The Leading Objects of
Book-keeping

may be briefly stated—To record the amount and nature of the capital invested; purchases and sales; collections and payments; and, finally, the summing up of results at stated intervals, and disposition of profits or losses. This may be said of any ordinary business, whether purchases are made, as in the case of merchants, to sell again in the same shape as received, in large or small quantities; or, as in the case of manufacturers, to change the character and value of the materials to sell again in new forms. The same general principle is always applicable, simply with such variation of detail as particular cases may render desirable.

But notwithstanding this unity of principle, we find two ruling methods of keeping books—*Single* and *Double* Entry, or, as some, with perhaps insufficient knowledge of both, are disposed to call them, "Simple" and "Complicated." Under this impression, the former is presumably selected in most retail businesses, but in reality the plan usually followed, while including the defects of the system, taken as a pattern, has few of its good points, and may be classed as "Singular" rather than "Single" Entry. In numbers of cases the object seems to be to keep a record of the simplest possible kind of daily credit sales and settlements, leaving other office details of business to receive irregular attention at convenience.

A little examination of the methods of Single and Double Entry shows the superior merits of the latter for *any* business, not only on the ground of efficiency, but also in regard to the time and attention required.

In the example which follows, the transactions are principally those arising in the business of wholesale merchants; but it will be apparent that, with some variations of detail, the system is equally applicable both to manufacturing and retail businesses. In the latter case, the only important change would be in dropping the "Invoice *Sales* Book," and if still fewer books were desirable, the "Journal" also might be excluded, by ruling the "Day Book" say in this way:—