

double entry, by a multiplication of accounts under arbitrary denominations. And this leads me to an

EXPLANATION OF THE ACCOUNTS.

The classification of accounts in Book-keeping has been much subdivided by most writers on the science; but it appears to me that they naturally arrange themselves under only two heads, viz., GENERAL and PERSONAL.

I. GENERAL ACCOUNTS.

General Accounts are those which, under arbitrary names, represent yourself in the various modes in which you are interested. For an elementary course, such as this is, and indeed for most practical purposes, the number of general accounts may be reduced to nine, viz.—CASH, STOCK, GOODS, BILLS RECEIVABLE, BILLS PAYABLE, INTEREST, TRADE CHARGES, PERSONAL OR HOUSEHOLD EXPENSES, and PROFIT AND LOSS.

I. CASH.—This account notes accurately in its progress all the sums of money which you either receive or pay away. For all sums received Cash is said to be debtor, because Cash means yourself, and you are debtor for all monies which you receive; and for all sums which are paid away it is creditor, because you have a credit for it with the person to whom it is paid. Or, to place it in a more familiar view, suppose that, instead of Cash, the account is headed CASH BOX. If you receive a sum of money, and it is placed in that box, then the Cash Box is debtor for it, and the reverse.

II. STOCK.—This account shews the amount of your capital, and its fluctuations from the gain or loss in your business. The amount of your capital