

all cash he receives or pays away ; and several others, varying according to the character and extent of the business.

Now, all these sub-divisions of the Merchants Wastebook resemble those of the Bankers in two things—first, they are all kept chronologically—they contain a record of the transactions in the order of time in which they occurred ; and secondly all the transactions thus recorded must afterwards, upon the system of Double entry, pass either individually or in totals through the book which Merchants call a Journal, and Bankers call a Day Book.

2. The words Journal and Day Book have the same meaning ; and in this instance the use of the two books are similar, but in the merchant's Journal individual transactions may be entered, while in the Bank's Day Book they are always entered in totals. Thus the total amount of Bills Discounted and the total amounts of credits and payments on current accounts, are entered in the Day Book but not the individual items.

Another advantage is that over each entry in the Merchant's Journal you state to what account it is to be posted ; for every entry is posted in two accounts—to the debit of one account and to the credit of the other. And this is denoted as follows :

— Mdse. Dr.
To Cash Cr —

Implying that the account Merchandise is to be debited and the account Cash to be credited.

The entries in the Banker's Day Book are made daily but the entries in the Merchant's Journal are generally made once a week or month.

3. We have stated that in the Merchant's Ledger every entry is made twice—one account being debited and another credited—and these two accounts are indicated in the Journal. Banks which have General Ledger keep their books by double entry. The "Current Accounts Ledger" is not kept by double entry. It contains nothing but personal accounts and its accuracy is tested only by the periodical balancings. The Bankers' Ledger that corresponds with the Merchant's Ledger is not the Current Accounts Ledger but the General Ledger for this only is kept by double entry.

The sum of all the debits should equal all the credits. But as the transactions in the Banker's General Ledger are not posted individually