# PREFACE

THROUGHOUT this work, the useless and unmeaning "To" and "By" have been entirely omitted.

The meaning and application of the terms *debtor* and *creditor* can be best presented to the learner by teaching accounts, first separately, and afterwards together; first through a *partial* journal entry and afterwards through a *complete* journal entry.

In the Ledger the explanation space is left blank. unless some useful information is obtainable therefrom, as, for example, from, "Goods at 30 days," in a personal account. Statements of Losses and Gains and of Assets and Liabilities are made for the proprietor from the trial balance and inventories, before the Ledger is closed; these are made as separate statements, in accordance with practical usage, little stress being laid on the columnar form of statement. The Ledger is closed, only for the purpose of separating the losses and gains of one business period from those of the succeeding one; for this purpose, only the loss and gain accounts and the proprietor's account are closed, at the time of closing the books; all the asset and liability accounts are left unclosed, unless it be Cash Account and Bank Account, which are necessarily balanced frequently, and are usually not kept in the Ledger.

The attention is confined for some sets to the Journal as the only posting medium, the Cash Book and the Bill Book being introduced, first as auxiliary books, and later as principal books. As business offices differ very much in the forms and ruling of such books, only some of the most general forms have been illustrated, but sufficient to enable the young bookkeeper to adapt himself to the various forms he may meet with in actual business.

The *proprietor*, whether he be a single proprietor or a partner, is distinguished from his *business*, and is considered much the same as an outside person, being debited when he *receives* from his business on account, and credited when he *gives* to it. The business is thought of, as buying and selling, receiving and giving. The proprietor is a debtor to, or a creditor of, his business as much as any other person; when the business becomes insolvent, he is a debtor, and owes to the business, from his private means, the amount of the Net Insolvency; when the business is solvent, he is a creditor, and the business owes him the amount of his Net Capital.

Bookkeeping, as a *science*, is unchangeable—the principles are fixed; but bookkeeping, as an *art*, is constantly undergoing changes. The teacher should endeavour to impress the principles thoroughly on the mind of the learner; the learner will then himself become the inventor of new forms to suit special circumstances.

There are various ways of approaching the subject of Bookkeeping, some of which should be avoided. The antiquated rule, "Debit what is received and credit what is given," cannot be applied successfully to all business transactions; the efforts to make a forced application of this rule have led to much straining of the imagination, noticeably in such a transaction as, "Bought from T. Brown on account, Mdse. $200." This rule requires that *Interest* and *Rent* be called *use*, and that *Wages* and *Commission* be called *services*. On the next two pages, reasons will be given for discarding its general application as too mechanical and far-fetched.