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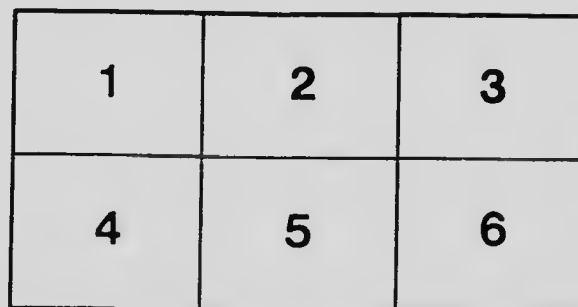
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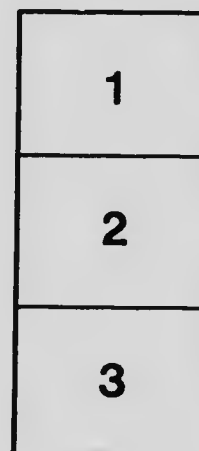
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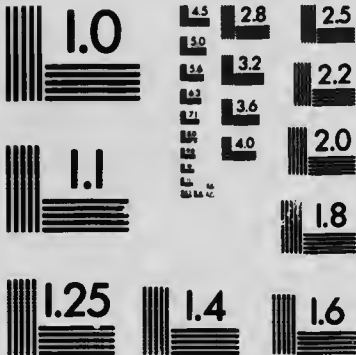
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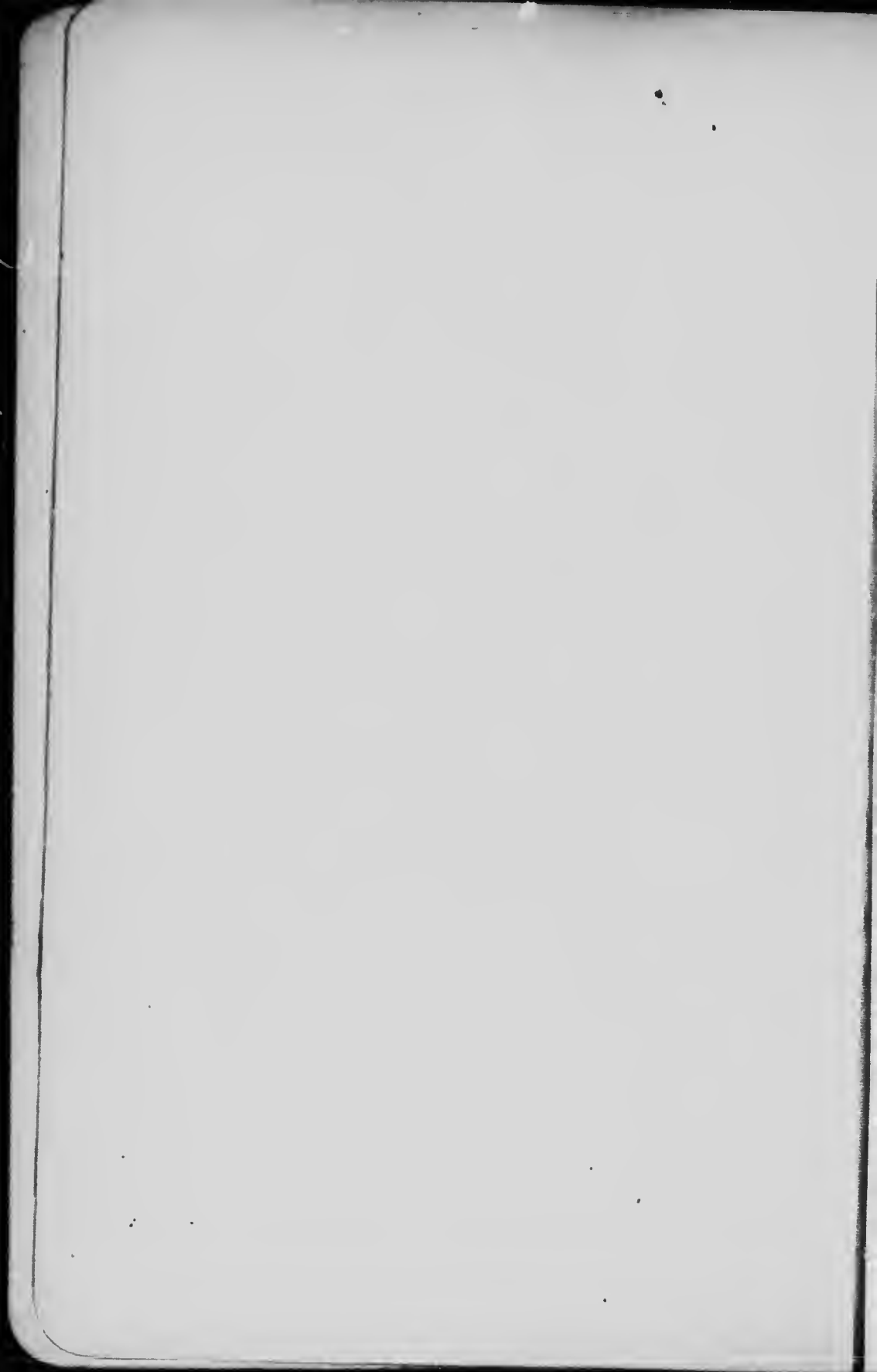
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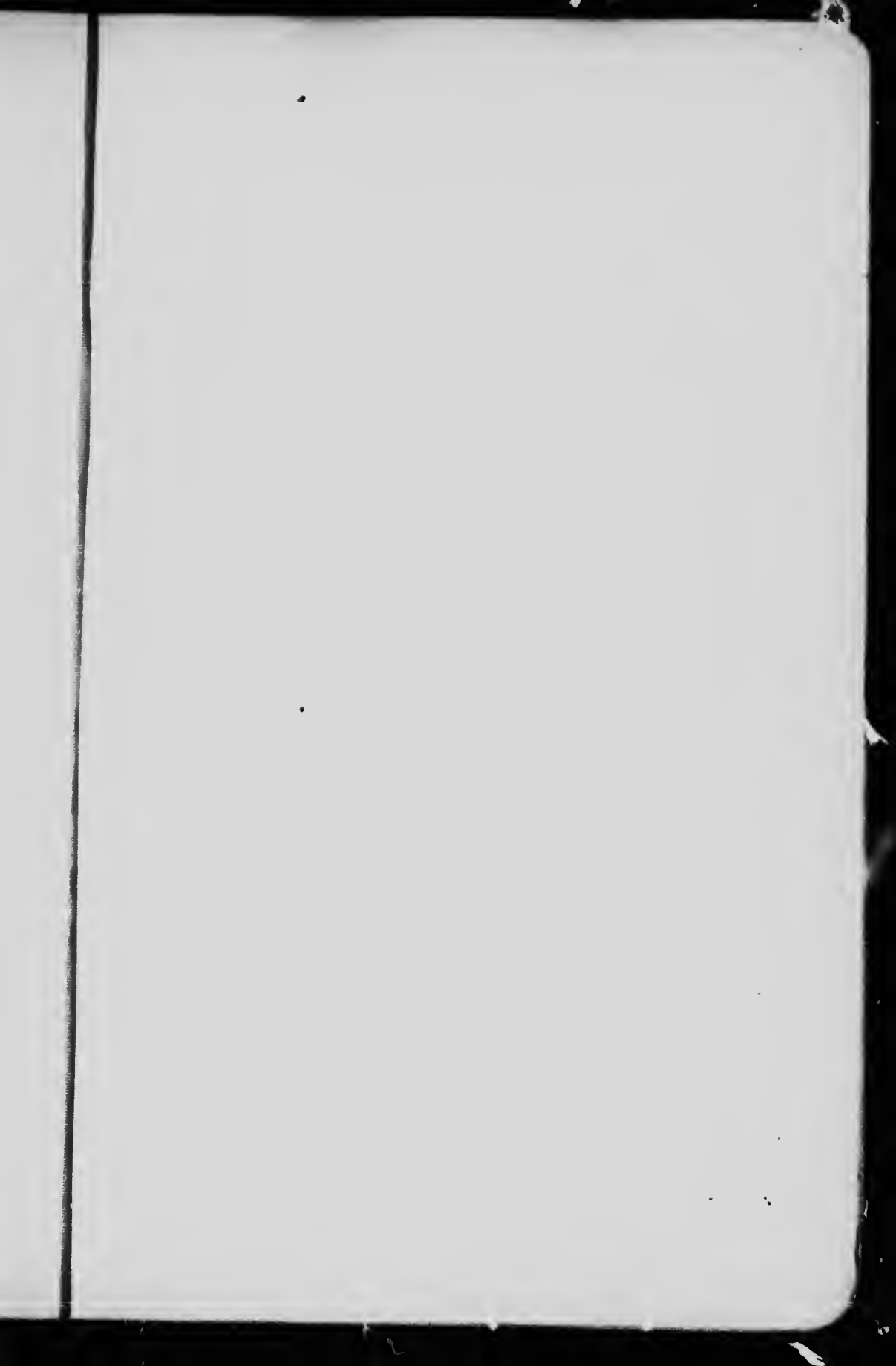


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MANUAL

— OF —

Farm Accounts

— BY —

Chas. R. Stevenson



MANUAL OF FARM ACCOUNTS

**A Comprehensive, Practical Treatise on Farm Accounts, by
the Double Entry System, adapted to the wants
of the Practical Farmer.**

**The System is Fully Explained and exemplified. It contains
a full year's memoranda of Business Transactions
worked out in detail. Notes, Drafts, Cheques,
etc., with their endorsements, are fully
exemplified.**

BY

CHAS. R. STEVENSON,

Associate of the Ontario Agricultural College.

CHATHAM, ONTARIO:
THE PLANET PUBLISHING HOUSE.
1904.

PREFACE.

This book is dedicated to the American farmer and his family. Its purpose and aim is to show how the double-entry system of book-keeping can be made applicable to the every day wants of the farmer.

Experience proves that any other system followed is not so satisfactory in its results, nor as far reaching.

The business transactions given are practical and original, summarized from the author's own accounts.

The work throughout has been exemplified to make it as plain as possible to the individual unfamiliar with book-keeping.

The system may appear at first to be complicated, but when understood and used for a time, will become permanently used and highly valued.

The results obtained are always reliable and a safe guide as to your financial condition. The departments of your farm that are paying are plainly seen. The paying crops are known. Where and how to curtail expenses are indicated.

Further a positive knowledge is gained, and your acquaintance with business principles and habits are cultivated.

The Author's desire is that it will become a helpful companion to the industrious, diligent farmer and his family. That it will stimulate and encourage him to love and respect his calling. And bring to him success by being watchful as to the financial side of his affairs.

The book will fail however in its purpose if farmers do not practically put the information given into use.

THE AUTHOR.

Chatham, May 4th, 1904.

ABBREVIATIONS AND CHARACTERS USED IN THIS WORK

ABBREVIATIONS

<p>A.</p> <p>A/c.—Account Apr.—April Aug.—August</p> <p>B.</p> <p>Bal.—Balance Bbl.—Barrel B. Pay.—Bills Payable B. Rec.—Bills Receivable Bt.—Bought Bu.—Bushel</p> <p>C.</p> <p>Cr.—Creditor Co.—Company Cwt.—Hundred-weight</p> <p>D.</p> <p>Dec.—December Doz.—Dozen Dr.—Debtor</p>	<p>D'ys.—Days</p> <p>F.</p> <p>Feb.—February</p> <p>G.</p> <p>Gal.—Gallon</p> <p>I.</p> <p>Ins.—Insurance Int.—Interest</p> <p>J.</p> <p>Jan.—January</p> <p>L.</p> <p>Lbs.—Pounds</p> <p>M.</p> <p>M.—Thousand Mar.—March</p>	<p>N.</p> <p>No.—Number Nov.—November</p> <p>O.</p> <p>Oct.—October</p> <p>P.</p> <p>Pd.—Paid Pr.—Pair Per—By</p> <p>R.</p> <p>Recd.—Received</p> <p>S.</p> <p>Sept.—September</p> <p>Y.</p> <p>Yds.—Yards Yrs.—Years</p>
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CHARACTERS

@—At	✓—Check Mark	a/c.—Account
+ —Sign of Addition	%—Per Cent.	— —Sign of Subtraction
\$—Dollars	c/.—Cents	= —Sign of Equality
	× —Sign of Multiplication	

Practical Farm Accounts.

LESSON NO. 1.

INTRODUCTORY.

The wants of man are incessant. The very condition of life is want, and the plans and purposes of life aim at supplying want. This tends to make us industrious and frugal, and as a result progress in art and civilization is made. The wants of man can be divided into three classes, namely:

- I. The essential wants.
- II. Luxuries.
- III. Incessant gains or wealth.

The products of the farm supply largely the essential wants. The various manufacturers supply us with clothing, machinery, etc. The expert workmen supply the more refined tastes of our natures. The mutual exchange of these various products form the system of economy called *Business*, which is varied in its nature, because we are at all times anxious to possess something which others possess, and we will give of our labor, skill or talent to possess it.

The bare exchange of a commodity for another is termed barter, or trade, and to facilitate this *Money* came into use as a medium of exchange, or a measure of value. As business became more varied it was found necessary to make a memoranda of these exchanges, to facilitate the memory. Thus book-keeping became a necessity. It is of Italian origin, having been arranged by one Fra Lucas Pæcciolus about the year 1494. He was the first to introduce the double-entry system, which is now recognized as the only system satisfactory in its results.

The bases of double-entry book-keeping is simply equation or compensation. It is evident a man cannot create a claim upon any person or property without relinquishing a like claim or owing for it. Records are made, indicating that a fair trade or exchange has been mutually made, or else a commodity has been advanced on certain conditions of time. These records when properly classified, form the basis of *Book-keeping*.

There are two systems of book-keeping, one by single entry and another by double entry.

The main distinction between the two systems is that in single entry accounts are kept with persons only and a record is kept of the resources and liabilities, while in the double entry system accounts are kept with persons and things, and not only are the resources and liabilities shown, but the losses and gains, also the sources from which they come.

The principle factor in the double entry system consists of equal *Debits* and *Credits*; thus a balance is maintained throughout, in every business transaction.

Every debit having a corresponding credit, a perpetual equilibrium is maintained, so that at the end of any particular period (month or year) the sums of all the debits will equal the sums of all the credits. In this fact lies the fundamental principle of double entry book-keeping, and when once understood, no trouble will be evinced in performing the work.

LESSON NO. 2.

Book-keeping is the science of accounts ; its purpose is to show :

- (1) The amount of money or property received or disposed of.
- (2) All credits received or given.
- (3) The Loss or Gain occurring during a limited period, usually

one year.

An *Account* is a collection of items of the same kind, showing dealings with either persons or property. Every account has two divisions, or sides, namely, a *Debit* and a *Credit*.

Always enter upon the Debit side of every account, what is received or costs value, and upon the Credit side, what is parted with, or produces value.

The book of accounts is called the *Ledger*. Each ledger account will show one of the four following results, namely,—a *Resource*, a *Liability*, a *Gain* or a *Loss*. These results are ascertained by taking the difference between the sides of an account, thus :

Debit Side.				Credit Side.			
DR.		(Received)	CASH.	(Paid out)		CR.	
Jan.	1	To Wheat (sold for cash)..	20 00	Jan.	7	By Shorts (Bt for cash)..	3 00
"	2	" Oats " "	15 00	"	10	" Wire " "	29 00
"	5	" Butter " "	4 00	"	11	" Stove " "	22 00
"	6	" Cow " "	40 00	"	12	" Nails " "	40
"	7	" Eggs " "	1 00	"	"	" Fork " "	65
			80.00				55.05
Total Cash Received.....				\$ 80.00			
" " Paid out.....				\$ 55.05			
Balance on hand (a Resource).....				\$ 24.95			

A *Resource* is anything belonging to a person, or business, as property, cash, notes, or debts due, as (personal or real).

A *Liability* is any debts which one owes, and may consist of unpaid accounts, notes, or mortgages.

Capital is that which is invested in business. In the case of the farmer it will consist of the value of the farm, stock, implements, farm produce, also any cash on hand.

Net Capital consists of the excess of the total *Resources* over total *Liabilities*. When the liabilities exceed the resources the *Net Insolvency* is shown.

In keeping a set of farm accounts, there are fourteen essential accounts, namely :

1—Cash	6—Fields	11—Contingent
2—Teams	7—Improvements	12—Household
3—Stock	8—Bills Receivable	13—Family
4—Implements	9—Bills Payable	14—Personal
5—Farm Produce	10—Interest and Discount	

In the following lessons the nature and forms of these accounts will be explained and shown.

LESSON NO. 3.

CASH ACCOUNT.

All cash received, from whatever source, is entered upon the Debit side of this account. If cattle, grain, hay, timber, etc., are sold and the cash received for it, enter the amount upon the Dr. side.

And if grain, implements, stock, etc., are purchased and the cash paid for it, give the account credit, because it has given up, or paid out, this amount, and should be entered upon the Cr. side.

To summarize :

DR.		CASH ACCOUNT		CR.	
To Cash received from all departments of the farm.				{ By Cash paid out as required by the various departments of the farm.	

This account always shows a resource, as more money cannot be paid out than received.

The following items would appear in the Cash Account as shown :

Jan. 1st, Cash on hand, \$10.00. Jan. 3rd, Sold 4 doz. eggs @ 25c. Jan. 5th, Bought a barrel of salt, \$1.00. Jan. 8th, Sold 50 bu. Wheat @ 80c. Jan. 10th, Bought pair of Horse Blankets, \$5.00. Jan. 10th, Bt. a robe, \$12.00. Jan. 15th, Sold 20 lbs. Butter @ 25c. Jan. 20th, Bt. suit of clothes, \$18.00. Jan. 22nd, Paid Insurance on buildings, \$4.80. Jan. 31st, Paid to Church, \$5.00.

Dr. and to Credit, \$5.00.

CASH.				CR.			
Jan.	1	To Cash on hand - -	10 00	Jan.	5	By Salt - - -	1 00
"	3	" Eggs - - -	1 00	"	10	" Blankets - - -	5 00
"	8	" Wheat - - -	40 00	"	"	" Robe - - -	12 00
"	15	" Butter - - -	5 00	"	20	" Clothes - - -	18 00
				"	22	" Insurance - - -	4 80
				"	31	" Church - - -	5 00
		56.00				Balance	45.80
							10.20
Cash Received.....				\$ 56.00			
" Paid out.....				45.80			
Balance (Resource).....				\$ 10.20			

TEAMS ACCOUNT.

In this account, the teams (horses) are debited for all they receive, as feed, medical attendance, repair of harness, shoeing, etc., and credited for all work performed upon the various fields of the farm.

This account at the end of the year will show either a loss or gain.
To summarize :

DR.
To what they receive,
as feed, shoeing medi-
cal attendance, repair
of harness, etc.

TEAMS
ACCOUNT.

CR.
{ By what they give
namely,—Work up-
on the various fields
of the farm.

The following items will appear in the teams account as shown :
May 1st, To ton of hay, \$5.00. May 5th, By 4 dys. work on corn
field @ \$2.00 per dy. May 7th, To shoeing team, \$2.25. May 8th, By
harrowing and rolling corn field, 2 dys. @ \$2.00. May 9th, By plowing
potato plot ½ dy. @ \$2.00. May 12th, To repairing harness, 75c. May
14th, By rolling corn field, ½ dy. @ \$2.00. May 15th, To medical at-
tendance, \$2.75.

DR.				TEAMS.				CR.			
May	1	To Hay	- - -	5 00	May	5	By Work	- - -	8 00		
"	7	" Shoeing	- - -	2 25	"	8	"	- - -	4 00		
"	12	" Rep. Harness	-	75	"	9	"	- - -	1 00		
"	13	" Med. Attendance		2 75	"	14	"	- - -	1 00		
		Balance	- 10.75							14.00	
			3.25								

Value of work given. \$14.00
Value received. 10.75
Balance (Gain).... \$ 3.25

LESSON NO. 4.

STOCK ACCOUNT.

The stock account (cattle, sheep, hogs and poultry) are debited for what they receive, as feed, medical attendance, etc.

This account could be sub-divided and an account opened out for the cattle, sheep, hogs or poultry separately. This, of course, would show the profits from each. But to save making a multiplicity of accounts, they will all be grouped under one account, namely,—Stock.

This account is credited for what is produced by the stock, as beef, pork, mutton, butter and eggs, etc. This is likewise a Loss or Gain account.

To summarize :

DR.
To what they receive,
as feed, medical atten-
dance, etc.

STOCK
ACCOUNT.

CR.
{ By what they produce
as beef, pork, mutton,
butter, eggs or wool.

The following items would appear in the stock account as shown :

Jan. 6, Put 2 tons of corn stalks in barn for cows @ \$2.50 per ton.
 Jan. 8th, Took 20 bu. Barley @ 45c., 10 bu. Wheat @ 60c., 20 bu. Oats @ 30c., and 40 bu. Corn @ 40c. to mill for chop for Hogs. Jan. 12th, Sold 10 lbs. Butter @ 25 c. Jan. 15th, Gave to poultry 3 bu. Oats @ 30c., 2 bu. Wheat @ 60c., 2 bu. Corn @ 40c. Jan. 20, Sold cow for \$38.50. Jan. 21st Sold 8 doz. eggs @ 20c. Jan. 31st, Sold 10 fat hogs, 1870 lbs., @ 5c. per lb.

DR.			STOCK.			CR.		
June 6	To Corn Stalks - - -	5.00	June 12	By Butter - - -		2.50		
" 8	" Chop - - -	37.00	" 20	" Cow - - -		38.50		
" 15	" Grain for Poultry -	2.90	" 31	" Eggs - - -		1.60		
			" 31	" Hogs - - -		93.50		
		44.90				136.10		
Total value produced...						\$136.10		
" " received...						44.90		
Balance (Gain).....						\$ 91.20		

IMPLEMENTS ACCOUNT.

This account is debited for repairs to the farm implements, also for any new implements purchased; and credited for their use upon the various fields during the year. The most practical method of doing this is to credit the Implements Account with 10% of the value of the implements. For instance, the value of the implements (as per inventory) is \$600.00, and 10% of this would be \$60.00, for which the Implement Account should be credited.

This account may be either a loss or gain account.

To summarize :

DR.		CR.	
To new implements or repairs etc.	} IMPLEMENTS ACCOUNT.	{ By use of implements upon the several fields.	

The following items would appear in the implement account as shown :

July 4th, Repairing mower, \$3.00. July 10th, Canvasses for binder, \$10.00. July 12th, B't new tongue for binder, \$1.50. Aug. 5th, Repairing plow points and coulter, \$1.25. Aug. 12th, B't 5 rake teeth @ 40c. Sept. 15th, repairs for grain drill, \$1.00. Oct. 4th, Paid 50c. for bolts for hay rack. Nov. 10th, B't new plow, \$13.00. Dec. 31st. By use of implements upon farm, \$60.00.

shown :
per ton.
bu. Oats
n. 12th,
@ 30c.,
\$38.50.
870 lbs.,

CR.
2 50
38 50
1 60
93 50

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20

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DR.			IMPLEMENTS.		C.R.	
July	4	To Repairs to Mower -	3 00	Dec. 31	By Use of Implements	60 00
"	10	" Canvasses - -	10 00			
"	12	" Tongue - - -	1 50			
Aug.	5	" Repairs Plow -	1 25			
"	12	" Rake Teeth - -	2 00			
Sept.	12	" Repairs Grain Drill	1 00			
Oct.	4	" Bolts - - -	50			
Nov.	10	" New Plow - -	13 00			
			32.25			60.00
Value of use rendered.....						\$ 60.00
" expense incurred.....						32.25
Balance (Gain).....						\$ 27.75

LESSON NO. 5.

FARM PRODUCE ACCOUNT.

This account is debited for all hay, straw, grain, manure, etc., that may be raised or bought for use upon the farm, and credited for all hay, straw, grain, or manure, sold, given to the stock, or used upon the fields.

This may be either a loss or gain account.

To summarize :

DR.		CR.	
To all produce received, as hay, straw, grain or manure.		By all produce sold or given to the teams, stock, or used upon the various fields.	
FARM PRODUCE		ACCOUNT.	

The following items would appear in the Farm Produce Account :

Jan. 3rd, Took 10 bu. barley @ 45c, 10 bu. oats @ 30c, and 10 bu. pease @ 60c., to be used for chop for stock. Jan. 14th, Sold 20 bu. oats @ 30c. Jan. 15, Took 10 bu. wheat to mill for grist @ 70c. Jan. 20, Sold 10 bu. potatoes @ 50c. Mar. 1st, Drew 20 loads manure on corn field, @ 50c per load. Mar. 10th, Bought 2 bu. clover seed @ \$5.00. B't 10 bu. seed barley, @ 50c. B't 15 bu. seed pease @ 80c.

DR.		FARM PRODUCE						CR.				
Mar.	10	To Clover Seed	-	-	10 00	Jan.	1	By Chops	-	-	-	13 50
"	10	" Seed Barley	-	-	5 00	"	13	" Oats	-	-	-	6 00
"	"	" " Pease	-	-	12 00	"	15	" Wheat	-	-	-	7 00
						"	20	" Potatoes	-	-	-	5 00
						Mar.	1	" Manure	-	-	-	10 00
					27.00							41.50

Farm Produce Sold or used.....	\$ 41.50
" Received.....	27.00
Balance (<i>Gain</i>).....	\$ 14.50

FIELD ACCOUNTS.

These are two kinds, namely: 1st. Those which will show the production within the current year, showing either a *loss* or *gain*. 2nd. Those upon which work has been performed late in the fall preparatory for next season's crops. Such balances are *Resources*. The balances must be carried forward and entered on the debit side of such accounts the following year.

All field crops are debited for all work performed, such as use of teams, labor, seed, use of implements, threshing, etc., and credited with all hay, straw or grain produced.

1st. Those which close within the year will show either a loss or gain.

2nd. Those which cannot be properly closed within the year, will show a *Resource*.

To summarize :

DR.

To what it received, as
work of teams, labor of
men, manure, seed grain,
twine, use of implements.

OAT FIELD
ACCOUNT.

CR.

{ By what was produced
as grain and straw.

1st. The following items would appear in the Oat Field Account as shown :

April 20th. Work by teams 4 dys. @ \$2.50. Apr. 22nd, Labor of man, 4 days @ \$1.00. Apr. 23rd, Seed grain, 22 bu. @ 30c. Apr. 30th, Work of teams rolling $\frac{1}{2}$ day @ \$2.50. Aug. 15th, Binder twine, 30 lbs. @ 12c. Aug. 20th, Teams cutting grain, $1\frac{1}{2}$ days @ \$2.50. Aug. 24th, Teams drawing grain, 2 days @ \$2.50. Aug. 25th, Labor of men, 3 days @ \$1.00. Sept. 2nd, Paid for threshing 600 bu. @ $1\frac{1}{2}$ c. Nov. 20th, Gave teams 100 bu. @ 30c. Dec. 31, Balance of Oats, 500 bu., worth 30c.

DR.		OAT FIELD.				CR.	
Apr.	20	To Teams - - -	10 00	Nov.	20	By Oats to teams - - -	30 00
"	22	" Labor of men - -	4 00	Dec.	31	" Oats - - -	150 00
"	23	" Seed Grain - -	6 60				
"	30	" Teams - - -	1 25				
Aug.	15	" Binder twine - -	3 60				
"	20	" Cutting grain - -	3 75				
"	24	" Drawing grain - -	5 00				
"	25	" Labor of men - -	3 00				
Sept.	2	" Thrashing - - -	9 00				
			46.20				180.00

Grain Produced.....	\$180.00
Work performed.....	46.40
Balance (Gain).....	\$133.80

2nd. The following items would appear in the 1905 Wheat Field Account, which cannot be closed until the following year. It therefore occupies the same position as a personal account in making out the resources and liabilities. It is a Resource. All preparatory field crops occupy the same position.

Aug. 10th, Teams plowing 5 days @ \$2.00. Aug. 15th, Teams harrowing and rolling 4 days @ \$2.00. Aug. 15, Man working 9 days @ \$1.00. Sept. 1st, 30 loads manure @ 50c. per load. Sept. 2, Man spreading same, \$1.50. Sept. 3, Teams drawing manure 1 day, \$2.00. Sept. 4, Teams harrowing 5 days @ \$2.00. Sept. 5, Man harrowing 5 days @ \$1.00. Sept. 8th, Teams drilling 1 day, \$2.00. Sept. 8th, seed grain, 25 bu. @ 80c.

DR.		1905 WHEAT FIELD.				CR.	
Aug.	10	To Teams plowing -	10 00				
"	15	" Harrowing, etc. -	8 00				
"	"	" Labor - - -	9 00				
Sept.	1	" Manure - - -	15 00				
"	2	" Labor - - -	1 50				
"	3	" Teams - - -	2 00				
"	4	" Harrowing - - -	10 00				
"	5	" Labor - - -	5 00				
"	8	" Drilling - - -	2 00				
"	"	" Seed grain - -	20 00				
		82.00					
Work performed.....		\$82.00		(a Resource)			

IMPROVEMENT ACCOUNT.

The improvement account is an expense account, and always is a Loss account. However, it has one redeeming feature; that is, all improvements made, increases the valuation of the farm.

It is therefore debited for expense incurred in fencing, draining, gates, repairs to buildings, digging of wells, etc.

It cannot be credited with anything, but the convenience, comfort and beauty produced, for which no actual value can be given.

To summarize :

DR.		CR.	
To expense of repairing buildings, fences, gates, drainage, etc.	IMPROVEMENT ACCOUNT.	By convenience, comfort and beauty, which are not easily valued.	

The following items would appear as shown :

Jan. 26, B't 10 lbs. nails @	Feb. 6th, B't 500 lbs. No. 9 wire
@ 4c. Feb. 6, 100 lbs. staples	Feb. 10th, 1/2 doz. gates @ \$24.00

per doz. Mar. 4th, B't 2 M. tile 4 in., @ \$14.00. Mar. 5th, Paid 2 men 4 days each @ \$1.50, repairing fences. Apr. 10th, B't 120 cedar posts, @ 10c. April 14th, Paid \$12.00 for laying tile. Apr. 16th, Paid \$1.20 for ½ doz. gate hinges.

Dr.		IMPROVEMENT.				Cr.
Jan.	26	To Nails - - -		30		
Feb.	6	" Wire - - -		20 00		
"	"	" Staples - - -		4 00		
"	10	" Gates - - -		12 00		
Mar.	4	" Tile - - -		28 00		
"	5	" Labor - - -		12 00		
April	10	" Posts - - -		12 00		
"	14	" Labor Tiling - -		12 00		
"	16	" Hinges - - -		1 20		
			101.50			

Expenses (Loss)..... \$101.50

LESSON NO. 6.

BILLS PAYABLE ACCOUNT.

This account includes all notes, mortgages, unpaid accounts, which have to be paid (redeemed). This is a Liability account.

Therefore it is debited for all notes, unpaid accounts, etc., when paid, and credited by all notes outstanding or afterwards issued.

To summarize :

Dr.		Cr.	
To notes paid or redeemed.	BILLS PAYABLE ACCOUNT.	By outstanding notes and notes issued.	

The following items would appear in the Bills Payable Account, as shown :

June 2nd, Gave my note for \$40.00 to Jno. White for 2 mos. @ 5%. July 3rd, Gave my note for \$100.00 to Wm. Riddle for 10 mos. @ 5%. July 6th, Gave my note for \$600.00 to A. R. Noble for 1 yr @ 4%. Aug. 5th, Paid my note given to Jno. White, \$40.00. Aug. 12th. Paid my note given to Andrew Allen, of \$150.00. Sept. 10th, Gave my note to Jacob Pringle for \$87.50. Oct. 12th, Paid my note given Seth Allen for \$300.00. Nov. 4th, Paid my account due Liddle Bros. of \$11.75 from last year.

Dr.			BILLS PAYABLE			Cr.		
Aug.	5	To John White's note	40 00	June	2	By Note to John White	40 00	
"	12	" Andrew Allen's note	150 00	July	3	" " " Wm. Riddle	100 00	
Oct.	12	" Seth Allen's "	300 00	"	6	" " " A. R. Noble	600 00	
Nov.	4	" Liddle Bros.' a/c	11 75	Sept.	10	" " " Jacob Pringle	87 50	
			501.75				827.50	
<hr/>								
Notes to pay.....							\$827.50	
" paid.....							501.75	
Balance (Liability).....							\$325.75	

BILLS RECEIVABLE ACCOUNT.

All notes due us, or in other words, we hold other people's notes, which must be paid to us, are entered in this account.

The Debit side of this account is debited with all notes on hand, or afterwards received.

The Credit side shows how the notes have been disposed of, whether discounted or paid.

Large business firms use a book for the record of all notes Payable or Receivable, in which is recorded the time of payment, rate of interest, the amount, and where payable. This is termed a *Bill Book*.

This is a Resource account.

To summarize :

Dr.		Cr.	
To notes on hand or afterwards received.	BILLS RECEIVABLE ACCOUNT.	By notes paid by others	

The following items would appear in the Bills Receivable account, as shown :

- Feb. 1st. Have on hand F. Ford's note for \$350.00.
- " 2nd. Received Geo. Love's note for \$185.00
- " 20th. Got F. Ford's note of \$350.00 discounted @ 5%.
 $350 \times 5\% = \$17.50$. $350.00 - 17.50 = \$332.50$.
- July 5th. Rec'd Henry Hunt's note of \$130.00.
- " 8th. Isaac Inman gave his note for \$210.00.
- Aug. 10. Henry Hunt paid his note of \$130.00.
- " 14. Rec'd Wm. Dole's note of \$81.00
- " 16. Discounted Isaac Inman's note of \$210.00 @ 4%.
 $210.00 \times 4\% = \$8.40$. $210.00 - 8.40 = \$201.60$.

DR.		BILLS RECEIVABLE.				CR.		
Feb.	1	To F. Ford's note	-	350 00	Feb.	20	By F. Ford's note disc't.	332 50
"	2	" Geo. Love's note		185 00	Aug.	10	" Henry Hunt's note	130 00
July	5	" Henry Hunt's note		130 00	"	16	" I. Inman's note disc't	201 60
"	8	" Isaac Inman's "		210 00				
"	14	" Wm. Dole's "		81 00				
				956.00			664.10	
Other peoples' notes received					\$956.00			
Notes sold and paid.....					664.10			
Balance (<i>Resource</i>).....					\$291.90			

INTEREST AND DISCOUNT ACCOUNT.

This account includes all interest received upon notes held, also paid upon notes given. Discount is practically the same thing, therefore the two accounts are combined in one.

This account is Debited for the cost of the use of money granted us, and Credited by what the use of money loaned to others produces us. This may be either a Loss or Gain account.

To summarize :

DR.		CR.
To the cost of money loaned to us, or in- terest paid.	}	By what the use of money loaned to others produces us, or interest received.
	INTEREST AND DISCOUNT. ACCOUNT.	

The following items would appear in the Interest and Discount Account, as shown :

June 4th, Paid interest on my note given to Jno. Man \$6.00. June 6th, Received \$10.00 interest upon A. Mann's note. June 10th, Paid \$2.25 discount upon R. J. Neil's note (cashed). June 15th, Paid \$2.00 interest upon my note given S. Prance. July 5th, Rec'd 65c. interest upon Jas. Cole's note.

DR.		INTEREST AND DISCOUNT.				CR.			
June	4	To J. Man's note	-	6 00	June	6	By A. Mann's note	-	10 00
"	10	" Dis't on R. J. Neil's note	2 25	July	5	" Jas. Cole's "	-	65	
"	15	" S. Prance	-	2 00					
			10.25				10.65		
Interest Received from others.....							\$10.65		
" Paid to others.....							10.25		
Balance (Gain).....									.40

LESSON NO. 7.

CONTINGENT ACCOUNT.

This account includes all the odd and end expenses, not designated to other accounts. It occupies the same position as the Expense Account of the merchant.

It is Debited for all sums given to charity, insurance, taxes, road-work (if paid in lieu of work). It may be Debited with items for a time, and Credited as they are used. For instance, the binder twine is bought the 1st of June, and as it is used upon the various fields in July credit is given this account.

This account may be either a Loss or Gain account, usually a Loss account.

To summarize :

DR.	CR.
To what is paid for charity, insurance, taxes, and all unclassified expenses.	CONTINGENT ACCOUNT.
	{ By what is received, as re-fund of taxes, or when no value is given.

The following items in Contingent Account would appear as shown :

Feb. 8th. Paid insurance on buildings, \$8.00.
 " 12th. Gave to indigent, \$1.00.
 " 20th. Gave to missionaries \$5.00.
 " 28th. Found a purse containing \$2.00; no owner found.
 June 10th. Gave towards election fund, \$1.00.
 " 15th. Paid \$5.25, in lieu of roadwork.
 " 16th. Paid for 100 lbs. twine @ 15c. per lb.
 July 20th. Used 30 lbs. on wheat field @ 15c,
 " 28th. " 30 " barley " " 15c.
 Aug. 5th. " 40 " oat " " 15c.

Dr.		CONTINGENT.				Cr.				
Feb.	8	To Insurance	-	-	8 00	Feb. 28 By Cash	-	-	-	2 00
"	12	" Indigent	-	-	1 00	July 20	" Twine, Wheat field			4 50
"	20	" Missionaries	-	-	5 00	" 28	" " Barley	"		4 50
June	10	" Election fund	-		1 00	Aug. 5	" " Oat	"		6 00
"	15	" Road work	-	-	5 25					
"	16	" Binder twine, 100 lbs.			15 00					
					35.25					17.00

Paid out.....	\$35.25
Rebatement, or Rec'd back again.....	17.00
Balance (Loss).....	\$18.25

HOUSEHOLD ACCOUNTS.

This account is Debited for all articles that are used for the family, as meat, flour, groceries, and wood, etc.

This is purely an expense account and upon the books shows a loss.

To summarize :

DR.	CR.
To what is received, as flour, meat, groceries, furniture and wood.	To what may be produced, or given.
HOUSEHOLD ACCOUNT.	

The following items would appear in the Household Account, as shown :

Mar. 16th, B't 5 gals. unaple syrup @ \$1.00. Apr. 16th. B't 12 lbs. meat @ 10c. Apr. 18th, B't groceries, \$12.00. Apr. 30th, B't bbl. sugar for \$12.13. May 14th. B't centre table for \$10.00. May 18th, B't 5 gals. coal oil @ 20c. June 21st, B't crate of strawberries for \$1.50. July 1, Drew 10 cords of wood into wood shed @ \$1.00. July 10th, Gave 100 lbs. flour to poor widow, valued at \$1.80.

DR.		HOUSEHOLD.		CR.			
Mar.	16	To Syrup - - -	5 00	July	10	By Flour - - -	1 80
April	16	" Meat - - -	1 20				
"	18	" Groceries - -	12 00				
"	30	" bbl. Sugar - -	12 13				
May	14	" Furniture - -	10 00				
"	18	" Coal Oil - - -	1 00				
June	31	" Berries - - -	1 50				
July	1	" Wood - - -	10 00				
			52.83				1.80
<hr/>							
Total expenses.....							\$52.83
Amount credited.....							1.80
Balance (Loss).....							<u>\$51.03</u>

FAMILY ACCOUNT.

This account is similar to the Household Account; it being also an expense account. The family are debited for all wearing apparel, medicine, travelling expenses, luxuries, etc. It is a Loss account.

To summarize :

DR. FAMILY ACCOUNT. CR.

To what is received, as }
 clothing, medicine, luxur- }
 ies, traveling expenses, etc. }

By what may be given.

The following items would appear in the Family Account, as shown :

Oct. 15, Paid \$4.00 for family papers. Nov. 12th, Paid \$40.00 for clothing. Nov. 14th, Gave cash to wife, \$10.00. Nov. 22nd, Paid \$2.00 for presents to children. Nov. 23, B't 1 lb. tobacco, 50c. Nov. 24th, B't pair of skates \$1.25. Dec. 1st, B't 10 yds. of print @ 1cc. Dec. 4th, B't 2 suits of underclothing \$4.00. Dec. 10th, Sold overcoat for \$4.00.

DR.		FAMILY.		CR.			
Oct.	15	To Papers - -	4.00	Dec.	10	By Overcoat - -	4.00
Nov.	12	" Clothing - -	40.00				
"	14	" Wife - - -	10.00				
"	22	" Presents - -	2.00				
"	23	" Tobacco - -	50				
"	24	" Skates - - -	1.25				
Dec.	1	" Print - - -	1.00				
"	4	" Underclothing -	4.00				
			62.75				4.00
Total Expenses.....							\$62.75
Amount Credited							4.00
Balance (Loss)							\$58.75

PERSONAL ACCOUNTS.

These accounts are kept with individuals who buy on trust (credit). They may be many or few, and one is opened with each individual. These accounts show either a Resource or Liability.

The individuals receiving the credit are debited for that which they receive, and credited for that which they give, as cash, labor, etc.

To summarize :

DR. JOHN WHITE'S ACCOUNT. CR.

To value received, may be }
 grain, stock, butter, eggs }
 or poultry. }

By what is given, may
 be cash, grain, stock or
 labor.

The following items would appear in John White's account as shown :

Nov. 3rd, Sold John White on a/c. 10 young pigs at \$2.50 each.
 Nov. 10th, Cut 5 cords of wood @ 70c. per cord. Nov. 15th, Paid \$10.00

on a/c. Nov. 20th, Sold him 10 bu. potatoes at 50c. Nov. 22nd, Sold him 4 lbs. butter @ 25c. Dec. 1st, Rec'd an order from him on Albert Jones for \$10.00, which I accepted. Dec. 6th, Loaned him \$5.00 to pay taxes. Dec. 15th, Worked for me 10 days @ 75c.

DR.		JOHN WHITE		CR.			
Nov.	3	To Pigs - - -	25.00	Nov.	10	By Cutting wood -	3.50
"	20	" Potatoes - - -	5.00	"	15	" Cash - - -	10.00
"	22	" Butter - - -	1.00	Dec.	1	" Order on Albert Jones	10.00
Dec.	6	" Cash - - -	5.00	"	18	" Labor - - -	7.50
			36.00				31.00

He Owes.....\$36.00
 He has paid.....31.00
 Balance (*Resource*).....\$ 5.00

The fourteen essential accounts used in farm book-keeping have been shown and explained. It has been plainly shown that each account has two sides, a *Debit* and a *Credit*. In the next lesson will be shown how one account will occupy the position of *Debtor*, and another account occupying the position of *Creditor*, with every business transaction which makes an equilibrium, or true balance.

LESSON NO. 8.

In Lesson No. 1 reference was made to the fact that the fundamental principle of double-entry book-keeping consists in equal *Debits* and *Credits*, whereby a perpetual equilibrium is continually maintained with every business transaction occurring between the different departments of the farm.

Thus one account becomes the *Debtor*, and another account the *Creditor*. The account being the receiver is the Debtor, and the account which is the giver is the Creditor. The general law is as follows:

- (1) *Debit*, what you or any department of the farm receives.
- (2) *Credit*, what you or any department of the farm gives or parts with.

These two rules should be remembered and will be found indispensable and unchangeable in making the distinction.

This is the most difficult part of the work in connection with double entry book-keeping. It is termed *Journalizing*, and a book is frequently used called the Journal, from which the items are transferred to the Ledger. This part of the work is called *Posting*. It is simply a mechanical operation, requiring but little thought, carefulness being the necessary requisite.

- In Journalizing, always ask yourself two questions, namely:
- 1st. What account or department of the farm is the *Receiver*?
 - 2nd. What account or department of the farm is the *Giver*?

22nd, Sold
on Albert
00 to pay

	Cr.
-	350
	10 00
ones	10 00
-	750
00	

36.00
31.00
5.00

ping have
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For instance the following business transactions occur, namely :

Jan. 1st., Bt. a pair of bob-sleighs for \$25.00 Cash.

1st. What account or department of the farm is the receiver?

Answer : *Implements.*

2nd. What account or department of the farm is the giver?

Answer : *Cash.*

Remember that you are simply the agent as owner of the farm, making all bargains, paying and receiving cash, etc., for all departments or accounts of the farm.

Therefore the Implement account is the Debtor and must be Debited for the value of the bob-sleighs, and the Cash account, being the Creditor, must be credited for the value of the sleighs, or

IMPLEMENT	}	to	{	CASH
ACCOUNT.				ACCOUNT.
Debtor.				Creditor.

It would appear in the Journal as follows :

	Jan. 1st.		
Implements Dr.	-	-	\$25.00
To Cash, Cr.	-	-	\$25.00.

And would appear in the Ledger as shown:

Dr.	Implements.	Cr.	Dr.	Cash.	Cr.
Jan. 1	To Sleighs	25 00	Jan. 1	By Sleighs	25 00

Again, on Jan. 5th, sold eggs @ 25c, cash.
The Cash account is the giver (Dr.) to \$1.25.
The Stock " " receiver (Cr.) by \$1.25.

Journalized would appear as follows :

Cash Dr.	-	-	\$1.25
To Stock	-	-	\$1.25

Jan. 8th, Took 10 bu. Oats @ 30c., 5 bu. Pease @ 50c., 10 bu. barley @ 48c., to mill for chop for stock.

Here the Stock account is the receiver (Dr.) to \$10.30.
And the Farm Produce account is the giver (Cr.) by \$10.30.

or Stock Dr.	-	-	\$10.30
To Farm Produce	-	-	\$10.30

Jan. 18th, Took 10 bu. wheat to mill for flour, (received 380 lbs. Wheat worth 70c. per bu.

The Household account is the receiver (Dr.) \$7.00.

" Farm Produce account is the giver (Cr.) \$7.00.

or Household Dr. - - - \$7.00

To Farm Produce - - - \$7.00

Jan. 20, Sold 10 bags potatoes @ \$1.00 per bag. Rec'd Cash \$7.00, balance in groceries.

The Cash account is the receiver (Dr.) to \$7.00.

The Household account is the receiver (Dr.) to \$3.00.

The Farm Produce account is the giver (Cr.) by \$10.00.

or Cash Dr. - - - \$7.00

Household " - - - 3.00

To Farm Produce - - - \$10.00

In this business transaction, two accounts act jointly as receivers, debit each with what they receive, and credit the account (Farm Produce) which has been the giver for the full amount.

Feb. 2nd. Sold a cow to Jno. White for \$40.00, receiving his note for 3 months @ 6%.

Bills Receivable account is the receiver (Dr.) \$40.00.

Stock Account is the giver (Cr.) \$40.00.

Bills Receivable Dr. - - - \$40.00

To Stock - - - \$40.00

Mar. 1st. Drew 25 loads Manure on Corn Field @ 50c. per load.

The Corn Field Account is the receiver (Dr.) \$12.50.

Farm Produce Account is the giver (Cr.) \$12.50.

Corn Field Dr. - - - \$12.50

To Farm Produce - - - \$12.50

Mar. 8th. Paid for sawing lumber for repairing farm buildings, \$5.00.

Improvement Account is the receiver (Dr.) \$5.00.

Cash Account is the giver (Cr.) \$5.00.

Improvements Dr. - - - \$5.00

To Cash - - - \$5.00

Every business transaction recorded in the Day Book must be Journalized as already shown. Occasionally, or at the end of the year, the items from the Journal must be transferred to the Ledger, as this is the book of results. From it we ascertain our *Resources, Liabilities, Gain* or *Loss*.

LESSON NO. 9.

The transferring of the items from the Journal to the Ledger is called *Posting*. This is merely a mechanical operation, requiring little thought. As each item is posted from the Journal to the Ledger, it should be checked off with a pen or pencil, thus, ✓.

1st. To prevent being posted twice.

2nd. To prevent being omitted.

Remember there are always two entries to be made in the Ledger from the Journal for the same business transaction. One upon the Debit side of one account and another upon the Credit side of another account.

Never open out an account in the Ledger more than once, irrespective of how many times it may occur in the Journal. It is also best to open out the accounts in the Ledger in the order in which they occur in the Journal.

For instance in the business transaction of Jan. 5th, (Lesson No. 9) two accounts have to be opened, namely, Cash and Stock. Again on Jan. 8th, only one requires to be opened, namely, Farm Produce, because the Stock account has already been opened.

The business transactions shown in Lesson No. 9 in Day Book form and Journalized, would appear in the Ledger as shown :

DR.		CASH.				CR.	
Jan.	5	To Eggs - - -	1 25	Mar.	8	By Lumber - -	5 00
"	20	" Potatoes - -	7 00				
DR.		STOCK.				CR.	
Jan.	8	To Chop - - -	10 30	Jan.	5	By Eggs - - -	1 25
				Feb.	2	" Jno. White's Note	40 00
DR.		FARM PRODUCE.				CR.	
				Jan.	8	By Chop - - -	10 30
				"	18	" Flour - - -	7 00
				"	20	" Potatoes - - -	10 00
				Mar.	1	" Manure - - -	12 50
DR.		HOUSEHOLD.				CR.	
Jan.	18	To Flour - - -	7 00				
"	20	" Groceries - -	3 00				

DR.		BILLS RECEIVABLE.				CR.	
Feb.	2 To Jno. White's Note	40	00				
DR.		CORN FIELD.				CR.	
Mar.	1 To Manure - -	12	50				
DR.		IMPROVEMENTS.				CR.	
May	8 To Lumber - -	5	00				

LESSON NO. 10.

Three primary books are made use of in keeping a set of books by the double entry system, namely :

- 1st. —Day Book.
- 2nd—Journal.
- 3rd—Ledger.

The *Day Book* is the book in which the daily business transactions are written. Each entry must embrace, 1st, The date, 2nd, The transaction; that is, what has been bought, sold or exchanged, terms of payment as on account, or by note. 3rd, The amount.

The *Journal* is the book in which the posting is done. Its purpose is to show, with every business transaction, which accounts in the Ledger are affected, and the sides (Debit or Credit), also the amount.

The *Ledger* is the book in which the various accounts are opened out, or classified. It is the book of results.

There are also other books used by mercantile firms, as Bill Book, Purchase and Sale Books, but for the farmer's use these are unnecessary.

The majority of the business transactions of the farmer occur between the various departments of his farm, rather than from any outside source, and are mostly complete transactions.

For the farmer's use it is better to use only two books, combining the Day Book and Journal into one book; thus saving time, labor and a multiplicity of books. The advantages to be derived from the combination are as follows :

- 1st. Simplicity of entries.
- 2nd. The Day Book remains the same.

3rd. The Journal is attached, and the items can be journalized, while fresh in the mind, thus preventing errors in journalizing.

4th. The cash division can be balanced at any time desired, and a comparison made with the cash on hand.

There are two divisions in the combined Day Book Journal, one for all cash received, and paid out, the second for all items other than cash.

The following items would appear in the combined Day Book Journal as shown :

- Jan. 1st. Cash on hand, \$14.21.
 Jan. 3rd. Bt. a barn broom, 75c.
 Jan. 5. Sold 5 doz. eggs @ 25c.
 Jan. 8. Took 10 bu. Oats @ 30c., 5 bu. Pease @ 50c., 10 bu. Barley @ 48c. to mill for chop for Stock.
 Jan. 10. Paid for grinding chop, 67c.
 Jan. 12. Sold 20 lbs. Butter @ 25c.
 Jan. 14. Bt. bbl. Salt for stock, \$1.15.
 Jan. 24. Bt. 5 gals. Coal Oil @ 20c.
 Jan. 29. Sold 10 doz. Eggs @ 25c., 20 lbs. Butter @ 25c.
 Jan. 29. Sold 10 bags Potatoes @ \$1.00 per bag. Received. cash, \$7.00 ; balance in groceries.
 Jan. 30. Paid for shoeing team, \$1.35.
 Jan. 30 Bt. ½ doz. Farm Gates @ \$24.00 per doz.
 Jan. 30. Bt. 300 lbs. No. 8 Wire, for fencing, @ 3c. per lb.
 Jan. 31. Gave to indigent, 50c.

DATE	DAY BOOK	JOURNAL.	Items not Cash	Cash	
				Dr.	Cr.
Jan. 1	Cash on hand.....			14 21	
Jan. 3	Bought a Barn Broom	Implements	Dr. To Cash		75
" 5	Sold 5 dozen Eggs @ 25c/	Cash	Dr. To Stock	1 25	
" 8	Took 10 bus. Oats @. 30c/ 5 " Pease @ 50c/ 10 " Barley @. 48c/ to mill for chop for stock	Stock	Dr. Farm Produce.	10 30	
" 10	Paid for grinding chop	Stock	Dr. To Cash		67
" 12	Sold 20 lbs. Butter @ 25c/	Cash	Dr. To Stock	5 00	

DATE	DAY BOOK	JOURNAL	Items not Cash	Cash	
				Dr.	Cr.
" 14	B't a bbl Salt for Stock	Stock	Dr. To Cash		1.15
" 21	B't 5 gals Coal Oil @ 20c/	Household	Dr. To Cash		1.00
" 29	Sold 10 doz. Eggs @ 25c/ and 20 lbs. Butter @ 25c/	Cash	Dr. To Stock	7.50	
" 29	Sold 10 bags Potatoes @ \$1.00. Received Cash \$7.00 Balance in groceries	Cash Household To Farm Produce	Dr. 7.00 " 3.00 To Farm Produce	7.00	3.00 10.00
" 30	Paid for shoeing team	Teams	Dr. To Cash		1.35
" 30	B't 1/2 doz. Gates @ \$24.00 per doz.	Improvements	Dr. To Cash		12.00
" 30	B't 300 lbs. No. 8 wire for fencing, @ 3c/.	Improvements	Dr. To Cash		9.00
" 31	Gave to indigent - - -	Contingent	Dr. To Cash		.50

Balance..... 20.75 26.42

The statement for the month of January would be as follows :

Cash on hand 1st Jan. - - \$14.21
Cash received during Jan. - 20.75

Total - \$34.96
Cash paid out during Jan. - \$26.42

Balance on hand 1st Feb. - \$ 8.54

Enter all cash on hand at the beginning of each month in red ink,
also all balances at the end of each month.

LESSON NO. 11.

NOTES.

Farmers are compelled at times to give their notes, or to accept
them from others ; therefore before the practical work of keeping a full

year's run of farm accounts is commenced. It will be advisable to consider them.

A *Promissory Note* is a security given, or a promise made between two parties, one to pay the other a specified sum of money for something received, in a certain period of time. It may or may not bear interest, according to the manner in which it is drawn up.

The original parties to a note are the *maker* and *payee*. The *maker* is the person, or persons, who promise to pay. The *payee* is the person in whose favor the note is drawn.

Notes are of two kinds, namely :

1st. *Negotiable*, or transferable.

2nd. *Non-negotiable* or not transferable.

The words "to bearer" or "to order" written in the body of a note indicates at once that they are negotiable. The transference of such notes to another party can be made by simple or specified endorsement. That is the payee writes his name across the back of the note, then the party holding the note becomes the payee. He may also transfer it again to another party by endorsement, etc.

Notes having the words "to bearer," endorsements are not especially necessary, unless by request. But all notes having the words "to order" written on them, must be endorsed, the original payee becoming the first endorser. The form of a promissory note is as follows :

\$47.15

Glen Elgin, May 1st, 1903.

Three months after date I promise to pay Samuel Holmes, or order, the sum of Forty-seven ¹⁵/₁₀₀ Dollars, for value received

Wm Rathburn.

This is the simplest form of a note. If it is to be made payable at a bank, or to bear interest, mention must be made in the note as follows :

\$60.00

Glen Elgin, Aug 10th, 1903.

Five months after date I promise to pay William Rathburn, or order, the sum of Sixty Dollars, at the Farmer's Bank, for value received. Interest at the rate of 5% per annum.

Samuel Holmes.

A joint note must be drawn "we promise," &c., also requires the signatures of both makers. A backer to a note signs his name usually below that of the original maker, and is held responsible, if the original maker fails to redeem the note.

Never sign a contract note, &c., made by a stranger without carefully reading and examining it. For instance take the following form of a contract.

CONTRACT.

<i>Chatham, May 1st, 1903.</i>	
<i>One year after date I promise to pay John Reid, or order One Hundred and Sixty-five Pounds</i>	<i>as bearer, &c., when I shall by receipt of Henry Summers</i>
<i>for value received at 8 per cent per annum and ten Pounds</i>	
<i>payable at Chatham, Gen.</i>	
<i>Witness, R. A. Reid.</i>	<i>Wm. Mathew, Agent for John Reid.</i>

Draw a line from figures one to two in the body of the note, or cover with a piece of paper, and see how the contract now reads.

Another scheme that is sometimes worked is to have a plausible contract drawn out and under this on another sheet of paper containing a note, and instead of signing the contract the name is written on the note. All notes of this character always pass into the hands of a second innocent party, and in the majority of cases the maker is forced to pay the amount.

LESSON NO. 12.

ENDORSEMENT OF NOTES.

The endorsements that can be made on a note are of several kinds, namely :

- | | |
|------------------------|----------------------------------|
| 1. Simple Endorsement. | 4. Special Endorsement |
| 2. Guaranteed " | 5. Without Resource endorsement. |
| 3. Restricted " | 6. Part Payment " |

Endorsements are written across the back of notes. For instance in the following note John Adams would be required to make the endorsements before he handed the note to another party.

Cohinville, Aug 10th, 1903

\$ 5.00.

One year after date I promise to pay John Adams or bearer the sum of Five Dollars for Value Received

Joseph Nielson

The simple endorsement is the name of the payee written across the back of the note.

SIMPLE ENDORSEMENT.

John Adams.

A guaranteed endorsement also holds the endorser responsible for the payment of the note, if the original maker fails to pay.

GUARANTEED ENDORSEMENT.

I guarantee the payment of this note.

John Adams.

under this on another sheet of paper containing a note, and instead of signing the contract the name is written on the note. All notes of this character always pass into the hands of a second innocent party, and in the majority of cases the maker is forced to pay the amount.

kinds,

A restricted endorsement is one that prevents the payment of the note to anyone else but the party named in the endorsement.

RESTRICTED ENDORSEMENT.

Pay to J. Smith only John Adams.
--

Special endorsement. This endorsement may also be called a full endorsement; the name of the party mentioned in the endorsement becomes the specified owner, and if not paid by the maker, the endorser is liable for the payment.

SPECIAL ENDORSEMENT.

Pay to the order of Wm. Wallace John Adams
--

Without Resource endorsement releases the endorser from all responsibility. If the original maker of the note fails to pay the endorser cannot be made to do so.

WITHOUT RESOURCE ENDORSEMENT.

Without resource. John Adams.

Part Payment endorsement is made when a portion of the money has been received. Never sign your name beneath any such acknowledgement, as it answers as a receipt in full. The maker of the note should always be given a receipt for all such payments by the payee.

PART PAYMENT ENDORSEMENT.

July 7th.
Received on the
within note Third;
Dollars - \$30.00

LESSON NO. 13.

CHEQUES AND DRAFTS.

Cheques and drafts are somewhat similar in their nature. They are written orders made by one party to another, requesting the latter to pay such person or persons named in them. Therefore three parties are interested, namely :

1. The *Drawer*.
2. The *Drawee*.
3. The *Payee*.

The *drawer* is the maker, and his name appears in the lower right hand corner of the cheque or draft.

The *drawee* is the party who pays the money ; in cheques the name of the bank is printed on the cheque, while in a draft it is written in the left hand corner.

The *payee* is the party who receives the money, and his name is written in the body of the cheque or draft.

The main difference between a draft and a cheque is that a draft is made payable at sight, or on time and must be accepted by the drawee, who writes across the face of the draft, accepted, also the date and name of the bank.

While a cheque is simply presented at the bank, endorsed by the payee, and paid.

The form of a cheque is as follows :

\$200.00	London, Jan. 4th, 1903.
Farmer's & Drover's Bank	
	(drawee)
Pay to the order of Solomon Smith	
	(payee)
Two Hundred	Dollars.
Joseph Newton.	
	(drawer.)

The form of a sight draft with its acceptance is as follows :

\$450.00	London, May 4th, 1903.
Accepted May 6th, 1903.	Pay to the order of James Cole
Four Hundred and Fifty Dollars.	and charge to the
Account of W. Cole	of Toronto.
To W. Cole	P. C. Haycock.
Accepted May 15th, 1903.	
Payable to Standard Bank, Toronto.	

The form of a time draft is as follows :

\$560.00	Chatham, May 10th, 1903.
Accepted May 15th, 1903.	Ten days after sight pay to the order of Mathew
Price, Five Hundred and Sixty Dollars.	and charge
to the account of	
To Steele & Co.,	Peter Newman.
London.	

LESSON NO. 14.

RECEIPTS, ORDERS AND DUE BILLS.

A receipt is an acknowledgement in writing of having received a certain sum of money. When a payment has been made, a receipt should be taken, as proof of payment. Statements or accounts are usually receipted by writing "received payment in full up to date," on the account.

All receipts should be filed and kept in a place of security for reference, if needed.

A receipt often saves misunderstandings, loss of friends and money.

The form of a receipt is as follows :

Gemlock, June 14th, 1903.

*Received from James White, Twenty Dollars in full
of account.*

J. O. Fraser.

\$20.00.

A purchase receipt is sometimes given when certain articles are bought such as Stock, &c. It holds the seller responsible to the conditions of the receipt. It is in reality a warrantee.

The form is as follows :

Salem, Ont., Oct. 4th, 1903.

*Received of A. Melroy, One Hundred and Twenty
Dollars, for a Gray Mare, warranted only three years
old, free of vice, and quiet to drive.*

King Lankford.

\$120.00.

ORDERS.

Are written instructions ordering a second party to deliver to a third party cash or goods, etc., for which the first party holds himself responsible.

ORDER FOR GOODS.

\$10.00.

Kentville, May 26th, 1903.

John McKay,

Sir:—Please let the bearer, Orlin Watson, have goods to the value of Ten Dollars and charge to my account.

Allison Price.

ORDER FOR CASH.

\$10.00.

Chatham, May 24th, 1903.

Jas. Coleman, Esq.,

Sir:—Please give to the bearer Samuel Potter, Ten Dollars, and charge same to me.

Louis Pringle.

DUE BILLS.

Are written acknowledgements of a debt to be paid either in money or goods whenever presented for same.

DUE BILL FOR CASH.

\$12.00.

Berlin, Aug. 10th, 1903.

Due Allen King, for value received, Forty-two Dollars, without interest.

Selby & Co.,

Seedmen.

DUE BILL FOR GOODS.

\$6.00.

Iona, Sept. 2nd, 1903.

Due Janet Lindsay, or order, Six Dollars, payable in goods at my store.

J. A. Miner.

LESSON NO. 15.

Before a set of farm accounts can be commenced it will be necessary to know your *Present Worth*. This is obtained by taking an inventory (or catalogue of valuation) of the real and personal property.

In making an Inventory, it is always wise to value all articles at what they are likely to bring if sold by auction. The Inventory, when taken, should be made into groups or departments, which actually become accounts in the Ledger. The farm may be valued at its assessed value or a little higher, and as no account is kept with it proper, its value is always added with the total Resources.

The following are the groups or departments into which all Stock, Implements, etc., should be classified :

- | | |
|-----------------|---------------------|
| 1. Teams | 5. Household |
| 2. Stock | 6. Cash |
| 3. Implements | 7. Bills Receivable |
| 4. Farm Produce | 8. " Payable |

These departments embrace under their several heads as follows :

1ST—TEAMS.

Including all the horses, harness, blankets, robes, halters, brushes, curry combs, etc.

2ND—STOCK.

Including all the cattle, hogs, sheep and poultry.

3RD—IMPLEMENTS.

Including the buggies, waggons, sleighs, binders, mowers, plows, harrows, shovels, forks, and all the smaller tools requisite upon the farm.

4TH—FARM PRODUCE.

Including all grain, hay, straw, potatoes, etc., on hand at the time of taking the Inventory.

All fields producing hay or grain which may be sold, between the taking of the two Inventories, must be credited to the fields and not to the farm produce account.

5TH—HOUSEHOLD

Includes all furniture and household utensils.

6TH—CASH

Includes all cash on hand. All money deposited in the bank can be classified as Bank Account.

7TH—BILLS RECEIVABLE

Includes all notes standing out, their amounts, time of payment, rate of interest should be recorded.

8TH—BILLS PAYABLE

Includes all notes or unpaid accounts for which you are responsible.

The sums of the first seven departments will show the total *Assets*, the eighth being a *Liability*. The difference between the *Assets* and *Liabilities* will show the *Present Worth*, as follows :

ASSETS.

Value of Teams	\$350 00
" Stock	580 00
" Implements	410 00
" Farm Produce	375 00
" Household Effects	200 00
Cash on Hand	28 00
Notes Receivable	42 00
Value of Farm and Buildings (50 acres)	3825 00
Total	\$5810 00

LIABILITIES.

Note due Robt. Lynn	\$127 00
Ac. due Dr. Mills	31 00
Ac. due Thos. Knowles	4 50
Total	\$162 50
Total Assets	\$5810 00
Total Liabilities	162 50
<i>Present Worth</i>	\$5647 50

LESSON NO. 16.

The form and contents of an Inventory would be as follows :

INVENTORY, JAN. 1ST, 1903.

TEAMS.				
1	Bay Horse (Fred) 6 yrs old.	65	00	
1	" " (Dick) 7 " "	60	00	
1	" " (Neily) 4 " "	65	00	
1	Colt 2 yrs old.	40	00	
1	" 1 yr old.	30	00	
1	Set Double Hardness.	20	00	
1	Set Single "	12	00	
2	Pair Blankets.	5	00	
	Curry Combs, etc.	2	50	299 50
STOCK.				
3	Milk Cows @ \$30.00.	90	00	
4	2 year old steers @ \$25.00.	100	00	
4	Yearling Calves @ \$15.	60	00	

ponsible.
al Assets,
and Lia-

S :

299/50

000

Valuation of Teams.....	\$ 299 50
“ Stock.....	394 00
“ Implements.....	399 90

Valuation of Farm Produce.....	158 75
" Household Effects.....	200 00
" Bills Receivable.....	66 00
Value of Farm and Buildings.....	1500 00
	<hr/>
	\$6018 15

LIABILITIES.

Note due A. B. Cole.....	\$ 75 00
	<hr/>
Present Worth.....	\$5943 15

LESSON NO. 17.

The valuations of the Teams, Stock, Implements, Farm Produce and Household Effects, taken in the Inventory, must be entered in the Ledger upon the Debit sides of these accounts in red ink. It is best when the Day Book Journal is commenced, to enter these amounts into it in red ink before any business transactions are recorded into it.

The first year farm accounts are kept, it will be necessary to make two Inventories, one at the beginning of the year and another at the close of the year. But for the second and succeeding years only one is necessary, namely, at the close of each year, because an inventory taken, say on the 31st of December, will be the same as one taken on the 1st of January. But twelve months later many changes are likely to occur, therefore an inventory must be taken before the gains and losses can be ascertained.

The time of the year to commence to keep a set of farm accounts will largely depend upon choice. There are, however, two periods, which seem to be better suited than others, namely, at the beginning of the new year, or the first of April. By commencing at the beginning of the year the books can be closed for the past year. There is also plenty of time in the evenings to do the work. Further, you know your standing at the beginning of the new year, and preparations can be made for improvement according to the success of the past year. Again, by commencing the 1st of April the most of the feed, (Farm Produce) will be used up, and it is easier to estimate the amounts when making the inventory. Further, before the year is ended the crops will be harvested, and the grain, hay, etc., sold or feed, and the cost and gain of each known.

Always endeavor to make entries plain and neat, especially in the Day Book Journal, as this book is frequently produced in courts of justice as evidence, where erasures are not admissible, and neatness will show exactness and carefulness.

LESSON NO. 18.

With this lesson the practical work involved in keeping a set of farm accounts by double entry, will be commenced.

1st. An inventory will be taken the 1st of January, to ascertain the *Present Worth*.

2nd. The combined Day Book Journal will be used in recording the business transactions.

3rd. The monthly balance will be shown in the Day Book Journal.

4th. The Ledger will be opened and the accounts properly closed.

5th. A Trial Balance will be made.

6th. The Loss or Gain shown.

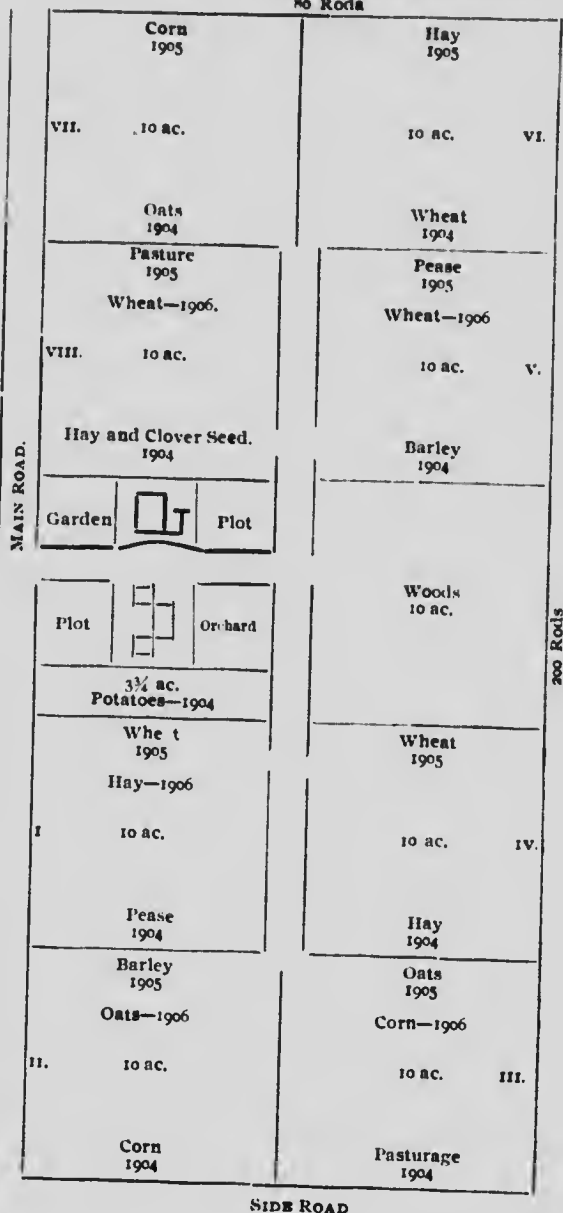
We will assume that on the 1st of January, 1904, John Allen commences to keep a set of books by double entry.

His farm consists of 100 acres, with good buildings; is well fenced and tiled. The farm is in a good state of cultivation. He values the farm at \$6,000.00.

The plan of the farm is shown, drawn to a scale of 25 rods to the inch. The fields, and the crops they contain are shown, for reference.

Plan of Farm—Scale 25 rods to 1 inch.

No Rods



SIDE ROAD

His inventory taken the 1st of Jan. 1904, is as follows :

INVENTORY JAN. 1ST, 1904.

TEAMS.				
1	Bay Horse, (Fred) 6 years old.....	60	00	
1	Black " (Billy) 7 " ".....	60	00	
1	Brown Mare (Nelly) 4 " ".....	75	00	
1	" Colt 4 " ".....	75	00	
1	Set Double Harness, (new).....	28	00	
1	" " ".....	18	00	
1	Single Harness.....	16	00	
5	Fly Nets @ \$1.50.....	7	50	
4	Halters @ \$1.50.....	6	00	
4	Blankets.....	10	00	
2	Brushes @ \$1.00.....	2	00	
2	Curry Combs @ 25/.....	50		358 00
STOCK.				
6	Milch cows @ \$35.00.....	210	00	
2	Heifers, 2 years old, @ \$25.00.....	50	00	
4	Steers, 2 " " @ \$30.00.....	120	00	
6	Calves, @ \$15 00.....	90	00	
3	Brood Sows @ \$10.00.....	30	00	
15	Fat Hogs @ \$6.00.....	90	00	
10	Young Pigs @ \$2.50.....	25	00	
40	Hens @ 20c/.....	8	00	
2	Cocks @ 50c/.....	1	00	
10	Ewes 2 yrs old @ \$5.00.....	50	00	
8	Ewe lambs @ \$4.00.....	32	00	706 00
IMPLEMENTS.				
1	Open Buggy.....	50	00	
1	Covered ".....	60	00	
1	Democrat.....	40	00	
1	Cutter.....	30	00	
1	Binder.....	60	00	
1	Corn Binder (new).....	100	00	
1	Mower (new).....	35	00	
1	Hay Rake.....	18	00	
1	" Tedder.....	20	00	
1	" Fork (Blocks and rope).....	10	00	
1	Lumber Wagon.....	35	00	
1	" ".....	20	00	
1	Hay Rack.....	5	00	
1	Hog ".....	4	00	
1	Gravel Box.....	2	50	
1	Soil plow.....	8	00	
1	Stubble plow.....	10	00	
1	Set Iron Harrows.....	10	00	
1	" Wooden Harrows.....	10	00	
1	Wheel Cultivator.....	38	00	
1	Corn Cult. ator.....	6	00	
1	Grain Drill.....	50	00	
1	Land Roller.....	15	00	
1	Pair Bob Sleighs.....	15	00	
2	Spades.....	6	00	
1	Ditching spade.....	7	50	
1	Round mouthed shovel.....	7	50	

MANUAL OF FARM ACCOUNTS.

INVENTORY—Continued.

1	Square Mouthed Shovel.....		50	
2	Hoes.....		50	
1	Scoop shovel.....		75	
1	Cross cut saw.....		3 50	
4	Log chains.....		5 00	
5	Pitch forks.....		2 00	
2	Measures (1/2 bu. and peck).....		60	
3	Doz. grain bags @ 15c.....		5 40	
	Carpenter and blacksmith tools.....	15 00	684 85	
FARM PRODUCE.				
150	Bu. Wheat @ 50c.....		75 00	
500	" Corn @ 30c.....		150 00	
400	" Barley @ 35c.....		140 00	
300	" Oats @ 25c.....		125 00	
50	" Potatoes @ 40c.....		20 00	
10	Tons of Hay (barn) @ \$5.00.....		50 00	
8	" " (horse stable) @ \$5.00.....		40 00	
15	" Corn stalks @ \$2.00.....		30 00	
40	" Straw @ \$2.00.....	80 00	710 00	
HOUSEHOLD.				
	Furniture, stoves, etc., valued at.....		300 00	
CASH.				
	Amount on hand.....		50 00	
BILLS RECEIVABLE.				
	Note of Wm. Archer, 6 mos., 5%.....	100 00		
	" Jno. White, 10 " ".....	48 00		
	" D. J. Cahill, 12 " 6%.....	85 00	233 00	
BILLS PAYABLE.				
	Balance of an account due A. Putman.....		10 00	

TOTAL ASSETS.

Value of Teams.....	\$ 358 00
" Stock.....	706 00
" Implements.....	684 85
" Farm Produce.....	710 00
" Household effects.....	300 00
Bills Receivable.....	233 00
Cash on hand.....	50 00
Value of Farm and Buildings.....	6000 00
	<u>\$9041 85</u>

LIABILITIES.

A.c. due A. Putman.....	10 00
Present worth.....	<u>\$9031 85</u>

LESSON NO. 19.**DAY BOOK JOURNAL ENTRIES.**

The items contained in the statement should be entered in the Day Book Journal in red ink.

These items must again be transferred into the Ledger, (except the value of the farm and buildings) when it is opened, also in red ink.

The reason for making these entries in red ink will be explained when the trial balance is shown.

The Day Book Journal entries of the business transactions of John Allen, for the year 1904, are as follows :

DAY BOOOK JURNAL,—1904.		DR.		CR.	
	Value of farm and buildings	6000	00		
	" Teams	358	00		
	" Stock	706	00		
	" Implements	684	85		
	" Farm Produce	710	00		
	" Household effects	300	00		
	Bills Receivable	233	00		
	Cash on hand	50	00		
	Bills Payable	10	00		

DAY BOOK JOURNAL		DR.		CR.	
Jan.	1 Cash on hand			50	00
"	1 Bought an axe and handle	Implements	Dr. Cash		1 25
"	3 Took 10 bu. Oats @ 30c				
	20 " Corn " 30c				
	10 " Barley @ 40c	Stock	Dr. Farm Produce	13	00
	to mill for chop for hogs				
"	5 Paid for grinding chop for hogs	Stock	Dr. Cash		1 50
"	8 Paid for shoeing team all around	Teams	Dr. Cash		2 50
"	10 Sold 20 lbs. Butter @ 20c. cash	Cash	Dr. Stock	5	00
"	13 Put 20 bu. oats in horse stable for horses, @ 30c	Teams	Dr. Farm Produce	6	00

DAY BOOK JOURNAL.				DR.	CR.
Jan.	15	B't bbl. salt, for stock.....	Stock Dr. Cash		
					1 00
"	"	Took grist to mill; 10 bu. wheat Rec'd 400 lbs. flour; wheat worth 60c. per bu.....	Household Dr. Farm Produce	6 00	
"	19	B't 5 gals. coal oil @ 20c.....	Household Dr. Cash		1 00
"	20	Paid A. Putman balance on a/c of 1902.....	Bills Payable Dr. Cash		10 00
"	22	Sold 12 doz. Eggs Rec'd groceries.....	Household Dr. Stock	2 40	
"	23	Sold John Paul heifer for \$35.00. Rec'd in payment a note of A. Sims due in 11 months @ 5%	Bills Receivable Dr. Stock	35 00	
"	26	B't 10 lbs. nails, for repairing, @ 3c.....	Improvements Dr. Cash		30
"	27	Sold 10 bu. Potatoes @ 50c cash	Cash Dr. Farm Produce	5 00	
"	29	B't clothing for family : Over- coat for myself, \$10.00; suits for children, \$8.00; shoes and rubbers for wife, \$4.00.	Family Dr. Cash		22 00
"	31	B't 500 lbs. shorts for pigs @ \$12.00 per ton.....	Stock Dr. Cash		3 00
			50.00 Balance	10 00	42 55 17 45
Feb.	1	Cash balance from Jan.....			17 45
"	3	Took 4 bu. Oats to hen house @ 30c.....	Stock Dr. Farm Produce	1 20	
"	6	B't 500 lbs. Wire @ 3¼c. for fencing.....	Improvements Dr. Cash		16 25

CR.		DAY BOOK JOURNAL.		DR.		CR.	
		Feb. 8 Sold 8 fat Hogs, weight 1680 lbs. @ 4¼c.....	Cash	Dr. Stock		71 40	
1 00							
		" 10 B't ½ doz. farm gates @ \$24.00 per doz.	Improvements	Dr. Cash			12 00
1 00		" 12 Paid Assessment Farmers' In- surance Co.	Contingent	Dr. Cash			5 00
10 00		" 14 Paid for sawing 1000 feet of lumber for repairing.	Improvements	Dr. Cash			3 50
		" 15 B't 20 lbs. sulphur for stock.	Stock	Dr. Cash			1 00
		" 17 Sold 30 lbs. butter @ 20c., 10 doz. eggs @ 20.	Cash	Dr. Stock		8 00	
		" " Gave cash to indigent.	Contingent	Dr. Cash			50
30							
		" 19 B't Berk Sow with pig for \$14.00	Stock	Dr. Cash			14 00
		" 20 Paid towards Missionary Fund.	Contingent	Dr. Cash			5 00
22 00		" 22 Sold 20 doz. eggs @ 20c, 20 lbs. butter. Rec'd dry goods.	Family	Dr. Stock	9 00		
3 00		" 22 Gave to wife cash \$5.00.	Family	Dr. Cash			5 00
00	42 55 17 45	" 23 Sold fat sow, weight 350 lbs @ 3½c.....	Cash	Dr. Stock		12 25	
45		" 24 Paid Railway fare for wife.	Family	Dr. Cash			3 00
		" 27 Drew 25 loads of manure on corn field, 2¼ dys @ \$2.00.	Cornfield Farm Produce	Dr.	12 50		
16 25							

DAY BOOK JOURNAL.					DR.	CR.			
Feb.	27	Teams drawing manure on corn field, 2½ dys @ \$2.00.	Cornfield	Dr. Teams	5 00				
"	27	Paid J. Boyd for hauling manure on corn field, 2½ dys @ 50c	Cornfield	Dr. Cash					1 25
				17.45 Balance			91 65	66 50	42 60
Mar.	1	Cash on hand.....					42 60		
"	3	Sold 7 fat pigs, weight 1560 lbs, @ 4½c	Cash	Dr. Stock			70 20		
"	"	Deposited in Bank \$50.00.....	Bank	Dr. Cash					50 00
"	6	Bt 25 bu. oats in horse stable for horses, at 30c.....	Teams	Dr. Farm Produce	7 50				
"	10	B't 2 pair of horse blankets for \$4.00.....	Teams	Dr. Cash					4 00
"	"	B't 1 can harness oil.....	Teams	Dr. Cash					1 00
"	"	Gave 10 bu. Potatoes @ 60c. for 60 lbs, clover seed, 48 lbs. timothy seed, for 1904 hay field, to be sown on wheat field.....	1904 hay field	Dr. Farm Produce	6 00				
"	13	Hired J. Boyd to oil harness for 75c; gave in Payment 1 bag potatoes	Teams	Dr. Farm Produce	75				
"	16	Paid Dr. Day, V. S., for medical attendance for sick cow	Stock	Dr. Cash					3 00
"	17	B't 10 gal's maple syrup @ \$1.00 per gal.....	Household	Dr. Cash					10 00
"	20	Sold 50 lbs. butter @ 25c. Rec'd due bill.....	Bills Receivable	Dr. Stock	2 50				
"	23	Sold 50 bu. barley, for seed @ 60c.....	Cash	Dr. Farm Produce			30 00		

DAY BOOK JOURNAL.

Cr.

Dr. Cr.

Mar.									
	26	Took 50 bu. barley @ 40c. " 50 " oats " 30c. to mill for shop for stock..	Stock	Dr. Farm Produce	35 00				
	"	" Paid for grinding chop, \$2.87..	Stock	Dr. Cash				2 87	
	27	B't 350 lbs. wire for fencing @ 4c.....	Improvements	Dr. Cash				14 00	
	28	Sold 10 bags potatoes to Jas. Palmer, @ \$1.00. Rec'd due bill	Bills Reccivable	Dr. Farm Produce	10 00				
	29	Paid J. Maun, for repairing wagon	Implements	Dr. Cash				5 50	
	31	Found \$1.00 on road. No own- er found.....	Cash	Dr. Contingent			1 00		
				42.60 Balance		101 20		94 37	
								49 43	
Apr.									
	1	Cash on hand.....				49 43			
	4	B't 66 cedar posts for fencing @ 12c.....	Improvements	Dr. Cash				7 92	
	7	Sold 30 bu. barley for seed @ 60c	Cash	Dr. Farm Produce		18 00			
	9	Took 50 bu. Barley @ 40c., 25 bu. oats @ 30c., to mill for chop	Stock	Dr. Farm Produce	27 50				
	10	Paid for grinding chop \$2.28...	Stock	Dr. Cash				2 28	
	14	B't 22 bu. seed pease @ 65c, giv- ing in exchange 23 bu. and 40 lbs. barley.....	Pea field	Dr. Farm Produce	14 30				
	16	B't 12 lbs. meat from John Paul @ 20c., on a/c.....	Household	Dr. John Paul	1 20				
	17	Sold 50 lbs. butter @ 20c, 20 doz. eggs @ 15c.....	Cash	Dr. Stock		13 00			

1 25
66 50
42 60

50 00

4 00

1 00

3 00

10 00

DAY BOOK JOURNAL.

Dr. Cr.

Apr.	18	B't groceries. Gave due bill of \$12.50.....	Household Dr. Bills Receivable	12 50				
"	19	B't 1000 3-in. tile @ \$5.00 per m	Improvements Dr. Cash				5 00	
"	20	Sold 4 steers to A. Rawlings @ 4½c, to be delivered 1st Monday in May, Rec' \$5.00 on sale.....	Cash Dr. Stock			5 00		
"	23	Teams working on barley field 6 days @ \$1.50.....	Barley field Dr. Teams	9 00				
"	23	Seed grain for barley field, 20 bu. @ 50c.....	Barley field Dr. Farm Produce	10 00				
"	28	Teams working 8 days on oat @ \$1.50.....	Oat field Dr. Teams	12 00				
"	"	Seed grain for oat fild, 30 bu. @ 30c.....	Oat field Dr. Farm Produce	9 00				
"	30	B't bbl. yellow sugar, 275 lbs. @ 3½c.....	Household Dr. Cash				12 13	
"	"	Stock chargeable to 10 tons hay and 15 tons corn stalks, feed during winter, \$80.00.....	Stock Dr. Farm Produce	80 00				
"	"	Teams chargeable to 8 tons hay, feed during winter, \$40.00.	Teams Dr. Farm Produce	40 00				
			49.43 Balance		36 00		27 33	58 10
May	1	To Cash on hand.....			58 10			
"	1	Rec'd payment of Wm. Archer's note of \$100.00.....	Cash Dr. Bills Rceivable		100 00			
"	"	Rec'd interest on Wm. Archer's note.....	Cash Dr. Interest		2 50			
"	2	Hired this day, Jas. Moore for 5 months for \$100.00.....						

DAY BOOK JOURNAL.

				DR.	CR.
May	5	Deposited in Bank \$125.00.....	Bank	Dr. Cash	125 00
"	7	Delivered 4 steers to A. Rawlings, as per agreement, weight 5200 @ 4½c. Less \$5. cash rec'd at time of sale.	Cash	Dr. Stock	229 00
"	8	Deposited in Bank \$225.00.....	Bank	Dr. Cash	225 00
"	"	P't plow point (steel) for plow.	Implements	Dr. Cash	2 50
"	11	P'd J. Smith, for service of bull, 3 cows, @ \$2.00.....	Stock	Dr. Cash	6 00
"	14	Sold 60 lbs. butter @ 20c. Rec'd groceries	Household	Dr. Stock	12 00
"	16	Sold balance of potatoes, 15 bags @ \$1.00.....	Cash	Dr. Farm Produce	15 00
"	18	B't 5 gals coal oil @ 20c.....	Household	Dr. Cash	1 00
"	19	B't 500 lbs. shorts for pigs @ \$16.00 per ton.....	Stock	Dr. Cash	4 00
"	21	Teams working on pea field 17 days @ \$1.50.....	Pea field	Dr. Teams	30 00
"	28	Teams working on corn field 20 days @ \$1.50.....	Corn field	Dr. Teams	30 00
"	"	Paid for seed corn \$2.25.....	Corn field	Dr. Cash	2 25
"	30	Teams working on potato plot, 3 days @ \$1.50.....	Potato plot	Dr. Teams	4 50
"	"	Used 2 bu. seed potatoes on potato plot @ 50c.....	Potato plot	Dr. Farm Produce	1 00
			58.10 Balance		346 50
					365 75
					38 85

CR.

5 00

00

12 13

27 33
58 10

DAY BOOK JOURNAL.				DR.	CR.
June	1	Cash on hand.			38 85
"	2	B't from John Paul 20 lbs. meat @ 10c. on a/c.	Household Dr. John Paul	2 00	
"	4	B't scythe and snath for \$1.75.	Implements Dr. Cash		
"	6	Gave towards election fund \$3.00	Contingent Dr. Cash		
"	8	Sold balance of wheat, 130 bu. @ 70c.	Cash Dr. Farm Produce		91 00
"	12	B't clothing for Family \$50.00..	Family Dr. Cash		50 00
"	15	Paid Cash in lieu of Roadwork, 7 days @ 75c.	Contingent Dr. Cash		5 75
"	16	Paid Jas. Moore (hired man) \$15.00	Jas. Moore Dr. Cash		15 00
"	18	Paid for shoeing of teams all around, new shoes, \$5.00..	Teams Dr. Cash		5 00
"	19	B't 6 rake teeth @ 50c. each....	Implements Dr. Cash		3 00
"	20	Sold 30 lbs. butter @ 15c. Rec'd cotton.....	Family Dr. Stock	4 50	
"	21	B't crate of strawberries, \$1.50.	Household Dr. Cash		1 50
"	"	B't 125 lbs. binder twine @ 12c. per lb.....	Contingent Dr. Cash		15 00
"	22	B't Canvasses for binder \$15.00.	Implements Dr. Cash		15 00
"	23	Paid H. Rinn, for laying 1000 3-in. tile, \$15.00.	Improvements Dr. Cash		15 00

R. CR.		DAY BOOK JOURNAL.		DR. CR.	
885		June 25 Teams rolling barley field, one day @ \$1.50.....	Barley Field Dr. Teams	1 50	
		" 26 Teams rolling pea field, 1 day, \$1.50.....	Pea Field Dr. Teams	1 50	
1 7		" 27 1 horse cultivating corn field 5 days @ 75c.....	Corn Field Dr. Teams	3 75	
3 0		" " 1 Horse cultivating potato plot 2 days @ 75c.....	Potato Plot Dr. Teams	1 50	
1 00			38.85 Balance		91 00 129 50 35
		July 1 Cash on hand.....			35
50 00		" 3 Sold balance of oats to John Wilson 237 bu. @ 33 1/4c. Paid cash, \$29.00. Gave note of Wm. Jones for \$50.00 due J. y 12th.....	Cash Dr. Bills Receivable Dr. Farm Produce	50 00 79 00	29 00
5 7		" " Put 100 bu. in horse stable @ 30c.....	Teams Dr. Farm Produce	30 00	
15 00		" 7 Jas. Moore. (hired man) Rec'd 100 lbs. flour @ \$2.00 per cwt.....	James Moore Dr. Household	2 00	
5 00		" 9 Sold 2 crocks butter (20 lbs. each) @ 10c. Rec'd groceries.....	Household Dr. Stock	4 00	
3 00		" 12 Rec'd payment of Wm. James' note of \$50.00.....	Cash Dr. Bills Receivable		50 00
1 5		" 16 Paid for labor in haying, 2 men 5 dy's @ \$1.25 each.....	Hay Field Dr. Cash		12 50
15 00		" 18 Teams working in hay field 10 days @ \$1.50.....	Hay Field Dr. Teams	15 00	
15 00		" 20 Sold 166 bu. barley @ 50c. Received in payment a wagon and box, \$55.00. Balance in cash.....	Implements Dr. Cash Farm Produce	55 00 83 00	28 00

DAY BOOK JOURNAL.				DR.	CR.
July	23	B't 40 lbs. Meat @ 10c, from John Paul, on a/c.....	Household Dr. John Paul	4 00	
"	25	Teams working in Corn field 2 dys @ \$1.50.....	Corn Field Dr. Teams	3 00	
"	28	Teams cutting wheat, 2 dys. @ \$1.50.....	Wheat Field Dr. Teams	3 00	
"	30	Used 45 lbs. of twine on wheat field @ 12c.....	Wheat Field Dr. Consigent	5 40	
"	30	Paid James Moore (hired man) Cash \$25.00.....	Jas. Moore Dr. Cash		25 00
"	30	Gave wife \$15.00.....	Family Dr. Cash		15 00
			.35c. Balance	107 00	52 50 54 85
Aug.	1	Cash on hand.....			54 85
"	2	Used 40 lbs. twine on Barley field @ 12c.....	Barley Field Dr. Contingent	4 80	
"	4	Jno. White paid his note of \$48.00..... Interest on note \$2.00.....	Cash Dr. Bills Receivable Interest		48 00 2 00
"	6	Deposited in Bank \$50.....	Bank Dr. Cash		50 00
"	8	Paid Jas. Moore, cash \$10.00...	Jas. Moore Dr. Cash		10 00
"	10	B't 20 lbs. meat @ 10c. from Jno. Paul, on a/c.....	Household Dr. John Paul	2 00	
"	13	Drew on this year's Hay field or next year's Wheat Field 100 loads manure at 50c per load.....	1905 Wheat Field Dr. Farm Produce	50 00	
"	"	Teams drawing manure on 1905 Wheat field, 3 1/2 dys @ \$1.50	1905 Wheat Field Dr. Teams	5 25	

Cr.		DAY BOOK JOURNAL.		Dr.		Cr.	
		Aug. 13	Paid B. House for spreading manure on 1905 wheat field	1905 Wheat Field Dr. Cash			4.00
		" 17	Used 40 lbs. twine on oat field @ 12c.....	Oat field Dr. Contingent	4.80		
		" 18	Teams drawing barley, 4 days @ \$1.50.....	Barley field Dr. Teams	6.00		
		" 18	Teams drawing in oats three days @ \$1.50.....	Oat field Dr. Teams	4.50		
25.00		" 22	Teams plowing 1905 wheat field 12 days at \$1.50.....	1905 Wheat Field Dr. Teams	18.00		
15.00		" 24	Teams rolling 1905 wheat field 1 1/2 days @ \$1.50.....	1905 Wheat Field Dr. Teams	2.25		
52.50		" 29	Paid B. House for plowing 1905 wheat field 14 days @ \$1.00	1905 Wheat Field Dr. Cash			14.00
54.85				54.85 Balance		50.00	78.00 26.85
		Sept. 1	Cash on hand.....			26.85	
		" 3	Teams pulling and drawing peas 8 days @ \$1.50.....	Pea field Dr. Teams	12.00		
50.00		" 6	Drew 40 loads manure on Pea field for 1905 Wheat Field, @ 50c.....	1905 Wheat Field Dr. Farm Produce	20.00		
10.00		" 7	Teams drawing manure on 1905 Wheat Field 3 days @ \$1.50	1904 Wheat Field Dr. Teams	4.50		
		" 10	B't 10 lbs. staples for fence @ 4c.....	Improvements Dr. Cash			.40
		" 12	Paid B. House for drawing manure and plowing 1905 Wheat Field, 20 days @ \$1.00.....	1905 Wheat Field Dr. Cash			20.00
		" 18	Rec'd payment of D. J. Cahill's note of \$85.00. Interest \$5.10, plus 15c. for overtime	Cash Dr. Bills Receivable Interest		85.00 5.25	

DAY BOOK JOURNAL				Dr.	Cr.
Sept.	20	Teams working on 1905 Wheat Field, 14 days @ \$1.50.	1905 Wheat Field Dr. Teams	21 00	
"	20	Paid B. House for labor on 1905 Wheat Fields, 14 days @ \$1	1905 Wheat Field Dr. Cash		14 00
"	22	B't 30 bu. seed wheat at 75c per bu.	1905 Wheat Field Dr. Cash		22 50
"	27	B't 25 lbs. meat @ 10c. from John Paul, on account.	Household Dr. John Paul	2 50	
"	28	Sold 50 lbs. butter @ 10c.	Cash Dr. Stock		5 00
"	29	Paid A. Bell for threshing 200 bu. Pease @ 3c. 480 bu. Barley @ 2c. 560 bu. Oats @ 1 1/4c. 250 bu. Wheat @ 3c.	Pea Field Dr Barley Field " Oat " " Wheat " " Cash		6 00 9 60 8 40 7 50
"	30	Paid for cutting corn 10 ac. @ \$1.50.	Cornfield Dr. Cash		12 50
			26.95 Balance.	95 25	100 90 21 20
Oct.	1	Cash on hand.		21 20	
"	1	Paid Jas. Moore balance of wages \$48.00. Gave him a cheque on the bank.	Jas. Moore Dr. Bank	48 00	
"	4	Teams cutting and drawing in Clover seed 8 days @ \$1.50.	Clover Field Dr. Teams	12 00	
"	5	Sold 12 lambs at \$4.50 each, to be delivered 1st Monday in Nov. Rec'd \$5.00 on sale.	Cash Dr. Stock		5 00
"	8	Paid S. Liddle for building 40 rods fence @ 40c. per rod. .	Improvements Dr. Cash		16 00
"	12	B't Ram from James King for \$10.00.	Stock Dr. Cash		10 00
"	13	Sold 50 lbs. butter @ 18c. Rec'd groceries.	Household Dr. Stock	9 00	

Cr.

DAY BOOK JOURNAL.

Dr. Cr.

Oct.	10	Withdrew from bank \$10.00....	Cash	Dr.	Bank		10 00		
	15	Paid for subscription to Home Journal (daily) 1 yr. \$4.00.	Family	Dr.	Cash			4 00	
	20	Paid B. House for husking 800 corn @ 4c. Gave cheque...	Cornfield	Dr.	Bank	32 00			
	24	Sold 100 bu. new wheat @ 20c.	Cash	Dr.	Wheat Field		70 00		
	27	B't 10 gals coal oil @ 20c.	Household	Dr.	Cash			2 00	
	28	Paid for shoeing team all around \$5.50.....	Teams	Dr.	Cash			5 50	
	29	Paid B. House for drawing in corn stalks, 2 days @ \$1.00	Cornfield	Dr.	Cash			2 00	
	30	Paid Taxes on farm, \$45.....	Contingent	Dr.	Cash			45 00	
	31	Paid Robert Reid for repairing plows, \$6.00.....	Implements	Dr.	Cash			6 00	
						21 20			
Balance							85 00	90 50	15 70
Nov.	1	Cash on hand.....					15 70		
	3	Paid B. House for digging potatoes 100 bu. 6 days @ \$1.00.	Potato Plot	Dr.	Cash			6 00	
	5	Delivered 12 lambs as per agreement @ \$4.50 each. Less \$5.00 received on sale.....	Cash	Dr.	Stock		49 00		
	7	Put 25 bu. potatoes in cellar for household use, @ 40c per bu	Household	Dr.	Potato Plot	10 00			
	9	Sold 50 lbs. butter @ 20c., 10 doz. eggs @ 15c.....	Cash	Dr.	Stock		11 50		

14 00

22 50

6 00

9 60

8 40

7 50

12 50

100 90

21 20

16 00

10 00

DAY BOOK JOURNAL.				Dr.	Cr.
Nov.	12	B't Clothing, shoes, etc., for family, \$40.00.....	Family Dr. Cash		40 00
	14	Paid A. Moss for repairing harness, \$5.00.....	Teams Dr. Cash		5 00
	16	Gave 20 bu. potatoes to an Indian for cutting 20 cords of wood @ 40c. per cord.....	Contingent Dr. Potato Plot	8 00	
		John Paul in full of account as rendered \$11.70.....	John Paul Dr. Cash		11 70
	20	Teams plowing corn field for 1905 barley field 8 days @ \$1.50.....	1905 Barley Field Dr. Teams	12 00	
	23	Teams plowing pasture field for 1905 oat field 10 days @ \$1.50	1905 Oat Field Dr. Teams	15 00	
	24	Paid Jas. Moore for plowing 1905 barley field 8 dys @ \$1 " oat " 10 " \$1	1905 Barley Field Dr. " Oat " " Cash	8 00 12 00	20 00
	26	Rec'd payment of A. Sims' note of \$35.00..... Interest on note \$1.60.....	Cash Dr. Bills Receivable Interest		35 00 1 60
	29	Paid A. Bell for threshing clover seed, 2 1/2 days @ \$8.00. Had 40 bu. seed.....	Clover Field Dr. Cash		20 00
			15.70 Balance	97 10	100 70 12 10
Dec.	1	Cash on hand.....		12 10	
	3	Drew 20 loads of wood into wood shed @ \$1.00.....	Household Dr. Contingent	20 00	
	7	Sold 10 ewes (served) to A. Phin, for \$60.00.....	Cash Dr. Stock		60 00
	12	Sold 50. lbs butter, @ 20c. Received groceries.....	Household Dr. Stock	10 00	

DAY BOOK JOURNAL.

CR.				DR.	CR.
40 00	Dec. 15	Sold 10 pairs of chicken @ 40c.	Cash	Dr. Stock	4 00
5 00	" 20	Paid for renewal of insurance policy (survey) \$1.50.....	Contingent	Dr. Cash	1 50
	" 22	Gave cash to wife, \$10.00.....	Family	Dr. Cash	10 00
11 70	" 22	B't Turkey for Christmas, 20 lbs. @ 10c.....	Household	Dr. Cash	2 00
	" 22	B't Christmas presents for children, \$3.00.....	Family	Dr. Cash	3 00
	" 30	Credit implements 10% on inventory value and charge to the following fields for use of same,—			
20 00		Pea Field \$ 8.00.....	Pea Field	Dr. 8 00	
		Barley " 8.50.....	Barley "	" 8 50	
		Oat " 8.50.....	Oat "	" 8 50	
		Wheat " 13.00.....	Wheat "	" 13 00	
		Corn " 7.00.....	Corn "	" 7 00	
		Clover " 6.48.....	Clover "	" 6 48	
		Hay " 12.00.....	Hay "	" 12 00	
		Potato Plot 5.00.....	Potato Plot	" 5 00	
		\$68.48	Implements		
20 00	" 30	I have the following farm produce on hand from the following fields:—	Farm Produce	Dr.	
100 70		Pease, 200 bu., worth 50c..	Pea Field	100 00	
12 10		Barley 480 " " 35c..	Barley "	168 00	
		Oats 560 " " 22c..	Oat "	123 20	
		Wheat 150 " " 50c..	Wheat "	75 00	
		Corn 800 " " 30c..	Corn "	240 00	
		Clover 40 " " \$4.00	Clover "	160 00	
		Potatoes 55 " " 30c	Potato Plot	16 50	
		Hay, 16 tons @ \$4.00....	Hay Field	64 00	
	" 30	I have straw and stalks on hand from the following fields:—	Farm Produce	Dr.	
		Pea straw 10 tons @ \$2.00	Pea Field	20 00	
		Barley " 12 " "	Barley "	24 00	
		Oat " 12 " "	Oat "	24 00	
		Wheat " 12 " "	Wheat "	24 00	
		Corn stalks 15 " \$2.50	Corn "	37 50	
		Clover straw 6 " \$2.00	Clover "	12 00	
		\$12.10			
		Balance Cash on hand Dec. 31st.....			64 00 16 50 59 60

LESSON NO. 20.

After the business transactions for the year have been recorded and journalized in the Day Book Journal, the next work to be performed is to open the account in the Ledger, as indicated in the Journal.

Never open out an account more than once in the Ledger, irrespective of how many times it may appear in the Journal. Make all Ledger entries as brief as possible.

The method of ascertaining the amount of space any one account will occupy in the Ledger is to count the number of Debit and Credit entries found in the Journal, and adding six extra lines to admit plenty of room for closing the account. For instance, the Implement account will require eight lines for the Debit entries, and one for the Credit entries; therefore, by adding six lines to the larger side will make a total space fourteen lines.

The amounts as per Inventory found at the beginning of the Day Book Journal, written in red ink, must first be transferred to the accounts in the Ledger, in red ink, as they are opened. Enter these amounts upon the Debit side of the accounts except in the Bills Payable account. Here it is entered upon the Credit side.

Always check off all entries in the Journal as posted to prevent omission or being posted more than once.

As soon as the posting has been completed, a Trial Balance is made to ascertain if there is an equilibrium or true balance. This is done by adding together the sums of the Debit sides of all accounts found in the Ledger, also the sums of the Credit sides of all the accounts, which should be the same, or balance. In obtaining the footings of each account, preparatory for a Trial Balance, never add the entries made in red ink. Place the footings at the bottom of the accounts with a lead pencil, until the Trial Balance is taken, and the accounts properly closed.

If the Trial Balance shows an equilibrium the next work is to make another inventory similar to the one taken the 1st of Jan., before all the accounts in the Ledger can be properly closed, or their current condition brought to an end. The amounts of the second Inventory must now be entered upon the opposite side of those of Jan. 1st; also in red ink.

These entries are now added to the footings already made for the trial balance and any difference existing will be the balance which must be entered upon the smaller side either as "To Balance" or "By Balance," in red ink. These balances obtained will show either a Gain or Loss, a Resource or Liability.

The difference existing between the total gains and losses will show the gains. This added to the net worth January 1st, will show the present worth.

The difference existing between the Resources and Liabilities, added to the value of the farm, will also show the present worth.

The Journal entries when posted into the Ledger will appear as follows :

DR.		IMPLEMENTS.				CR.			
Jan.	1	To Inventory	684	85	Dec.	31	By Use of Implements....	684	85
"	1	" Axe and handle.....	1	25	"	31	" Inventory.....	689	15
Mar.	29	" Repairing wagon.....	5	50	"	31	" Balance (Loss).....	17	22
May	8	" Plow point.....	2	50					
June	4	" Scythe and snath.....	1	75					
"	15	" Rake teeth.....	3	00					
"	22	" Canvasses.....	15	00					
July	20	" New Wagon.....	55	00					
Oct.	31	" Repairing Plows....	6	00					
			<u>774</u>	<u>85</u>				<u>774</u>	<u>85</u>
			90	00				68	48

DR.		CASH.		CR.			
Jan.	1	To Inventory	50 00	Jan.	1	By Axe and handle.....	1 25
"	10	" Butter	5 00	"	5	" Grinding chop.....	1 50
"	27	" Potatoes	5 00	"	8	" Shoeing team.....	2 50
Feb.	8	" Hogs.....	71 40	"	15	" Bbl. Salt.....	1 00
"	17	" Butter and Eggs.....	8 00	"	19	" Coal oil.....	1 00
"	23	" Cow.....	12 25	"	20	" A. Putman's a/c.....	10 00
Mar.	3	" Hogs.....	70 20	"	26	" Nails	30
"	23	" Seed barley.....	30 00	"	29	" Clothing	22 00
"	31	" Cash.....	1 00	"	31	" Shorts.....	3 00
Apr.	7	" Barley	18 00	Feb.	6	" Wire.....	16 25
"	17	" Butter and Eggs.....	13 00	"	10	" Gates.....	12 00
"	20	" Steers.....	5 00	"	12	" Insurance	5 00
May	1	" Wm. Archer's note....	100 00	"	14	" Sawing.....	3 50
"	1	" Interest	2 50	"	15	" Sulphur.....	1 00
"	7	" Steers.....	229 00	"	17	" Indigent	50
"	16	" Potatoes	15 00	"	19	" Berk sow.....	14 00
June	8	" Wheat	91 00	"	20	" Missionaries.....	5 00
July	3	" Oats	29 00	"	22	" Wife.....	5 00
"	12	" Wm. Jones' note....	50 00	"	24	" Railway fare.....	3 00
"	20	" Barley	28 00	"	27	" J. Boyd.....	1 25
Aug.	4	" Jno. White's note....	48 00	Mar.	3	" Deposit	50 00
"	4	" Interest	2 00	"	10	" Blankets	8 00
Sept.	18	" D. J. Cahill's note....	85 00	"	10	" Harness oil.....	1 00
"	18	" Interest	5 25	"	16	" Medical attendance..	3 00
"	28	" Butter.....	5 00	"	16	" Syrup.....	10 00
Oct.	5	" Lambs.....	5 00	"	26	" Grinding chop.....	2 87
"	13	" Bank.....	10 00	"	26	" Wire.....	14 00
"	24	" Wheat	70 00	"	29	" Repairing wagon....	5 50
"	5	" Lambs.....	49 00	Apr.	4	" Cedar posts.....	7 92
"	9	" Butter and Eggs.....	11 50	"	10	" Grinding chop.....	2 28
"	26	" A. Sims' note.....	35 00	"	19	" Tile.....	5 00
"	26	" Interest.....	1 60	"	30	" Bbl. sugar.....	12 13
Dec.	7	" Ewes.....	60 00	May	5	" Deposit	125 00
"	15	" Chickens.....	4 00	"	8	"	225 00
				"	8	" Plow point.....	2 50
				"	11	" Service of bull.....	6 00
				"	18	" Coal oil.....	1 00
				"	19	" Shorts.....	4 00
				"	28	" Seed corn.....	2 25
				June	4	" Scythe and snath....	1 75
				"	6	" Election fund.....	3 00
				"	12	" Clothing	50 00
				"	15	" Roadwork.....	51 25

DR.		CASH—Continued.		CR.
		June 16	By Wages	15 00
		" 18	" Shoeing	5 00
		" 19	" Rake Teeth	3 00
		" 21	" Strawberries	1 50
		" 21	" Binder twine	15 00
		" 22	" Canvases	15 00
		" 23	" Laying Tile	15 00
		July 16	" Labor	12 50
		" 30	" Wages	25 00
		" 30	" Wife	15 00
		Aug. 1	" Deposit	50 00
		" 8	" Wages	10 00
		" 13	" Labor	4 00
		" 29	"	14 00
		Sept. 10	" Staples	40
		" 12	" Labor	20 00
		" 20	"	14 00
		" 22	" Seed wheat	22 50
		" 29	" Threshing grain	31 50
		" 30	" Cutting corn	12 50
		Dec. 31	By Balance (Resource) ..	59 60
				<u>1224 70</u>
				<u>1174 70</u>
				<u>1165 10</u>

DR.		STOCK.		CR.			
Jan.	1	To Inventory	706 00	Jan.	10	By Butter	5 00
"	3	" Chop.....	13 00	"	22	" Groceries	2 40
"	3	" Grinding chop.....	1 50	"	23	" A. Sims' note	35 00
"	15	" Bbl. Salt.....	1 00	Feb.	8	" Hogs.....	71 40
"	31	" Shorts	3 00	"	17	" Butter and Eggs.....	8 00
Feb.	1	" Oats	1 20	"	22	" Dry goods.....	9 00
"	15	" Sulphur.....	1 00	"	23	" Sow.....	12 25
"	19	" Berk sow	14 00	Mar.	3	" Hogs.....	70 20
Mar.	16	" Medical attendance ..	3 00	"	20	" Due bill.....	12 50
"	26	" Chop.....	35 00	Apr.	17	" Butter and Eggs.....	13 00
"	26	" Grinding chop.....	2 87	"	20	" Steers.....	5 00
Apr.	9	" Chop.....	27 50	May	7	"	229 00
"	10	" Grinding chop	2 28	"	14	" Groceries	12 00
"	30	" Hay and Stalks.....	80 00	June	20	" Dry goods.....	4 50
May	1	" Service of bull.....	6 00	July	9	" Groceries	4 00
"	19	" Shorts.....	4 00	Sept.	28	" Butter.....	5 00
Oct.	12	" Ram.....	10 00	Oct.	5	" Lambs	5 00
Dec.	31	To Balance (Gain).....	428 40	"	13	" Groceries	9 00
				Nov.	5	" Lambs	49 00
				"	9	" Butter and Eggs.....	11 50
				Dec.	7	" Ewes.....	60 00
				"	12	" Groceries	10 00
				"	15	" Poultry.....	4 00
				"	31	By Inventory	693 00
			1339 75				1339 75
			205 35				646 75

CR.	DR.	FARM PRODUCE.		CR.
15 00	Jan. 1 To Inventory.....	710 00	Jan. 3 By Chops.....	13 00
5 00	Dec. 31 " Pease.....	100 00	13 " Oats.....	6 00
3 00	" " " Barley.....	168 00	15 " Grist.....	6 00
1 50	" " " Oats.....	123 20	27 " Potatoes.....	5 00
15 00	" " " Wheat.....	75 00	1 " Oats.....	1 20
15 00	" " " Corn.....	240 00	27 " Manure.....	12 50
15 00	" " " Clover Seed.....	160 00	6 " Oats.....	7 50
12 50	" " " Potatoes.....	16 50	10 " Grass seed.....	6 00
25 00	" " " Hay.....	64 00	13 " J. Boyd.....	75
15 00	" " " Pea straw.....	20 00	23 " Seed barley.....	30 00
50 00	" " " Barley.....	24 00	26 " Chop.....	35 00
10 00	" " " Oat.....	24 00	28 " Due bill.....	10 00
4 00	" " " Wheat.....	24 00	7 " Seed barley.....	18 00
14 00	" " " Clover.....	12 00	9 " Chop.....	27 50
40	" " " Corn stalks.....	37 50	14 " Seed pease.....	14 30
20 00			23 " Seed grain.....	10 00
14 00			28 " Seed grain.....	9 00
22 50			30 " Hay and stalks.....	80 00
31 50			" " Hay.....	40 00
12 50			16 " Potatoes.....	15 00
59 60			30 " Seed Potatoes.....	1 00
1224 70			8 " Wheat.....	91 00
1165 10			3 " Oats.....	29 00
			3 " Wm. Jones' note.....	50 00
			4 " Oats.....	30 00
			20 " New Wagon.....	55 00
			" " Barley.....	28 00
			15 " Manure.....	50 00
			6 " ".....	20 00
			31 By Inventory.....	1088 20
			31 " Balance (Loss).....	9 25
		1798 20		1798 20
		1088 20		700 75

DR.	TEAMS.		CR.
Jan. 1 To Inventory.....	358 00	Feb. 27 By Work.....	5 00
" 8 " Shoeing.....	2 50	23 " ".....	9 00
" 13 " Oats.....	6 00	28 " ".....	12 00
Mar. 6 " Oats.....	7 50	21 " ".....	25 50
" 10 " Blankets.....	8 00	28 " ".....	30 00
" " " Harness oil.....	1 00	30 " ".....	4 50
" 13 " J. Boyd.....	75	25 " ".....	1 50
" 30 " Hay.....	40 00	26 " ".....	1 50
June 18 " Shoeing.....	5 00	27 " ".....	3 75
July 4 " Oats.....	30 00	27 " ".....	1 50
Oct. 28 " Shoeing.....	5 50	18 " ".....	15 00
Nov. 14 " Repairing harness.....	5 00	25 " ".....	3 00
Dec. 31 By Balance (gain).....	120 50	28 " ".....	13 00
		Aug. 13 " ".....	5 25
		" 18 " ".....	6 00
		" 20 " ".....	4 50
		" 21 " ".....	18 00
		" 24 " ".....	2 25
		Sept. 3 " ".....	12 00
1339 75			
646 75			

DR.		TEAMS—Continued.		CR.	
			Sept. 7	To Work	4 50
			" 20	" "	21 00
			Oct. 4	" "	12 00
			Nov. 20	" "	12 00
			" 23	" "	15 00
			Dec. 31	" Inventory	352 00
					<u>589 75</u>
					589 75
					<u>237 75</u>

DR.		HOUSEHOLD.		CR.		
Jan.	1	To Inventory.....	300 00	July 7	By Flour.....	2 00
"	15	" Grist.....	6 00	Dec. 31	By Inventory.....	300 00
"	18	" Coal oil.....	1 00	" 31	By Balance (Loss).....	125 23
"	22	" Groceries.....	2 40			
Mar.	16	" Syrup.....	10 00			
Apr.	16	" Meat.....	1 20			
"	18	" Groceries.....	12 50			
"	30	" Bbl. Sugar.....	12 13			
May	14	" Groceries.....	12 00			
"	18	" Coal oil.....	1 00			
June	2	" Meat.....	2 00			
"	21	" Strawberries.....	1 50			
July	9	" Groceries.....	4 00			
"	23	" Meat.....	4 00			
Aug.	10	" ".....	2 00			
Sept.	27	" ".....	2 50			
Oct.	13	" Groceries.....	9 00			
"	27	" Coal oil.....	2 00			
Nov.	7	" Potatoes.....	10 00			
Dec.	1	" Stove wood.....	20 00			
"	12	" Groceries.....	10 00			
"	22	" Turkey.....	2 00			
			<u>427 23</u>			<u>427 23</u>
			127 23			2 00

DR.				BILLS PAYABLE.				CR.			
Jan.	20	To A. Putman's a/c.....	10 00	Jan.	1	By Inventory.....	10 00				
			<u>10 00</u>				<u>10 00</u>				
			10 00				10 00				

DR.

BILLS RECEIVABLE.

CR.

Jan.	1	To Inventory.....	233 00	Apr.	18	By Due Bill.....	12 50
"	23	" A. Sims' note.....	35 00	May	1	" Wm. Archer's note ..	100 00
Mar.	20	" Due Bill.....	12 50	July	12	" Wm. Jones' " ..	50 00
"	28	" " J. Palmer,...	10 00	Aug.	4	" Jno. White's " ..	48 00
July	3	" Wm. Jones' note.....	50 00	Sep.	18	" D. J. Cahill's " ..	85 00
				Nov.	26	" A. Sims' " ..	35 00
				Dec.	31	By Balance (<i>Resource</i>)...	10 00
			340 50				340 50
			107 50				330 50

DR.

IMPROVEMENTS.

CR.

Jan.	26	To Nails.....	30	Dec.	31	By Balance (Loss).....	90 37
Feb.	6	" Wire.....	16 25				
"	10	" Gates.....	12 00				
"	14	" Sawing.....	3 50				
"	26	" Wire.....	14 00				
Apr.	4	" Posts.....	7 92				
"	19	" Tile.....	5 00				
June	23	" Laying Tile.....	15 00				
Sept.	10	" Staples.....	40				
Oct.	8	" Fencing.....	16 00				
			90 37				90 37
			90 37				

DR.

FAMILY.

CR.

Jan.	29	To Clothing.....	22 00	Dec.	31	By Balance (Loss).....	165 50
Feb.	22	" Dry goods.....	9 00				
"	22	" Wife.....	5 00				
"	24	" Railway Fare.....	3 00				
June	12	" Clothing.....	50 00				
"	20	" Goods.....	4 50				
July	30	" Wife.....	15 00				
Oct.	15	" Home Journal.....	4 00				
Nov.	12	" Clothing.....	40 00				
Dec.	22	" Wife.....	10 00				
"	22	" Presents.....	3 00				
			165 50				165 50
			165 50				

DR.		CONTINGENT.				CR.			
Feb.	12	To insurance.....	5	00	Mar.	31	By Cash.....	1	00
"	17	" Indigent.....	50		July	30	" Twine Wheat Field..	5	40
"	20	" Missionaries.....	5	00	Aug.	2	" " Barley " ..	4	80
June	6	" Election.....	3	00	"	17	" " Oat " ..	4	80
"	15	" Roadwork.....	5	25	Dec.	31	" Wood.....	20	00
"	20	" Binder twine.....	15	00	"	31	By Balance, (Loss).....	52	25
Oct.	30	" Taxes.....	45	00					
Nov.	16	" Cutting wood.....	8	00					
Dec.	20	" Insurance (survey) ..	1	50					
			88	25				88	25
			88	25					36 00

DR.		CORN FIELD.		CR.			
Feb.	27	To Manure.....	12 50	Dec.	30	By Corn.....	240 00
"	27	" Drawing Manure ...	5 00	"	"	" Stalks	37 50
"	27	" J. Boyd.....	1 25				
May	28	" Work.....	30 00				
"	28	" Seed Corn.....	2 25				
June	27	" Work.....	3 75				
July	25	" ".....	3 00				
Sept.	30	" Cutting Corn.....	12 50				
Oct.	20	" Labor.....	32 00				
"	29	" ".....	2 00				
Dec.	30	" Use of Implements...	7 00				
Dec.	31	To Balance (Gain).....	166 25				
			<u>277 50</u>				<u>277 50</u>
			111 25				<u>277 50</u>

DR.		BANK.				CR.	
Mar.	3	To Deposit.....	50 00	Oct.	1	By Check.....	48 00
May	5	" ".....	125 00	"	13	" Withdrawal.....	10 00
"	8	" ".....	225 00	"	20	" Check.....	32 00
Aug.	6	" ".....	50 00	Dec.	31	" Balance (Resource)..	360 00
			<hr/>			<hr/>	
			450 00				450 00
			<hr/>				<hr/>
			450 00				90 00

DR.				1905 HAY FIELD.				CR.	
Mar.	10	To Grass seed.	6 00	Dec.	31	By Balance (Resource) ..	6 00		
			6 00				6 00		
			6 00						

CR.

1 00
5 40
4 80
4 80
20 00
52 25

88 25
36 00

DR.

PEA FIELD.

CR.

Apr.	14	To Seed Pease.....	14 30	Dec.	30	By Pease.....	100 00
May	21	" Work.....	25 50	"	"	" Straw.....	20 00
June	26	" ".....	1 50				
Sept.	3	" ".....	12 00				
"	29	" Threshing.....	6 00				
Dec.	30	" Use of Implements...	8 00				
"	31	" Balance (Gain).....	52 70				
			120 00				120 00
			67 30				120 00

CR.

240 00
37 50

DR.

JOHN PAUL.

CR.

Nov.	18	To Cash in full of a/c....	11 70	Apr.	16	By Meat.....	1 20
				June	2	" ".....	2 00
				July	23	" ".....	4 00
				Aug.	10	" ".....	2 00
				Sept.	27	" ".....	2 50
			11 70				11 70

CR.

48 00
10 00
32 00
60 00

DR.

BARLEY FIELD.

CR.

Apr.	23	To Work.....	9 00	Dec.	30	By Barley.....	168 00
"	"	" Seed grain.....	10 00	"	"	" Straw.....	24 00
June	25	" Work.....	1 50				
Aug.	2	" Twine.....	4 80				
"	18	" Work.....	6 00				
Sept.	29	" Threshing.....	9 60				
Dec.	30	" Use of Implements...	8 50				
"	31	To Balance (Gain).....	142 60				
			192 00				192 00
			49 40				192 00

R.

6 00
6 00

DR.		OAT FIELD.		CR.			
Apr.	28	To Work	12 00	Dec.	30	By Oats.....	123 20
"	"	" Seed grain.....	9 00	"	"	" Straw	21 00
Aug.	17	" Twine.....	4 80				
"	20	" Work.....	4 50				
Sept.	29	" Threshing.....	8 40				
Dec.	30	" Use of Implements...	8 50				
"	31	To Balance (Gain)	100 00				
			147 20				147 20
			47 20				147 20

DR.		INTEREST.		CR.			
Dec.	31	To Balance (Gain)	11 35	May	1	By Wm. Archer's note...	2 50
				Aug.	4	" Jno. White's note....	2 00
				Sept.	18	" D. J. Cahill's note....	5 25
				Nov.	26	" A. Sims' note.....	1 60
			11 35				11 35
			00 00				11 35

DR.		JAS. MOORE.		CR			
June	16	To Cash.....	15 00	Dec.	31	By Balance (Loss).....	100 00
July	7	" Flour.....	2 00				
"	30	" Cash.....	25 00				
Aug.	8	" ".....	10 00				
Oct.	1	" Check.....	48 00				
			100 00				100 00
			100 00				100 00

DR.		HAY FIELD.		CR.			
July	16	To Labor.	12 50	Dec.	30	By Hay (16 tons).....	64 00
"	18	" Work.....	15 00				
Dec.	30	" Use of Implements...	12 00				
			64 00				64 00
			39 50				64 00

DR.

POTATO PLOT.

CR.

May	30	To Work.....	4 50	Nov.	7	By Potatoes.....	10 00
"	"	" Seed potatoes.....	1 00	"	16	" Cutting wood.....	8 00
June	27	" Work.....	1 50	Dec.	30	" Potatoes (55 bu.)....	16 50
Nov.	3	" Digging.....	6 00				
Dec.	30	" Use of Implements...	5 00				
"	31	To Balance (Gain)	16 50				
			34 50				34 50
			18 00				34 50

DR.

WHEAT FIELD.

CR.

July	28	To Work.....	13 00	Oct.	24	By Wheat.....	70 00
"	30	" Twine.....	5 40	Dec.	30	" ".....	75 00
Sept.	29	" Threshing.....	7 50	"	"	" Straw.....	24 00
Dec.	30	" Use of Implements...	13 00				
"	31	To Balance (Gain)	130 10				
			169 00				169 00
			38 90				169 00

DR.

1905 WHEAT FIELD.

CR.

Aug.	13	To Manure.....	50 00	Dec.	31	By Balance (Resource) ..	195 50
"	"	" Drawing Manure.....	5 25				
"	"	" Labor.....	4 00				
"	21	" Work.....	18 00				
"	24	" ".....	2 25				
"	29	" Labor.....	14 00				
Sept.	6	" Manure.....	20 00				
"	7	" Drawing Manure....	4 50				
"	12	" Labor.....	20 00				
"	20	" Work.....	21 00				
"	"	" Labor.....	14 00				
"	22	" Seed Wheat.....	22 50				
			195 50				195 50
			195 50				

DR.

1905 BARLEY FIELD.

CR.

Nov.	20	To Plowing.....	12 00	Dec.	31	By Balance (Resource) ..	20 00
"	24	" Labor.....	8 00				
			20 00				20 00
			20 00				

DR.			1905 OAT FIELD.			CR.			
Nov.	23	To Plowing.....	15	00	Dec.	31	By Balance (Resource) ..	25	00
"	24	" Labor.....	10	00					
			25	00				25	00
			25	00					

DR.		CLOVER FEILD.		CR.			
Oct.	4	To Work.....	12 00	Dec.	30	By Seed	160 00
Nov.	29	" Threshing.....	20 00	"	"	" Straw.....	12 00
Dec.	31	" Use of Implemts....	6 48				
"	31	" Balance (Gain).....	133 52				
			172 00				172 00
			38 48				172 00

LESSON NO. 21.

THE TRIAL BALANCE.

After all the items from the Journal division of the Day Book Journal have been posted into the several Ledger accounts, the next work is to take a "Trial Balance," to see if the items have been properly posted. This is always done before the Ledger is properly closed.

To do this add up the Debit and Credit sides of all the accounts, placing the amounts at the bottom of each account with a lead pencil. Then add together the sums of the total Debit amounts, likewise the sums of the total Credit amounts, and they should exactly correspond, or be in equilibrium. If they do not some error has occurred and the work must again be reviewed before closing the Ledger. This is one of the best short tests known, although not infallible, as two chances of error may arise, namely, improper Journal entries, or from posting to the wrong accounts in the Ledger.

The following will show the form used, also the Trial Balance as per accounts found in the Ledger.

BALANCE SHEET.

Dr. Amounts	ACCOUNTS	Cr. Amounts
90 00	Implements.....	68 48
1174 70	Cash.....	1165 10
205 35	Stock.....	646 75
1088 20	Farm Produce.....	700 75
111 25	Teams.....	237 75
127 23	Household.....	2 00
10 00	Bills Payable.....	
107 50	Bills Receivable.....	330 50
90 37	Improvements.....	
165 50	Family.....	
88 25	Contingent.....	36 00
111 25	Corn Field.....	277 50
450 00	Bank.....	90 00
6 00	1905 Hay Field.....	
67 30	Pea Field.....	120 00
49 40	Barley Field.....	192 00
47 20	Oat Field.....	147 20
	Interest.....	11 35
100 00	Jas. Moore.....	
18 00	Potato Plot.....	
39 50	Hay Field.....	34 50
38 90	Wheat Field.....	64 00
195 50	1905 Wheat Field.....	169 00
38 48	Clover Field.....	
20 00	1905 Barley Field.....	172 00
25 00	1905 Oat Field.....	
4464 88	Equilibrium.....	4464 88

LESSON NO. 22.

After the Trial Balance has been taken and an equilibrium shown, the next important work to be performed is to close the ledger accounts, that is, to bring their current condition to an end.

But before this can be done a second inventory must be taken of the value of the Teams, Stock, Implements, Farm Produce, etc.

This is necessary the first year, but for the second year only one inventory is taken, namely, at the close of the year.

These values as per Inventory must now be entered upon the opposite side of the accounts of those of Jan. 1st, and also entered in red ink.

The taking of this second Inventory is important, because many changes have taken place within the year; some of the departments of

the farm will show an increase in value, while others will show a decrease.

These departments, or actually accounts, at the end of the year, must be credited with their value as per Inventory, before the Ledger accounts can be closed. Therefore the first performance after taking the Trial Balance is to make an Inventory similar in form to the one taken the 1st of Jan.

The following is the Inventory taken the 31st Dec., 1904:

INVENTORY, DEC. 31, 1904.

TEAMS.			
1	Bay Horse (Fred) 7 years old	50 00	
1	Black " (Billy) 8 "	50 00	
1	Brown Mare (Nell) 5 "	80 00	
1	" Horse (Dick) 5 "	80 00	
1	Set Double Harness	25 00	
1	" "	18 00	
1	Set Single "	15 00	
5	Fly Nets @ \$1.50	7 50	
4	Halters @ \$1.50	6 00	
6	Blankets	18 00	
2	Brushes	2 00	
2	Curry Combs (a) 25c	50	352 00
STOCK.			
6	Milch Cows @ \$35.00	210 00	
1	Heifer 2 years old (a) \$20.00	20 00	
5	Steers 2 " (a) \$25.00	125 00	
6	Yearling Calves (a) \$10.00	60 00	
6	Young " (a) \$5.00	30 00	
3	Brood Sows (a) \$10.00	30 00	
20	Shoats (a) \$5.00	100 00	
25	Young Pigs (a) \$2.00	50 00	
35	Hens (a) 20c/	7 00	
2	Cocks (a) 50c/	1 00	
10	Ewes, 3 years old (a) \$5.00	50 00	
1	Ram	10 00	693 00
IMPLEMENTS			
1	Open Buggy	45 00	
1	Covered Buggy	54 00	
1	Democrat	36 00	
1	Cutter	27 00	
1	Binder	60 00	
1	Corn Binder	90 00	
1	Mower	35 00	
1	Hay Rake	17 00	
1	Hay Tedder	18 00	
1	Hay Fork	10 00	
1	New Wagon	55 00	
1	Lumber Wagon	32 00	
1	Old Wagon	15 00	
1	Hay Rack	5 00	
1	Hog Rack	4 00	
1	Gravel Box	2 00	
1	Sod Plow	7 00	
1	Stubble Plow	9 00	

INVENTORY, DEC. 31, 1904—Continued.

1	Set Iron Harrows	9.00	
1	Set Wooden Harrows	7.00	
1	Acme Harrow	7.00	
1	Wheel Cultivator	27.00	
1	Corn Cultivator	5.00	
1	Grain Drill	48.00	
1	Land Roller	14.00	
1	Pair Bob-sleighs	13.00	
2	Spades	60	
1	Ditching Spade	75	
1	Round pointed Shovel	70	
1	Square mouthed Shovel	45	
2	Hoes	50	
1	Scythe and Snath	1.75	
2	Axes	1.75	
1	Scoop Shovel	75	
1	Cross Cut Saw	3.00	
4	Log Chains	5.00	
5	Pitch Forks	2.00	
2	Measures, (1/2) 1 and 1 peck	50	
2	Doz. Grain Bags	5.40	
	Carpenter and Blacksmith Tools	15.00	689 15
FARM PRODUCE.			
200	Bushel Pease worth 50c.	100.00	
480	" Barley " 35c/	168.00	
560	" Oats " 22c/	123.20	
150	" Wheat " 50c/	75.00	
800	" Corn " 30c/	240.00	
40	" Clover seed worth \$4.00	160.00	
55	" Potatoes " 30c/		
9	Tons Hay (In Barn) @ \$4.00		
7	" (Horse stable) @ \$4.00		
52	Tons Straw @ \$2.00	104.00	
15	Tons Corn Stalks	37.30	1088 20
HOUSEHOLD EFFECTS			
	Furniture, Stoves, etc.		300.00

LESSON NO. 23.

As soon as the total amounts of the various departments of the farm as per inventory of Dec. 31st, have been entered upon the credit side of their respective accounts, in red ink, the accounts of the Ledger are ready to be properly closed and a Loss and Gain account opened.

The closing of the accounts in the Ledger is done by adding together all the sums of the Debit side of each account, also the sums of the Credit side, and any difference existing between the two sides is placed (in red ink) in the smaller side of the account, as "To Balance" or "By

Balance," thus making a proper equilibrium, which is indicated by the footings. Then rule two lines beneath the footings, which indicates that the account has been closed.

The existing difference (or balance) between the two sides of every account, will show one of four things, namely, *A Gain, A Loss, A Resource or a Liability.*

Therefore, if all the total gains from all the accounts of the Ledger showing a gain are added together, also the total losses, the difference between the two sides will indicate the actual loss or gain. If the gain is now added to the Net Worth of Jan. 1st, 1904, the Present Worth at Dec. 31st, 1904, will be shown.

The following is the Loss and Gain account as shown by the Ledger accounts :

LOSS		AND		GAIN	
Implements, Loss of.....	17 22	Stock	Gain of.....	428 40	
Household ".....	125 23	Teams	".....	120 50	
Farm Produce ".....	9 25	Corn Field	".....	166 25	
Improvements ".....	90 37	Pea ".....	".....	52 70	
Family, ".....	165 50	Barley ".....	".....	142 60	
Contingent.....	52 25	Oat ".....	".....	100 00	
Jas. Moore.....	100 00	Interest	".....	11 35	
		Potatoe Plot	".....	16 50	
		Hay Field	".....	24 50	
		Wheat Field	".....	130 10	
		Clover ".....	".....	133 52	
Gain (red ink).....	766 60				
	1326 42				1326 42

The Net Worth Jan. 1st, 1904, is shown from the following Resources and Liabilities :

RESOURCES.

Value of Farm.....	\$6000 00
" Teams.....	358 00
" Stock.....	706 00
" Implements.....	684 85
" Farm Produce.....	710 00
" Household Effects.....	300 00
Bills Receivable.....	233 00
Cash on hand.....	50 00

\$9041 85

LIABILITIES.

An account due A. Putman.....	10 00
-------------------------------	-------

Net Worth, Jan. 1st, 1904.....\$9031 85

Gain.....766 60

Present Worth.....\$9798 45

The Present Worth is also shown by the inventory taken Dec. 31st, 1904, less any liabilities.

The following will show the Resources taken from the Inventory of Dec. 31st, 1904.

Value of Farm, etc.....	\$6000 00
Resources { Value of Teams.....	352 00
per { " Stock.....	693 00
Inventory { " Implements.....	689 15
{ " Farm Produce.....	1088 20
{ Household effects.....	300 00
Resources { Bills Receivable.....	10 00
from { Cash in Banks.....	360 00
Ledger { " on Hand.....	59 60
Accounts. { 1905 Hay Field.....	6 00
{ " Oat Field.....	25 00
{ " Wheat Field.....	195 50
{ " Barley ".....	20 00

Present worth.....\$9798 45

From these exemplifications the following rules are derived, namely :

RULES.

1. *To find the gain.* Subtract the sum of all the losses from the sum of all the gains, or subtract the capital at commencing from the capital at closing.

2. *To find the Present Worth.* Add the gain to the capital at commencing, or subtract the Liabilities from the Resources.

A STATEMENT

may be made out showing the Trial Balance, Loss and Gain, and the Resources and Liabilities, as follows :

ACCOUNTS.	Trial Balance		Loss	Gain	Resource	Liabilities.
	Dr.	Cr.				
Implements	90 00	68 48			689 15	
Stock	208 35	646 75	17 22		693 00	
Cash	1174 70	1165 10		428 40	59 60	
Teams	111 25	237 75		120 50	352 00	
Household	127 23	2 00	125 23		300 00	
Farm Produce	1088 20	700 75	9 25		1088 20	
Bills Receivable	107 50	330 50			10 00	
Bills Payable	10 00					
Improvements	90 37		90 37			
Family	165 50		165 50			
Contingent	88 25	36 00	52 25			
Cornfield	111 25	277 50		166 25		
Bank	450 00	90 00			360 00	
1905 Hay Field	6 00				6 00	
Pea Field	67 30	120 00		52 90		
Barley Field	49 40	192 00		142 60		
Oat Field	47 20	147 20		100 00		
Interest		11 35		11 35		
Jas. Moore	100 00		100 00			
Potato Plot	18 00	34 50		16 50		
Hay Field	39 50	64 00		24 50		
Wheat Field	38 90	169 00		130 10		
1905 Wheat Field	195 50				195 50	
Clover	38 48	172 00		133 52		
1905 Barley Field	20 00				20 00	
1905 Oat Field	25 00				25 00	
	4464 88	4464 88				
		Gain—	559 82	1326 42		
			766 60			
			1326 42	1326 42		
					3798 45	
					6000 00	
					9798 45	

LESSON NO. 24.

GAIN PER CENT.---HOW TO ASCERTAIN.

It is always a pleasure to know just what percentage is being derived upon the net capital. There is nothing that will indicate so plainly a year of prosperity or adversity as the gain per cent. A comparison of one year's percentage with another, or the average percent gain for a period of five or ten years, will still show more plainly the importance of keeping a set of farm accounts.

The gain per cent. is simply the rate of interest upon the net capital necessary to produce the gain.

The net capital of Jno. Allen, Jan. 1st, 1905, as per inventory, was \$9031.85 and upon this the interest (or gain) was \$766.60, giving a rate per cent. of 8.48 + % or nearly 8½%.

Upon \$9031.85 a gain of \$766.60 was made.

1.	766.60	
	9031.60	
100.	766.60 × 100	
	9031.85	= \$8.48 + .

The percentage gain is high, as no charge was made against the wheat, oat and barley fields for the work performed the previous fall. Therefore it is advisable when commencing a set of farm accounts the first year, to make an estimate of the work performed and charge to the respective field accounts.

COST OF CROPS.

Very few farmers can practically tell the cost of producing a bushel of the various grains raised upon their farms. This can easily be done by turning to the Ledger account and see the total amount charged for work of teams, labor of men, seed, etc., then ascertain the number of bushels of grain produced. For instance, the corn crop was charged for work of teams, labor of men, manure, use of implements, seed, etc. \$111.25, and 800 bu. of corn produced, therefore if the 800 is divided in \$111.25 the cost per bushel is shown, namely, 13.9c. per bu. The pea crop was charged \$67.30 and 200 bu. produced, costing 33.65 per bu.

A tabulated form at the end of each year could be made out, for reference as to the cost of producing a bushel of all the varieties of grains raised upon the farm. A column also can be made in which can be placed the selling prices, as follows :

COST OF CROPS.

CROPS.	Acres	Bushels Produced.	Cost to Produce	Cost per Bushel.	Selling Price Per Bu.
Wheat.....	10	325	227.50	70	.78
Oats.....	10	400	90.00	22.5	.33
Barley	5	150	52.00	35.	.48
Corn	5	500	125.00	25.	.45
Beans	8	100	75.00	75.	1.05
Potatoes	1	100	35.00	35.	.50
Cover Seed.....	10	25	75.00	\$3.00	\$6.75

LESSON NO. 25.

DAY BOOK—SECOND YEAR.

In opening out the Day Book Journal for the next year, all expenses charged to the various fields for work performed thereon, and from which the crop has not been taken, must be carried forward into the accounts of the next year. For instance, the hay field shows a balance of \$6.00 for seed, the oat field a balance of \$25.00, and the wheat field a balance of \$195.50. All these items must be entered upon the Debit side of the several accounts in the Ledger.

The amounts also of the various divisions of the Inventory taken Dec. 31st, as Teams, Stock, Implements, Farm Produce, Household Effects, etc., must also be entered upon the Debit side of these accounts in the Ledger, all of these entries to be made in red ink, in both the Day Book Journal and Ledger.

It is always best just before opening out the Day Book Journal for any new year, to make a note of these several balances, which comprise the Resources and Liabilities of the past year. All the Resources to be entered upon the Debit side of their respective accounts, and all Liabilities, if any, upon the Credit side, of each particular account. The following will show how they may be entered in the Day Book Journal, at the commencement of a new year.

1905.

DAY BOOK JOURNAL.

Price	Hay Field, Dr. Balance.....		6 00		
u.	Barley " " ".....		20 00		
	Oat " " ".....		25 00		
78	Wheat " " ".....		155 50		
	Teams, Dr. as per Inventory.....		352 00		
33	Stock " " ".....		693 00		
	Implements " " ".....		689 15		
48	Farm Produce " " ".....		1088 20		
	Household Effects " " ".....		300 00		
45	Bills Receivable per Ledger.....		10 00		
	Bank " " ".....		360 00		
55	Cash on hand.....		59 60		
50	Jan. 1 Cash Balance.....			59 60	
75	" 1 B't 25 lbs. Stock Food, \$2.50... Stock	Dr.			
		Cash			2 50

LESSON NO. 26.

From the following memoranda of the business transactions of John Allen for the year 1905, find his gain or loss, gain or loss percent, also his Present Worth, Dec. 31st, 1905. The trial balance for the year is given, the space for each Ledger Account, also the total gain.

1st—Arrange in the Day Book Journal and balance at the end of each month.

2nd—Post into the Ledger.

3rd—Make a Trial Balance.

4th—Close the Ledger Accounts.

5th—Open out a Loss and Gain account.

6th—Find the Gain Percent.

7th—Find the Present Worth.

8th—Make a tabulated form showing the cost of production of the various farm crops, per bushel.

Jan. 1—B't 25 lbs. stock food, \$2.50.

" 4—P'd for shoeing teams, \$5.00.

" 6—B't boots and shoes for family, \$10.00.

" 7—Sold 50 bu. wheat @ 75c. per bu.

" 10—B't an overcoat, \$25.00.

" 12—B't groceries, gave in payment the due bill of Jas. Palmer for \$10.00.

" 12—Paid Dr. Day, medical attendance on sick horse (Billy) 5 trips @ \$3.00.

" 14—Paid for renewal of the following papers: Farm Journal \$1.00, Ladies Journal \$1.00, and Daily Sun \$3.00.

- Jan. 15—Gave to the missionaries \$15.00.
 " 18—Sold 30 lbs. butter @ 25c, 20 doz. eggs @ 20c. Rec'd due bill.
 " 20—B't string of bells, \$3.00.
 " 20—B't grates for stove, \$2.25.
 " 22—Gave to the church \$10.00.
 " 24—Took from the Stock Account and placed in separate account 20 shoats weighing 2,000 lbs. @ $4\frac{1}{2}$ c., to be known as "Fat Pigs" Account.
 " 24—Took 30 bu. of oats to the horse stable @ 30c.
 " 25—Took to mill for chop for "Fat Pigs" 20 bu. barley at 40c, 30 bu. oats @ 30c., 30 bu. pease @ 60c.
 " 25—Paid for grinding chop for Fat Pigs, \$2.40.
 " 29—B't a horse to replace (Billy) who died, for \$60.00. Gave cheque on bank.
 " 30—Took to mill chop for stock, 20 bu. corn @ 45c, 20 bu. oats at 30c, 10 bu. barley @ 40c, and 5 bu. pease @ 60c.
 " 30—Paid for grinding chop, \$1.50.

- Feb. 1—Sold 38 bu. clover seed @ \$5.00 per bu.
 " 2—Fat Pigs Dr. to 50 bu. corn at 40c.
 " 3—Deposited in bank \$100.00.
 " 4—Took to hen house 5 bu. wheat @ 70c, 5 bu. oats @ 30c, 5 bu. corn @ 40c.
 " 5—B't 100 cedar posts @ 13c. each.
 " 6—Drew 50 loads manure on corn field @ 50c. per load.
 " 8—Teams drawing manure on corn field, 3 days @ \$1.50.
 " 10—B't 600 lbs. No. 9 wire for fence @ $3\frac{1}{2}$ c., also 100 lbs. staples @ 4c.
 " 10—Gave Frank Young 8 bu. corn @ 40c. for drawing manure on corn field.
 " 11—Took grist to mill 10 bu. wheat (Rec'd 400 lbs. flour). Wheat worth 75c per bu.
 " 12—B't bbl. sugar 250 lbs. @ \$4.60. Gave due bill in payment.
 " 12—Sold 35 bu. wheat @ 75c.
 " 13—Paid A. Dunn & Son for cutting 40 cords of wood @ 30c. per cord.
 " 14—Gave 4 bu. potatoes @ 50c. per bu. to Wm. Allen for oiling harness.
 " 18—B't an extension table (oak), \$15.00.
 " 20—Sold 30 lbs butter @ 25c. Rec'd groceries.
 " 20—B't axe handle 25c., hand saw, \$2.00, try square 50c.
 " 20—B't pair of skates \$2.00.
 " 21—Gave to indigent \$1.00.
 " 24—Feed to Fat Pigs 25 bu. corn @ 40c.
 " 26—Loaned to Jas. Owen \$300.00 for 6 months @ 5%. Gave cheque on bank.
 " 27—Gave to my wife \$10.00.
 " 28—B't 10 lbs. condition powders for horses, \$1.25.
 " 28—B't 500 lbs. shorts for stock @ \$16.00 per ton.

- Mar. 2—Sold 30 lbs. butter @ 20c., 25 doz. eggs @ 20c, Rec'd cash.
 " 4—Paid for service of boar \$4.00.
 " 5—P'd insurance assessment, \$5.00.
 " 6—Sold 20 "Fat Pigs," weight 3500 lbs., @ 6c.
 " 6—Deposited in bank \$200.00.
 " 7—P'd for shoeing teams \$2.00.
 " 8—Killed pig for own use, weight 150 lbs. @ 6c.
 " 10—Took to mill for chop for stock 50 bu. barley @ 45c, 50 bu. oats @ 30c., 50 bu. corn @ 50c.
 " 12—P'd for grinding chop, \$5 40.
 " 13—Sold 100 bu. pease for seed @ 75c.
 " 14—P'd Dr. Turner for medical attendance on wife, \$50.00.
 " 16—P'd nurse, 4 weeks' attendance on wife @ \$3.00 per week.
 " 18—Sowed two bu. of clover seed on wheat field for 1906 hay field @ \$5 00 per bu.
 " 20—B't 5000 tile (3 in.) @ \$8.00 per M.
 " 22—Sold 50 lbs. butter @ 20c., 20 eggs @ 15c. Cash.
 " 22—P'd for repairing cutter, \$5.00.
 " 23—P'd N. White for service of bull, \$4.00.
 " 25—Sold 50 lbs. butter @ 20c.
 " 27—Sold 5 fat steers to J. Rawlings @ 4½c, per lb. To be delivered 1st of May. Rec'd \$5 00 on sale.
 " 29—B't postage stamps for family, \$1.00.
 " 30—Gave to Bible Society, \$2 00.
 " 30—Paid \$4.00 for clipping teams.
 " 31—Sold 200 bu. barley @ 50c.
 " 31—Deposited in Bank, \$75 00.

- April 2—B't 15 gals. maple syrup @ 90c. per gal.
 " 3—Sold 42 lbs. butter @ 22c, 15 doz. eggs @ 18c. Rec'd \$6 00 worth of groceries; balance in dry goods.
 " 4—Gave to John Snell \$20.00 to assist him to rebuild his farm buildings (burnt).
 " 5—Paid for shoeing team \$2.50.
 " 8—Sold 300 bu. oats @ 32c.
 " 10—Traded my old buggy for a new one; paid \$50.00 difference.
 " 12—Sold 20 bu. pease for seed, @ 67c.
 " 14—Paid Jas. White for pruning orchard and burning brush, \$6.00.
 " 18—To to mill for stock 50 bu. corn @ 50c., 20 bu. barley @ 45c., 20 bu. oats @ 30c., 10 bu. wheat @ 70c.
 " 20—Paid for grinding chop \$3.30.
 " 22—Paid A. Bell, for shelling corn \$4.00. (Farm Produce).
 " 23—Sold 300 bu. corn at 52c.
 " 24—Sold 38 bu. potatoes @ 40c.
 " 25—B't 25 M. shingles @ \$3.00 per M. for barn.
 " 25—Deposited in bank, \$100.00.
 " 26—Placed balance of potatoes in cellar for household use 14 bu. @ 40c.
 " 28—Sold 40 bu. oats for seed @ 35c.
 " 28—Teams working on oat field six days @ \$1.50.
 " 28—Teams working on Barley field 5 days @ \$1.50.

- Apr. 28—Paid boy for driving teams in barley field 8 days @ 50c., on oat field 5 days @ 50c.
 " 30—B't a set of steel points for wheel cultivator, \$5.00.
 " 30—Took a grist to mill 12 bu. wheat (Rec'd 480 lbs. flour). Wheat worth 75c.
-
- May 1—P'd Mike Breen for laying tile, \$40.00.
 " 1—Delivered 5 fat steers per agreement, weight 6,500 lbs. @ $4\frac{1}{2}$ c. Less \$5.00 received on sale. Rec'd cheque and deposited same in bank.
 " 2—Stock chargeable for 9 tons of hay @ \$4.00, 15 tons corn stalks @ \$2.50.
 " 3—Teams chargeable for 7 tons of hay @ \$4.00.
 " 4—Teams working pea field 10 days @ \$1.50.
 " 5—P'd boy driving teams on pea field 10 days @ 50c.
 " 8—Teams plowing and working corn field, 15 days @ \$1.50.
 " 10—Barley field Dr. to seed, 20 bu. @ 50c.
 " 10—Oat " " 25 " 35c.
 " 12—Pea " " 20 " 60c.
 " 12—Placed balance of oats, 40 bu., in horse stable for horses @ 30c.
 " 13—Teams working corn field 8 day @ \$1.50.
 " 13—P'd man for working on corn field 8 days @ \$1.00.
 " 18—Sold 50 lbs butter @ 15c, 40 doz. eggs @ 10c.
 " 20—Teams rolling oat field 1 day @ \$1.50.
 " 22—P'd man " " 1 " \$1.00.
 " 23—Exchanged 10 bu. corn @ 40c. for 4 bu. seed potatoes.
 " 23—B't groceries, \$2.00.
 " 25—P'd George Cole for planting corn, \$5.00.
 " 27—Sold 30 lbs. butter at 18c.
 " 30—P'd Wm. Cooper for spudding thistles in oat field 2 days, barley field 3 days, pea field 3 dys @ \$1.00 per day.
-
- June 1—Sold fat cow to B. Knott for \$40.00.
 " 2—Loaned Seth White \$200.00 for 8 mos. on note @ 6%. Gave him cheque on bank.
 " 4—Teams harrowing corn field 1 day @ \$1.50.
 " 5—Took grist to mill 10 bu. wheat. (Rec'd \$ 400 lbs. flour). Wheat worth 72c.
 " 6—P'd for shoeing teams, \$1.25.
 " 8—Paid Wm. White for spraying orchard, \$10.00.
 " 10—P'd Sol. White for building 40 rods wire fence @ 20c. per rod.
 " 10—Feed to pigs 150 bu. corn @ 40c., 10 bu. pease @ 60c., 20 bu. barley @ 45c.
 " 13—Sold 15 hogs @ $5\frac{1}{4}$ c., weight 2,970 lbs.
 " 15—Teams cultivating Corn Field 3 days @ \$1.50.
 " 18—B't clothing for family, \$60.00.
 " 20—Horse cultivating potato plot, 75c.
 " 24—P'd man for hoeing potato plot 4 d'ys @ \$1.00.
 " 28—P'd cash in lieu of roadwork, 10 days @ 75c.
 " 30—B't 2 crates of strawberries \$2.50.

- July 3—Teams drawing balance of manure on pasture field for 1906 wheat field 5 days @ \$1.50.
 " 3—1906 wheat field Dr. to 105 loads of manure @ 50c per load.
 " 4—Paid for drawing manure on 1906 wheat field \$6.25.
 " 4—Teams cultivating corn field 4 days @ \$1.50.
 " 12—B't 150 lbs. twine @ 10c.
 " 20—Teams cutting and hauling in hay 12 days @ \$1.50.
 " 23—Paid 2 men for 12 days work haying at \$1.25 per day.
 " 27—Paid man for spreading manure on 1906 wheat field 2 days @ \$1.25.
 " 31—Paid for meat used during the month, \$10.00.

- Aug. 2—Teams cutting wheat 3 days @ \$1.50.
 " 2—Paid man for shocking wheat 3 days @ \$1.50.
 " 1—Used 50 lbs twine on wheat field @ 10c.
 " 10—Teams 2 days cutting barley @ \$1.50.
 " 10—Used 20 lbs. twine on barley field @ 10c.
 " 11—P'd for shocking barley, \$3.00.
 " 12—Sold crock of butter, 10 lbs, @ 10c. Rec'd groceries.
 " 15—Teams Drawing in barley, 2 days @ \$1.50.
 " 17— " " wheat 3½ " \$1.50.
 " 17—Paid 2 men for drawing in barley, 2 days @ \$1.50.
 " " " " wheat 3½ " \$1.50.
 " 25—James Owen paid interest on note \$7.50 and renewed the note for 6 months at 6%.
 " 27—Teams plowing pasture field for 1906 wheat field 10 days @ \$1.50.
 " 27—Gave Sam Cole 30 bu. barley for plowing 1906 wheat field 10 days @ \$1.50.
 " 30—Teams cutting pease 2 days @ \$1.50.
 " 30—P'd man 2 days bunching pease @ \$1.50.
 " 30—P'd A. Scott for threshing pease, 205 bu. @ 3c.
 " 30—P'd men assisting at threshing pease \$8.00.
 " 31—Teams cutting and drawing in oats 5 days @ \$1.50.
 " 31—P'd two men stooking and drawing in oats 3 days @ \$1.50.
 " 31—Used 30 lbs. twine on oat field @ 10c.
 " 31—Paid for meat used during the month \$15.00.

- Sept. 2—Teams plowing pea field preparatory for 1906 wheat field 8 days @ \$1.50.
 " 4—Sold 50 lbs. butter @ 15c. Rec'd groceries.
 " 5—Gave to Sabbath school \$1.00.
 " 8—Teams working in 1906 wheat field 10 days @ \$1.30.
 " 10—Exchanged 10 bu. wheat for 370 lbs. flour. Wheat @ 70c.
 " 10—Teams cutting corn 4 days @ \$1.50.
 " 12—Used 50 lbs. twine on corn field @ 10c.
 " 16—Sold 8 lambs @ 3¼c, weight 1000 lbs., and 4 ewes for \$32.00.
 " 18—Paid two men stooking corn, 6 days @ \$1.25.

- Sept. 20—Paid A. Scott for thrashing 360 bu. wheat @ 3c., 450 bu. barley @ 2c., 600 bu. oats @ 1½c. Gave cheque on bank.
 " 21—Paid R. Allen for service of bull, \$6.00.
 " 28—Exchanged rams with R. Thompson. Paid \$4.00 difference.

- Oct. 1—Teams working on 1906 wheat field 10 days @ \$1.50.
 " 1—Paid man working on 1906 wheat field 10 days @ \$1.25.
 " 2—1906 wheat field Dr. to seed (new wheat) 30 bu. @ 80c.
 " 4—Sold 85 bu. seed wheat @ 85c.
 " 4—Gave to wife \$20.00.
 " 8—Sold balance of old wheat, 30 bu. @ 78c.
 " 9—Sold 200 bu. new wheat @ 80c.
 " 10—Deposited in bank, \$125.00.
 " 13—Took to mill for chop 30 bu. barley @ 45c., 15 bu. pease @ 50c., 40 bu. corn @ 30c.
 " 15—Sold 100 bu. corn @ 32c.
 " 20—Paid A. Scott for husking and shredding corn crop 1000 bu. @ 4c.
 " 20—Paid 10 men assisting at husking and shredding 1 day @ \$1.00.
 " 25—Family expenses attending fall fair, \$12.00.
 " 26—Sold 50 bu. wheat @ 86c.
 " 27—P'd for meat used during the month, \$22.00.
 " 27—Paid taxes on farm \$42.10.
 " 30—B'd school books for children \$3.00.

- Nov. 1—Sold 50 bbls. apples @ \$1.00 per bbl.
 " 1—Put 10 bbls. in cellar for use @ 50c per bbl.
 " 8—Paid man for digging potatoes, 4 days at \$1.00. Had 100 bus.
 " 8—Placed 25 bu. in cellar for use @ 40c. per bu.
 " 13—Teams plowing oat field for 1906 corn field 10 days at \$1.50.
 " 13—Paid man plowing 1906 corn field 5 days @ \$1.00.
 " 14—Sold 40 lbs. butter @ 22c. Rec'd groceries.
 " 25—Teams plowing barley field for 1906 oat field, 9 days @ \$1.50.
 " 25—Paid man plowing 1906 oat field, 5 days @ \$1.00.
 " 30—B't clothing for family, \$50.00.
 " 30—Paid for shoeing teams all round, new shoes, \$5.00.

- Dec. 2—Exchanged old cutter for a new pleasure sleigh, gave \$40.00 difference. In payment gave my note to James Pollard for 6 mos., without interest.
 " 3—Drew 30 cords of wood in shed for use @ \$1.00 per cord.
 " 4—Sold 50 lbs. butter @ 20c.
 " 4—B't suit for self, \$14.00.
 " 10—B't presents for family, \$3.00.
 " 15—Sold fat calf for veal, \$8.00.
 " 30—Credit implements with 10% of inventory value, and charge the following fields for use: hay field \$14.00, oat field \$7.50, barley field \$7.42, wheat field \$20.00, pea field \$8.00, corn field \$10.00, potato plot \$2.00.

Dec. 30—The following produce on hand from the various fields, namely:
 20 tons hay, worth \$4.00 per ton | 600 bu. oats, worth 25c. per bu.
 205 bu. pease, " 50c. per bu. | 1000 " corn " 30c. "
 55 " wheat " 1.00. " | 75 " potatoes " 35c. "
 450 " barley " 35c. "

Dec. 30—Have the following produce from the various fields, namely:
 8 tons straw from pea field worth \$2.00 per ton.
 10 " " " barley " " " "
 14 " " " oat " " " "
 15 " " " wheat " " " "
 20 " fodder " corn " " \$3.00 "

After the foregoing memoranda of the business transactions have been properly entered into the Day Book Journal and carefully journalized, then open out the Ledger accounts in the order in which they come in the Journal Division of the Day Book. The number of lines required for each Ledger account is as follows: ¹Stock, 24 lines; ²Cash, 100; ³Contingent, 14; ⁴"Fat Pigs," 9; ⁵Bank, 11; ⁶Improvement, 9; ⁷Farm Produce, 43; ⁸Corn Field, 20; ⁹Implements, 10; ¹⁰1906 Hay Field, 4; ¹¹Orchard, 6; ¹²Oat Field, 16; ¹³Barley Field, 16; ¹⁴Pea Field, 13; ¹⁵Potato Plot, 9; ¹⁶1906 Wheat Field, 16; ¹⁷Hay Field, 8; ¹⁸Wheat Field, 12; ¹⁹1906 Corn Field, 6; ²⁰1906 Oat Field, 6; ²¹Interest, 4; ²²Bills Payable 4; ²³1906 Oat Field, 6; ²⁴Interest, 4; ²⁵Bills Payable, 4.

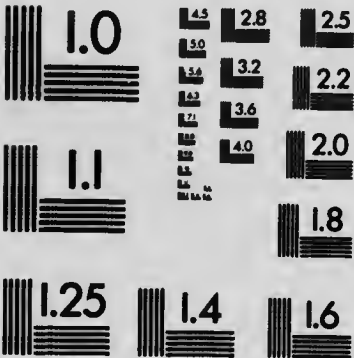
Following is the Trial Balance from the Ledger accounts for 1905:

TRIAL BALANCE.		DR.	CR.
Stock.....			
Cash.....	354 90	783 92	
Teams.....	1619 68	1661 80	
Family.....	150 00	228 00	
Household.....	290 44		
Bills Receivable.....	212 35		
Contingent.....	511 50	21 50	
Fat Pigs.....	130 60	45 00	
Bank.....	157 40	210 00	
Improvements.....	887 50	588 80	
Farm Produce.....	201 00		
Corn Field.....	1018 25	1391 50	
Implements.....	178 20	360 00	
1906 Hay Field.....	102 75	68 92	
Orchard.....	10 00		
Oat Field.....	16 00	55 00	
Barley Field.....	60 75	178 00	
Pea Field.....	57 92	177 50	
Potato Field.....	62 15	118 50	
1906 Wheat Field.....	14 75	36 25	
Hay Field.....	177 25		
Wheat Field.....	62 00	80 00	
1906 Corn Field.....	60 55	322 25	
1906 Oat Field.....	20 00		
Interest.....	18 50		
Bills Payable.....		7 50	
		40 00	
	6374 44	6374 44	



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LESSON NO. 27.

After the Trial Balance has been properly made out, that is, when the sums of all Debit entries equals the sums of all the Credit entries, of all the accounts opened out in the Ledger, the next thing to be done is to take an inventory of the Stock, Teams, Farm Produce, Implements, etc., and place the amounts upon the Credit sides of the respective accounts in red ink before the accounts can be closed. That is, their current condition must be brought to an end, and any difference or Balance existing must be placed upon the smaller side of the accounts, as "To Balance," or "By Balance," in red ink. These balances will be either one of four things, namely, *a Gain, a Loss, a Resource, or a Liability*. Then from the accounts closed make out a Loss and Gain account, and any difference existing between the total Losses or total Gains will indicate the loss or gain for the year.

The following is a summary of the Inventory of John Allen, taken the 31st of December, 1905. Arrange into divisions similar to the Inventory taken the 31st of December, 1904. 1 Bay horse (Fred) 8 years old, \$48.00; 1 bay horse (Barney) 7 years old, \$56.00; 1 brown mare, (Nelly) 6 years old, \$75.00; 1 brown horse (Dick) 6 years, \$75.00; 1 set double harness, \$23.00; 1 set double harness, \$15.00; 1 set single harness, \$15.00; 5 fly nets @ \$1.00; 4 halters @ \$1.50; 6 blankets worth \$15.00, 2 brushes @ \$1.00; 2 curry combs worth 50c.; 5 milch cows @ \$35.00; 3 heifers @ \$25.00; 3 2-year-steers @ \$25.00; 6 yearling calves @ \$10.00; 4 brood sows @ \$10.00; 10 shoats @ \$5.00; 10 young pigs @ \$1.50; 40 hens @ 20c.; 5 ewes @ \$6.00; 1 ram @ \$14.00; 1 open buggy, \$42.00; 1 covered buggy \$75.00; 1 democrat \$35.00; 1 double cutter, \$50.00; 1 binder, \$59.00; 1 corn binder, \$90.00; 1 mower, \$34.75; 1 hay rake, \$17.00; 1 hay tedder \$17.00; 1 hay fork, \$10.00; 1 new wagon, \$55.00; 1 lumber wagon, \$31.00; 1 old wagon, \$12.00; 1 hog rack, \$5.00; 1 hay rack \$4.00; 1 gravel box, \$1.80; 1 sod plow, \$6.75; 1 stubble plow, \$9.00; 1 set iron harrows, \$9.00; 1 set wooden harrows, \$6.75; 1 Acme harrow, \$6.00; 1 wheel cultivator \$27.00; 1 corn cultivator, \$5.00; 1 grain drill \$48.00; 1 land roller \$14.00; 1 pair bob-sleighs \$13.00; 2 spades @ 25c., 1 ditching spade, 75c; 1 round mouthed shovel 60c.; 1 square mouthed shovel, 45c.; 2 hoes @ 25c.; 1 scythe and snath \$1.50; 2 axes @ 75c.; 1 scoop shovel, 75c.; 1 cross cut saw, \$3.00; 4 log chains @ \$1.25; 5 pitch forks @ 36c.; 2 measures @ 25c.; 2 doz. grain bags @ 15c. each; carpenter and blacksmith tools \$15.00; 205 bu. pease @ 50c.; 55 bu. wheat @ 80c.; 450 bu. barley @ 35c; 600 bu. oats @ 25c; 75 bu. potatoes @ 35c; 1000 bu. corn @ 30c; 20 tons hay @ \$4.00; 47 tons straw @ \$2.00; 20 tons corn stalks (shredded) @ \$3.00; household effects (stoves, furniture, etc.) \$300.00.

If the foregoing memoranda of the business transactions of John Allen are properly and correctly entered in the Day Book and Journal, pasted, and the accounts of the Ledger closed, it will be found that the total resources for the year, \$4273.98, plus the value of the farm, \$6000.00, will give his *Present Worth* equal to \$10273.98.

Or if the gains for the year, \$475.53, are added to his worth Jan. 1st, \$9798.45 will also show his *Present Worth* to be \$10273.98.

The Trial Balance in the above set has been given as a guide. The closing of Ledger accounts, the opening of the Loss and Gain account, and final statement are to be completed for practice.

LESSON NO. 28.

WORK REPORTS—THEIR VALUE AND USE.

The use of the work reports upon the farm where the farm accounts are kept by the double entry system, will be found valuable and indispensable. Their purpose is to save making entries each day of the work performed by the men and teams upon the various fields of the farm.

These entries can be made as a single entry, at the end of the month, from the work reports, thereby saving a multiplicity of entries into the Day Book Journal and Ledger. The following is a form of the Work Report :

WORK REPORT OF TEAMS FOR APRIL—1905.

Fields	S	2	3	4	5	6	S	8	9	10	11	12	13	14	S	16	17	18	19	20	21	S	23	24	25	26	27	28	S	30	31	Hrs.	Price Per Hour	Am't.
Barley																10	10	10	10	5	10		5								60	15c.	\$ 9 00	
Oat																							10	10	10	10	10	10		10		70	"	10 50
Corn																													5	5	15c.	75		

WORK REPORT OF MEN FOR APRIL—1905.

	S	2	3	4	5	6	7	S	9	10	11	12	13	14	S	16	17	18	19	20	21	S	23	24	25	26	27	28	S	30	31	Hrs.	Price Per Hour	Am't.
Barley																10	10	10	10	5	10		5								60	10c.	6 00	
Oat																							10	10	10	10	10	10		10		70	10	7 00
Corn																													5	5	10		50	

The entries from the Work Reports into the Day Book Journal for the month will be as follows :

			Dr.	Cr.
Teams working on Barley Field 60 hours @ 15c/= $\$9.00$	Barley Field	Dr. Teams	9 00	
Teams working on Oat Field 70 hours @ 15c/= $\$10.50$	Oat Field	Dr. Teams	10 50	
Teams working on Corn Field 5 hours @ 15c/= $75c$ /.....	Corn Field	Dr. Teams	75	
Men working on Barley Field 60 hours @ 10c/= $\$6.00$	Barley Field	Dr. Hired Help or Wm. Moore	6 00	
Men working on Oat Field 70 hours @ 10c/= $\$7.00$	Oat Field	Dr. Hired Help or Wm. Moore	7 00	
Men working on Corn Field 5 hours @ 10c/= $50c$ /.....	Corn Field	Dr. Hired Help or Wm. Moore	50	

NOTE.---When the labor is performed by help hired for the season make the entry as above, but if hired by the day and cash is paid, enter in the Journal: Barley Field, Dr., Cash, etc.

LESSON NO. 29.

LABOR SAVING DEVICES.

The book-keeper, in any business, is continually looking for devices whereby the work can be shortened and the number of entries brought to a minimum.

Therefore, if all the entries for the smaller amounts, say for the Household or Family were entered each day into the Day Book Journal the space and labor required throughout would be too great. But to prevent this expenses of any department can be grouped for the month and only one entry made. For instance, if all the business transactions occurring, were entered in the Day Book Journal it would appear as follows:

DAY BOOK JOURNAL.

Dr. Cr.

Jan.					Dr.	Cr.
1	Cash on hand.....				10 00	
"	2 B't 20 lbs. Sugar.....	Household	Dr. Cash			1 00
"	4 B't 1 lb. Soda.....	Household	Dr. Cash			10
"	5 Resetting Shoe on Dick.....	Teams	Dr. Cash			10
"	6 B't gal. of Coal Oil.....	Household	Dr. Cash			18
"	8 Sold 10 lbs. Butter @ 20c.....	Cash	Dr. Stock	2 00		
"	10 B't 3 lbs. Raisins 25c. 3 " Currants 35c.....	Household	Dr. Cash			60
"	12 B't pair Mittens.....	Family	Dr. Cash			50
"	14 B't 10 lbs. Oatmeal.....	Household	Dr. Cash			25
"	16 B't bottle Liniment.....	Family	Dr. Cash			25
"	18 Paid for dinner at city.....	Family	Dr. Cash			25
"	" Paid for Horse Feed (city).....	Teams	Dr. Cash			10
"	19 Put 10 bu. oats in horse stable @ 30c.....	Teams	Dr. Farm Produce	3 00		
"	20 B't 2 lbs. Coffee @ 25c.....	Household	Dr. Cash			50
"	22 B't ½ doz. bars Soap.....	Household	Dr. Cash			30

DAY BOOK JOURNAL.						DR.	CR.
Jan.	24	Sold 12 lbs. Butter @ 20c.....	Cash	Dr.	Stock	2.00	
"	26	B't 1 lb. Candy.....	Family	Dr.	Cash		10
"	28	Paid for Postage	Family	Dr.	Cash		05
"	29	B't ¼ lb. Stove Polish.....	Household	Dr.	Cash		10
"	30	B't Dung Fork	Implements	Dr.	Cash		40
					10.00 Balance	4 40	4 75 9 62

If the above items were grouped under the several heads to which they belong much less space would be required, and labor saved, during the month.

Grouped they would appear as follows :

The household department would be Debtor to Cash, for articles during the month as follows :

Sugar.....	\$1.00
Soda.....	.10
Coal Oil.....	.18
Raisins and Currants.....	.60
Oatmeal.....	.25
Coffee.....	.50
Soap.....	.30
Stove Polish.....	.10

Total of.....\$3.03

The family would be Debtor to Cash namely :

Mittens.....	\$.50
Dinner.....	.25
Candy10
Postage.....	.05
Linament.....	.25

Total of.....\$1.15

Teams Debtor to Cash, as follows :

Shoeing.....	.10
Feed.....	.10

Total of......20

Implements Dr. to Cash:

For Fork..... .40

Cash Debtor to Stock :

10 lbs. Butter..... 2.00

12 " "..... 2.40

4.40

DAY BOOK JOURNAL.

				Dr.	Cr.
Jan.	1	Cash on hand.....		10.00	
"	2	B't groceries, etc., as per bills \$3.03.....	Household Dr. Cash		3.03
"	10	Family sundries as per bills \$1.15.....	Family Dr. Cash		1.15
"	15	Teams per sundries.....	Teams Dr. Cash		20
"	20	Implements per fork.....	Implements Dr. Cash		40
"	28	Butter sold for Cash.....	Cash Dr. Stock	4.40	
"	"	Oats to teams.....	Teams Dr. Farm Produce	3.00	
			20.00 Balance	4.40	4.78 9.62

Another means whereby labor and space can be economized is to cancel all the cash entries made in the Journal, and not open out any cash account in the Ledger. This is done by drawing a line across all the Cash entries made in the Journal, with ink or pencil, as follows :

Teams, Dr.)
Cash } STOCK DR. { Cash Dr.
CASH. } Stock.

The remaining items, however, must be posted into the Ledger, on the proper sides, omitting the cancelled cash entries.

The Cash account usually requires more space in the Ledger than any of the others. This, of course, is a deviation from the general principles of double entry book-keeping, but by using the Day Book and Journal in combination and making monthly balance of the cash division, as shown in the first year's run of accounts of John Allen.

If the sums of the monthly receipts and the sums of the monthly expenditures are added for the year from the cash division of the Day Book Journal, the total footings and balance will be identical to the Cash account in the Ledger, as follows:

From Day Book Journal for the year 1904 :

	Dr. Receipts	Cr. Expenditures	Balances
Cash on hand.....	\$50.00
Month of January.....	10.00	\$42.55	\$17.45
" February.....	91.65	66.50	42.60
" March.....	101.20	94.37	49.43
" April.....	36.00	27.33	58.10
" May.....	346.50	365.75	38.85
" June.....	91.00	129.50	.35
" July.....	107.00	52.50	54.85
" August.....	50.00	78.00	26.85
" September.....	95.25	100.90	21.20
" October.....	85.00	90.50	15.70
" November.....	97.10	100.70	12.10
" December.....	64.00	16.50	59.60
	<u>\$1224.70</u>	<u>\$1165.10</u>	
	1165.10		

\$ 59.60—Balance Dec. 31st, 1904.

From the \$1225.70 take the Cash on hand Jan. 1st., 1904, (\$50.00) and the footings for the Trial Balance Sheet are given thus: \$1224.70—\$50.00=1174.70 Dr. side and 1165.10 Cr. side.

The practicability of this deviation will save labor and economize space. The balances at the end of the month must correspond with the cash on hand, if not some entry has been omitted.

It is always a good plan to make a practice of carrying a note book to make an entry of any business memorandums, especially if you are doing much buying or selling in any one day. To keep any set of books properly requires labor and carefulness, then accuracy will result.

ERRORS : HOW TO DETECT.

The first chance that is given to detect an error is in the Trial Balance. This should be in equilibrium, or balance. If they do not balance.

- 1st. Look over your addition in the Ledger.
- 2nd. Ascertain the amount and look over the Journal items, to see if it has been omitted.
- 3rd. If the first and second tests fail, then go over the postings again and check them.

LESSON NO. 30.

BREEDERS' RECORD.

The periods of gestation of the animals common to the farm are as follows:

Mare	48 weeks.
Cow	40 "
Ewe or goat	22 "
Sow	16 "

The following table will be found handy for reference, and while it may be only approximately correct, as the periods of gestation vary, the dates are close enough to warrant any necessary preparations to be made for the proper care of the animals.

	Mare	Cow	Ewe	Sow
Served on January 1st will produce	Dec. 1	Oct. 10	May 29	April 21
" " 8th " "	8	17	June 5	28
" " 15th " "	15	24	12	May 5
" " 22nd " "	22	31	19	12
" " " " " "	29	Nov. 7	26	19
" " " " " "	Jan. 5	14	July 3	26
" " 12th " "	12	21	10	June 2
" " 19th " "	19	28	17	9
" " 26th " "	26	Dec. 5	24	16
" March 5th " "	Feb. 2	12	31	23
" " 12th " "	9	19	Aug. 7	30
" " 19th " "	16	26	14	July 7
" " 26th " "	23	Jan. 2	21	14
" April 2nd " "	Mar. 2	9	28	21
" " 9th " "	9	16	Sept. 4	28
" " 16th " "	16	23	11	Aug. 4
" " 23rd " "	23	30	18	11
" " 30th " "	30	Feb. 6	25	18

					Mare	Cow	Ewe	Sow
Served on	May	7th will produce			April 6	Feb. 13	Oct. 2	Aug. 25 Sept. 1
"	"	14th	"	"	13	20	9	1
"	"	21st	"	"	20	27 Mar.	16	8
"	"	28th	"	"	27 May	6	23	15
"	June	4th	"	"	4	13	30 Nov.	22
"	"	11th	"	"	11	20	6	29 Oct.
"	"	18th	"	"	18	27 April	13	6
"	"	25th	"	"	25 June	3	20	13
"	July	2nd	"	"	1	10	27 Dec.	20
"	"	9th	"	"	8	17	4	27 Nov.
"	"	16th	"	"	15	24 May	11	3
"	"	23rd	"	"	22	1	18	10
"	"	30th	"	"	29	8	25	17
"	August	6th	"	"	6 July	15	1 Jan.	24 Dec.
"	"	13th	"	"	13	22	8	1
"	"	20th	"	"	20	29 June	15	8
"	"	27th	"	"	27 Aug.	5	22	15
"	September	3rd	"	"	3	12	29 Feb.	22
"	"	10th	"	"	10	19	5	29 Jan.
"	"	17th	"	"	17	26 July	12	5
"	"	24th	"	"	24	3	19	12
"	October	1st	"	"	31 Sept.	10	26 Mar.	19
"	"	8th	"	"	7	17	5	26 Feb.
"	"	15th	"	"	14	24	12	2
"	"	22nd	"	"	21	31 Aug.	19	9
"	"	29th	"	"	28 Oct.	7	26 April	16
"	November	5th	"	"	5	14	2	23 Mar.
"	"	12th	"	"	12	21	9	2
"	"	19th	"	"	19	28 Sept.	16	9
"	"	26th	"	"	26	4	23	16

Sow

Aug.

25

Sept.

1

8

15

22

29

Oct.

6

13

20

27

Nov.

3

10

17

24

Dec.

1

8

15

22

29

Jan.

5

12

19

26

Feb.

2

9

16

23

Mar

2

9

16

23

30

Apr

6

13

20

27

May

4

11

18

25

June

1

8

15

22

29

				Mare	Cow	Ewe	Sow
Served	December	3rd	will produce	Nov.	Sept.	April	Mar.
.....	2	11	30	23
"	"	11th	"	10	19	May 8	31
"	"	18th	"	17	26	15	April 7
"	"	25th	"	24	Oct. 3	22	14
"	"	31st	"	30	9	28	21

