	
											Cash	3	2116		
						9228	67				Bills Discounted	3	18		
													9228	67	

CIRCULATION

ACCOUNT.

1867.	Apr.	15	Cash	2	500			1867.	Jan.	10	Cash	1	160000	
	June	30	Balance	f	5	479500			Feb.	15	"	1	232000	
						480000			Mar.	16	"	2	88000	
													480000	
									June	30	Balance		479500	

Dr. IRON CITY (Pittsburgh.) NATIONAL BANK. Cr. 4

1867.					1867.				
Jan. 15	Cash	1	3564		Jan. 10	Cash	1	1000	
Mar. 16	"	2	1782		Mar. 16	"	2	1200	
May 14	"	3	1980		Apr. 15	"	2	2000	
June 12	"	3	2772		May 14	Protest	3	2	
					June 30	Balance	f 5	5896	
			10098					10098	
June 30	Balance		5896						

FIRST NATIONAL (Chicago.) BANK.

1867.					1867.				
Jan. 10	Cash	1	500		Jan. 10	Cash	1	1500	
Feb. 15	"	1	792		Mar. 16	"	2	1600	
Mar. 16	"	2	1188		Apr. 15	"	2	4000	
June 12	"	3	2970		May 14	"	3	6900	
June 30	Balance	f 5	8550						
			14000					14000	
					June 30	Balance		8550	

FIRST NATIONAL (New Orleans.) BANK.

1867.					1867.				
Jan. 10	Cash	1	1000		Jan. 10	Cash	1	500	
Feb. 15	"	1	3528		Mar. 16	"	2	1200	
Mar. 16	"	2	2352		Apr. 15	"	2	8000	
June 30	Balance	f 5	2820						
			9700					9700	
					June 30	Balance		2820	

BARING (London.) BROS. & CO.

1867.					1867.				
Jan. 12	Foreign Bill, No. 1	1	44444	44	Apr. 15	Cash, No. 1	2	26666	67
Mar. 16	" "	2	22222	22	May 14	" "	2	3	40000
Apr. 15	" "	3	20000		June 12	" for No. 3 ret'd.	3	20003	50
June 12	" "	4	2000		June 30	Balance	f 5	1996	49
			88666	66				88666	66
June 30	Balance		1996	49					

BANK OF (Montreal, Canada.) MONTREAL.

1867.									
May 14	Cash	3	3564						

FIRST NATIONAL (Boston.) BANK.

1867.					1867.				
May 14	Cash	3	2394		May 14	Cash	3	2394	

5 DR. PROFIT & LOSS. CR.

1867. June	30	Expense	f	3	3175		1867. June	12	Cash	f	3	2000	
		Dividend No. 1		5	18000			30	Discount & Interest	f	3	18724	78
		Surplus Capital		5	3681	12			Exchange		3	4131	34
					24856	12						24856	12

DIVIDEND No. 1.

							1867. June	30	Profit & Loss	f	5	18000	
--	--	--	--	--	--	--	---------------	----	---------------	---	---	-------	--

SURPLUS CAPITAL.

							1867. June	30	Profit & Loss	f	5	3681	12
--	--	--	--	--	--	--	---------------	----	---------------	---	---	------	----

BALANCE ACCOUNT.

1867. June	30	Cash	f	1	603847	54	1867. June	30	Capital Stock	f	1	600000	
		U. S. Bonds		1	600000				Depositors		2	120352	91
		Bills Discounted		2	17000				Circulation		3	479500	
		Bank Furniture		2	600				1st Nat. Bk. N. Orleans		4	2820	
		Bank of Montreal		4	3564				1st Nat. Bk. Chicago		4	8550	
		Baring Bros. & Co.		4	1996	49			Dividend No. 1		5	18000	
		Iron City Nat. Bank		4	5896				Surplus Capital		5	3681	12
					1232904	03						1232904	03

DIVIDEND BOOK, CITY NATIONAL BANK.

Dividend No. 1, Three per cent., declared June 30, 1867.

Name.	No. of Shares.	Amount.	Date.	Received Payment.
Archer, W. B.	2000	6000		
Baker, J. C.	100	300		
Barclay, Hope & Co.	300	900		
Banks, Robert	600	1800		
Cox, J. W.	100	300		
Compton, J. R.	20	60		
Duff, Wm. H.	100	300		
Duff, P.	100	300		
Duncan, Geo. R.	30	90		
Harper, James	600	1800		
Hay, Wm.	200	600		
Irvin, Richard, & Co.	100	300		
Lenox, Harriet	50	150		
Lenox, Robert	100	300		
Mitchell, Thos.	500	1500		
Major, Wm.	300	900		
Root, R. C.	100	300		
Smith, T. B.	100	300		
Ward, John	500	1500		
Warren, Samuel	100	300		
	6000	18000		

1. When a stockholder calls for his dividend, the book-keeper fills a check for the amount, as follows:—

City National Bank,

Pay William B. Archer, Esq., or Bearer,

Six Thousand..... Dollars,

and charge Dividend No. 1.

\$ 6000.⁰⁰/₁₀₀

W. J. Parker,
General Book-keeper.

The date is then inserted in the "date" column above, and the drawer of the dividend inserts his signature in the "Received Payment" column, opposite the amount of his dividend.

2. Dividend Checks are charged to the Dividend Account, in the same manner that Depositors' Checks are charged to individuals. When all the dividends are paid, "Dividend No. 1," in the Ledger, will be balanced.

**SEMI-ANNUAL STATEMENT OF CITY NATIONAL BANK, NEW YORK, FOR THE TERM
ENDING JUNE 30, 1867.**

ASSETS.		LIABILITIES.	
U. S. Bonds	600000	Capital Stock	600000
Bills Discounted	17000	Depositors	120352 91
Bank Furniture	600	First National Bank, New Orleans	2820
Bank of Montreal	3564	" " Chicago	8550
Baring Bros. & Co.	1996 49	Dividend No. 1	18000
Iron City National Bank, Pittsburgh	5896	Surplus Capital	3681 12
Notes and Checks	\$420000.54	Circulation	\$479500.
Coin	23847.	Less our Notes on hand	40000.
Treasury Notes	160000		
	\$603847.54		
Less our own Notes on hand	40000.		
	563847 54		
	1192904 03		1192904 03

STANDING LEDGER.

RICHARD IRVIN & CO.

Date.	Payable by.	As discounter.	As payer.	As endorser.	Due.	Mem.
1866. Dec. 14	J. W. Loring	3000			1867. Mar. 17	Paid
Oct. 8	Hay & Wood	2400			11	"
1867. June 10	R. Banks	4000			Oct. 13	

LYON & HAVEN.

1866. Dec. 14	Bateman & Hill	1500			1867. Feb. 15	Paid
1867. Feb. 11	J. Morton			1200	Mar. 16	"
11	J. Kane	1600			May 14	Protested

1. Some call this the "Blue Book." The form and two illustrations which we give will fully explain its use and importance to the President and Directors. In business it is indexed, which enables them to refer to it and see at once what every borrower is liable for as promisor or endorser.
2. The entries are made from the Discount Book as the notes are entered on that book.

REGISTER OF STOCKS.

Purchased.	Due.	Description.	Amount.	Interest is due.	Remarks.
1867. Jan'y. 2	1881. Feb. 25	100 Bonds U.S. 5/20s of \$1000 each, 3d Series, Nos. 19001 to 19100	100000	May 1 and Nov. 1	
Jan'y. 2	1881. Feb. 25	100 Bonds U.S. 5/20s of \$1000 each, 4th Series, Nos. 1201 to 1300	100000	May 1 and Nov. 1	
Jan'y. 10	1881. Feb. 25	300 Bonds U.S. 5/20s of \$1000 each, 4th Series, Nos. 20001 to 20300	300000	May 1 and Nov. 1	
Feb. 15	1881. Feb. 25	100 Bonds U.S. 5/20s of \$1000 each, 4th Series, Nos. 30001 to 30100	100000	May 1 and Nov. 1	

This book records all stocks and bonds the property of the bank, and when the interest is payable.

QUESTIONS FOR EXAMINATION ON NATIONAL BANK ACCOUNTS.

1. When is the General Cash Book a book of original entry? (N. 1, p. 247.)
2. What is it made up from? (N. 1, p. 247.)
3. What should its balance agree with? (N. 1, p. 247.)
4. Do banks generally keep a Journal? (N. 1, p. 253.)
5. When it is kept, what book receives all its entries from it? (N. 1, p. 253.)
6. What does the Stock Ledger record? (N. 1, p. 257.)
7. Where are its entries first obtained? (N. 1, p. 257.)
8. Upon what book are the transfer entries first recorded? (N. 1, p. 257.)
9. What must the aggregate credits of the Stock Ledger agree with? (N. 2, p. 257.)
10. Why are its accounts kept in alphabetical order? (N. 3, p. 257.)
11. Where do the amounts of the Receiving Teller's Cash Book pass when a General Cash Book is kept? (N. 1, p. 261.)
12. When no General Cash Book or Journal is kept, where are the contents of this book posted? (N. 1, p. 261.)
13. What is the use of the Signature Book? (N. 1, p. 268.)
14. Who should witness the signatures? (N. 1, p. 268.)
15. Where is the balance of Cash on hand found when no General Cash Book is kept? (N. 1, p. 269.)
16. How can a Certificate of Deposit be negotiated? (N. 1, p. 274.)
17. What is the use of the Offering Book? (N. 1, p. 275.)
18. Where are the Accepted Notes and Bills entered? (N. 1, p. 275.)
19. What is done with Rejected Notes and Bills? (N. 1, p. 275.)
20. What is done with Discounted Paper when protested? (N. 1, p. 278.)
21. What is done with Protested Collection Paper? (N. 2, p. 282.)
22. Where do we enter all paper remitted for collection? (N. 2, p. 290.)
23. Where do we enter Discounted Paper when collected? (N. 3, p. 290.)
24. Where do we enter collections when paid? (N. 3, p. 290.)
25. What do we record in the Foreign Bill Book? (N. 1, p. 280.)
26. Why not enter them on the Discount Book, as we do all other paper belonging to the bank? (N. 1, p. 280.)
27. Where are all Notes and Bills entered when received for collection? (N. 1 and 2, p. 287.)
28. What is the Tickler used for? (N. 1, p. 293.)
29. What accounts are kept in the Depositors' Ledger? (N. 1, p. 297.)
30. When are they closed? (N. 1, p. 297.)
31. What must the aggregate balances of this Ledger agree with? (N. 2, p. 297.)
32. How are overdrawn balances indicated? (N. 1, p. 301.)
33. What Ledger exhibits the results of the business? (N. 1, p. 303.)
34. What book are the Monthly and Semi-monthly Statements made from? (N. 2, p. 303.)
35. What account do we debit for the Dividend Checks? (N. 2, p. 309.)
36. How will the account "Dividend No. 1" stand when all are paid? (N. 2, p. 309.)

DUFF'S BOOK-KEEPING.
RAIL ROAD ACCOUNTS.

JANUARY, 1867.

REMARKS.

The following set of Rail Road accounts illustrates in a condensed form the construction and equipment of the road, the commencement of its operations, and the declaration of the first dividend. Part of the earnings are carried to credit of the STOCK, part to the DIVIDEND, and part to the SURPLUS CAPITAL.

The forms of Manifests, Bills of Lading, &c. are among the best in use; but Rail Road and Express Companies vary all these forms to adapt them to changes in business.

RAIL ROAD ACCOUNTS.

CONSTRUCTION AND EQUIPMENT DAY BOOK,

PENNSYLVANIA RAIL ROAD,

JANUARY, 1867.

1. This book is ruled with a date and voucher column on the left: the next two are for the titles of the account and the items of expenditure. To the right of these are eleven money columns, each of which has its representative account in the General Ledger. Compare and see.

2. The figures in the Voucher column are the numbers which are endorsed upon them as they are filed away for future reference.

3. When the footings are brought forward to the end of the month, bring them under the amount in the Depot column on the left. From the aggregate footing make the Journal entry. See Journal entry of January 31.

4. The Incidentals should be designated "Construction Incidentals," in the Journal, as there is another account of the same name in Operating Expenditures.

5. The entries in this book are made from the vouchers, and are, as the Journal entry indicates, cash payments.

JANUARY, 1867.

I

Road Building.	Land.	Surveying.	Grading.	Bridging.	Tunnelling.	Locomotives.	Cars.	Fencing.	Incidental.
	700	100							130
4400			1680	1300	3800	7000 7000	2500	350	40 35
							6000	160	
1500	800	80		1800					
			1200	4900	4400	6600			65
		80	170				4400		
3100	850							1200	330 70
							2400		
9000	2350	260	3050	8000	8200	20600	15300	1710	670

CONSTRUCTION AND EQUIPMENT,

Date.	Voucher	What Account.	For what paid.	Depots.
1867.			Amounts bro't forward,	24570
Jan. 26	38	Lands	Pd. J. Banks, for Procuring Right of Way	
	39	Bridging	" Hiram Hill, for Material delivered on Sec. 1	
	40	do.	" W. Stone, for Bridging " 1	
	41	Grading	" R. Baker & Sons, Excavating, as follows,—viz.:	
			31000 yds. on Sec. 18, 19, 20, @ 10¢	\$3100
			1500 " " 18, 19, 20, @ 20¢	300
				3400
			Less 20% retained	680
	42	Lands	" R. Banks, for Right of Way 100 feet wide, per Deed May 7, 1866.	
28	43	do.	" Commission of Appraisement, for services	
	44	Road Building	" for Switch Ties, 80, @ 20	
	45	Incidental Exps.	" J. K. Smith, 1 mo.'s Salary to date	
	46	do.	" R. Roberts, 1 " do. do.	
	47	Surveying	" W. Morris, 3 " do. do.	
	48	do.	" R. Manley, 3 " do. do.	
	49	Lands	" J. Wood, Right of Way 100 ft. wide, per Deed May 7 1866	
31	50	Road Building	" Freight and Duties on R.R. Iron from Liverpool.	
	51	do.	" Driver's Pay-Roll for Jan.	
	52	Grading	" A. Wood, Grading Farmer's Hill	
	53	Bridging	" D. Haven, for Bridging Wood Creek	
	54	Locomotives	" Archer & Co., for Locomotive and Tender "Ajax"	
	55	Cars	" Kirk & Rhodes, 6 Passenger Cars, @ \$2200	
	56	Incidental Exps.	" Team Hire this month	
	57	do.	" "Morning Post" for Notice to Stockholders	
	58	Fencing	" Robert Hall, for 1600 Rods, @ \$1.00	
	59	Depots	" Carpenter & Co., for Building Freight Depot at Pittsburgh	11500
	60	Surveying	" R. Patterson, Horse Hire	
			Total amount pd. for Depots	36070
			" Road Building	20100
			" Lands	6090
			" Surveying	1100
			" Grading	8100
			" Bridging	14800
			" Tunneling	8200
			" Locomotives	27600
			" Cars	28500
			" Fencing	3310
			" Incidentals	1200
			Journal 1. Total	155070

JANUARY, 1867.

2

Road Building.	Land.	Surveying.	Grading.	Bridging.	Tunneling.	Locomotives.	Cars.	Fencing.	Incidental.
9000	2350 110	260	3050	8000 460 940	8200	20600	15300	1710	670
16	1300 440		2720						80 150
8484 2600	1890	450 300	2880	5400		7000	18200		230 70
		90						1600	
20100	6090	1100	8100	14800	8200	27600	28500	8810	1200

CONSTRUCTION AND EQUIPMENT,

Date.	Account.	What Account.	For what paid.	Depots.
1867.	1	61	Incidental Exps. Pd. Dispatch, for Advertising	
Feb.	"	62	Depots " J. & A. Patterson, Building Depot at East Liberty	5000
		63	Road Building " R. R. Spike Co., for bill of Spikes	
		64	Lands " Z. Wainwright, per Deed May 7, 1866	
	28	65	Surveying " W. Moore and Assistants, to date	
		66	Depots " R. Shrum, Building Depot at Greensburg	8000
		67	Grading " J. Dignam, for Grading 93750 yds. @ 10	
			Less 20% retained \$9375	
			1875	
		68	Bridging " Cox & Co., Bridging Turtle Creek	
		69	Tunneling " Ames & Co., for Tunnel at Greensburg	
		70	Locomotives " Baldwin & Co., for Locomotive and Tender "Kiskiminitas"	
		"	do. " " " " " " " " "Allegheny"	
		"	do. " " " " " " " " "Altoona"	
		71	Depots " D. Wood, Building Depot at Johnstown	10000
		72	do. " S. Maple " " " Lancaster	8000
		73	Road Building " Laborers' Pay-Roll for Feb.	
		74	Bridging " for Bridges from Greensburg to Altoona, per Contract	
		75	Cars " Kirk & Rhodes, for 8 Passenger Cars, @ \$2000	
		"	do. " " " " 8 Baggage " @ 500	
		76	Fencing " J. Post, for 700 Rods, @ \$1.00	
		77	Incidental Exps. " J. Daub, painting signboards, per Contract	
			Total amount pd. for Depots	31000
			" Road Building	18000
			" Lands	1100
			" Surveying	900
			" Grading	7500
			" Bridging	14800
			" Tunneling	8200
			" Locomotives	22200
			" Cars	17500
			" Fencing	700
			" Incidentals	800
			Journal 2. Total	122700

FEBRUARY, 1867.

Road Building	Lands.	Surveying.	Grading.	Bridging.	Tunneling.	Locomotives.	Cars.	Fencing.	Incidental.
4500	1100	900	7500	800	8200	7000 8000 7200			270
18500				14000			16000 1500	700	530
18000	1100	900	7500	14800	8200	22200	17500	700	800

FORM OF A LOCAL BILL OF LADING.

PENNSYLVANIA RAIL ROAD COMPANY.

C. A. CARPENTER, FREIGHT AGENT, PITTSBURGH, PA.

Received, Pittsburgh, 188 , of
 the following packages, in apparent good order, marked as per margin, which we promise to deliver
 in like good order, the incidental dangers of the Rail Road, Fire in Cars and in Stations, excepted,
 at Station, the Owner or Consignee paying Freight and Charges, in
 par funds, as per Tariff Rates.

It is agreed, and is part of the Consideration of this Contract:

1. That all goods received for transportation shall be properly packed, and distinctly marked with the name of the consignee and the Station where and to whom consigned.
2. That the Pennsylvania Rail Road Company shall not be responsible for the melting of ice; decay or injury to perishable articles from heat or cold; or for any loss, injury, or damage from the dangers of rail road transportation, explosions, fire in stores, depots, or in transit, leakage, breakage, theft, or from any cause whatever, unless the same be proved to have occurred from the fraud or gross negligence of said Company or its servants; nor liable for any damage to glass or fragile articles, unless herein specially insured. And when goods are intrusted to any other Company or person (which said Pennsylvania Rail Road Company is hereby authorized to do), such Company or person so selected shall be regarded exclusively as the Agent of the owner, and as such alone liable; and the Pennsylvania Rail Road Company shall not in any event be responsible for the negligence or non-performance of any such Company or person; nor in any event shall the Pennsylvania Rail Road Company be liable for any loss or damage unless the claim therefor shall be presented in writing to the Agent of said Company within five days after the time when said property has or ought to have been delivered. The goods transported shall be subject to a lien—and may also be retained—for all arrearages of freight and charges due on other goods by the same consignee or owner.
3. Storage will be charged on goods allowed to remain over twenty-four hours in the Depots or Warehouses of said Company.
4. All articles coopered will be charged therewith.
5. Gun-Powder, Gun-Cotton, Friction Matches, and like combustibles, are not received or transported under this contract.
6. Goods at private turnouts shall be at the owner's risk until attached to, and until after they are detached from the train.
7. All articles will be at the risk of the owners at the several "Way Stations" and Platforms where Depot Buildings have not been established by the Company, from the moment such articles are delivered from the cars as directed or marked.
8. Freight carried by this Company must be removed from the Station to which it is consigned during business hours on the day of its arrival, or it may be stored at owner's risk and expense, and in the event of its destruction or damage from any cause while in the depot of the Company, it is agreed that said Company shall not be liable to pay any damage therefor.
9. The responsibility of the Company under this Bill of Lading to commence upon the shipment of the goods from this Station, and to terminate when unloaded from the cars.

MARKS.	ARTICLES.

FORM OF A THROUGH BILL OF LADING.

PENNSYLVANIA RAIL ROAD COMPANY.

C. A. CARPENTER, Freight Agent, Pittsburgh, Pa. S. B. KINGSTON, Jr., Freight Agent, Philadelphia, Pa.
 WILLIAM BROWN, Agent, N. C. B. W. Co., Baltimore.

H. H. HOUSTON, GENERAL FREIGHT AGENT, PHILADELPHIA.

Received, Pittsburgh, 188 , of
 the following packages, in apparent good order, marked as per margin, to be transported to
 and delivered at the FREIGHT STATION at

UPON THE FOLLOWING CONDITIONS.

The Owner or Consignee to pay freight as per specified rates, and charges, in PAR FUNDS, upon the goods as they from time to time arrive.

It is agreed, and is part of the consideration of this contract, that the Company will not be responsible for leakage of Liquids, breakage of Glass or Queensware, the injury or breakage of Looking Glasses, Glass Show Cases, Picture Frames, Store Castings or Hollow Ware, nor for injury to the hidden contents of Packages, nor for the loss in weight or otherwise of Grain or Coffee in bags, or Rice in barrels, nor for the decay of perishable articles, nor for damages arising from any article carried from the effects of heat or cold, nor for the loss of Nuts in bags, or of Lemons or Oranges in boxes, unless covered by canvas, or loss or damage to Goods occasioned by Providential causes, or by FIRE from ANY CAUSE WHATSOEVER, while in transit or at Stations, unless the additional charge of five cents per one hundred pounds be added to the following rates, in consideration of the Company insuring the Goods safe to Philadelphia or Baltimore, against all hazard, by instructions of owners or shippers before shipping.

The Company will not be responsible for damage on Tobacco, unless it is proved to have occurred during the time of its transit between Pittsburgh and Baltimore, or Philadelphia, and of this, notice must be given within thirty hours after the arrival of the same.

Freight to be paid upon the weight as ascertained by the Company's Scales at Pittsburgh.

If destined to any point beyond Philadelphia or Baltimore, the same may be intrusted or delivered in the cars of this Company, or otherwise, to any other Rail Road or Transportation Company, or Agent; and such Rail Road or Transportation Company, or Agent so selected, shall be regarded exclusively as the Agent of the owner or consignee, and shall be entitled to the benefits of the Conditions and Provisions of this, and of such Bill of Lading as they may deliver therefor; and the Pennsylvania Rail Road Company shall not be, in any event, responsible for the negligence or non-performance of any such Company or Agent, nor shall such Company or Agent be liable for any loss or injury except upon its or their respective routes, and while such merchandise is in their respective custody.

That the Owner or Consignee hereby assumes all risks from leakage, and loss by Fire, while in transit or at Depots, or in Stations, or on board Boats, from any cause whatever; and all dangers and delays of Rail Road and Water Transportation between Pittsburgh and point of destination; and in any claim or demand, suit at law or equity, against this Company or Transportation Company or Agent, for loss or damage thereby, this Bill of Lading shall be deemed and taken as a release in full therefor.

Whatever responsibility is assumed, under this Bill of Lading, shall begin when the merchandise is loaded into the cars of the Company, and cease when unloaded therefrom, or intrusted or delivered as aforesaid, and which it is agreed shall constitute a delivery.

The Owner or Consignee will have his or their Agent or Employees to receive and remove the said merchandise, as the same from time to time arrives and is delivered as aforesaid; but if not then removed, the same will remain at place of unloading, at the Owner's risk, or be removed, at the option of the Company, to such place of deposit as it may select, at the risk and cost of the Owner or Consignee.

Said merchandise may be retained for all arrearages of freight and charges due this Company on other goods by the same Consignee or Owner.

Nor shall any Company or Agent hereunder be liable, by reason of any responsibility hereby assumed, for any loss or damage to such merchandise, unless the claim be presented in writing at the office of the Agent at the point receipted to, within ten days after the time when the same has been or ought to have been delivered.

In case of loss or damage to any property herein mentioned, from such cause as would render the Carriers liable, it is expressly agreed that they shall have the benefit of any insurance that may have been or may be effected upon, or on account of said property, and the Owner, Consignee, and Shipper severally agree that it shall be so inserted in the policy.

Notice.—In accepting this Bill of Lading, the Shipper, or other Agent of the owner of the property carried, expressly accepts and agrees to all its conditions, stipulations, and exceptions.

MARKS.	ARTICLES.

RAIL ROAD ACCOUNTS.
OPERATING EXPENDITURES,
PENNSYLVANIA RAIL ROAD,

JANUARY, 1867.

1. The headings of the columns will sufficiently explain the use of this book.
2. Its ten money columns have also their representatives in the General Ledger, which will explain themselves.—Refer to them.
3. The final footing at the end of the month is made and Journalized like the last book.

OPERATING EXPENDITURES,

Date.	Vouchers	What Account.	For what paid.
1867.			
Mar.	1	1 Incidental Exps.	Pd. W. G. Johnston & Co., for Blanks and Stationery
		2 Track Repairs	" Whitmore, Wolff, Duff & Co., for Spikes
		3 Fuel	" James Oak, for his Bill of Wood
		4 Station	" Wm. Ward, 1 mo.'s Salary as Supt.
		5 Trains	" Pay-Roll for Feby.
		6 Engines	" Mitchell, Stevenson & Co., for Castings
		7 Cars	" Kirk & Rhodes, for Glass
		8 Station	" W. Darsie, 1 mo.'s Salary
		9 Shop	" Craig & Co., for 3 Stoves
		10 Buildings	" Carpenter & Co., for Repairs to Pittsburgh Depot
		11 Oil & Waste	" Childs & Co., for 5 Bales 1500 lb. Cotton
		12 Incidental Exps.	" W. S. Haven, for Printing Cards and Way Bills
		13 Fuel	" Darlington Coal Co., for 400 Tons Coal, @ \$2.00
		14 Station	" Salaries for Feb'y
		15 Trains	" Trains, Pay-Roll for Feby.
		16 Shop	" Geo. Dexter (Foreman), Salary to date
		17 do.	" Blacksmiths' Pay-Roll for Feby.
		18 Engines	" Warden & Son, Cylinder Head for Locomotive "Driver"
		19 Cars	" Kirk & Rhodes, for Bill of Locks, &c.
		20 Track	" Bell & Ward, for New Switch at Altoona
		21 Buildings	" Boyd & Murdoch, Repairs to Office
		22 Oil & Waste	" Fleming & Bros., Bill of Oil
		23 Incidental Exps.	" R. M. Riddle, for Advertising to date
		24 Fuel	" J. A. Reams' Bill of Wood
	4	25 Train	" Brakesman's Pay-Roll for last month
		26 do.	" Conductor's " " "
		27 Station	" Laborers' " " "
		28 Shop	" Machinists' " " "
	5	29 Station	" Watchman's Wages
	6	30 Engines	" Craig & Co., Repairing Pipe and New Pipe for "Velocity"
		31 Cars	" Jas. Sawyer, for Oak Plank
		32 Incidental Exps.	" Daily Post, for Advertising
		33 do.	" J. Bailey & Co., "
		34 Track	" Pay-Roll for M'ch 4
		35 do.	" " " " 6
	8	36 Fuel	" J. Day, 150 Tons Coal delivered at Johnstown
		37 Incidental Exps.	" W. S. Haven's Bill for Printing Tickets
	10	38 Oil & Waste	" F. Sellers & Co., for Oil
		39 do.	" B. C. & J. H. Sawyer, 1200 lb. Grease, @ 8¢
		40 Incidental Exps.	" W. G. Johnston & Co., for Office Stationery
		41 Building	" Hugh Beatty, for Painting Depot at Pittsburgh
	15	42 Cars	" E. Edmunson & Co., for Upholstering
		43 Engines	" Paine & Co., for New Spark-Catcher for "Ajax"
	16	44 Station	" W. White, 1 mo.'s Salary as Freight Agent at Pittsburgh
		45 do.	" D. Hill, " " Passenger " " "
	18	46 Trains	" A. Black, 1 mo.'s Salary as Freight Conductor
	19	47 Shop	" J. Woodwell & Co., for Tools

Amounts carried forward

MARCH, 1867.

Station.	Shop.	Trains.	Engines.	Cars.	Track.	Buildings.	Oil & Waste.	Fuel.	Incidentals.
					180			120	130
150		1660	190	30					
200	45					80	150		
160		940						800	370
	80 420		60	170	120	220	250		
140		560 440						180	110
30	1365		150	190					
					95 75			300	120 110
							350 96		60
180 120			180	110		180			30
	390	50							
980	2300	3650	530	500	470	480	846	1400	930

OPERATING EXPENDITURES,

Date.	No.	What Account.	For what paid.
1867.			Amounts bro't forward
Mar. 19	48	Shop	Pd. J. Gardiner, for Horse Hire 1 month
	49	Track	" Repairs on Division No. 7, in Feby.
	"	do.	" " " " " " 9, " "
20	50	Buildings	" Masons' Bill at Philadelphia
24	51	Cars	" for 14 Water Coolers, @ \$5
	52	do.	" Wilson & Co., Bill of Lamps and Fitting
26	53	Trains	" Watson's Salary as Passenger Conductor
	54	do.	" Gray's " " " "
27	55	Incidental Exps.	" H. Turner, for Trunk Lost
	56	do.	" Kay & Co., Freight "
28	57	Fuel	" A. Bell, for Wood
	58	Oil & Waste	" B. L. Fahnestock & Co., for Oil
29	59	Station	" Wilson, Freight Agent at Altoona, Salary for this month
	60	do.	" Hay, Passenger " " " " " "
30	61	Shop	" G. Dexter (Foreman), Salary for this month
	62	do.	" Blacksmiths' Pay-Roll for this month
	63	Trains	" Brakesman's " " "
31	64	Oil & Waste	" for Rags and Tallow
	65	Fuel	" Baird & Sons, 700 Tons Coal, @ \$2
	66	Trains	" Fireman's Pay-Roll for this month
	67	Shop	" Machinist's " " "
	68	Station	" W. N. Davis, Salary for this month
	69	Engines	" Machinists at Philadelphia
	70	Cars	" Warren & Lee, of "
	71	Track	" for New Rail on Secs. 17, 18, 19, & 24
	72	Buildings	" for Enlarging Office at Pittsburgh
	73	Station	" Secretary & Clerks' Pay-Roll at Philadelphia
			Amount pd. for Stations this month
			" " " Shop " "
			" " " Trains " "
			" " " Engines " "
			" " " Cars " "
			" " " Track " "
			" " " Buildings " "
			" " " Oil & Waste " "
			" " " Fuel " "
			" " " Incidentals " "

Jour. 2. Total Operating Expenditures for March

MARCH, 1867.

2

Station.	Shop.	Trains.	Engines.	Cars.	Track.	Buildings.	Oil & Waste.	Fuel.	Incidentals.
980	2300 30	3650	530	500	470	480	846	1400	930
					440 160				
				70 60		320			
		60 60.							90 210
140 110							204	80	
	80 420								
		530							
		980					55	1400	
200	1475								
			3670						
				4470					
					3330				
						1360			
1670									
3100	4305	5280	4200	5100	4400	2160	1105	2880	1230
4305									
5280									
4200									
5100									
4400									
2160									
1105									
2880									
1230									
33760									

**FORM OF WAY MANIFEST.
PENNSYLVANIA RAIL ROAD.**

No. 186

Manifest of Merchandise, forwarded from to

No. CAR.	CONSIGNOR.	MARKS.	CONSIGNEE.	DESCRIPTION OF ARTICLES.	WEIGHT.	RATE.	AMOUNT OF FREIGHT.	EXPENSES. PREPAID.	TO BE COLLECTED.

NOTE.—In all cases where the Price charged for Transportation is less than the Tariff Rates, the authority for so making the same must be attached to or stated in the Manifest, and also entered in the Freight Forwarded Book.

.....*Agent.*

FORM OF THROUGH MANIFEST.

No.

Manifest of Merchandise forwarded by PENNSYLVANIA RAIL ROAD COMPANY, from *Pittsburgh, consigned to Philadelphia.*

No. CARS.	MARKS.	CONSIGNEE.	ARTICLES.	WEIGHT.	RATE.	FREIGHT.	EXPENSES. PREPAID.	TO BE COLLECTED.	REMARKS.

RAIL ROAD ACCOUNTS.

OPERATING RECEIPTS,

PENNSYLVANIA RAIL ROAD,

JANUARY, 1867.

1. The headings of the columns of this book fully explain their use. Its three money columns have their representatives in the General Ledger.

2. There are four columns used in Rail Road Accounts; but, as I cannot see any use for the fourth column for totals, I have used only three of them, bringing the aggregate into the Freight column at the end of the month, from whence they are journalized. See Journal entry, March 31st.

I OPERATING RECEIPTS OF P. R. R. FOR MARCH, 1867.

Date.	Name.	Station.	Freights.	Passages.	Mails	
1867. Mar.	1	Geo. Brown	Greensburg	560	1900	
		J. W. Vann	Blairsville	340	700	
		Hiram Fish	Cresson	180	240	
		J. Scott	Altoona	760		
		W. Wills	Harrisburg	860		
		R. Weed	Lancaster	640		
		J. Powers	Philadelphia	970		
		W. Ryan	Conductor		712	
		J. Hilton	do.		680	
		B. Ray	do.		518	
		C. King	do.		670	
		R. Howe	do.		530	
		U.S. Mail	Pittsburgh to Philadelphia			1460
		do.	" " Altoona			340
		do.	" " Greensburg			490
		do.	" " Lancaster			710
		do.	" " Harrisburg			800
	15	J. Powers	Philadelphia	2200		
		R. Weed	Lancaster	1890		
		W. Wills	Harrisburg	1860		
	J. Scott	Altoona	1790			
	Hiram Fish	Cresson	1110			
	J. W. Vann	Blairsville	1370			
	Geo. Brown	Greensburg	1630			
	H. Lee	Pittsburgh	2150			
	C. Dickson	Philadelphia		2770		
	R. Bill	Lancaster		2630		
	J. Watson	Pittsburgh		2690		
	W. King	Harrisburg		2540		
	B. Hagan	Altoona		2512		
31	R. Weed	Lancaster	4700			
	J. Powers	Philadelphia	6300			
	W. Wills	Harrisburg	4970			
	Geo. Brown	Greensburg	1770	1400		
	J. Scott	Altoona	1860			
	J. W. Vann	Blairsville	1300	260		
	Hiram Fish	Cresson	1100	500		
	J. Watson	Pittsburgh		2590		
	R. Bill	Lancaster		2610		
	C. Dickson	Philadelphia		2470		
	B. Hagan	Altoona		2330		
	W. King	Harrisburg		2840		
	U.S. Mail	Pittsburgh to Johnstown			190	
		Freight	40310	34092	3999	
		Passage	34092			
		U.S. Mail	3990			
	Journal 2.	Receipts for this month	78392			

RAIL ROAD ACCOUNTS.

JOURNAL,

PENNSYLVANIA RAIL ROAD,

JANUARY, 1867.

1. This book serves for a Journal and General Day Book. The first three entries are original, and are first recorded in this book.

2. These books are kept by the Secretary, who debits and credits the Treasurer for all receipts and payments of money. Some Companies employ a Treasurer, who, under instructions from the board, takes charge of all the revenues of the Company, and pays out all their expenditures, reporting the same to the board. For some Companies the banker is their only Treasurer.

3. The first entry in March, and the second and third entries on the 31st, are original.

4. When the Journal is posted, compare and check the Journal and Ledger, then take off a trial sheet and prepare to close the Ledger, and make a dividend. For this purpose open the six accounts on page 6 of the Ledger.

5. The four entries on Journal, page 3, we obtain from the Ledger; but the same accounts may be closed on the face of the Ledger without a Journal entry, as we do in Mercantile Books. I have followed the practice of Rail Road Accountants.

6. You will see that the Operating Account finally closes into Profit & Loss with a net gain of \$44,632. Of this the Directors divide 5% on the paid-up Capital of \$300,000, and place \$20,000 to the credit of the Shareholders on the Stock Ledger. See Journal, p. 4. The surplus is carried to the credit of Surplus Capital, or Contingent Fund, as it is sometimes called.

7. The Dividend must be carried to the credit of the Dividend Account; and as the stockholders draw their Dividends, that account is Dr., and Cash, or the Bank Account, is credited.

8. The entries for closing the Ledger and making the Dividend are all made on pages 3 and 4 of the Journal, from which they are posted to the Stock and General Ledger. See posting to Stock Ledger from first entry in the Journal.

1	Treasurer, Dr.			100000	
1	To Capital Stock, for 1st Instalment paid by Shareholders				100000
1	R. Fulton	1200 Shares of \$100 ea.	Cash 10%	\$12000	
1	T. Graham	500 do	100 " do	5000	
1	D. Martin	800 do	100 " do	8000	
1	A.T.Howden	1000 do	100 " do	10000	
1	J. Carver	900 do	100 " do	9000	
2	A. Bowman	1000 do	100 " do	10000	
2	W. M. Lyon	1500 do	100 " do	15000	
2	G.R.Duncan	1500 do	100 " do	15000	
2	W. H. Duff	600 do	100 " do	6000	
2	R. Banks	1000 do	100 " do	10000	
	Shares, 10000		First Instalment, \$100000		
			15.		
1	Cash, Dr.			170000	
1	To Treasurer, for Check				170000
			31.		
1	Sundries, Dr. To Bonds Payable				600000
1	Treasurer, for n/p, received of W. Dumas & Co. for sales			540000	
1	Discount, for 10% Discount on above sales			60000	
					155070
1	Sundries, Dr. To Cash				
	Paid for Construction & Equipment this month				
2	Depots			36070	
2	Road Building			20100	
2	Lands			6090	
2	Surveying			1100	
2	Grading			8100	
3	Bridging			14800	
3	Tunneling			8200	
3	Locomotives			27600	
3	Cars			28500	
3	Fencing			3310	
3	Construction Incidentals			1200	
			Feb. 1.		
1	Treasurer, Dr.			200000	
1	To Capital Stock, for 2d Instalment paid by Shareholders				200000
1	R. Fulton	1200 Shares of \$100 ea.	Cash 20%	\$24000	
1	T. Graham	500 do	100 " do	10000	
1	D. Martin	800 do	100 " do	16000	
1	A.T.Howden	1000 do	100 " do	20000	
1	J. Carver	900 do	100 " do	18000	
2	R. Banks	1000 do	100 " do	20000	
2	A. Bowman	1000 do	100 " do	20000	
2	W. M. Lyon	1500 do	100 " do	30000	
2	G.R.Duncan	1500 do	100 " do	30000	
2	W. H. Duff	600 do	100 " do	12000	
	Shares, 10000		Second Instalment, \$200000		

1	Cash, Dr.	120000	
1	To Treasurer, for Check		20000
28.			
1	Sundries, Dr. To Cash		122700
	Paid for Construction & Equipment this month		
2	Depots	31000	
2	Road Building	18000	
2	Lands	1100	
2	Surveying	900	
2	Grading	7500	
3	Bridging	14800	
3	Tunneling	8200	
3	Locomotives	22200	
3	Cars	17500	
3	Fencing	700	
3	Construction Incidentals	800	
March 1.			
3	Sundries, Dr. To Bills Payable		169080
2	Road Building, for notes to E. Dudley & Co., at 6, 8, 9, 12, and 18 months, for R. R. Iron	160000	
4	Interest, for amount added in notes	9080	
31.			
1	Sundries, Dr. to Cash		33760
	Paid Operating Expenses this month		
4	Station	3100	
4	Shop	4305	
4	Train	5280	
5	Engines	4200	
5	Cars	5100	
5	Track	4400	
5	Buildings	2160	
5	Oil & Waste	1105	
5	Fuel	2880	
5	Operating Incidentals	1230	
"			
1	Cash, Dr.	52400	
1	To Treasurer, for Check		52400
"			
4	Interest, Dr.	18180	
1	To Cash, Pd. Int. for 6 mths. on \$600,000 Bonds, \$18,000 1% Exchange		18180
"			
1	Treasurer, Dr. to Sundries	78392	
4	To Freights, for Receipts for this month		40810
4	" Passages " " " "		34092
4	" Mails " " " "		3990

March 31, 1867.

6	Construction & Equipment, Dr. To Sundries		525030	
2	To Depots	To close acc't		67070
2	Road Building	do		198100
2	Lands	do		7190
2	Surveying	do		2000
2	Grading	do		15600
3	Bridging	do		29600
3	Tunneling	do		16400
3	Locomotives	do		49800
3	Cars	do		46000
3	Fencing	do		4010
3	Construction & Equipment Incidentals	do		2000
4	Interest	do		27260
1	Discount	do		60000
"				
6	Operating, Dr. To Sundries		33760	
4	To Stations	To close acc't		3100
4	Shop	do		4305
4	Train	do		5280
5	Engines	do		4200
5	Cars	do		5100
5	Track	do		4400
5	Building	do		2160
5	Oil & Waste	do		1105
5	Fuel	do		2880
5	Operating Incidentals	do		1230
"				
6	Sundries, Dr. To Operating			78392
4	Freights	To close acc't	40310	
4	Passages	do	34092	
4	Mails	do	3990	
"				
6	Operating, Dr.		44632	
6	To Profit & Loss, for gain			44632

6	Profit & Loss, Dr. To Sundries		44632	
6	To Dividend No. 1			15000
	For 5% on \$300000, payable in Cash to Shareholders			
	R. Fulton 5% on \$36000 paid in	\$1800		
	T. Graham 15000 "	750		
	D. Martin 24000 "	1200		
	A. T. Howden 30000 "	1500		
	J. Carver 27000 "	1350		
	R. Banks 30000 "	1500		
	A. Bowman 30000 "	1500		
	W. M. Lyon 45000 "	2250		
	G. R. Duncan 45000 "	2250		
	W. H. Duff 18000 "	900		
	\$300000 Cash Div'nd, \$15000			
1	To Capital Stock			20000
	For \$2 pr Sh'e on 10000 Sh's to credit of Sharehold's			
1	T. Graham \$2 on 500 Shares	\$1000		
1	D. Martin " 800 "	1600		
1	R. Fulton " 1200 "	2400		
1	A. T. Howden " 1000 "	2000		
1	J. Carver " 900 "	1800		
2	R. Banks " 1000 "	2000		
2	A. Bowman " 1000 "	2000		
2	W. M. Lyon " 1500 "	3000		
2	G. R. Duncan " 1500 "	3000		
2	W. H. Duff " 600 "	1200		
	Shares, 10000 Stock Div'nd, 20000			
6	To Surplus Capital			9632
	For amount of gain undivided			

PENNSYLVANIA RAIL ROAD COMPANY'S

PETROLEUM BILL OF LADING.

OWNER'S RISK OF FIRE.



H. H. HOUSTON,
General Freight Agent, Philadelphia.

C. A. CARPENTER,
Freight Agent, Pittsburg.

Received, Station, 186 , of
 Barrels, said to contain and marked
 to be transported to Consignee, at
 at Cents (freight for this and connecting Companies
 or Agents) per one hundred pounds, subject to the following Conditions and Agreement:—

First.—The owner or consignee shall pay freight and charges thereon at specified rates at time of delivery, as the same from time to time arrives.

Second.—This merchandise may be carried in Box-Cars, Covered Skeleton-Cars, or on open Platform-Cars; if destined beyond the line of the Philadelphia & Erie, Northern Central, or Pennsylvania Rail Roads, it may be transported by water, in boats, barges or lighters, or it may be entrusted or delivered in the Cars of this Company, or otherwise, to any other Railroad, or Transportation Company, or Agent; and such Rail Road, or Transportation Company, or Agent so selected, shall be regarded exclusively as the AGENT of the owner or consignee, and shall be entitled to the benefit of the Conditions and Provisions of this, and of such Bill of Lading as they may deliver therefor; and the Pennsylvania Rail Road Company, Lessee Philadelphia and Erie Railroad, shall not be, in any event, responsible for the negligence or non-performance of any such Company or Agent, nor shall such Company or Agent be liable for any loss or injury except upon its or their respective routes, and while such merchandise is in their respective custody.

Third.—That the owner or consignee, in consideration of the extremely hazardous nature of such merchandise, which is not covered by any extra charge for transportation, hereby assumes all risk from leakage, evaporation, and loss by fire, while in transit, or at Depots or in Stations, or on board boats, vessels or lighters, from any cause whatever, and all dangers and delays of Rail Road and Water Transportation between the place of shipment and final delivery; and in any claim or demand, suit at law or equity, against this Company or Transportation Company or Agent, for loss or damage thereby, this Bill of Lading shall be deemed and taken as a release in full therefor.

Fourth.—Whatever responsibility is assumed under this Bill of Lading shall begin when the merchandise is loaded into the cars of the Company at the above station, and cease when unloaded therefrom, or entrusted or delivered as aforesaid, and which, it is agreed, shall constitute a delivery.

Fifth.—The owner or consignee will have his or their agent or employees to receive and remove the said merchandise as the same from time to time arrives and is delivered as aforesaid; but if not then removed, the same will remain at place of unloading, or be removed, at the option of the Company, to such place of deposit as it may select, at the risk and cost of the owner or consignee.

Sixth.—Said merchandise may be retained for all arrearages of freight and charges due this Company on other goods by the same consignee or owner.

Seventh.—Nor shall any agent hereunder be liable, by reason of any responsibility hereby assumed, for any loss or damage to such merchandise, unless the claim therefor be presented in writing at the Office of the General Freight Agent of the Pennsylvania Rail Road Company in Philadelphia, above mentioned, within ten days after the time when the same has been or ought to have been delivered.

Eighth.—In case of loss or damage to any property herein mentioned, from such cause as would render this Company liable, it is expressly agreed that they shall have the benefit of any insurance that may have been or may be effected upon, or on account of said property, and the owner, consignee and shipper severally agree that it shall be so inserted in the policy, and the measure of such loss or damage shall be the market price of such property at the time and place of shipment.

Agent.

RAIL ROAD ACCOUNTS.

STOCK LEDGER,

PENNSYLVANIA RAIL ROAD COMPANY,

JANUARY, 1867.

1. This Ledger has an account opened in it for every shareholder. The rulings and headings explain themselves. No accounts are kept in this Ledger but those of the shareholders, and in business it must have an index in the usual form. When a shareholder transfers the whole or only part of his stock (a thing that occurs daily), the Secretary makes an original entry on the Transfer book, from whence it is posted to this. See Transfer Ledger from J. Carter to T. Graham \$27520, and to R. Manly, \$1280. While the Directors are preparing the dividend, they generally give notice, ten days before declaring it, that no stock will be transferred until after it is declared. The holders of the stock up to that day are entitled to the dividend unless otherwise agreed upon by the purchaser; but the purchaser buys the interest in the surplus capital with the stock.

2. When you take a trial balance off your General Ledger before closing, and when making the dividend, you must also take off from the Stock Ledger a list of the Shareholders, with the amount paid by each. The aggregate amount must agree with the credit of the Capital Stock in the General Ledger. In this instance it is \$300000.

3. This Ledger is never closed; but the individual accounts in it are closed when they transfer all the stock in J. Carver's account.

Dr.

R.

BANKS.

Cr. 2

		P.	Shares.						
1867.	2	Treasurer	1	1000	10	10000			
Jan.	1	"	"	"	20	20000			
Feb.	31	Profit & Loss	4	"	2	2000			
Mar.									

A.

BOWMAN.

1867.	2	Treasurer	1	1000	10	10000			
Jan.	1	"	"	"	20	20000			
Feb.	31	Profit & Loss	4	"	2	2000			
Mar.									

WM. M.

LYON.

1867.	2	Treasurer	1	1500	10	15000			
Jan.	1	"	"	"	20	30000			
Feb.	31	Profit & Loss	4	"	2	3000			
Mar.									

GEO. R.

DUNCAN.

1867.	2	Treasurer	1	1500	10	15000			
Jan.	1	"	"	"	20	30000			
Feb.	31	Profit & Loss	4	"	2	3000			
Mar.									

WM. H.

DUFF.

1867.	2	Treasurer	1	600	10	6000			
Jan.	1	"	"	"	20	12000			
Feb.	31	Profit & Loss	4	"	2	1200			
Mar.									

ROBERT

MANLY.

1867.	2	J. Carver	f	1	40	32	1280		
Apr.									

DIVIDEND BOOK.

PENNSYLVANIA RAIL ROAD COMPANY.—Dividend No. 1

Ledger Folio.	Name of Shareholders.	Amount paid up.	Rate of Dividend.	Amount.	Date.	Received the sums set opposite our names.
	Banks, Rob't	30000	5%	1500		
	Bowman, A.	30000	5%	1500		
	Carver, J.	27000	5%	1350		
	Duncan, G. R.	45000	5%	2250		
	Duff, Wm. H.	18000	5%	900		
	Fulton, R.	36000	5%	1800		
	Graham, T.	15000	5%	750		
	Howden, A. T.	30000	5%	1500		
	Lyon, W. M.	45000	5%	2250		
	Martin, D.	24000	5%	1200		
		300000		15000		

Paying the dividends is explained p. 809

RAIL ROAD ACCOUNTS.

GENERAL LEDGER,

PENNSYLVANIA RAIL ROAD.

1. This book and the Stock Ledger are generally opened at once, as all entries relating to the shareholders have to be posted into that Ledger, and this one also. See the posting to both, January 2.

2. This Ledger, in business, must have an Index, but it need not be written here. The Bonds Payable account is the same as the Bills Payable account, and may be posted to that account, but it is better to follow the established custom.

3. All the accounts which you closed into Construction & Equipment account represent property, and the debit side of that account stands in the debit side of the Balance account as assets of the company.

4. Operating accounts are of the same nature as Profit & Loss, into which they finally close. Dividend and Surplus Capital are both accounts representing liabilities, and are entered in the credit of the Balance account.

5. All the accounts that close into Construction & Equipment and Operating account remain closed, and the unoccupied space below them may be used for a new account without a new heading.

6. By comparing these Books before writing, the student who is well versed in Double Entry Book-keeping will have no trouble in understanding them.

7. Surplus Capital is a reserve fund to enable the directors to make uniform dividends when business is unfavorable.

1 DR. CAPITAL STOCK. CR.

				1867.				
				Jan.	2	Treasurer	1	100000
				Feb.	1	"		200000
				Mar.	31	Profit & Loss	4	20000

TREASURER'S ACCOUNT.

1867.				1867.					
Jan.	2	Capital Stock	1	100000	Jan.	15	Cash	1	170000
	31	Bonds Payable		540000	Feb.	15	"	2	120000
Feb.	1	Capital Stock		200000	Mar.	31	"		52400
Mar.	31	Sundries	2	78392			Balance	f 6	575992
				918392					918392
		Balance		575992					

CASH ACCOUNT.

1867.				1867.					
Jan.	15	Treasurer	1	170000	Jan.	31	Sundries	1	155070
Feb.	15	"	2	120000	Feb.	28	"	2	122700
Mar.	31	"		52400	Mar.	31	"		33760
							Interest		18180
							Balance	f 6	12690
				342400					342400
		Balance		12690					

BONDS PAYABLE.

				1867.				
				Jan.	31	Sundries	1	600000

DISCOUNT ACCOUNT.

1867.				1867.					
Jan.	31	Bonds Payable	1	60000	Mar.	31	Constr. & Equip.	3	60000

DR.

DEPOTS.

CR. 2

1867. Jan.	31	Cash	1	36070	1867. Mar.	31	Constr. & Equip.	3	67070
Feb.	28	"	2	31000					
				67070					67070

ROAD

BUILDING.

1867. Jan.	31	Cash	1	20100	1867. Mar.	31	Constr. & Equip.	3	198100
Feb.	28	"	2	18000					
Mar.	1	Bills Payable		160000					
				198100					198100

LANDS

ACCOUNT.

1867. Jan.	31	Cash	1	6090	1867. Mar.	31	Constr. & Equip.	3	7190
Feb.	28	"	2	1100					
				7190					7190

SURVEYING

ACCOUNT.

1867. Jan.	31	Cash	1	1100	1867. Mar.	31	Constr. & Equip.	3	2000
Feb.	28	"	2	900					
				2000					2000

GRADING

ACCOUNT.

1867. Jan.	31	Cash	1	8100	1867. Mar.	31	Constr. & Equip.	3	15600
Feb.	28	"	2	7500					
				15600					15600

S Dr.

BRIDGING.

Cr.

1867. Jan. 31	Cash	1	14800	1867. Mar. 31	Constr. & Equip.	3	29600
Feb. 28	"	2	14800				
			29600				29600

TUNNELING

ACCOUNT.

1867. Jan. 31	Cash	1	8200	1867. Mar. 31	Constr. & Equip.	3	16400
Feb. 28	"	2	8200				
			16400				16400

LOCOMOTIVE

ACCOUNT.

1867. Jan. 31	Cash	1	27600	1867. Mar. 31	Constr. & Equip.	3	49800
Feb. 28	"	2	22200				
			49800				49800

CARS

ACCOUNT.

1867. Jan. 31	Cash	1	28500	1867. Mar. 31	Constr. & Equip.	3	46000
Feb. 28	"	2	17500				
			46000				46000

FENCING

ACCOUNT.

1867. Jan. 31	Cash	1	3310	1867. Mar. 31	Constr. & Equip.	3	4010
Feb. 28	"	2	700				
			4010				4010

CONSTRUCTION

INCIDENTALS.

1867. Jan. 31	Cash	1	1200	1867. Mar. 31	Constr. & Equip.	3	2000
Feb. 28	"	2	800				
			2000				2000

BILLS

PAYABLE.

				1867. Mar. 1	Sundries	2	169080
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Dr.

INTEREST.

Cr. 4

1867. Mar.	1	Bills Payable	2	9080	1867. Mar.	31	Constr. & Equip.	3	27260
	31	Cash		18180					
				27260					27260

FREIGHT**ACCOUNT.**

1867. Mar.	31	Operating	3	40310	1867. Mar.	31	Treasurer	2	40310
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PASSAGE**ACCOUNT.**

1867. Mar.	31	Operating	3	34092	1867. Mar.	31	Treasurer	2	34092
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U. S. MAIL**SERVICE.**

1867. Mar.	31	Operating	3	3990	1867. Mar.	31	Treasurer	2	3990
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STATION**SERVICE.**

1867. Mar.	31	Cash	2	3100	1867. Mar.	31	Operating	3	3100
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SHOP**SERVICE.**

1867. Mar.	31	Cash	2	4305	1867. Mar.	31	Operating	3	4305
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TRAIN**SERVICE.**

1867. Mar.	31	Cash	2	5280	1867. Mar.	31	Operating	3	5280
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5 Dr. ENGINE. SERVICE. Cr.

1867. Mar.	31	Cash	2	4200	1867. Mar.	31	Operating	3	4200
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CAR

REPAIRS.

1867. Mar.	31	Cash	2	5100	1867. Mar.	31	Operating	3	5100
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TRACK

REPAIRS.

1867. Mar.	31	Cash	2	4400	1867. Mar.	31	Operating	3	4400
---------------	----	------	---	------	---------------	----	-----------	---	------

BUILDING

REPAIRS.

1867. Mar.	31	Cash	2	2160	1867. Mar.	31	Operating	3	2160
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OIL

&

WASTE.

1867. Mar.	31	Cash	2	1105	1867. Mar.	31	Operating	3	1105
---------------	----	------	---	------	---------------	----	-----------	---	------

FUEL

ACCOUNT.

1867. Mar.	31	Cash	2	2880	1867. Mar.	31	Operating	3	2880
---------------	----	------	---	------	---------------	----	-----------	---	------

OPERATING

INCIDENTALS.

1867. Mar.	31	Cash	2	1230	1867. Mar.	31	Operating	3	1230
---------------	----	------	---	------	---------------	----	-----------	---	------

DR.		PROFIT		&		LOSS.		CR. 6	
1867. Mar.	31	Sundries	4	44632	1867. Mar.	31	Operating	3	44632

		CONSTRUCTION		&		EQUIPMENT.			
1867. Mar.	31	Sundries	3	525030					

BALANCE				ACCOUNT.					
1867. Mar.	31	Treasurer	f 1	575992	1867. Mar.	31	Capital	f 1	320000
		Cash		12690			Bonds Payable		600000
		Constr. & Equip.	6	525030			Bills Payable	3	169080
							Dividend No. 1	6	15000
							Surplus Capital		9632
				1113712					1113712

OPERATING				ACCOUNT.					
1867. Mar.	31	Sundries	3	33760	1867. Mar.	31	Sundries	3	78392
		Profit & Loss		44632					
				78392					78392

DIVIDEND				No. 1.					
					1867. Mar.	31	Profit & Loss	4	15000

SURPLUS				CAPITAL.					
					1867. Mar.	31	Profit & Loss	4	9632

QUESTIONS FOR EXAMINATION ON RAIL ROAD ACCOUNTS.

1. Where are the totals of the Construction & Equipment Day Book carried to? (N. 3, p. 315.)
2. What are the entries of this book made from? (N. 5, p. 315.)
3. Where are the total amounts of the money columns of the Operating Expenditures represented? (N. 2, p. 323.)
4. Where are the aggregates of the Operating Receipts carried to? (N. 2, p. 329.)
5. What entries originate upon the Journal? (N. 1, p. 331.)
6. Who is supposed to keep the books of the company? (N. 2, p. 331.)
7. How does the Secretary keep his account with the Treasurer? (N. 2, p. 331.)
8. What is done after the contents of the Journal are posted into the General Ledger? (N. 4, p. 331.)
9. What accounts are to be opened preparatory to closing the Ledger? (N. 4, p. 331.)
10. Where are the closing entries of the Ledger made? (N. 5, p. 331.)
11. How is the total gain divided? (N. 6, p. 331.)
12. What accounts are kept in the Stock Ledger? (N. 1, p. 337.)
13. How are transfers of stock made? (N. 1, p. 337.)
14. When is the transfer of stock prohibited? (N. 1, p. 337.)
15. If a sale of stock is made while the transfer book is closed, who is entitled to the Dividend? (N. 1, p. 337.)
16. What must be done when you take a Trial Balance off the General Ledger? (N. 2, p. 337.)
17. What must the aggregate amount of the credits of the Stock Ledger agree with? (N. 2, p. 337.)
18. When are the accounts in this Ledger closed? (N. 3, p. 337.)
19. When is the General Ledger opened? (N. 1, p. 341.)
20. Is there any difference between "Bonds Payable" and "Bills Payable"? (N. 2, p. 341.)
21. What do the accounts closing into "Construction & Equipment" represent? (N. 3, p. 341.)
22. What is the nature of Operating Accounts? (N. 4, p. 341.)
23. Into what account do they close? (N. 4, p. 341.)
24. Are "Dividend" and "Surplus Capital" effects, or liabilities? (N. 4, p. 341.)
25. What is done with the accounts closed into Construction & Equipment after the books are closed? (N. 5, p. 341.)
26. What is "Surplus Capital"? (N. 7, p. 341.)

DUFF'S BOOK-KEEPING.
PRIVATE BANKER'S ACCOUNTS.

1867.

349

PRELIMINARY REMARKS.

Although the principles of Bank Accounts have been fully illustrated in our set of National Bank Accounts, the business of the Private Banker differs in so many particulars from that of the Joint Stock Company that we think the following set of books, expressly adapted to this particular business, will prove useful in perfecting the business man's education.

CASH BOOK,
PRIVATE BANKER'S ACCOUNTS.

NOVEMBER, 1867.

1. Bankers generally make this book perform the office of Cash Book and Journal. The marginal pages indicate the direct posts to the General Ledger, which is made up from this book.

2. The aggregate monthly receipts and payments are posted from the right-hand money columns.

CASH

1867.							
Nov.	2	To P. Duff	Rec'd in full for his capital	1	20000		
		" Wm. Hay	" " " " " "	1	10000		
		" W. Wood	" " " " " "	1	10000		
		" Depositors	" per Deposit Register	P. 1	2200		
		" Discount	" Discount Book	1	3	158	92
	7	" Depositors	" Deposit Register	1	2	1900	
		" Discount	" Discount Book	1	3	69	
	8	" Depositors	" Deposit Register	1	2	2200	
		" Discount	" Discount Book	1	3	25	
	9	" Depositors	" Deposit Register	1	2	3260	
		" Discount	" Discount Book	1	3	39	70
	10	" Depositors	" Deposit Register	1	2	3049	
	16	" do.	" do. do.	1	2	5985	
		" Discount	" Discount Book	1	3	62	47
	23	" Depositors	" Deposit Register	1	2	2900	
		" Discount	" Discount Book	1	3	154	57
		" Bills Receivable	" for Discount No. 3	2	2	5600	
	30	" Depositors	" per Deposit Register	2	2	6630	
		" Bills Receivable	" for Discount No. 2	2	2	4000	
		" Discount	" per Discount Book	1	3	110	
						78343	66
						<hr/>	
Dec.			Balance		26533	66	
	4	To Discount	Rec'd per Discount Book	2	3	1260	
	7	" Depositors	" Deposit Register	2	2	8815	
		" Discount	" Discount Book	2	3	75	50
	14	" Depositors	" Deposit Register	2	2	9960	
		" Bills Receivable	" for Discount No. 4	2	2	2800	
		" do. do.	" " No. 5	2	2	4200	
		" Discount	" per Discount Book	2	3	2618	60
	21	" Depositors	" per Deposit Register	2	2	2700	
		" Discount	" Discount Book	2	3	80	80
	28	" Depositors	" Deposit Register	2	2	1410	
		" Discount	" Discount Book	2	3	143	34
		" Bills Receivable	" for Discounts No. 8, 9, and 10	2	2	3600	
	29	" Discount	" per Discount Book	2	3	306	
	30	" Depositors	" per Deposit Register	2	2	890	
		" Discount	" Discount Book	2	3	200	
	31	" Depositors	" per Deposit Register	2	2	13910	
		" Discount	" Discount Book	2	3	113	34
		" Duff Brothers & Co.	" for draft on them	3	3	1000	
		" Thomas Thompson & Co.	" " do.	3	3	6000	
		" Bills Receivable	" Discount No. 7	2	2	3800	
		" do. do.	" " 1	2	2	5000	
						95416	74
						<hr/>	
						Balance	6737 74

PRIVATE BANKER'S

PITTSBURGH, Nov. 2, 1867.

1867. Nov.	2	Wilson, Childs & Co. R. S. Carson W. J. Murphy Wm. Payne		1 1 1 1	400 600 500 700
			C. B. 1		2200
Nov.	7	Wm. Payne J. R. Weldin R. Banks Jas. Wood		1 2 2 2	300 600 400 600
			C. B. 1		1900
Nov.	8	Chas. Page W. Stoner R. S. Carson R. Banks		2 2 1 2	700 240 260 1000
			C. B. 1		2200
Nov.	9	Wm. Payne R. S. Carson R. Banks J. Pillow	Note 2 3 6	1 1 2 3	300 260 1000 1700
			C. B. 1		3260
Nov.	10	J. R. Weldin W. J. Murphy Robt. Knox Jas. Watt Geo. Draper	Note 5 4	2 1 3 3 3	600 500 749 450 750
			C. B. 1		3049
Nov.	16	Jas. Wood W. Hay John Hatch White & Edwards	Note 7	2 3 4 4	2000 1475 760 1750
			C. B. 1		5985
Nov.	23	Chas. Page Jones & Hatch Rich & Gray Hay & Wood Wm. Payne Certificate of Deposit	No. 1	2 4 4 5 1 5	450 750 460 500 40 700
			C. B. 1		2900

DEPOSIT REGISTER.

2

PITTSBURGH, Dec. 7, 1867.

1867. Nov. 30	Chas. Page Wm. Hay R. S. Carson Wm. Stoner Hay & Wood Certificate of Deposit " " " " " "	Note 8	2	470
			3	1000
			1	1400
			2	560
			5	700
			5	1000
			5	600
			5	900
			C. B. 1	6630
		Dec. 7	Wilson, Childs & Co. James Pillow Hay & Wood	Note 1
12	3			7800
	5			615
C. B. 1	8815			
Dec. 14	James Watt R. Knox Jones & Hatch Certificate of Deposit	Note 15	3	3000
		14	3	3960
			4	1000
		No. 5	5	2000
		C. B. 1	9960	
Dec. 21	Geo. Draper Wm. Stoner	Note 11	3	2600
			2	100
		C. B. 1	2700	
Dec. 28	Jno. Hatch White & Edwards Rich & Gray Hay & Wood	Note 16	4	200
		17	4	150
		18	4	500
		20	5	560
		C. B. 1	1410	
Dec. 30	Jones & Hatch W. Payne R. Martin	Note 19	4	130
			1	360
			5	400
		C. B. 1	890	
Dec. 31	Wm. Hay R. Banks H. P. Ford & Co. Wilson, Childs & Co. W. Stoner W. Payne	Note 10	3	960
			2	550
			5	600
			1	3200
			2	4800
			1	3800
		C. B. 1	13910	

1. In this book enter all receipts of money received on deposit account and for Certificates of Deposit. The daily amounts are carried to the Cash Book, and the particulars are posted into the Depositors' Ledger.

PRIVATE BANKER'S

PITTSBURGH, Nov. 2, 1867.

Date	Particulars	Debit	Credit
1867. Nov. 2	W. Payne	1	400
	Wilson, Childs & Co.	1	400
	W. J. Murphy	1	200
	C. B. 1		1000
7	R. S. Carson	1	375
	Robt. Banks	2	200
	Jas. Wood	2	100
	C. B. 1		675
8	J. R. Weldin	2	700
	C. Page	2	600
	W. Payne	1	300
	C. B. 1		1600
9	R. S. Carson	1	1000
	R. Banks	2	600
	W. Stoner	2	200
	James Pillow	3	600
	Note 6, Collection Register		
	C. B. 1		2400
10	Wm. Payne	1	200
	W. J. Murphy	1	700
	Robt. Knox	3	200
	C. B. 1		1100
16	Jas. Watt	3	400
	Geo. Draper	3	200
	Jas. Wood	2	500
	Wm. Hay	3	200
	C. B. 1		1300
23	Jones & Hatch	4	400
	White & Edwards	4	800
	John Hatch	4	700
	Rich & Gray	4	20
	Hay & Wood	5	400
	C. Page	2	5600
	Certificate of Deposit No. 1		
	Note 3 Discounted		
	C. B. 1		7920
30	John Hatch	4	840
	White & Edwards	4	1000
	Wm. Payne	1	600
	Wilson, Childs & Co.	1	1000
	R. S. Carson	1	1480
	Certificate of Deposit No. 2		
	" " " 3		
	C. B. 1		4920
<p>1. This book records the payment of all Checks and Certificates of Deposit. Transfer the amounts daily to the Cash Book, and post the particulars to the Deposit Ledger.</p>			

CHECK REGISTER.

2

PITTSBURGH, Dec. 4, 1867.

1867. Dec.	Date	Payee	C. B. 1	Amount
4		Hay & Wood R. S. Carson	5	400
			1	160
			560	
7		Jones & Hatch Wm. Payne	4	200
			1	160
			360	
14		R. Martin Rich & Gray	5	300
			4	130
			430	
21		Wm. Hay Wilson, Childs & Co. R. Knox Certificate of Deposit No. 5	3	500
			1	200
			3	150
			5	2000
			2850	
28		R. Knox Jones & Hatch White & Edwards Certificate of Deposit No. 3	3	400
			4	240
			4	2400
			5	600
			3640	
31		Wm. Stoner Wilson, Childs & Co. do. do. Certificate of Deposit No. 1	2	5000
			1	700
			1	300
			5	700
			6700	

PRIVATE BANKER'S

NOTES & BILLS

WHEN REC'D.	DISCOUNTED FOR.	DRAWER.	ON WHOM DRAWN.	IN WHOSE FAVOR.			
1867. Nov.	2	Jno. Scott	Simon Payne	Wm. Young	Jno. Jones		
		R. Banks	Thos. Gains		S. Myers		
Dec.		S. White	Chas. Page	J. S. Ward	S. White		
		S. Smith	W. Hay		Good & Bacon		
	9	T. Rhodes	S. Barrett		T. Rhodes		
	11	Good & Little	S. Wise		J. S. Duncan		
	23	Moss & Howard	R. Goodwill		Moss & Howard		
		Rhodes & Verner	M. Thompson		Rhodes & Verner		
			G. R. White	A. Mason	T. C. Duff	G. R. White	
			W. Payne	C. Ralston		S. Stevens	
		7	J. Taylor	Jno. Eastman			E. D. Jones
		14	S. Barrett	W. Hare			S. Barrett
D. A. Carston			Simon Payne			D. A. Carston	
		Jno. Hawkins	Hay & Wood			Jno. Hawkins	
		21	Hay & Wood	Jas. May		E. Lynch	Hay & Wood
J. Watt		Rogers & Co.		J. Dally			
28		J. Pillow	Ragan & Morse			J. Pillow	
		R. Banks	T. A. Craig			R. Banks	
		S. Simpson	M. Love	Jno. Kerr	S. Simpson		
		W. Wells	C. Page		W. Wells		
	29	R. Smith	J. Brown		Henry Rigg		
	E. Waltby	Adrian & Co.	E. Waltby				
30	Thos. Anderson	C. Rhea	Wm. Cook	C. Gipner			
	D. Fox	W. F. Smith		J. C. Young			
		W. Langdon	W. Langdon	G. L. Ryder	Ourselves		
		31	B. F. Swan		L. C. Donnell	S. J. Grant	
	J. M. Smith	G. W. Holmes	R. B. Wilson				
	R. Root	J. Hoag	M. Die				
	Jno. Black	S. Green	D. White				
	R. P. Murry	L. Bradley	V. B. Smith				
	J. Higgins	J. Vinsonhaler	H. S. Kerr				
			A. D. Walker				

1. Enter all discounted paper as above; the Discounts in the Discount Book, the payments in the Cash Book, and the day of maturity in the Ticker.

BILL BOOK.

1

DISCOUNTED.

WHERE PAYABLE.	No.	DATE.	TERM.	WHEN DUE.	AMOUNT.	MEMORANDA.
Chicago	1	1867. Sept. 25	3 months	1867. Dec. 28	5000	Paid Dec. 31
City	2	28	60 days	Nov. 30	4000	" Nov. 30
"	3	Oct. 21	30 "	23	5600	" " 23
Philadelphia	4	Nov. 7	1 month	Dec. 10	2800	" Dec. 14
City	5	Sept. 7	3 months		4200	Protested Dec. 10, pd. Dec. 14
"	6	July 11	5 "	14	1600	" Dec. 14
"	7	18	5 "	21	3800	" Dec. 21, pd. Dec. 31
"	8	June 25	6 "	28	600	Paid Dec. 28
"	9	Sept. 26	90 days	28	1800	" Dec. 28
New York	10	Nov. 18	30 "	21	1200	" Dec. 28
City	11	Aug. 1	6 months	1868. Feb. 4	3800	
"	12	July 10	6 "	Jan. 13	800	
"	13	Sept. 1	5 "	Feb. 4	3000	
"	14	28	4 "	Jan. 31	700	
"	15	Dec. 1	3 "	Mar. 4	1600	
St. Louis	16	20	3 "	23	4000	
City	17	15	90 days	18	2000	
"	18	5	60 "	Feb. 6	4000	
"	19	20	3 months	Mar. 23	3000	
"	20	Oct. 15	5 "	18	3600	
"	21	Dec. 5	60 days	Feb. 6	4000	
Chicago	22	20	90 "	Mar. 23	20000	
City	23	15	3 months	18	5000	
New Orleans	24	"	90 days	"	4000	
City	25	20	3 months	23	6000	
New York	26	Nov. 3	90 days	Feb. 4	225	
City	27	Dec. 1	3 months	Mar. 4	140	
"	28	30	60 days	3	170	
Cincinnati	29	3	3 months	6	360	
City	30	15	3 "	18	125	
St. Louis	31	Sept. 15	6 "	18	234	

PRIVATE BANKER'S

NOTES & BILLS

WHEN RECD.	COLLECTED FOR.	DRAWER.	ON WHOM DRAWN.	IN WHOSE FAVOR.
1867. Nov.	2 Wilson, Childs & Co	Jas. Moultrie	H. Jones	S. Stinson
	W. Payne	S. Girty	J. Gray	J. Shepler
	R. S. Carson	J. S. Duncan		R. S. Carson
	W. J. Murphy	S. Stevens		Thos. McCabe
	J. R. Weldin	S. Crites	F. Wallace	J. R. Weldin
	3 R. Banks	R. Carson		Thos. Smith
	7 Jas. Woods	S. R. Moultrie		Jas. Woods
	10 C. Page	Jno. Easton	C. J. Logan	R. Sanders
	15 W. Stoner	W. Roy		J. Getty
	20 W. Hay	J. Dalton	A. Martin	R. Jones
	30 Geo. Draper	Ditto & Knox		Geo. Draper
Dec.	1 Jas. Pillow	Stein & Dawson		Jas. Pillow
	4 S. Barrett	W. Hare		S. Barrett
	R. Knox	J. Moultrie	Jno. Milton	R. Good
	J. Watt	S. Barrett		F. Garrett
	21 Jno. Hatch	R. Knox		Jno. Hatch
	White & Edwards	Jones & Langdon		White & Edwards
	Rich & Gray	S. Girty		Rich & Gray
	Jones & Hatch	Brady & Stein	S. Grant	T. Fairbanks
	Hay & Wood	R. Roy		J. Goodall
	28 Ross & Childs	J. Riggs		S. Lowry
	30 R. Banks	Thos. King	F. Johnson	R. Banks

1. This book records all paper received for collection. Record its maturity at the same time on the Tickler. When collected, pass it to the credit of the owner on the Deposit Register.

PRIVATE BANKER'S

NOTES & BILLS

WHEN.	REMITTED TO.	PLACE.	DRAWER.	IN WHOSE FAVOR.
1867. Nov.	2 S. Ripley	Philadelphia	S. Girty	J. Shepler
	T. Thompson & Co.	Chicago	S. Crites	J. R. Weldin
	Duff Bros. & Co.	New York	Jno. Easton	R. Sanders
	25 R. P. Duff	Cincinnati	Jas. Moultrie	S. Stinson
Dec.	1 S. Ripley	Philadelphia	W. Hay	Good & Bacon
	4 Geo. McCallum	St. Louis	Jas. Moultrie	R. Good
	15 Duff Bros. & Co.	New York	C. Ralston	S. Stevens
	20 T. F. Shepard	New Orleans	J. Dalton	R. Jones
	R. P. Duff	Cincinnati	Brady & Stein	T. Fairbanks
	T. Thompson & Co.	Chicago	Simon Payne	Jno. Jones
1868. Jan.	25 Duff Bros. & Co.	New York	Thos. King	R. Banks
	do	"	L. C. Donnell	S. J. Grant
Feb.	25 T. Thompson & Co.	Chicago	Adrian & Co.	E. Walby
Mar.	1 R. P. Duff	Cincinnati	Samuel Green	D. White
	10 T. F. Shepard	New Orleans	W. F. Smith	J. C. Young
	G. McCallum	St. Louis	J. Vinsonhaler	H. S. Kerr
	15 do	"	Rogers & Co.	J. Dally

2. Ten or fifteen days before the maturity of foreign paper, forward it to your agent, transferring it from the Tickler to this book. When he notifies you of its payment, debit him; or, if he remits the proceeds, enter it to credit of the owner on Deposit Register.

COLLECTION REGISTER.

1

RECEIVED FOR COLLECTION.

WHERE PAYABLE.	No.	DATE.	TIME.	WHEN DUE.	AMOUNT.	MEMORANDA.
Cincinnati	1	1867. Oct.	2 60 days	1867. Dec.	4 400	Paid Dec. 7
Philadelphia	2	5 30 "	Nov.	7 300	Nov. 9	9
City	3	6 1 month	10 500	9 260	10 10	10 10
"	4	Aug. 7 3 months	8 600	9 1000	16 2000	16 30
Chicago	5	Sept. 5 2 "	23 470	30 560	28 980	Ret'd Protested Nov. 30
City	6	July 6 4 "	Dec.	28 2600	21 21	Paid Dec. 31, less \$20
"	7	Sept. 14 60 days	1868. Jan.	7 7800	13 100	7
New York	8	Aug. 20 3 months	1867. Dec.	14 4000	14 3000	Paid Dec. 14, less \$40
City	9	29 90 days	28 200	17 150	28 28	28 28
"	16	Feb. 25 10 "	28 500	19 140	20 560	30, less \$10
"	17	10 10 "	1868. Jan.	31 800	28 28	28
"	18	Nov. 25 1 "	28 3000	22 3000	28 800	New York
Cincinnati	19	Sept 26 90 days	28 3 months	22 3000	28 3000	New York
City	20	Oct. 26 60 days	28 3 months	22 3000	28 3000	New York
"	21	30 90 "	28 3 months	22 3000	28 3000	New York
New York	22	28 3 months	28 3 months	22 3000	28 3000	New York

FOREIGN COLLECTION REGISTER.

REMITTED FOR COLLECTION.

COLLECTED FOR.	No.	DATE.	DUE.	AMOUNT.	MEMORANDA.
W. Payne	2	1867. Oct.	5 1867. Nov.	7 300	Received Nov. 9
J. R. Weldin	5	Sept. 5	8 600	23 470	Rec'd 10
C. Page	8	Aug. 20	Dec. 4 400	10 2800	Rec'd 30
Wilson, Childs & Co.	1	Oct. 2	7 14 4000	21 1200	Rec'd Dec. 7
Ourselves	4	Nov. 7	28 980	26 140	Rec'd 14
R. Knox	14	Oct. 12	1868. Jan.	31 3000	Rec'd 14, less \$40
Ourselves	10	Nov. 18	Feb. 4 225	23 20000	Rec'd 28, less \$12
W. Hay	10	July 25	6 360	18 4000	Rec'd 31, less \$20
Jones & Hatch	19	Sept. 26	18 234	23 4000	Rec'd 30, less \$10
Ourselves	1	25	23 4000	23 4000	Rec'd 31, less \$50
R. Banks	22	Oct. 28	23 4000	23 4000	do
Ourselves	26	Nov. 3	23 4000	23 4000	do
do	22	Dec. 20	23 4000	23 4000	do
do	29	3	23 4000	23 4000	do
do	24	15	23 4000	23 4000	do
do	31	Sept. 15	23 4000	23 4000	do
do	16	Dec. 20	23 4000	23 4000	do

PRIVATE BANKER'S

DISCOUNTS.

1867. RECEIVED.			1867. PAID.				
Nov.	2	Note 1	46 67	Nov.	2	Exchange	10
		" 2	18 67			"	3
		" 3	19 60			"	5
		" 4	17 73			"	2
		Exchange	45			C. B. 1	20
		"	10				
		"	1 25				
		C. B. 1	158 92	Nov.	7	Exchange	25
Nov.	7	Exchange	23			"	2 50
		"	17			"	4 75
		"	8			"	1 25
		"	21			"	3 50
		C. B. 1	69			C. B. 1	37
Nov.	8	Exchange	10	Nov.	8	Exchange	3
		"	7			"	4
		"	3			"	5
		"	5			C. B. 1	12
		C. B. 1	25	Nov.	9	Exchange	5
Nov.	9	Note 5	21 70			"	10
		Exchange	18			C. B. 1	15
		C. B. 1	39 70	Nov.	16	Exchange	45
Nov.	16	Note 6	7 47			"	17
		Exchange	45			"	2
		"	10			"	11
		C. B. 1	62 47			C. B. 1	75
Nov.	23	Note 7	16 47	Nov.	23	Exchange	25
		" 8	35			"	37
		" 9	10			"	22
		" 10	5 60			"	21
		Exchange	56 50			C. B. 1	105
		"	31	Nov.	30	Exchange	10
		C. B. 1	154 57			"	3 50
Nov.	30	Exchange	40			"	11 50
		"	17			"	4 75
		"	22			"	1 25
		"	31			C. B. 1	31
		C. B. 1	110	Dec.	4	Exchange	10
						"	2
						"	3
						C. B. 1	15

1. This is a record of all discounts received and paid and all sums received and paid for exchanging money. The amounts are daily passed into the Cash Book.

DISCOUNT BOOK.

2

DISCOUNTS.

1887.	RECEIVED.			1887.	PAID.		
Dec. 4	Exchange	625		Dec. 7	Exchange		3
	"	635			"		7
	C. B. 1	1260			"		4
					"		10
Dec. 7	Note 11	37 37			C. B. 1		24
	Exchange	25 13		Dec. 21	Exchange		10
	"	13			"		3
	C. B. 1	75 50			"		15
					"		28
Dec. 14	Exchange	525			C. B. 1		56
	Note 12	4		Dec. 28	F. C. R., Note 10		12
	Exchange	522 40			C. B. 1		
	Note 13	26		Dec. 31	F. C. R., Note 1		50
	Exchange	504			C. B. 1		
	Note 14	5 60					
	Exchange	526					
	"	505 60					
	C. B. 1	2618 60					
Dec. 21	Note 15	19 47					
	" 16	61 33					
	C. B. 1	80 80					
Dec. 28	Note 17	26 67					
	" 18	26 67					
	" 19	42 50					
	" 20	48					
	C. B. 1	143 84					
Dec. 29	Note 21	26					
	" 22	280					
	C. B. 1	306					
Dec. 30	Note 23	65					
	" 24	52					
	" 25	83					
	C. B. 1	200					
Dec. 31	Note 26	1 31					
	" 27	1 47					
	" 28	1 76					
	" 29	4 20					
	" 30	1 60					
	Draft 1	10					
	Note 31	3					
	Draft 2	90					
	C. B. 1	113 34					

FORM OF UNITED STATES "FIVE-TWENTY" BOND.

Treasurer's Department.

Register's Office.

\$ 1000

\$ 1000



No. 1941.

It is hereby

certified that

No. 1941.

The United States of America

are indelible and

R. P. DUEFF,

of the sum of One Thousand Dollars, receivable at the pleasure of the United States after the 30th day of April, 1867, and payable on the 30th day of April, 1867, with interest from the 1st day of May, 1862, inclusive, at Two per cent per annum, payable on the 1st day of May and September in each year, on the presentation of the proper Coupons hereto annexed. This debt authorized by Act of Congress approved Feb. 25, 1862.

Entered D. T. P.
Registered O.

Redeemable for Five Years and Payable Twenty Years from Date.
LOAN OF FEB. 25, 1862.

Washington, May 1, 1862.
L. E. CHITTENDEN,
Register of the Treasury.

Act of Feb. 25, 1862. \$50.
The United States of America
will pay the bearer
THIRTY DOLLARS,
For Six Months' Interest, due May 1, 1861, upon
Bond 1941.
L. E. CHITTENDEN,
Reg. U. S. Treas.
\$1000.

Act of Feb. 25, 1862. \$50.
The United States of America
will pay the bearer
THIRTY DOLLARS,
For Six Months' Interest, due May 1, 1861, upon
Bond 1941.
L. E. CHITTENDEN,
Reg. U. S. Treas.
\$1000.

Act of Feb. 25, 1862. \$50.
The United States of America
will pay the bearer
THIRTY DOLLARS,
For Six Months' Interest, due Nov. 1, 1860, upon
Bond 1941.
L. E. CHITTENDEN,
Reg. U. S. Treas.
\$1000.

Act of Feb. 25, 1862. \$50.
The United States of America
will pay the bearer
THIRTY DOLLARS,
For Six Months' Interest, due May 1, 1860, upon
Bond 1941.
L. E. CHITTENDEN,
Reg. U. S. Treas.
\$1000.

TICKLER,
PRIVATE BANKER'S ACCOUNTS,
NOVEMBER, 1867.

1. In business there is generally a whole page of this book appropriated for each day of the month. And some bankers keep one Tickler for discounted paper, and another for collections. But we think the following form will serve without any inconvenience for both classes of paper.

2. As the notes are paid, they pass into the Cash Book ; or, if collections, to the Deposit Register. Protested notes, like No. 9, are returned to the owner, who must pay any expenses that are incurred.

NOTES DUE NOV. 7, 1867.

No.	For whom collected.	Drawer's name.	Endorser.	Where payable.	Amount.	Memoranda.
2	Wm. Payne	S. Girty	J. Sheplar Nov. 8	Philadelphia	300	Paid Nov. 9
5	J. R. Weidin	S. Crites	Nov. 9	Chicago	600	Paid Nov. 10
3	R. S. Carson	Jno. S. Duncan	Thomas Smith	City	260	Paid Nov. 9
6	R. Banks	R. Carson	Nov. 10	"	1000	" " 9
4	W. J. Murphy	S. Stevens	Thos. McCabe Nov. 16	City	500	Paid Nov. 10
7	Jas. Woods	S. R. Moultrie	Nov. 23	City	2000	Paid Nov. 16
8	C. Page	John Easton	R. Sanders	New York	470	Paid Nov. 30
3	Ourselves	Chas. Page	Nov. 30	City	5600	Charged Nov. 23
9	W. Stoner	Wm. Roy	J. Getty	City	560	Protested and Ret'd Nov. 30
2	Ourselves	Thos. Gaines	S. Myers	"	4000	Paid Nov. 30
1	Wilson, Childs & Co.	Jas. Moultrie	Dec. 4 S. Stinson Dec. 7	Cincinnati	400	Paid Dec. 7
12	Jas. Pillow	Stein & Dawson	Dec. 10	City	7800	Paid Dec. 7
4	Ourselves	Wm. Hay	Good & Bacon	Philadelphia	2800	Paid Dec. 14
5	"	S. Barrett	Dec. 14	City	4200	" " 14
14	R. Knox	J. Moultrie	R. Good	St. Louis	4000	Paid Dec. 14, less \$40
15	J. Watt	S. Barrett	F. Garrett	City	3000	" " 14
6	Ourselves	S. Wise	J. S. Duncan	"	1600	Protested

NOTES DUE Dec. 21, 1867.

No.	For whom collected.	Drawer's name.	Endorser.	Where payable.	Amount.	Memoranda.
11	Geo. Draper	Ditto & Knox	S. Stevens	City	2600	Paid Dec. 21
10	Ourselves	C. Ralston		New York	1200	Paid " 28
7	"	R. Goodwill		City	3800	Paid " 31
10	W. Hay	J. Dalton	Dec. 28 R. Jones	New Orleans	980	Paid Dec. 31, less \$20
16	Jno. Hatch	R. Knox		City	200	Paid " 28
17	White & Edwards	Jones & Langdon		"	150	Paid " 28
18	Rich & Gray	S. Girty		"	500	Paid " 28
19	Jones & Hatch	Brady & Stein	T. Fairbanks	Cincinnati	140	Paid " 30, less \$10
20	Hay & Wood	R. Roy	J. Goodall	City	560	Paid " 28
1	Ourselves	Simon Payne	John Jones	Chicago	5000	Paid " 31, less \$50
8	"	M. Thompson		City	600	Paid " 28
9	"	A. Mason		"	1800	Paid " 28
13	S. Barrett	W. Hare	Jan'y 13, 1868	City	100	
12	Ourselves	W. Hare		"	800	
21	Ross & Childs	J. Riggs	Jan'y 31	City	800	
22	R. Banks	Thos. King		New York	3000	
14	Ourselves	Hay & Wood	S. Lowry	City	700	
11	Ourselves	Jno. Eastman	Feb'y 4 E. D. Jones	City	3800	
13	"	Simon Payne		"	3000	
26	"	L. C. Donnell	S. J. Grant	New York	225	
21	Ourselves	J. Brown	Feb'y 6 Henry Rigg	City	4000	
18	"	T. A. Craig		"	4000	
28	Ourselves	J. Hoag	March 3 Martin Die	City	170	

NOTES DUE March 4th, 1868.

No.	For whom collected.	Drawer's name.	Endorser.	Where payable.	Amount.	Memoranda.
27	Ourselves	G. W. Holmes	R. B. Wilson	City	140	
15	"	Jas. May	March 6	"	1600	
29	Ourselves	Saml. Green	D. White	Cincinnati	360	
17	Ourselves	Ragan & Morse	March 18	City	2000	
20	"	C. Page		"	3600	
23	"	C. Rhea	C. Gipner	"	5000	
24	"	W. F. Smith	J. C. Young	New Orleans	4000	
30	"	L. Bradley	V. B. Smith	City	125	
31	"	J. Vinsonhaler	H. S. Kerr	St. Louis	234	
16	Ourselves	Roger & Co.	March 28	St. Louis	4000	
19	"	M. Love	J. Dalley	City	3000	
22	"	Adrian & Co.		Chicago	20000	
25	"	W. Langdon	Ourselves	City	6000	

DEPOSITOR'S LEDGER, PRIVATE BANKER'S ACCOUNTS.

NOVEMBER, 1867.

1. The new form which we gave of this Ledger in our set of National Bank accounts will also be found convenient for the private banker's business. But we retain the old form in this set, leaving it for the accountant to choose for himself.

2. There are no accounts kept in this Ledger but those of the depositors and certificates of deposit. It is composed wholly from the Deposit and Check Registers. The accounts are never balanced except when the customer hands in his pass-book to be balanced.

3. The aggregate balances of this Ledger must agree with the balance of the Depositor's account in the General Ledger.

1 DR. WILSON,				CHILDS & CO. CR.			
1867.				1867.			
Nov.	2	Cash	1 400	Nov.	2	Cash	1 400
	30	"	1 1000	Dec.	7	Note 1	2 400
Dec.	21	"	2 200		31	Cash	2 3200
	31	"	2 700				
		"	2 300				
		Balance	1400				
			4000				4000
				Dec.	31	Balance	1400

R. S.				CARSON.			
1867.				1867.			
Nov.	7	Cash	1 375	Nov.	2	Cash	1 600
	9	Note 6	1 1000		8	"	1 260
	30	Cash	1 1480		9	Note 3	1 260
Dec.	4	"	2 160		30	Cash	2 1400

W. J.				MURPHY.			
1867.				1867.			
Nov.	2	Cash	1 200	Nov.	2	Cash	1 500
	10	"	1 700		10	Note 4	1 500
Dec.	31	Balance	100				
			1000				1000
				Dec.	31	Balance	100

WILLIAM				PAYNE.			
1867.				1867.			
Nov.	2	Cash	1 400	Nov.	2	Cash	1 700
	8	"	1 300		7	"	1 300
	10	"	1 200		9	Note 2	1 300
	30	Certif. of Dep. No. 3	1 600		23	Cash	1 40
Dec.	7	Cash	2 160	Dec.	30	"	2 360
	31	Balance	3840		31	"	2 3800
			5500				5500
				Dec.	31	Balance	3840

DR.		J. R.		WELDIN.		CR. 2			
1867.				1867.					
Nov.	8	Cash	1	700	Nov.	7	Cash	1	600
Dec.	31	Balance		500	Nov.	10	Note 5	1	600
				1200					1200
					Dec.	31	Balance		500

DR.		ROBERT		BANKS.		CR.			
1867.				1867.					
Nov.	7	Cash	1	200	Nov.	7	Cash	1	400
	9	"	1	600		8	"	1	1000
Dec.	31	Balance		2150		9	Note 6	1	1000
					Dec.	31	Cash	2	550
				2950					2950
					Dec.	31	Balance		2150

DR.		JAMES		WOOD.		CR.			
1867.				1867.					
Nov.	7	Cash	1	100	Nov.	7	Cash	1	600
	16	"	1	500		16	Note 7	1	2000

DR.		CHARLES		PAGE.		CR.			
1867.				1867.					
Nov.	8	Cash	1	600	Nov.	8	Cash	1	700
	23	Note 3	1	5600		23	"	1	450
						30	Note 8	2	470
				6200	Dec.	31	Balance		4580
									6200
Dec.	31	Balance		4580					

DR.		WILLIAM		STONER.		CR.			
1867.				1867.					
Nov.	9	Cash	1	200	Nov.	8	Cash	1	240
	31	"	2	5000		30	"	2	560
Dec.	31	Balance		500	Dec.	21	"	2	100
						31	"	2	4800
				5700					5700
					Dec.	31	Balance		500

3 DR. JAMES				PILLOW. CR.					
1867.				1867.					
Nov.	9	Cash	1	600	Nov.	9	Cash	1	1700
Dec.	31	Balance		8900	Dec.	7	Note 12	2	7800
				9500					9500
					Dec.	31	Balance		8900

ROBT.				KNOX.					
1867.				1867.					
Nov.	10	Cash	1	200	Nov.	10	Cash	1	749
Dec.	21	"	2	150	Dec.	14	Note 14	2	3960
	28	"	2	400					
	31	Balance		3959					4709
				4709	Dec.	31	Balance		3959

JAMES				WATT.					
1867.				1867.					
Nov.	16	Cash	1	400	Nov.	10	Cash	1	450
Dec.	31	Balance		3050	Dec.	14	Note 15	2	3000
				3450					3450
					Dec.	31	Balance		3050

GEORGE				DRAPER.					
1867.				1867.					
Nov.	16	Cash	1	200	Nov.	10	Cash	1	750
					Dec.	21	Note 11	2	2600

WILLIAM				HAY.					
1867.				1867.					
Nov.	16	Cash	1	200	Nov.	16	Cash	1	1475
Dec.	21	"	2	500	Nov.	30	"	2	1000
	31	Balance		2735	Dec.	31	Note 10	2	960
				3435					3435
					Dec.	31	Balance		2735

Dr.

JOHN**HATCH.**Cr. **4**

1867. Nov.	23	Certif. of Dep. No. 1	1	700	1867. Nov.	16	Cash	1	760
	30	Cash	1	840	Dec.	28	Note 16	2	200

WHITE**&****EDWARDS.**

1867. Nov.	23	Cash	1	800	1867. Nov.	16	Cash	1	1750
	30	Certif. of Dep. No. 2	1	1000	Dec.	28	Note 17	2	150
Dec.	28	Cash	2	2400		31	Balance		2300
				4200					4200
Dec.	31	Balance		2300					

JONES**&****HATCH.**

1867. Nov.	23	Cash	1	400	1867. Nov.	23	Cash	1	750
Dec.	7	"	2	200	Dec.	14	"	2	1000
	28	"	2	240		30	Note 19	2	130
	31	Balance		1040					1880
				1880	Dec.	31	Balance		1040

RICH**&****GRAY.**

1867. Nov.	23	Cash	1	20	1867. Nov.	23	Cash	1	460
Dec.	14	"	2	130	Dec.	28	Note 18	2	500
	31	Balance		810					960
				960	Dec.	31	Balance		810

5 Dr. HAY & WOOD. Cr.

1867.					1867.				
Nov.	23	Cash	1	400	Nov.	23	Cash	1	500
Dec.	4	"	2	400		30	"	2	700
					Dec.	7	"	2	615
						28	Note 20	2	560

ROBERT

MARTIN.

1867.					1867.				
Dec.	14	Cash	2	300	Dec.	30	Cash	2	400

H. P.

FORD & CO.

					1867.				
					Dec.	31	Cash	2	600

CERTIFICATES

OF DEPOSIT.

1867.					1867.						
Dec.	31	Cash,	No. 1	2	700	Nov.	23	Cash,	No. 1	1	700
							30	"	" 2	2	1000
Dec.	28	"	" 3	2	600			"	" 3	2	600
								"	" 4	2	900
Dec.	21	"	" 5	2	2000	Dec.	14	"	" 5	2	2000

GENERAL LEDGER,

PRIVATE BANKER'S ACCOUNTS.

1. When there is no Journal kept, this book is posted exclusively from the Cash Book. It has no other auxiliary.

2. It is closed whenever the partners desire to divide the profits or see the results of their business.

1		DR.	P.		DUFF.				CR.			
1887.	31	Balance	f	4	22482	87	1887.	2	Cash	f	1	20000
							Nov.	31	Profit & Loss	f	4	2482
					22482	87						87
												22482
												87
							Dec.	31	Balance			22482
												87

		WM,				HAY.						
1887.	31	Balance	f	4	11241	43	1887.	2	Cash	f	1	10000
							Nov.	31	Profit & Loss	f	4	1241
					11241	43						43
												11241
												43
							Dec.	31	Balance			11241
												43

		W.				WOOD.						
1887.	31	Balance	f	4	11241	44	1887.	2	Cash	f	1	10000
Dec.							Nov.	31	Profit & Loss	f	4	1241
					11241	44						44
												11241
												44
							Dec.	31	Balance			11241
												44

		CASH				ACCOUNT.						
1887.	30	Sundries		1	78343	66	1887.	30	Sundries		1	51810
Nov.							Nov.	31	"		1	88679
Dec.	31	"		1	68883	08	Dec.		Balance	f	4	6737
												74
					147226	74						147226
												74
Dec.	31	Balance			6737	74						

Dr. DEPOSITORS' ACCOUNT.				Cr. 2							
1867.	Nov.	2	Cash	1	1000	1867.	Nov.	2	Cash	1	2200
		7	"	1	675			7	"	1	1900
		8	"	1	1600			8	"	1	2200
		9	"	1	2400			9	"	1	3260
		10	"	1	1100			10	"	1	3049
		16	"	1	1800			16	"	1	5985
		23	"	1	7920			23	"	1	2900
		30	"	1	4920			30	"	1	6630
Dec.		4	"	1	560	Dec.		7	"	1	8815
		7	"	1	360			14	"	1	9960
		14	"	1	430			21	"	1	2700
		21	"	1	2850			28	"	1	1410
		28	"	1	3640			30	"	1	890
		31	"	1	6700			31	"	1	13910
			Balance	f 4	30354						
					65809						65809
						Dec.		31	Balance		30354

BILLS				RECEIVABLE.							
1867.	Nov.	2	Cash	1	17400	1867.	Nov.	23	Cash	1	5600
		9	"	1	4200			30	"	1	4000
		11	"	1	1600	Dec.		14	"	1	2800
		23	"	1	7400			"	"	1	4200
Dec.		7	"	1	3800			28	"	1	3600
		14	"	1	4500			31	"	1	3800
		21	"	1	5600			"	"	1	5000
		28	"	1	12600			Balance	f 4		68354
		29	"	1	24000						
		30	"	1	15000						
		31	"	1	1254						
					97354						97354
Dec.		31	Balance		68354						

3 DR. DISCOUNT

ACCOUNT. CR.

1867. Nov. 2	Cash	1	20	1867. Nov. 2	Cash	1	158	92
7	"	1	37	7	"	1	69	
8	"	1	12	8	"	1	25	
9	"	1	15	9	"	1	39	70
16	"	1	75	16	"	1	62	47
23	"	1	105	23	"	1	154	57
30	"	1	31	30	"	1	110	
Dec. 4	"	1	15	Dec. 4	"	1	1260	
7	"	1	24	7	"	1	75	50
21	"	1	56	14	"	1	2618	60
28	"	1	12	21	"	1	80	80
31	"	1	50	28	"	1	143	84
	Profit & Loss f	4	4965	29	"	1	306	
				30	"	1	200	
				31	"	1	113	34
			5417	74			5417	74

DUFF

(New York.)

BROTHERS & CO.

1867. Dec. 28	Cash	1	1188	1867. Dec. 31	Cash	1	1000
			1188		Balance f	4	188
							1188
Dec. 31	Balance		188				

THOMAS

(Chicago.)

THOMPSON & CO.

1867. Dec. 31	Cash	1	4950	1867. Dec. 31	Cash	1	6000
	Balance f	4	1050				6000
			6000				
				Dec. 31	Balance		1050

DR.		R. P.		(Cincinnati, O.)		DUFF.		CR. 4	
1867.	Dec. 30	Cash	1	130	1867.	Dec. 31	Balance	f 1	130
	Dec. 31	Balance		130					

		THOMAS F.		(New Orleans.)		SHEPHERD			
1867.	Dec. 31	Cash	1	960	1867.	Dec. 31	Balance	f 1	960
	Dec. 31	Balance		960					

		PROFIT		&		LOSS.				
1867.	Dec. 31	P. Duff	f 1	2482	87	1867.	Dec. 31	Discount	f 3	4965 74
		W. Hay	1	1241	43					
		W. Wood	1	1241	44					
				4965	74					4965 74

		BALANCE				ACCOUNT.				
1867.	Dec. 31	Cash	f 1	6737	74	1867.	Dec. 31	Depositors	f 2	30354
		Bills Receivable	2	68354				Thompson & Co.	3	1050
		Duff Bros. & Co.	3	188				P. Duff	1	22482 87
		R. P. Duff	4	130				Wm. Hay	1	11241 43
		T. F. Shepherd	4	960				W. Wood	1	11241 44
				76369	74					76369 74

QUESTIONS FOR EXAMINATION ON PRIVATE BANKER'S ACCOUNTS.

1. What office does the Cash Book perform? (N. 1, p. 351.)
2. Into what book are its contents posted? (N. 1, p. 351.)
3. Where are the aggregate monthly receipts and payments posted from? (N. 2, p. 351.)
4. What is entered in the Deposit Register? (N. 1, p. 355.)
5. Where are the daily amounts carried to? (N. 1, p. 355.)
6. Into what book do we post the particulars? (N. 1, p. 355.)
7. What does the Check Register record? (N. 1, p. 356.)
8. Where are the amounts transferred? (N. 1, p. 356.)
9. How often? (N. 1, p. 356.)
10. Where do we post the particulars? (N. 1, p. 356.)
11. What is entered on the Bill Book? (N. 1, p. 358.)
12. Where are the discounts entered? (N. 1, p. 358.)
13. Where do we enter the payments? (N. 1, p. 358.)
14. Where do we record the maturity of discounted paper? (N. 1, p. 358.)
15. What does the Collection Register record? (N. 1, p. 360.)
16. What is done with the net proceeds of collections? (N. 1, p. 360.)
17. When are Foreign Notes or Bills remitted for collection? (N. 2, p. 360.)
18. When you are notified by your agent of the payment of a collection, how is it entered?
(N. 2, p. 360.)
19. What is recorded in the Discount Book? (N. 1, p. 362.)
20. When and where are the amounts carried to? (N. 1, p. 362.)
21. How many Ticklers are kept by some Bankers? (N. 1, p. 365.)
22. How do we enter the notes as they are paid? (N. 2, p. 365.)
23. What is done with protested paper? (N. 2, p. 365.)
24. Who pays the expenses of a Protest? (N. 2, p. 365.)
25. What accounts are kept in the Depositor's Ledger? (N. 2, p. 369.)
26. What books is it composed from? (N. 2, p. 369.)
27. When are the accounts in it balanced? (N. 2, p. 369.)
28. What must the aggregate balances agree with? (N. 3, p. 369.)
29. Where are the contents of the General Ledger posted from? (N. 1, p. 375.)
30. When is it closed? (N. 2, p. 375.)

SELECTED PROBLEMS IN ACCOUNTS.

PROBLEM I.

W., X., Y., and Z. bought of A. on joint account, each $\frac{1}{4}$, \$20000 worth of sugars, for which W. as manager of the sales gave his note to A. at four months, indorsed by the other partners; and each partner made conforming entries in his books. Afterward, A. offers W. 5 per cent. discount off the face of his notes, to cash them, which W. on conferring with X. and Y. agrees to, Z. being a resident of Philadelphia, to which place he had returned after entering into the above transaction. W. pays his own share and half of Z.'s in cash, less the 5 per cent. discount. X. pays his own share and one-fourth of Z.'s, less the 5 per cent. discount, in a draft at sight on C., of New York, which A. accepts in payment at $\frac{1}{4}$ per cent. premium; X. allowing him 1 per cent. brokerage on the face of the draft for negotiating it. Y. pays his own share and $\frac{1}{4}$ of Z.'s, less 5 per cent. discount, in a draft at 60 days' sight upon Z., which A. accepts in payment at $2\frac{1}{2}$ per cent. discount, drawn for such sum as will cover the transaction, and 1 per cent. brokerage on the face of the draft, which A. charges for negotiating it. On advice of this second arrangement, Z. makes conforming entries in his books. Afterward W. orders him to invest the amount which he had advanced for him in the above transaction in bills on New Orleans, and remit, on W.'s account, to B., of that place. This was done in bills at $2\frac{1}{2}$ per cent. discount, which closed the account, and covered $\frac{1}{4}$ per cent. brokerage on the face of the bills, which Z. charged for investing.

Required the correct amounts and the correct Journal entries of W., X., Y., and Z., in each of the above transactions.

PROBLEM II.

A., B., and C. purchased the machinery and hull of an old steamer called the "Vixen," for \$10000, of which A. paid \$4000, B. \$3400, and C. \$2600. They afterward sold $\frac{1}{4}$ of the purchase to D. for \$2000 cash, which they divided and drew out of the concern in such proportions as left them all $\frac{1}{4}$ owners. In these proportions as owners, and with this machinery, they built the steamer "Volante." In addition to their shares in the machinery, A. paid in cash \$1261, B. \$1320, C. \$1410, and D. \$1430. After running fifteen months, the boat was sunk and lost. The accounts on her books then stood as follows:

	Debita.	Credita.
Steamer "Volante"	\$14894.88	
Steamer "Vixen"	164.85	\$265.89
Freight account	270.67	85808.04
Passage "		28875.17
Wages "	21928.88	
Fuel "	11848.02	
Expense "	24184.27	104.01
Bills Payable		8450.
Bar account	180.80	863.71

Effects saved from the wreck realized \$2860. C. and D.'s shares were uninsured. A. had \$4000 and B. \$3000 insured on their shares, valued at \$5000 each. The amounts insured when recovered, and the amount realized by the owners from the wreck, were applied in discharging the above claims against the vessel. Each owner was $\frac{1}{4}$ gain or loss. Required the settlement of the transaction between them. Also, the division of D.'s purchase-money between A., B., and C.

PROBLEM III.

A., B., and C. agree to do business in partnership, on the following terms: C. is to manage the business, and to have a commission equal to half the net gain on the business for the management of it. A. pays in \$2600 capital, B. \$1400, C. \$1200. C. draws out \$2400. At the end of the year they have cash on hand, \$3000; merchandise, \$2400. They owe \$500. Their expense account is Dr. for \$600. The gain or loss to be divided equally.

Required the balance due each; also, the amount of C.'s commission.

SELECTED PROBLEMS.

PROBLEM IV.

C. is manager of a joint speculation in flour with D. and E., of which C. and D. are each $\frac{1}{3}$ and E. $\frac{1}{3}$ proprietors. C. takes \$12,000 worth of the joint property to his private account, and pays the other two partners their respective shares of the same, as follows, viz.:

He pays D. \$1500 in merchandise, and gave his (C.'s) note for \$1000, and gave up his (D.'s) own note which he held against him for \$500. He paid E. his $\frac{1}{3}$ (\$6000)—\$3000 in flour belonging to the Company, and \$3000 in his (C.'s) draft on F., of New York, at 90 days' sight, at $2\frac{1}{2}$ per cent. discount for such sum as will cover the \$3000 and $\frac{1}{4}$ per cent. brokerage on the face of the draft, which E. charges for negotiating it.

Required C.'s Journal entry, with the correct amounts composing it.

PROBLEM V.

Robert Morris and myself are doing business on joint account. As manager of the sales, I keep the account in my own private books, under the title of 1st Co. sales, each partner $\frac{1}{2}$ gain or loss. On the same conditions, I purchase on my note, \$10,500 worth of merchandise to ship on joint account with R. Morris, to New Orleans. R. Morris puts into the shipment out of his own store, 400 barrels flour at \$6.00, and I have also put in 600 barrels of flour at \$6.00, which I had on hand belonging to the 1st Co. sales. I have paid insurance and other expenses upon the shipment, in cash, \$660.

Required my Journal entry for the joint shipment; also, Morris' Journal entry, when he receives my invoice of the same.

PROBLEM VI.

J. Day, F. Howe, and J. King, owners of steamer "Albatross."

J. Day is one-fourth, F. Howe one-fourth, J. King one-half, owners: after running the boat for eighteen months, it appeared by her books that

J. Day paid in	\$2400,	drew out	\$1158
F. Howe "	2690,	"	1212
J. King "	4950,	"	2750

The boat was then sunk and entirely lost. King had his share insured for \$3000, which he recovered, and applied in discharging the debts of the boat.

The boat owes \$650, and the only effects that remain are—cash, \$820, and debts due the boat, \$550.

Required the settlement between the owners of the boat.

PROBLEM VII.

On the 1st of January, 1846, A., B., C., and D. purchase the steamer "Velocity" for \$8000, each to share one-fourth of the gain or loss in running her. They pay for her as follows:—

A.....	\$1440
B.....	1465
C.....	1485
D.....	1610
	\$6000

which sums were placed to the credit of their respective accounts on the vessel's books

SELECTED PROBLEMS.

For the balance of \$2000 they gave their joint note, which was afterwards taken up with funds earned by the boat.

At the end of six months, D. sells out his interest, as it then stood upon the books, to C., who paid him for the same out of his own private funds. The remaining owners some time afterwards sold the vessel for \$6500; and, after discharging all claims against them, they have cash and other effects left amounting to \$6450. The books were kept by Single Entry, and no settlement took place since the commencement of their connection. Their accounts now stand upon their Ledger as follows:—

A.'s account debited for sums withdrawn, \$2050, and credited for sums paid in, \$2255							
B.'s	"	"	"	1640,	"	"	2060
C.'s	"	"	"	1750,	"	"	2110
D.'s	"	"	"	1965,	"	"	2090

No interest to be computed in the settlement. Required the division of the above \$6450 between A., B., and C.

PROBLEM VIII.

On January 1, 1867, Brewer, Malt & Co., of Pittsburgh, sent their clerk, W. Porter, to Louisville, to establish an agency for selling their ales. On 30th June following, the agency was discontinued, and they rendered the following account to Porter, the items of which both parties agree are correct, but Porter thinks the balance is not correct. Is it so? or, what is the correct balance?

MR. WALTER PORTER

DR.	In Account with BREWER, MALT & CO.,		CR.																																																																																		
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: right;">1867.</td> <td style="width: 5%;"></td> <td style="width: 45%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td>Jan.</td> <td>1</td> <td>To Cash advanced.....</td> <td>191</td> <td>1867.</td> <td>Feb. 1</td> <td>By Cash paid for Barley</td> <td>1508</td> </tr> <tr> <td></td> <td></td> <td>" Invoice of Ales.....</td> <td>297</td> <td></td> <td>Mar. 1</td> <td>" Cash paid for Hops...</td> <td>1007 50</td> </tr> <tr> <td></td> <td>30</td> <td>" Cash.....</td> <td>389</td> <td></td> <td>May 1</td> <td>" Paid Rent.....</td> <td>260</td> </tr> <tr> <td></td> <td></td> <td>" Invoice of Ale.....</td> <td>298</td> <td></td> <td>June 30</td> <td>" Paid Expenses.....</td> <td>40</td> </tr> <tr> <td>June</td> <td>30</td> <td>" Cash for sales.....</td> <td>2938 50</td> <td></td> <td></td> <td>" Salary.....</td> <td>690</td> </tr> <tr> <td></td> <td></td> <td>" Ale returned....</td> <td>810</td> <td></td> <td></td> <td>" Ale returned.....</td> <td>810</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>" Balance due.....</td> <td>608</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="border-top: 1px solid black;">4923 50</td> <td></td> <td></td> <td></td> <td style="border-top: 1px solid black;">4923 50</td> </tr> <tr> <td></td> <td></td> <td>To Bal. due B., M. & Co.</td> <td>608</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	1867.						Jan.	1	To Cash advanced.....	191	1867.	Feb. 1	By Cash paid for Barley	1508			" Invoice of Ales.....	297		Mar. 1	" Cash paid for Hops...	1007 50		30	" Cash.....	389		May 1	" Paid Rent.....	260			" Invoice of Ale.....	298		June 30	" Paid Expenses.....	40	June	30	" Cash for sales.....	2938 50			" Salary.....	690			" Ale returned....	810			" Ale returned.....	810							" Balance due.....	608				4923 50				4923 50			To Bal. due B., M. & Co.	608											
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PROBLEM IX.

Lea & Preston purchase of J. Stanley $\frac{1}{4}$ of the steamer "Herald," which is $\frac{1}{2}$ his paid-up capital (at his credit on the books) of \$6500, for which they pay him \$4000. They have an account against the boat for repairing machinery of \$1250, which it is agreed is to stand as part payment; the balance they pay Stanley in cash. Required the Journal entry to introduce the new owners into the books.

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RECOMMENDATIONS.

THE FOLLOWING RECOMMENDATIONS INDICATE THE PUBLIC SENTIMENT IN REFERENCE TO THIS WORK.

Extract from the official report of a Special Committee of Merchants of the Chamber of Commerce of the city of New York :

CHAMBER OF COMMERCE, NEW YORK, Feb. 6, 1849.

At a regular meeting of the Chamber, held this day, the following report was presented, accepted, and a copy ordered to be transmitted to Mr. Duff. The committee to whom was referred the subject of Mr. Duff's work on Book-keeping, *Report*, That they have examined the work submitted to them, and deem the favorable opinions which have already been expressed by gentlemen of competent authority, and prefixed to its pages, well deserved, and in this case very properly bestowed.

(Signed) Respectfully submitted,
CHARLES M. LEUPP, *Merchant*.
LEOPOLD BIERWIRTH, *do*.
ROBERT KELLY,

President of the Board of Education.

Extract from the Minutes.

PROSPER M. WETMORE, *Secretary*.

Extract from a report of a Special Committee of Merchants and Accountants, appointed by the Board of Managers for the American Institute, to examine this work :

"Your committee are so favorably impressed with the proposed improved method of Mr. Duff, that they unanimously concur in the opinion of its utility, and that the public would be benefited by adopting it."

I certify that the foregoing is a true copy of a Report of a Special Committee, made to and adopted by the American Institute of the city of New York.

GURDON J. LEEDS, *Recording Secretary*.

"It contains much matter that is important and interesting to the merchant and man of business, to whom it will be found highly useful."

C. O. HALSTEAD,
Late President of Manhattan Bank, N. Y.

"It is by far the most complete work of the kind I have ever seen."

JAMES B. MURRAY,
President Exchange National Bank, Pittsburgh.

"I differ entirely from those who think the counting-house the best place to learn Book-keeping in. From this work it is learned in its application to every form of business, untrammelled by the peculiar details of any one kind of business."

THOMPSON BELL,
President Commercial Bank of Pittsburgh.

"No other work upon Book-keeping, so far as my knowledge of them extends, explains the subject with so much clearness and simplicity."

F. W. EDMONDS,
Late Cashier Mechanics' Bank, Wall Street, N. Y.

RECOMMENDATIONS.

"It gives a clear insight into this science through all its gradations, from the simple style of the retailer to that required for the most varied and complicated commercial business."

A. S. FRASER,
Cashier Seventh Ward Bank, N. Y.

"I graduated in Duff's College in about half the time that I expected. His admirable system leaves out nothing essential, nor puts in any thing superfluous."

J. R. COMPTON,
Cashier of the Niagara Bank, Lockport, N. Y.

"I admire your system of Book-keeping. Since I acquired a knowledge of it, some years since, through Mr. David Parsons, I have put it in practice in different branches of business, and have always found it work like a charm. I have recommended it to my friends as containing all that is necessary to make the most thorough accountant."

R. LAMB,
Cashier People's Bank, Bellefontaine, Ohio.

"Duff's Book-keeping is, without doubt, the best adapted to a business education ever published. Students save about half the time and labor required by other systems."

JOHN J. JONES,
Book-keeper First National Bank, Wheeling, Va.

"The new method of checks and balances will, if carried out, prevent errors, or, if made, they will be more readily found than by any other system."

DAVID L. BROWN,
Late Book-keeper to the Merc. and Manuf. National Bank, Pittsburgh.

"It is in every way calculated to impart that knowledge necessary for the experienced book-keeper. Every thing is made plain and easy to be understood."

J. CAROTHERS,
Formerly Banker, Wood Street, Pittsburgh.

"Your work on Book-keeping is the most clear and comprehensive that I have met with."

JOHN SNYDER,
Late Cashier Bank of Pittsburgh.

"It is evident that you have brought to the study of Book-keeping a clear head which has lost none of that clearness by the long cultivation of an accurate science. It is impossible to make the subject of accounts more easy of comprehension to the young beginner; and, what is often still more difficult, you have made it so to the old learner."

W. H. DENNY,
Late Cashier of the Merchants' and Manufacturers' National Bank, Pittsburgh.

"I knew little or nothing of Book-keeping when I entered your College. Since leaving it I have had charge of the books of this banking firm for nearly six years, and have kept them without difficulty. During my leisure hours I settled up the books of a mercantile firm, and have met with nothing but what was fully explained in your course of instruction."

M. HUNNINGS,
Of the firm of Kramer & Rahm, Bankers, Pittsburgh.

"I took charge of the books of this extensive banking-house immediately on leaving your classes, and have every evidence that I give them perfect satisfaction."

J. W. DAVITT,
Of the firm of Kramer & Rahm, Bankers, Pittsburgh.

"My tuition fee in Duff's College and the study of his new system of accounts was among the best investments I ever made."

C. E. BABCOCK,
Book-keeper State Bank of Iowa, Fort Madison.

RECOMMENDATIONS.

"An experience of nine years in business has not yet brought any transaction into my hand so difficult as many of your class exercises."
E. SPAHR,
Book-keeper to the National Bank of Commerce, Pittsburgh.

The following letter indicates the perfection of the course of study in this old and popular institution :

"With no previous knowledge of accounts, nor practice in any kind of book-keeping, except a course of study in Duff's College, from his system of Book-keeping, I took charge of the books of this bank. This treatise certainly combines the most comprehensive system of science and practice in accountantship now before the public. It is so judiciously diversified that it fits the student for keeping accounts in any kind of business."

FRED. L. RAINBOW,
Book-keeper Mechanics' National Bank, Pittsburgh.

"I consider this treatise the most comprehensive and complete system of Book-keeping that I have met with."
T. B. DICKSON,
Individual Book-keeper Merc. and Manuf. National Bank, Pittsburgh.

"I readily concur in all that is said of this work by other competent judges. No writer upon Book-keeping has had the advantage of such an extensive and varied experience in business. I have known him, personally, for upwards of twenty years; a great part of that time as an extensive American and European merchant, as an extensive ship-owner, and as a bank director, &c., and in all these departments he has borne the reputation of the highest order of business talents. Every thing said or written by such a person, on the subject of business, is of interest, not only to young men designed for business, but for those already engaged in it."

JOHN W. BURNHAM,
Merchant, No. 8 South Street, New York.

"You have made good use of your long experience as a merchant in making plain many of those matters of business, the want of due comprehension of which so often occasions serious difficulties in the counting-house. The accuracy and conciseness manifested throughout the whole work, bear testimony to the great care and labor you have bestowed upon it."

RICHARD IRVIN,
Merchant, 98 Front Street, New York.

"Mr. Duff is a man of rare qualifications for business,—a man that will go through with whatever he takes in hand. His system of Book-keeping should be studied by every one who has any thing to do with dollars and cents."

JOHN McD. TAYLOR,
Merchant, Union Street, New Orleans.

"Mr. Duff is a merchant of the first respectability."

J. LANDIS,
Merchant, New Orleans.

"Mr. Duff has been recommended to me as a merchant of the highest respectability."

O. H. BLISS,
Merchant, New Orleans.

"I have always pronounced your system the most thorough and diversified course of training for business, before the public. The most experienced accountant will recognize, in your plan of rectifying deranged books, a new and most ingenious method of bringing order out of confusion."

ANGUS CAMPBELL,
Book-keeper to Burdett & Choate, Wholesale Commission
Merchants, Memphis, Tenn.

RECOMMENDATIONS.

"Your system of accounts is *excelsior*. Every man that studies it as you direct cannot help going into business a first-class accountant, and with a good general business knowledge that it will take years to acquire by practice. Your Bank Check Book is an improvement of great value in all large houses."

W. D. ELLIOTT,

Book-keeper to Smith, Sherwood & Co., Merchants,
St. Louis, Mo.

"I have been thirty years a practical book-keeper, and during my practice I have never before met with a work which so fully explains the whole subject of accounts; in fact, it is the first treatise that I have seen from which a thorough practical knowledge of the science can be obtained."

JOHN CAMPBELL,

Merchant, 53 John Street, New York.

"There is no other system of Book-keeping in use that so thoroughly and practically elucidates this part of a business education; and your impressive and interesting lectures on business, commercial law, banking, &c., will be useful to me through life."

T. H. ADAMS,

Book-keeper for McElroy, Dickson & Co., Merchants, Pittsburgh.

"With no previous knowledge of accounts, except your course of study, I took charge of the books of this extensive business, and have kept them satisfactorily for nearly eight years. To obtain the best business education, I say go at once to the best college, which I am positive is yours."

CHARLES F. WELLS,

Book-keeper for B. L. Fahnestock & Co., Importers and
Wholesale Druggists, Pittsburgh, Pa.

"With no other education than I got in a common country school, your instruction in Book-keeping enabled me to take charge of the books of an extensive firm in Wood Street, and finally of the books of this department of the Railroad Company, which I have now kept successfully for eight years."

J. K. SMITH,

Book-keeper, Treasurer of the Pittsburgh, Fort Wayne
& Chicago Railroad Co.

"I have tested the thorough business training I received in your excellent establishment, by many years' successful practice in some of the largest firms in the city."

SIMON JOHNSTON,

Druggist, Pittsburgh.

"The accountant who keeps his books upon your system will have the advantage of improvements which are not found in any other system."

HARVEY M. COWAN,

Late Book-keeper to Messrs. J. Woodwell & Co.,
Hardware Merchants, Pittsburgh.

"At the age of seventeen I graduated in your College. I have since kept books in banks in Springfield, Illinois, and St. Louis, Missouri, until my health compelled me to return to this vicinity, where I am keeping the books of this extensive firm. It is due to you to say, that the longer I have practised upon it, the more I am satisfied that your judiciously arranged and diversified course of study is superior to all others that I have seen, in preparing a young man for any branch of business."

T. K. BABCOCK,

Book-keeper to the Cambria Iron Works, Johnstown, Pa.

"Although the books I am keeping are widely different from what I studied with you, yet that complete knowledge of the principles of the science which I obtained in your classes has enabled me to conduct every thing successfully."

GEO. W. JACKSON,

Book-keeper to the N. W. Virginia R. R. Co., Grafton, Va.

RECOMMENDATIONS.

"We have used your Book-keeping for eight years. During this time I have examined every other work I could hear of, but have found none so judiciously arranged and so comprehensive in all that relates to an accountant's education. This fact is also attested by numbers who had first studied other systems and afterward graduated with us."

T. H. POLLOCK,
Principal Pollock's Commercial College, Chestnut Street,
Philadelphia, Pa.

"I do not hesitate to say that this is the most perfect work that I ever examined on the subject."

T. H. TUTTLE,
● Banker, Philadelphia.

"Your system of accounts is in every way thorough, without any superfluous matter. Since leaving your Institution I have met many of your pupils who express the same opinion."

JOHN S. WILSON,
Of Messrs. Kilgore, Wilson & Co., Merchants, Philadelphia.

"I believe your system to be the best now taught."

B. McKENNA,
Of A. Diamond & Co., Booksellers and Stationers, Philadelphia.

"Book-keeping, as elucidated by your system, is the most thorough and complete extant. Since I studied with you, I have had seven years' experience in the practice of it."

CHARLES FITCH,
Book-keeper to Messrs. Allibone & Jenks, Merchants, Philadelphia.

"I believe your course of study to be far superior to that given in Eastern cities, in this branch of education."

B. K. JAMISON,
Book-keeper to Messrs. R. J. Ross & Co., Bankers, Philadelphia.

"My present business brings before me nearly every system of Book-keeping in use, and it is to your admirable system of accounts, and your masterly manner of teaching it, that I owe my qualification for effecting the intricate settlements brought into my hands by this business."

JAMES FULTON,
Adjuster of Fire Insurances, 424 Chestnut Street, Philadelphia.

"Since graduating in your College, I have settled several sets of complicated books. I am now satisfied that I have mastered the science under your instruction, and recommend all who desire to become expert and scientific accountants, to go at once to your establishment."

J. A. STEELE,
Book-keeper to Messrs. Sledge & Cress, Merchants,
Chappell Hill, Texas.

"I shall ever regard your instruction in Book-keeping, and your impressive and interesting lectures upon business, as my most valuable preparation for my present business. Your system of accounts can never be excelled. It prepares one for every kind of business."

R. J. BROWN,
Of Brown & Brother, Druggists, Leavenworth City, Kansas.

"I say from experience, that no one who graduates in your system of Book-keeping, as you teach it, will have any trouble in keeping any kind of books."

S. M. RANKIN,
Of Sample & Rankin, Bankers, Keokuk, Iowa.

"I had no idea that your course of instruction was so much a course of practice until I applied it in business. Your system of Book-keeping has business letters, accounts, invoices, notes, acceptances, checks, &c., so thoroughly interwoven with the exercises in Book-keeping, that I have met with nothing in business that your excellent course of training has not fully prepared me for."

JAMES H. SMITH,
Book-keeper for Smith & Baker, Wool Merchants, Newark, Ohio.

RECOMMENDATIONS.

"I experienced no difficulty in applying your excellent instruction to immediate practice, particularly your six-columned Journal, which proves to be a great economizer of time and labor, and a safeguard against error."

M. S. STOKES,
Book-keeper to Messrs. R. S. Hollins & Co., Merchants,
Nashville, Tenn.

"We take pleasure in testifying to the truth of Mr. Stokes' statements in regard to your system of Book-keeping, and fully concur with him in recommending it to the public as safe, accurate, and easily comprehended."

R. S. HOLLINS & CO.

"Your six-columned Journal is a model of accuracy and brevity, not likely soon to be improved upon; and your method of rectifying deranged books is a most valuable appendage to your system, that I have not seen nor heard of elsewhere."

A. J. McCLELLAND,
Book-keeper, Cumberland Iron Works, Tenn.

"I found no difficulty in applying your system to practice. Your six-column Journal saves a large amount of writing, and is, therefore, better adapted to my business than any other system of Book-keeping that I have seen."

P. J. FLINDALL,
Merchant, Trenton, Canada West.

"I am getting on finely with the books and the business of this firm. Success to your valuable Institution and to all who avail themselves of the advantages of your instruction from your system of Book-keeping—the best of all systems extant."

R. C. ARMSTRONG,
Book-keeper to Messrs. Hibbert & Son, Merchants, Louisville, Ky.

"I advise all my friends to enter your well-organized Institution. It is certainly headquarters for a thorough commercial education."

WM. B. MORGAN,
U. S. Treasury, Washington, D. C.

"With no previous knowledge of accounts or business but what I learned in less than eight weeks under that able and systematic course of instruction for which your establishment has been so long and so justly celebrated, I have since kept books for several years in two mercantile establishments; I have several times successfully rectified deranged books, changing the Single Entry Ledger into Double Entry, &c. Since 1861, my position in this Department required the greatest skill and accuracy in Book-keeping, the duties being more varied and changeable than in any other Bureau in the Department. Few of your graduates have had their proficiency more thoroughly tested than mine; and I say to all desiring a thorough business education, by no means miss your College and your lectures upon business. I speak of their value from experience."

THOS. GLEN JONES,
U. S. Treasury Department, Washington, D. C.

"Duff's Book-keeping is an excellent text-book for schools. Its teachings are very lucid, while it embraces many points of interest to be found in no other work on Book-keeping extant."

J. R. WEBSTER,
Teacher of Book-keeping, Central High School, Baltimore.

"After a year's trial of it in my classes, I find the instruction conveyed by your Book-keeping is more complete and practical than any other I have used."

JOHN SHEPHERD,
Late Teacher of Book-keeping, Columbia College, N. Y.

"Having ascertained that Duff's system of business accounts is the best in use, we have introduced it as a text-book in this college."

JOHN K. STEWART,
Late Professor of Book-keeping, Southern Commercial College,
Richmond, Va.

RECOMMENDATIONS.

"The crowning excellence of your system of Book-keeping is the judicious abridgment of all unnecessary details and repetitions, reducing the time of study to about half that required in other Commercial Colleges. And my employer says he has never seen a person direct from College that went ahead with all their books so promptly and accurately as I have."

WILSON S. ROOSE,

Book-keeper for Ignatz & Herzog, Merchants, Chicago, Ill.

"I have had no difficulty with my books. I see now the great advantage and superiority of your well-arranged system of instruction in Book-keeping."

WM. M. HORGAN,

Book-keeper to J. B. Shay, Merchant, Chicago, Ill.

"I have already successfully tested the value of your admirable rules for settling old business books and opening new ones from them, and now readily subscribe to all that your former graduates have said of the superiority of your system of Book-keeping."

D. C. BERGUNDTHAL,

Book-keeper for S. W. Prather, Merchant, Wheeling, W. Va.

"I believe your system of accounts, and manner of teaching it, unequalled by any in use."

R. T. KITTS,

Book-keeper to McCullough, Morris & Co., Wholesale Grocers, Cincinnati, Ohio.

"Without any previous knowledge of business books except a course of study from Duff's Book-keeping, I have kept the books of this extensive business for about three years. In my opinion, a more complete system of science and business practice has never been printed."

W. L. KEEPERS,

Book-keeper, Raccoon Iron Works, Greensburg, Ky.

"Duff's system of accounts is the most perfect I have seen. It contains many improvements, abbreviations, and guards against errors which I have not seen nor heard of elsewhere."

JAMES H. McCLOY,

Book-keeper W. McClintock's Carpet Warehouse, Pittsburgh.

"I fully concur in all that I have heard in commendation of your system of merchants' accounts. Many years' experience in keeping books in this and other houses, since I studied it, enables me to say that I consider it decidedly the best work of the kind in use."

JAMES E. DICKSON,

Book-keeper for Mitchell, Stevenson & Co., Iron Founders and Merchants, Pittsburgh.

"This work comes to us with such high recommendations, from parties well able to judge of its merits, that we have no hesitation in cordially inviting attention to it as a work of great utility to merchants."—*New York Albion*.

"Evidently the production of one thoroughly versed in the art and science of accounts, and artistic in his views and manner of elucidating them."—*Journal of Commerce*.

"Numerous as are the publications already before the public on this important branch of mercantile education, we think, from the emphatic testimonials appended to the work, that Mr. Duff has succeeded in effecting a more ready and desirable method of teaching and reducing to practice this great essential in the conduct of mercantile affairs."—*New York Evening Express, October 30*.

RECOMMENDATIONS.

FROM THE PITTSBURGH GAZETTE.

"DUFF'S BOOK-KEEPING.—This has become the standard work upon commercial science. No work yet published so thoroughly unfolds the whole subject. We are informed that it is the only work yet published in this country which exemplifies the merchant's private Ledger,—an arrangement by which the results of the business cannot be known by the principal Ledger; an arrangement which mercantile men, conducting a large business, know the value of. No possible good can arise from a needless exposure of any man's business."

"We have in a former number spoken of Mr. Duff's new and excellent treatise upon merchants' accounts, published by the Messrs. Harpers. Every merchant will prize it as an indispensable addition to his library; and there are but few accountants so old, or so wise, as not to derive valuable information from it."—*Hunt's Merchants' Magazine, N. Y.*

"A few weeks' study in Duff's College prepared me for keeping the books of this extensive firm. I have seen no other system so complete."
EDWIN REEDER,
Book-keeper to the Waterbury & Detroit Copper Co.,
Detroit, Mich.

"Duff's Book-keeping is so much of a self-instructor, that I graduated in twenty-one days, and have kept books ever since without difficulty."
R. NEEL, JR.,
Merchant, Looneyville, N. Y.

"During my former occupation of a teacher of Book-keeping, few persons took greater pains to compare different treatises upon this science, with a view to select the most thorough and comprehensive; and I state, without hesitation, that Duff's Book-keeping will impart a more perfect and practical knowledge of the science, in less time, with less labor to the learner, and with less trouble to the teacher, than any treatise that has yet appeared upon the subject."
C. C. COCHRAN,
General Book-keeper for B. A. Fahnestock's Son & Co.,
Wholesale Druggists, Pittsburgh.

"My brother and a number of my young business friends having at different times been educated for business from Duff's Book-keeping, and they all having afterwards proved to be highly accomplished accountants and business men, I therefore infer that this branch of education is brought to full perfection in this work."
JAMES ROBB,
President Keystone Savings-Bank,
Pittsburgh, Pa.

"Duff's system of Merchants' Accounts exhibits in a clear, compact, and condensed form, without being superficial, all the essentials of a thorough education in Book-keeping."
GEO. R. DUNCAN,
Book-keeper Iron City National Bank, Pittsburgh.

"I am recommending all my friends to your Commercial College. My course of study, from your excellent treatise on merchants' accounts, prepared me for keeping the books of this banking-house."
WILLIAM H. SELLERS,
Book-keeper to Austin, Elder & Fletcher, Bankers,
Chambersburg, Pa.

"I prefer your Book-keeping and plan of instruction to any I have seen in the colleges in this city. I have no trouble in keeping our books."
JAMES WILSON,
Book-keeper to C. H. Grant & Co., Merchants,
Philadelphia.

RECOMMENDATIONS.

"I now hold a clerkship of the first class in this department. I esteem it a privilege to commend what I have reason to regard as the best Commercial College in America. Since graduating, I have had my educational attainments thoroughly tested in a number of commercial offices; and it is due to your splendid system of business accounts to say that its judiciously diversified exercises have enabled me to fill every position I have held to the satisfaction of my employers."

SAMUEL M. BRYAN,
Treasury Department, Washington, D.C.

"I am now a clerk in the counting-room of these extensive mills, for which I was fitted mainly by the excellent business education I received in your college. I now fully concur in all that your other numerous students have said of the superiority of your system of Book-keeping and business education."

N. D. HOOPER,
Clerk Salisbury Mills, Amesbury, Mass.

"I have had charge of this bank as cashier since 1st October last, and for my ability to discharge the duties of this responsible office you are entitled to the credit. The few months spent in your noble educational establishment studying your admirable system of accounts has been of great value to me."

L. W. VALÉ,
Cashier First National Bank, Mount Pleasant, Iowa.

DUFF'S MERCANTILE COLLEGE,

No. 37 FIFTH STREET, PITTSBURGH, PA.

FOUNDED IN 1840,

AND

INCORPORATED BY THE LEGISLATURE OF PENNSYLVANIA WITH PERPETUAL CHARTER.

THE BUSINESS MAN'S FAVORITE COLLEGE FOR THE LAST
TWENTY-SEVEN YEARS.

It is believed to be the only institution of the kind in America founded and conducted by an experienced merchant. Our course of original lectures upon the details of

ACTUAL BUSINESS

are, to one going into business on his own account, worth more than his tuition fee, and may save him thousands of dollars in experimental knowledge, that will take him years to acquire in business. In these lectures we have no competitors, as none but an experienced merchant can impart the practical information which they contain. It will also be found that our system of accounts is, with one exception, the only modern one in use, including comprehensive exercises in

BUSINESS WITH FOREIGN COUNTRIES.

Our system of instruction, thus extended into fields of business wholly omitted by others, enables us to present our students with a valuable collection of

BUSINESS FORMS

in every department of inland and foreign business. Regular lectures upon the

LAWS OF BUSINESS

are delivered to the classes. One of the most accomplished and experienced teachers of Business and Ornamental

PENMANSHIP

is in constant attendance on the classes.

For Terms and all other Particulars, send for our Pamphlet Circular, pp. 75.

ADDRESS

P. DUFF & SON,

PITTSBURGH, PA.

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EXTRACTS FROM THE CHARTER
OF
DUFF'S MERCANTILE COLLEGE.

The preamble of the Act, after reciting the circumstances connected with the establishment of the Institution by the proprietor, in 1840, proceeds:—

"And having, through his professional labors and publications upon commercial science, greatly improved and enlarged the facilities for obtaining a thorough mercantile education, in order to give increased efficiency and permanence to his laudable efforts in promoting the cause of Commercial education, and thereby advancing the ends and purposes of commerce, it is hereby proposed that his Academy be incorporated. Therefore,

"SECTION 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same,* That there be, and hereby is erected and established, in the County of Allegheny, in this Commonwealth, a College for the education of merchants, and others, in the various branches of literature and science immediately connected with a thorough mercantile education, by the name, style, and title of 'DUFF'S MERCANTILE COLLEGE OF PENNSYLVANIA,' to be permanently located in the city of Pittsburgh, in said county of Allegheny."

(SECTIONS 2, 3, 4, and 5 relate to the government of the College,—its liabilities, privileges, &c.)

"SECTION 6. That the President, Professors, and Tutors for the time being, of said College, shall constitute the Faculty of said College, and shall have power to grant and confirm such degrees in the sciences taught in the College, to such students and graduates of the College, and others, when, by their proficiency and learning, professional eminence, or other meritorious distinction, they shall become entitled thereto, as they may see fit, and to grant graduates, or persons on whom such degrees may be conferred, diplomas, or certificates.

"SECTION 7. No religious sentiments shall be accounted a disability to hinder or debar students from entering the College, prosecuting their studies, and receiving diplomas or certificates, or in any manner to abridge their privileges or immunities as students in any department of said College."

(SECTIONS 8, 9, and 10 relate to the By-Laws, Conveyances, &c.)

(Signed) **JOHN CESSNA**, *Speaker of the House of Representatives.*
BENJ. MATTHEWS, *Speaker of the Senate.*

Approved the eleventh day of March, one thousand eight hundred and fifty-one.

WM. F. JOHNSTON, *Governor of Pennsylvania.*

Pennsylvania, ss.:

SECRETARY'S OFFICE.

¶ *As hereby Certify*, that the foregoing is a true and correct copy of the original Act of the General Assembly, entitled, "An Act to Incorporate Duff's Mercantile College of Pennsylvania," as the same remains on file in this office.



Witness my hand and the seal of the said office at Harrisburg, this 25th day of April, 1851.

A. L. RUSSELL, *Secretary of the Commonwealth.*

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