

DIRECTIONS.

DAY-BOOK.—Add up the sums total in the outer columns, at the end of every month, and post the amounts, being the total of goods sold on credit, to the Cr. of an account to be opened under the head of “ goods.”

INVOICE-BOOK.—Add up the sums total in the outer columns, at the end of every month, and post the amounts, being the total of goods bought on credit to the Dr. of the goods account.

CASH-BOOK.—Add up, on a piece of paper at the end of every month, the entries for cash sales and purchases, and post the amounts being the sums total for the month, to the Dr. and Cr. of the “ goods” account. The whole amount of goods sold during any given time is in this way ascertained.

PROFIT.—The profit may be ascertained from this account, as follows:—Add up the discount columns on both sides of the Cash-Book, at the end of every month, and deduct the amount of discount on the received side, from the Cr. and on the paid side, from the Dr. of the “ Goods” account. Deduct also, at the time of balancing your affairs, the estimated discount on unsettled accounts due to you, from the Cr. side, and on those due by you, from the Dr. side of the “ goods” account, enter on the Dr. side of the “ goods” account, the amount of trade expenses and bad debts; and on the credit side, the amount of goods on hand.—Then add up both sides of the account, and if the credit side be the greater of the two, the difference is the profit gained (including interest on capital). If the debtor side is the greater of the two the difference is the loss. By ascertaining the profit in this way. the accuracy of the other account in the Ledger for profit, and also the accuracy of the posting, will be tested in the result of both accounts, will be the same, if no errors have been committed.