

**UNSOLD GOODS.** When the goods are not all sold the difference between the sides will not show the gain or loss. The value of the unsold goods (called Inventory) must be placed upon the Cr. in red ink, and then the difference will show the gain or loss.

**SECOND MODEL.** May 6. Bot. 100 brls Flour at \$6. 7. Sold 75 brls. Flour at \$7. Inventory, 25 brls. Flour at \$6 unsold.

| Dr.  |   |     |  | MERCHANDISE. |   |     |  | Cr. |  |  |  |
|------|---|-----|--|--------------|---|-----|--|-----|--|--|--|
| May. | 6 | 600 |  | May.         | 7 | 525 |  |     |  |  |  |
| Dr.  |   | 75  |  | Inv't        |   |     |  |     |  |  |  |
|      |   | 675 |  |              |   | 675 |  |     |  |  |  |

**NOTE.**—The Inventory is found by going to the warehouse or shelves where the goods are kept, and ascertaining the quantity, &c., by inspection. This process is generally called "taking stock." It is usually entered at the cost price. It is, however, strictly correct to value the goods at what they would cost us at the time of taking the inventory. If the goods are damaged, an estimated value must be placed upon them.

**EXERCISE.** June 1. We have on hand goods valued at \$2358.29. 2. Bot. Mdse. for cash, \$3125.60. 3. Sold P. Kearney for cash Mdse., \$1235.25. 4. Bot. on our note bill of goods, \$2575.40, and paid cash for freight on same, \$257.54. 5. Sold J. Duff on his note, at 30 days, bill of goods, \$2452.48. 6. Gave D. Kelly in full of account Mdse., \$1347.35. 7. Received from Geo. Wade for interest on his note to date 100 bu. Wheat at \$1.10. 8. Sold for cash, 100 bu. Wheat at \$1.12. 9. Gave T. Senechal for interest on our note to date, Mdse., \$973.11. 10. Shipped T. G. Davis, London, Ont., bill of goods amounting to \$513.25, to be sold for us. 11. Value of unsold Mdse. per Inventory, \$3875.75.

What is the net gain or loss? Write letter and get your work passed.

## 6. SHIPMENT. (Shipt.)

If we send goods to an agent or commission merchant to be sold for us, and desire to know the gain or loss on that particular lot of goods, it will be necessary to open a new account with the goods thus shipped, which may be called "Shipt. to" (put the name of the person to whom they are sent, or the place where he lives, in the blank space).

When it is desired to show the gain or loss on each Shipment separate accounts should be opened with each, thus Shipt. to Quebec No. 1. Shipt. to Quebec No. 2.

The account is kept similar to the Mdse. account. It is Dr. for the cost, and Cr. with the net proceeds. The difference is the gain or loss, but when the goods are not all sold, the unsold must be entered on the Cr. before taking the difference.

Mdse. account represents goods bought by us and remaining in our possession to be sold by us. Shipment account represents goods bought by us, but sent to another person to be sold by him for us.

**MODEL.** July 1. Shipped Kilgour & Co., Toronto, to be sold on our account and risk, bill of goods, costing \$975. July 30. Received from Kilgour & Co. an account sales of the goods shipped them on 1st. Our net proceeds are \$1200.

| Dr.  |   |      |  | SHIPT. TO TORONTO. |    |      |  | Cr.           |  |  |  |
|------|---|------|--|--------------------|----|------|--|---------------|--|--|--|
|      |   |      |  | Cost.              |    |      |  | Net Proceeds. |  |  |  |
| July | 1 | 975  |  | July               | 30 | 1200 |  |               |  |  |  |
| Dr.  |   | 225  |  |                    |    |      |  |               |  |  |  |
|      |   | 1200 |  |                    |    | 1200 |  |               |  |  |  |

**EXERCISE.** Aug. 1. Shipped to T. G. Davis, London, Ont., invoice of Mdse., amounting to \$1455.62, to be sold on our account and risk. 2. Shipped J. D. Irvin, Toronto, bill of goods, amounting per invoice