

The box being upside down keeps the rain off. In these fields he times the hoeing, cultivating or other routine work done once or twice during the season marks it on the card and then each time after that he simply marks down the date and what the work was, how many were at it, and what part of a day was spent. At the end of the season he gathers these cards and charges the time to the various crops.

That "time is money" is more and more being recognized by farmers. Manufacturers and labor unions long ago recognized it, and now in cities men are no longer paid by the month, but by the hour. Overtime is now a common charge and more paid for it. Farmers are gradually being forced to pay by the hour. Soon what is now known to us as "Chore Time" will be our "Overtime," paid by the hour.

Time, however, is not the only item in Cost Accounting; seed, fertilizers, the crates and packages, bags and baskets, in which the produce is shipped form part of the cost. All these should be included with time spent in growing, packing, hauling to the shipping point or market.

If a crop has proved itself not profitable, any one can, with a fairly accurate cost system, find out whether his methods were at fault or conditions such that other crops would pay better. Below is a sample of a daily time card and a crop card. They are worth examination.

EARLY ROSE POTATOES.

Date.	
May 20	It took 4½ hours for 2 men and 2 horses to cultivate.
May 21 and 22	It took 2 days for 2 men to hoe the whole field.
May 20	Cultivated.
May 21	Hoeing, 2 men all day.
May 22	Hoeing, 2 men all day.
June 2	Cultivated; 2 men and horses.
June 18 and 19	Hoeing, 2 men.
July 3	Cultivated; 2 men and horses.
July 4 and 5	Hoeing.
August 10	Team ploughing out crop, 10 hours; 4 men picking, 10 hours.

This card shows—Cultivating, 3 times; charge 2 horses, 2 men, each time for 4½ hours; 2 men 6 days of 10 hours for hoeing also to be charged.

JULY—GOLDEN BANTAM CORN.

Date.	1	2	3	4	5	6	7	8	9	10	11	12
man												
5												
horse												
5												

This is a sample of a daily time card. On the 1st a man and horse spent 5 hours in this field; on the 4th a man spent 2 hours on this crop; on the 7th 4 hours; on the tenth man and horse spent 5 hours.

We have seen what part the Capital Account must play in our bookkeeping. We have seen what makes a gain, and how to calculate costs, so as to get at our gains pretty accurately, and now we must look at our losses.

Losses come from various sources, depreciation of buildings, fences, machinery, etc., will give us one source of losses, selling in a market at a price below the cost of production will make another source, and so on.

Having found, through our accounts, that a certain crop has not paid, that does not say we should discontinue to raise that crop. See what caused the loss, and then uproot that cause for the next season. It may be only one particular thing that is causing the loss, and one of the main reasons for keeping books is to be able to get all our facts so well before us that we can not only see the cause of losses, but may also be able to see where we can reduce the cost of production. In any account items that keep recurring often intrude themselves upon our notice, and stimulate us to an endeavor to decrease them.

Losses on a farm are a good thing where books are kept. They tend to make good farmers better farmers, for they compel us to check up our methods and improve where possible.

The treatment of depreciation of capital and losses in general is as different by accountants as feeding is by dairymen. Like feeding they all agree it should be dealt with carefully. An example will explain a good method for handling certain losses. Suppose a farmer has a horse, he has charged up against his capital, where it rightly belongs. This horse dies. In his capital account it had appeared at a value of \$400. He buys a new one at \$350; then arises the question shall he leave the \$400 in the capital and add the \$350? Certainly not. The \$400 is lost, take it out and enter the new \$350. The same applies to machinery. A new machine bought to replace the old one should be put in the capital, and if the old one is a complete loss take it from the capital.

So much for direct losses. Depreciation in value is another problem. In some business a depreciation of capital is allowed for by taking off a certain percentage of the amount shown at the end of the season. That is better than nothing, certainly, but not what it should be. One

hour on most farms would permit of a thorough analysis of the account, and a very accurate placing of the cuts for depreciation. Treatment of depreciation presents a different proposition from the treatment of loss. Take for instance fences and flumes—two cases where capital depreciates very rapidly. Here fences go down very quickly on account of the dry ground, and 20 per cent. per annum will not meet the demands, thirty-three and one-third per cent. would be nearer. Flumes do not go so rapidly. Here we have two examples that show the lack there is in the twenty per cent. method. Perhaps an account kept with such portions of capital as fencing, etc., would show where a saving could be made, and would certainly show the proprietor how much he must allow for depreciation on like parts of his capital.

With these parts of capital account such as fences, etc., (where the proprietor keeps everything repaired) his capital account would not change. Then comes the question, how are we to treat this case. For instance, we say a farm

No. 1.	Costs.
June 5	Three pigs\$15.00
Dec. 20	Grain fed as per bills 10.00
	Time spent feeding and cleaning pens as per time card 8.00
	Time killing 2 pigs for market... 1.50
Total\$34.50

Results:
Receipts\$70.40
Costs 34.50
Gains\$35.90

No. 2.	Costs.
Jan. 1	Fall ploughing\$ 4.00
	Manure 5.00
May 15	Plants 135.00
	Irrigation rate 5.00
	Taxes 10.00
	Time card; cartage, cultivating, etc. 450.00
Total\$609.00

Results:
Receipts.....\$1,900.00
Costs..... 609.00
Gains.....\$1,291.00

No. 3.	Expense.
Jan. 8	Repair stable door\$2.00
Jan. 12	Glass in hen-house25
Jan. 18	Gate repairs 4.00
Jan. 19	Buggy repairs 4.00
Feb. 2	Horseshoeing 2.00
	Harness mending75
Feb. 9	New water tins to replace old ones in hen-house60
Total\$13.60

Results:
Total loss.....\$13.60

CAP

Investments.		
Jan. 1	Five acres land	\$2,000.00
	Stable	350.00
	Implement shed	150.00
	Hen-house	150.00
	Wagon	110.00
	Buggy	125.00
	Democrat	140.00
	Harness, etc.	200.00
	Horse	200.00
	Flumes and pipes	200.00
	Fences	175.00
	Implements	100.00
Mar. 31	Trees for hedge, planting, etc.	40.00
	Improving road to stable, making lawn	30.00
July 10	Complete cost of dwelling...	2,200.00
Aug. 10	Team of horses	450.00
Total	\$6,620.00

Results:
Allowances for Depreciation.
Fences.....\$55.00
Implements..... 5.00
Harness..... 25.00
Total.....\$85.00
Loss brought down..\$475.00
Total loss.....\$560.00
Left to reinvest\$6,060.00
Loss during year 560.00
Invested during year\$6,620.00

The value of this account is not in the figures, but in the matter charged or entered in it. To get the most out of it follow the "Result's" items.

fence was put up for \$100. In two years it is thoroughly overhauled and left as efficient as new, at an outlay of \$25. The fence is worth no more than it was, hence we can't increase the capital, but it is worth no less and we cannot decrease the capital; what is to be done? The \$25 is an expense, and we must charge it up as a loss. These general principles should be sufficient to guide us in treating almost any farm loss or depreciation.

There are many methods of keeping books, hence there are many methods of keeping farm books. Accountants give us two general classes of systems, known as the Double Entry and Single Entry, but to explain Double Entry would, because the system is a little intricate, take too much space. It is the best system, there is no doubt, but requires a little training and practice to make it satisfactory. Outside of Double Entry most farmers will find the Ledger Journal the most practical, because it combines the entry and explanation together. Below is a full set of accounts that will prove interesting as examples.

FIGS. 1913.	Receipts.
Dec. 22	Cash for 1 pig @ 14c.....\$22.00
	Value of pig kept for home use @ 14c. 23.00
	Value of 1 kept for stock purposes 25.00
Total\$70.40

FIELD CROP OF TOMATOES, 1913.	Receipts.
Aug. 15	Cash, market statement\$100.00
Aug. 30	Cash, market statement 300.00
Sept. 1	Canning factory 50.00
Sept. 15	Market statement* 500.00
Sept. 18	Factory 25.00
Sept. 30	Market 500.00
Oct. 15	Market statement 425.00
Total\$1,900.00

*These statements would contain packing, commission charges, etc.

CAPITAL.	Losses.
Aug. 8	Horse died\$200.00
Dec. 9	Hen-house burned 150.00
	Buggy burned 125.00
Total\$475.00