The **Balance of an Account** is the difference between the two sides of it, and is what one owes the other.

Ex. T. Black's Account in our Ledger.

DR.		T. BLACK.			CR.
1900.			1900.		
Jan. 1	To Mdse.	$500.00	Feb. 10	By Cash	$1000.00
Feb. 4	" "	600.00	Mar. 4	" "	600.00
Mar. 10	" "	800.00			

Take the latest date, Mar. 10, as focal date.

Due Dates.	Days.		When Paid.	Days.
Jan. 1	500 × 68 = 34000		Feb. 10	1000 × 28 = 28000
Feb. 4	600 × 34 = 20400		Mar. 4	600 × 6 = 3600
Mar. 10	800 × 0 =	0		
	1900	54400	1600	31600
	1600	31600		
Bal. of ac.	300	22800	Bal. of products.	

Number of days = 22800 ÷ 300 = 76.
Count 76 days backward from Mar. 10;
∴ $300 is due Dec. 24, 1899.

The debit side shows the amount Black has received.
The credit side shows the amount Black has given.
Suppose the account to be settled on the latest date, March 10.

DR.

Then, interest on		Interest on	
$500 for 68 da.	= $1	for 500 × 68 da., or	24000 da.
600 " 34 "	= 1	" 600 × 34 " "	20400 "
800 " 0 "	= 1	" 500 × 0 " "	0 "
$1900	= 1 for		54400 "