

In this set the object of the Profit & Loss Sheet is, to bring together every item, whether of gain or of expense, which can affect the net profit, so that that net profit may be divided between A. B. & C. D. It is therefore necessary to transfer to this sheet from the Profit and Loss Account the various gains which have been made upon the several speculative adventures, and which have already been credited on that account, but the amount of these various gains, amounting to 548*l.* 6*s.* 5*d.*, must be omitted in the entries consequent on the Profit & Loss Sheet, because they have been carried to the Profit and Loss Account already.

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NOTE XI.

It having been remarked to me, that in publishing my First Set of Book-keeping by Double Entry, I had omitted to explain how the different items of stock on hand embodied in the Inventory were obtained, I insert here an Abbreviated Stock Book. This is not made out in the form in which a Stock Book should be kept in actual business, because this would, by taking up too much room, make this work more expensive than is necessary on account of a simple matter which can be explained in a few words.

The stock on hand, is what remains after the quantities which have been sold are taken away. In small businesses it is found out by actually counting, measuring, or weighing what remains of each article. But in wholesale business, a Stock Book is kept, in which an account is opened in *Dr.* and *Cr.* for every article which is purchased. In this Book the Stock is debited for the quantities of the purchases, and credited by the quantities sold, and, if correctly kept, it not only serves to supply material for the annual inventory, but is also of daily use, by enabling the Firm to see at any time what quantity of an article they can safely sell in case of a rapid demand. Such a Stock Book is kept thus :