

## HINTS ON BOOKKEEPING.

## ARTICLE II.



WHEN a merchant has to keep his own books or employ a clerk to do so who is not an expert, the system of bookkeeping should be as simple as is consistent with efficiency. Whether the books are kept on the double or single entry principle all the books that are really necessary for an ordinary retail business are a cash book, day book, ledger, and bill book, except where the business is large enough to warrant the employment of several clerks and the use of counter check books, where another book should be kept in which would be entered every night in columns headed with the numbers of the different salesmen the amount of each sale for cash or credit, then the cash columns when added up should balance with the cash receipts for the day.

A cash book badly kept and irregularly posted is a source of endless trouble to any business man. An accurate result should be kept in the cash book of every dollar received and paid out. The daily cash sales should be entered every night at the close of the day's business in a separate column from the cash received from other sources, so that the merchant may know, by adding up the cash sales column every week or every month, how his business compares with previous weeks or months, and the other column will show how his accounts are being paid, then the two columns added together can be posted in one sum into the cash account in the ledger. The plan of mixing the cash sales, with the cash received on account and from other sources, is more common than otherwise among retail merchants, and such plan not only gives a man an erroneous idea of the progress of his business, but in the event of a fire (which is liable to occur to any one) it necessitates the separating of all the items in the cash book, and classifying them under their proper headings—in fact the making of a new cash book—before he can prove to the satisfaction of the insurance adjusters, the amount of the loss sustained.

When a bank account is kept it is a common custom among merchants to charge the bank with each deposit and credit each cheque given for money withdrawn. This is unnecessary work and makes the amount of cash handled appear very much larger than it really is. The cash in the bank should be treated as cash on hand, for it is simply in the bank for safe keeping and the bank pass book, which may be verified by memoranda kept in the margin of the cheque book, will show the balance in the bank at any time, whereas when the amounts deposited in the bank are charged to the bank they appear as so much money paid out of the business and in balancing the cash book the amount in the bank is not shown as so much available cash on hand. All monies paid out should be charged at once in the cash book to the accounts on which they are paid. A great many merchants have the habit of making a memo on a slip of paper and putting it in the till to save time. This habit is liable to lead to errors for these slips are sometimes mislaid or lost altogether, and no time is saved; if the cash book is kept handy the entries can be made as quickly in it as on slips of paper, and it has at some time to be made in the cash book, so time is actually wasted.

All the entries in the cash book should be posted regularly into the ledger every week, or at the latest every month. The old-fashioned custom of journalizing everything before posting into the ledger is more ornamental than useful.

(To be continued).

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## A KINDLY SUGGESTION.

TO THE EDITOR, DRY GOODS REVIEW.

SIR,—Please find enclosed one dollar for subscription to the REVIEW for one year. I am quite pleased with sample number to hand. The fault with almost every similar publication I have ever seen is, that business affairs are viewed through the spectacles of the wholesaler or manufacturer, not the retailer. I notice a slight disposition in the REVIEW to see things the same way. If you would consult more with retailers, but no less with wholesalers, you would get a better and more correct idea of business affairs as they actually are—as for instance the shortening of credit, and of dating ahead, and also of importing. All of this is from the wholesalers' point of view, and in his interests. Why not interview large retailers as well as wholesalers? Then we have an all-round view and a more correct one. I have noticed in the daily papers, when information is wanted on a point of interest concerning dry goods, off run reporters to Macdonald, McMaster, Brock, etc., and never or rarely to Murray, Eaton, Thompson, Walker, etc.; and of course we get only the wholesalers' view of it. Now the views of large retailers would be of greater interest to us country retailers, because they view things from our standpoint. By all means get the views of the wholesaler, but also the retailer as well. However your REVIEW seems to be freer from this fault than other publications, and as I before said I rather like the matter.

Yours, etc.,

W. FLINT JONES.

Belleville, June 25th.

(We are always most anxious to have the views of retailers on all subjects affecting the trade and in our back numbers it will be found that they have been consulted on the questions referred to by Mr. Jones. If retailers would write us on any subject we would be only too glad to publish their views as the REVIEW is intended to be a medium between the wholesaler and retailer. We thank Mr. Jones for his kind suggestion. ED.)

## ESTABLISHING A CREDIT.

Every retailer, says the Minneapolis Commercial Bulletin, should make it a point to visit the jobbing houses that he patronizes at least once in two years; it would be better if he could do so once every year. This is important especially for a new man in the field. The jobber likes to become acquainted with his patrons, and it is always better for two parties having business with each other to be acquainted, either personally or through a salesman in the store. A young man engages in a general store business in North Dakota, it can be said for illustration. He calls upon a traveling salesman in his town and buys his opening stock, paying cash. It may not be a large order, but the fact that it is a new one and that cash was paid, attracts the attention of the jobbing firms. They are not altogether convinced that because cash was paid for one order, that it will follow with another, and the credit question at once arises as to the course to pursue with future business if credit should be asked. In the meantime a second order follows, accompanied by the cash, and the jobber is relieved of a decision that time. Now is the time for the young retailer to visit the city. Go to the jobber and let him see you; sit down and have a confidential talk about your resources, be frank with him, and the deed is done—you have made a good impression, the jobber likes your method, and a scale of credit is at once fixed on for you. This merely illustrates the value of meeting jobbers, and as much so the importance of meeting them at the right time. It is better to meet them before credit is refused than after, for a refusal once made always leaves a little doubt in the mind of the credit man that is often quite difficult to efface. This, of course, brings up the question of capital, for a case is presented where a retailer has sufficient capital to pay cash for his first bill of goods. The Bulletin has made this point also, believing that it is greatly to the interest of the retailer to have it so; indeed, the Bulletin has doubts whether a retailer should engage in business who has not sufficient capital to do this, and have a reasonable deposit left. The discounts obtained for cash should be a regular source of profit. If this is too ideal a picture for many merchants, and many localities, then let the conditions be made as nearly like it as possible.