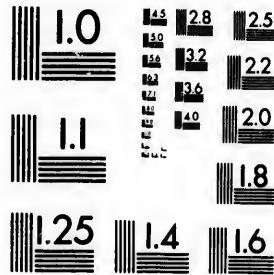


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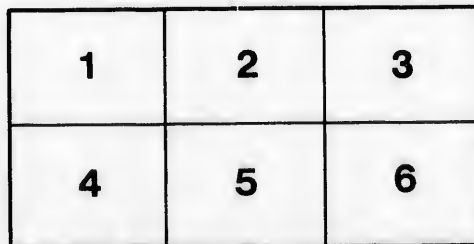
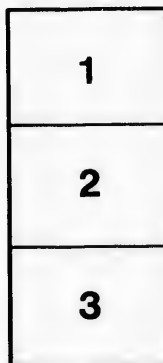
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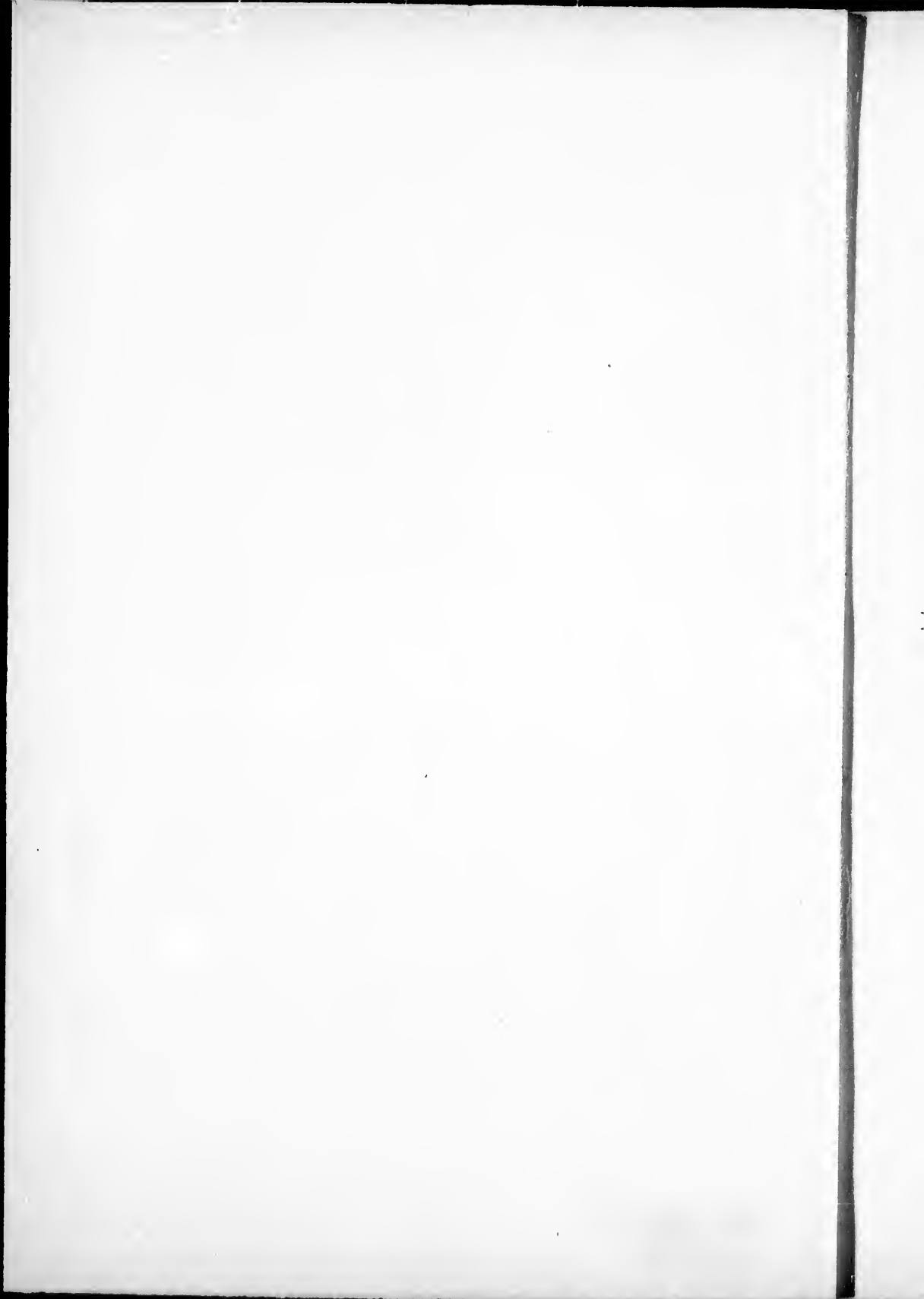
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MANUAL  
OF  
PRACTICAL BOOK-KEEPING

BY

R. GOLTMAN

PRINCIPAL METROPOLITAN BUSINESS COLLEGE, EDITOR  
AND PUBLISHER OF THE "UP-TO-DATE GUIDE,"  
"STENOGRAPHER'S COMPANION,"  
AND "THE OFFICE PAPER."

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MONTREAL :

1899

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GOLTMAN, R.

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## PREFACE

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**I**N constructing this work the author has endeavored to present a course of instruction in book-keeping not only thoroughly practical, but as simple, brief and clear as possible, which is needed at the present day to save time and labor.

Another unique feature of this book is that full explanations on the Day-Book, Journal, Cash, etc., are given. In short, the aim has been to make this subject extremely easy for the student to master.

## BOOK-KEEPING.

The object of book-keeping is to exhibit a distinct and correct state of one's affairs, and to enable companies, firms and individuals in trade, or otherwise occupied, to ascertain at any time the nature and extent of their business, the amount of their profits or available income, or, as the case may be, the extent of their losses.

To those engaged in trade or commercial pursuits book-keeping is absolutely necessary, as by it all transactions should be regulated and their results exhibited. The more simple the system the better; but care must be taken that the plan adopted is sufficiently comprehensive and explanatory to satisfy not only the person keeping the books but those who may have occasion to refer to them; for, however satisfactory it may be to a trader to follow a system which is intelligible to himself alone, circumstances might arise to render the inspection of others necessary, and from their inability to follow out transactions in the books, suspicions would probably be engendered for which there was no real foundation. Hence, the necessity for the adoption of certain recognized and approved systems, which, being plain and easily understood, must prove satisfactory to all concerned.

Book-keeping, when conducted upon sound principles, is invaluable; it not only shows the general result of a commercial career, but admits of analysis by which the success or failure, the value or utter worthlessness of its component parts, or each particular transaction, can be easily ascertained. In a word, on the one hand it promotes order, regularity, fair dealing and honourable enterprise; on the other, it defeats dishonesty and preserves the integrity of the man when dealing with his fellows.

It would be difficult and perhaps of little importance to trace the origin of book-keeping. It was certainly known to the ancients; and Cicero seems to have had bill transactions between Rome and Athens when he arranged for his son's education without the necessity of having to remit money, which infers some kind of book-keeping. Kelly, however, who wrote on the subject in

1805, asserts, and it is not disputed, that a friar named Lucas di Borgo, whose work on Algebra was the first to appear in print, was the first to write a treatise upon book-keeping, and this was published at Venice in 1495.

This work was followed by many others possessing considerable merit, but so complex as to make them useless. After a time, the mercantile community became alive to the fact that a practical system would be preferable to the theoretical suggestions of writers who were utterly ignorant of commercial matters, and men more or less connected with trade began to write on the subject.

There are two recognized systems of bookkeeping, namely, "single entry" and "double entry."

Single Entry.—This system is denoted by its name, transactions being posted singly or only once in the ledger. Three books are generally kept—the cash-book, day-book and ledger.

Double Entry.—It is now universally admitted that this system is the best adapted for heavy, responsible or speculative trades, for foreign trade especially, and for extensive mercantile concerns. As its name implies, it so far differs from the system already described that every transaction must be recorded doubly in the ledger, that is, entries are transferred to accounts opened in the ledger; all goods sold on credit are charged against the customers, and what are purchased are carried to the credit of parties supplying them. In the same way, when cash is received from a customer for goods sold on credit, it is posted to his account, and the reverse entry is made when a trader pays for the goods he has bought. Thus it will be seen that only personal accounts are entered in the ledger.

The advantages of double entry are many:—(1) Unless the debit balances exactly correspond with the credits, the books are wrong, and the error must be discovered by comparison; (2) The discovery of such errors is more easily accomplished than in any other system; (3) Accounts can be readily analyzed, and (4) The profit or loss on distinct transactions can be ascertained without difficulty.

With a thorough knowledge of the art, however, and that patience and perseverance so essential to the calling of a book-keeper, the gravest impediments are overcome and everything becomes simple and plain.

## GENERAL PRINCIPLES.

— 1 —

The person or persons investing in the business should be credited and debited for what they draw from the business.

— 2 —

All merchandise purchased should be debited for what it cost and credited for its sales.

— 3 —

Bills receivable account should be debited for all notes received from customers, acceptances and other written obligations when they become ours, and credited when they are paid or otherwise disposed of.

— 4 —

Bills payable account should be credited with notes given by the concern, acceptances or other written promises, and debited when they are paid.

— 5 —

Persons who owe the concern for merchandise or otherwise must be debited, and credited when they pay their indebtedness.

— 6 —

When we purchase merchandise or otherwise on credit, the creditor or creditors should be credited, and debited when we pay them.

— 7 —

The expense account is always debited for all expenses of whatever name. As we do not realize anything on expenses in carrying on the business it is a loss, and is therefore credited with the total amount of the expenditure, using the term "By Profit & Loss," debiting the "Profit & Loss Account" for the full sum.

— 8 —

If we debit one account, we must credit another so as to make the debits and credits balance.

— 9 —

The "Profit & Loss Account" must be debited for all losses made by the concern, and credited for its profits or gains.

The Cash Account is debited for all money received and credited for money paid out.

## RECORD OF TRANSACTIONS.

## SET I.

1899.

- Jan. 1—R. Smith commenced business with a cash capital of \$6,000.
- “ 2—Bought of E. R. Stewart, for cash, 100 bbls. flour at \$8.
- “ 3—Sold W. E. Brown on account 20 bbls. flour at \$8.50
- “ 4—Bought on our note, at 30 days, of C. S. Brown, 20 pieces calico at \$3, 10 pieces figured silks, at \$9.
- “ 5—Sold E. C. Wilson, for cash, 30 bbls. flour, at \$8.25.
- “ 6—Paid cash for a set of books for use of store, \$15.
- “ 7—Bought of E. P. Davis, for cash, 200 bbls. Genessee flour at \$9 ; paid drayage on same, in cash, \$3.
- “ 10—Sold H. A. Dawson on his note, at 30 days, 100 bbls. Genessee flour at \$9.50.
- “ 12—Sold W. H. Lewis, for cash, 10 pieces calico at \$3.75.
- “ 15—Paid cash for repairing store, \$15.
- “ 16—Bought of J. D. Simpson, on account, 50 pieces Merrimac prints at \$5.
- “ 17—Sold R. C. Robinson an account 25 pieces Merrimac prints at \$5.35.
- “ 20—Sold R. W. Shaw, for cash, 50 bbls. Genessee flour at \$9.50.
- “ 21—Received cash, in full, of W. E. Brown's account.
- “ 22—Paid J. D. Simpson cash on account, \$100.
- “ 25—Paid clerk hire in full to February 1st, \$50.
- “ 27—Sold E. B. Smith, on account, 50 bbls. Genessee flour at \$10.
- “ 29—Received cash on account of E. B. Smith, \$250.
- “ 31—Paid store rent in cash, \$100.

DAY-BOOK OR SALES-BOOK.

JANUARY 3RD, 1899.

✓	W. E. BROWN, London, Ont.	20 bbls. Flour at \$8.50.....	\$170 00
		_____ 5 _____	
<i>Paid</i>	✓ E. C. WILSON, City.	30 bbls. Flour at \$8.25.....	247 50
		_____ 10 _____	
✓	H. A. DAWSON, Ottawa, Ont.	100 bbls. XX Flour at \$9.50.....	950 00
		Note 30 days.	
		_____ 12 _____	
<i>Paid</i>	✓ W. H. LEWIS, Hull, Que.	10 pieces Calico at \$3.75.....	37 50
		_____ 17 _____	
✓	R. C. ROBINSON, City.	25 pieces Prints at \$5.35.....	133 75
		_____ 20 _____	
<i>Paid</i>	✓ R. W. SHAW, Quebec.	50 bbls XX Flour at \$9.50 .....	475 00
		_____ 27 _____	
✓	E. B. SMITH, Levis, Que.	50 bbls. XX Flour at \$10 .....	500 00
			<u>500 00</u>
			\$2,513 75

DAY-BOOK OR SALES-BOOK.

Merchandise sold on credit and for cash should be entered in the Day-Book for the following reasons :—

(1) It shows the total amount of your sales during the month or year.

(2) When a customer instructs the concern to again send him the same goods as he ordered on a certain date, full details of such order can be found in this book.

(3) Often a purchaser requests a duplicate invoice long after the receipt of the goods.

Those not marked "Paid" are to be charged, *i. e.*, accounts have to be opened in the Ledger for each. Before doing so, however, they must be entered in the Journal, making the check-mark (✓) in red ink opposite the entry, immediately upon its being journalized never before.

The "Paid" ones being Cash Sales are put on the debit side of the Cash-Book, using the term "To Mdse." It is also necessary to make the same check-mark as soon as the entry is made in the Cash-Book.

INVOICE-BOOK OR PURCHASE-BOOK.

LONDON, ONT., Jan. 2nd, 1899.

✓  
Paid

MR. R. SMITH,  
Montreal.

Bought of E. R. STEWART.

Terms : Cash

100 bbls. Flour at \$8..... \$800 00

---

OTTAWA, ONT., Jan. 4th, 1899.

✓ MR. R. SMITH,  
Montreal.

To C. S. BROWN, Dr.

Terms : Note 30 days.

20 Pieces Calico at \$3.....\$60 00

10 " Silks at \$9 ..... 90 00

—————\$150 00

HULL, QUE., Jan. 7th, 1899.

✓  
Paid

MR. R. SMITH,  
Montreal.

In account with E. P. DAVIS.

Terms : Cash.

200 bbls. xx Flour at \$9.....\$1,800 00

Freight..... 3 00

—————\$1,803 00

TORONTO, Jan. 16th, 1899.

✓ MR. R. SMITH,

To J. D. SIMPSON, Dr.

Terms : 6 months.

50 Pieces M. Prints at \$5..... \$250 00

—————  
\$3,003 00

INVOICE OR PURCHASE-BOOK.

All invoices for merchandise purchased by the business are pasted in this book. Those not marked "Paid" are to be entered in the Journal to be posted to the Ledger (Transferring to the Ledger is called "posting").

The "Paid" ones are placed on the credit side of the Cash Book, using the expression "By Mdse."

The check-mark (✓) must also be made opposite each invoice with a blue pencil as soon as the amount is entered in the Journal or Cash Book.

The Invoice Book shows the total amount of the Concern's purchases during the month or year as well as the cost of the goods.

JOURNAL.

JANUARY 3rd, 1899.

L Folio.			
19	W. E. BROWN,	\$170 00	
19	To Mdse.		\$170 00
	_____ 4 _____		
19	Mdse.	150 00	
20	To Bills Payable		150 00
	_____ 10 _____		
20	Bills Receivable	950 00	
19	To Mdse.		950 00
	_____ 16 _____		
19	Mdse.	250 00	
21	To J. D. SIMPSON		250 00
	_____ 17 _____		
21	R. C. ROBINSON	133 75	
19	To Mdse.		133 75
	_____ 27 _____		
22	E. B. SMITH,	500 00	
19	To Mdse.		500 00

THE JOURNAL.

The Journal is used for the purpose of arranging the debits and credits for entry in the Ledger. If the transactions are properly journalized the labor of posting is simply mechanical.

(See "General Principles").



**CASH-**  
**JANUARY,**

DR.		Ledger follo.	
January 1	To R. Smith	Investment .....	22 6000.00
" 5	" Mdse.		19 247.50
" 12	" "		19 37.50
" 20	" "		19 475.00
" 21	" W. E. Brown		19 170.00
" 29	" E. B. Smith		22 250.00
			23 7180
Feb. 1	To balance on hand.....		\$4297

**THE CASH BOOK.**

The Cash book should be debited for all cash received and credited for all disbursements.

On the 1st of January R. Smith, the owner or proprietor, started with or invested in the business a net capital of \$6,000, which is placed on the debit side as cash received for carrying on the business, and is placed to his credit as will be shown in the Ledger.

When money is paid out which is not for merchandise an account called "Expense" is opened. On the 6th, 15th, 25th and 31st cash was expended for books, repairing store, clerk hire and store rent, and as these are expenses in connection with the business they are entered in the "Expense" account. (See Ledger).

Cash sales were made on the 5th, 12th and 20th which are placed to the debit side using the expression, "To Mdse.," an abbreviation for merchandise. Money that is paid for merchandise as soon as purchased is entered on the credit side, employing the words "By Mdse." As will be seen, cash was paid out for merchandise on the 2nd and 7th of the month amounting to \$800 and

## BOOK.

1899.

			Ledger folio.	CR.
January 2	By Mdse.		19	\$ 800.00
" 6	" Expense	Set of Books	23	15.00
" 7	" Mdse.		19	1803.00
" 15	" Expense	Rep'ing. Store	23	15.00
" 22	" J. D. Simpson		21	100.00
" 25	" Expense	Clerk Hire	23	50.00
" 31	" Expense	Store Rent	23	100.00
			23	<u>\$2883.00</u>
January 31	By balance.....			<u>4297.00</u>

7180

\$1,803 respectively, which, of course, must be credited as referred to.

As the student is aware, W. E. Brown bought \$170 worth of flour on the 3rd of January and was charged for same. On the 21st he pays the total amount of his invoice and is debited in this book, being cash received and credited to his account to balance.

E. B. Smith purchased flour on the 27th to the value of \$500. and on the 29th pays half the sum, which is also placed to the left side of cash and credit of E. B. Smith's account, leaving a balance of \$250 which he still owes the concern.

On the 16th prints were bought from J. D. Simpson for \$250, and on the 22nd the amount of \$100 was paid him on account, which is put to the credit of cash as money paid out and debit of his account, leaving a balance still owing him of \$150.

("On Account" is an expression used in business which signifies that a part of the indebtedness is paid).

During the month the total receipts in cash were \$7,180 and the amount paid out \$2,883, leaving a balance on hand 1st February of \$4,297. (See Cash Account in Ledger).

## BILLS

No.	When Received.		Drawer or Endorser.	Drawee or Maker.	In Whose Favor.	Where Payable.	DATE.	
							Month.	Year.
1	Jan.	10		H. A. Dawson	Our		Jan.	10 1899

## BILLS

No.	When Given.		Drawer or Endorser.	Drawee or Maker.	In Whose Favor.	Where Payable.	DATE.	
							Month.	Year.
1	Jan.	4		R. Smith	C. S. Brown		Jan.	4 1899

## RECEIVABLE.

TIME TO RUN.	WHEN DUE.												Rate p.c.	AMOUNT.		WHEN AND HOW DISPOSED OF	
	Year.	Jan.	Feb.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.		Dec.			
30 days	1899		10 13												950		

## PAYABLE.

TIME TO RUN.	WHEN DUE.												Rate p.c.	AMOUNT.		WHEN AND HOW DISPOSED OF	
	Year.	Jan.	Feb.	March.	April.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.		Dec.			
30 days	1899		4												150		

## THE BILL BOOK.

The Bill book is used for the purpose of recording in a form convenient for reference the particulars of written obligations which we receive from others and which others receive from us. It is divided into two parts. All notes or other written obligations received are entered in the Bills Receivable, and all notes, drafts or other written obligations given by the concern are entered in the Bills Payable.

## STOCK OR INVENTORY BOOK.

Jan.	2, 100 bbls. flour at \$8.....		\$800
"	4, 20 pieces calico at \$3.....	\$60	
	10 " silks at \$9.....	90	150
"	7, 200 bbls. xx flour at \$9.....		1,800
"	16, 50 pieces M. prints at \$5..		250
			<u>\$3,000</u>

If the student will refer to the Day-Book and deduct from the above the number of barrels of flour, pieces of calico, silks and prints sold, the merchandise remaining unsold on Jan. 31st will be as follows :

50 bbls. flour at \$10.....	\$500
10 pieces calico at \$3.....	30
25 " prints at \$5.....	125
10 " silks at \$9.....	90
	<u>\$745</u>

It will be observed that on Jan. 2nd the flour cost \$8, and on the 7th \$9 on account of one being of superior quality. The 50 barrels remaining unsold are estimated at \$10 per barrel, being the market value on the 31st January. The calico, prints and silks, however, have not increased or decreased in value since they were purchased.

## THE STOCK BOOK.

The Stock book is kept for the purpose of showing the exact quantity of merchandise on hand and its cost price. When the concern takes an inventory of goods unsold at the end of the year or at any time it is called "Taking Stock."

## INDEX TO LEDGER.

A	F
B <i>Brown W. E.</i> 19 <i>Bills Payable</i> 20 <i>Bills Receivable</i> 20	G
C <i>Cash</i> 23	H
D	I J
E <i>Expense</i> 23	K

## INDEX TO LEDGER.

L	R <i>Robinson R. C. 21</i>
M <i>Merchandise 19</i>	S <i>Simpson J. D. 21</i> <i>Smith E. B. 22</i> <i>Smith R. 22</i>
N	T
O	U V W
P Q	X Y Z

## LEDGER BEFORE CLOSING.

DR.		W. E. BROWN.				CR.	
		Cash or Journal folio.				Cash or Journal folio.	
1899				1899			
Jan.	3 To Mdse	11	170 00	Jan.	21 By Cash	12	170 00

DR.		MERCHANDISE.				CR.	
1899				1899			
Jan.	2 To Cash	13	800 00	Jan.	3 By W. Brown	11	170 00
"	4 " Bills Pay.	11	150 00	"	5 " Cash	12	247 50
"	7 " Cash	13	1803 00	"	10 " Bills Rec.	11	950 00
"	16 " J. Simpson	11	250 00	"	12 " Cash	12	37 50
				"	17 " R. Robinson	11	133 75
				"	20 " Cash	12	475 00
				"	27 " E. Smith	11	500 00



DR. BILLS PAYABLE. CR.

				1899					
				Jan.	4	By Mdse		11	150 00

DR. BILLS RECEIVABLE. CR.

1899									
Jan.	10	To Mdse		11	950 00				

DR. J. D. SIMPSON CR.

CR.

50 00

1899					1899				
Jan.	22	To Cash	13	100 00	Jan.	16	By Mdse	11	250 00

CR.

DR. R. C. ROBINSON. CR.

1899									
Jan.	17	To Mdse	11	133 75					

DR.

E. B. SMITH.

CR.

1899					1899				
Jan.	27	To Mdse	11	500 00	Jan.	29	By Cash	12	250 00

DR.

R. SMITH.

CR.

					1899				
					Jan.	1	By Cash	12	6000 00

CR.

00 00

DR.

EXPENSE.

CR.

1899									
Jan.	6	To Cash	13	15 00					
	15	" "	13	15 00					
	25	" "	13	50 00					
	31	" "	13	100 00					

CR.

00 00

DR.

CASH.

CR.

1899					1899				
Jan.	31	To Cash	12	7180 00	Jan.	31	By Cash	13	2883 00



DR. BILLS PAYABLE. CR.

				1899						
				Jan.	4	By Mdse		11	150	00

DR. BILLS RECEIVABLE. CR.

1899										
Jan.	10	To Mdse		11	950	00				

CR.  
00

CR.  
00  
50  
00  
50  
375  
500  
000  
500  
—  
575

DR.

J. D. SIMPSON.

CR.

1899						1899					
Jan.	22	To Cash	13	100	00	Jan.	16	By Mdse	11	250	00

DR.

R. C. ROBINSON.

CR.

1899											
Jan.	17	To Mdse	11	133	75						

DR.

E. B. SMITH.

CR.

1899						1899				
Jan.	27	To Mdse	11	500	00	Jan.	29	By Cash	12	250 00

DR.

R. SMITH.

CR.

						1899				
						Jan.	1	By Cash	12	6000 00
							31	" P. & L.		75 75



DR.

PROFIT & LOSS.

CR.

1899					1899				
Jan.	31	To Expense	180	00	Jan.	31	By Mdse	255	75
	31	" R. Smith	75	75					
			<u>255</u>	<u>75</u>				<u>255</u>	<u>75</u>

DR.

CASH.

CR.

1899					1899						
Jan.	31	To Cash	12	7180	00	Jan.	31	By Cash	13	2883	00

DR. EXPENSE. CR.

1899				1899			
Jan.				Jan.			
6	To Cash	13	15 00	31	By P. & L.		180 00
15	" "	13	15 00				
25	" "	13	50 00				
31	" "	13	100 00				
			<u>180 00</u>				<u>180 00</u>

DR. BALANCE. CR.

RESOURCES. LIABILITIES.

Mdse	745 00	Bills Payable	150 00
Bills Rec.	950 00	J. D. Simpson	150 00
R. C. Robinson	133 75	R. Smith	6075 75
E. B. Smith	250 00		
Cash	4297 00		
	<u>6375 75</u>		<u>6375 75</u>

### THE LEDGER.

The Ledger is the most important book, as it shows at a glance how each account stands, who owes the concern and its liabilities. It also shows the total resources, losses and gains.

### CLOSING THE LEDGER.

The object of closing the Ledger accounts is to show the losses or gains of the business at the end of the year. The accounts, however, may be closed at any time during the year as circumstances may require.

### ORDER OF CLOSING.

The usual method is to open an account called "Profit & Loss" or "Loss & Gain," and another with balance, the former to exhibit the losses and gains and the latter the resources and liabilities.

The merchandise remaining unsold (Stock or Inventory on hand), which amounts to \$745 (see Stock book), should be placed to the credit side of Merchandise Account and added to the amount of the sales during the month. If the credit side is greater than the debit one, it will show a gain; if less, a loss. The difference, which is \$255.75, is carried to the credit of "Profit & Loss" Account.

The "Profit & Loss" Account will show on the debit side all the losses and on the credit side all the gains.

The Balance Account will show on the debit side all the resources and on the credit side all the liabilities.

The next account we close is "Expense." As nothing is realized on expense such as those given in the Cash book, it is a loss to the business. The Account is closed as shown in the Ledger, and the total amount is placed on the debit side of the "Profit & Loss" Account, being a loss instead of a gain as already referred to.

It will be observed that the profits on merchandise sold during the month of January amount to \$255.75 and that the expenses were \$180, which deducted from the gain will give a net gain of \$75.75, which is put to the credit side of R. Smith's account, showing that he made a clear profit of \$75.75.

Having found the profits and losses, we next proceed to see

what our resources and liabilities are. This is done first by opening the Balance Account. As the debit side equals the credit in W. E. Brown's account, there is, of course, no balance, he having settled his indebtedness in full.

In Merchandise Account there is a balance of stock on hand to the value of \$745, which is placed on the debit side of Balance Account. The left side of the Balance Account shows the resources and the right side the liabilities of the concern. The Bills Payable account shows that R. Smith gave a note for merchandise purchased, and, as this is a liability and the note will not be paid till next month (February), the difference is placed to credit side of Balance Account.

#### TRIAL—BALANCE.

\$ 170	W. E. Brown.....	\$ 170
3,003	Merchandise .....	2,513.75
	Bills Payable.....	150
950	Bills Receivable .....	
100	J. D. Simpson.....	250
133.75	R. C. Robinson.....	
500	E. B. Smith.....	250
	R. Smith.....	6,000
180	Expense.....	
7,180	Cash.....	2,883
\$12,216.75		\$12,216.75

The first thing to be done after the transactions of a set have been posted is to test the correctness of your work by comparing the amounts of the two sides of the Ledger, and seeing that the sum of the Dr. side of all the accounts equals the sum of the Cr. side as above. The Trial Balance shows if the Debits and Credits on the Ledger are equal or balance.





## RECORD OF TRANSACTIONS.

Sets II., III., IV., V., VI., VII and VIII are to be worked out according to the instructions given for Set I.

## SET II.

Montreal, 1899.

- Feb. 1—(Student's name). Commenced business on St. James street, investing as follows:—Cash, \$500 ; 100 bbls. flour at \$5.50 ; 300 bush. wheat at 90c. ; F. Murphy owes on account \$40.
- “ 2—Bought of R. Webb, for cash, 100 bbls. flour at \$5.
- “ 3—Sold W. Lewis, for cash, 50 bush. wheat at \$1.05 ; 3 bbls. flour at \$6.50.
- “ 4—Sold R. Hall, on account, 25 bush. wheat at \$1 ; 15 bbls. flour at \$6.
- “ 4—Deposited in bank cash, \$50.
- “ 7—Sold J. Wallace, on account, 50 bbls. flour at \$6.10 ; 30 bush. wheat at \$1.
- “ 8—Received from F. Murphy, in full of account, cash \$30 ; his note at 30 days for \$10.
- “ 9—Paid cash for books for use of store, \$10.
- “ 10—Lent R. Hall a \$5 bill.
- “ 11—Paid H. Garth for repairing doors, etc., cash \$1.
- “ 13—Sold R. Hope 20 bbls. flour at \$6.10 on his note at 30 days.
- “ 15—Bought of P. Stewart, on my note at 10 days, 10 bbls. flour at \$6.
- “ 17—Received from R. Hall, on account, cash \$50.
- “ 18—Sold G. Elliott 100 bbls. flour at \$6.10 ; received in payment an order on R. Hall for \$100 ; F. Murphy's acceptance for \$200 ; cash for balance, \$—.
- “ 20—Received from R. Hall in payment of an order from G. Elliott, cash \$100.
- “ 21—Received J. Wallace's note at 30 days in full of account. \$—.
- “ 22—Paid for fuel, cash \$10 ; deposited in bank, cash \$200.
- “ 25—Paid cash for my note of 15th inst., \$—.
- “ 27—Bought of A. Ledoux, on my note at 30 days, 30 bush. wheat at 90c.

Feb. 28—Paid for coal oil, cash \$1.20.

“ 28—Sold L. Millen, on his note at 30 days, 10 bbls. flour at \$6.10 ; 98 bush. wheat at 90c.

### INVENTORY, FEBY. 28.

12 bbls. flour at \$5.50 .....	\$ 66.00
127 bush. wheat at 90c.....	114.30
	<hr/>
Total .....	\$180.30
Find net gain and present capital.	

### GRAIN BUSINESS.

#### SET III.

Montreal, 1899.

March 1—(Student's name). Commenced business investing as follows:—Cash in safe, \$2,000 ; goods in store valued at \$600 ; John Ferguson owes me on account \$40.

“ 2—Sold L. Ross, on his note at 20 days, 34 bush. wheat at 75c ; paid cash for fuel, \$10 ; bought of J. Brown, on account, goods invoiced at \$600. (As the invoices are kept in a book for the purpose or properly filed, and may therefore be referred to, it is not necessary to give the items of the purchase in the Day-book).

“ 4—Sold John Wilson, on account, 140 bush. barley at 50c.

“ 5—Paid cash for stationery, \$1.50.

“ 6—Gave J. Brown my note at 30 days in full of account.

“ 7—Sold E. Murphy, on his note at 30 days, 100 bush. wheat at 70c ; 260 bush. barley at 50c.

“ 9—Paid cash for coal oil for use of store and for lamps, \$2.50.

“ 11—Received from John Wilson, on account, cash, \$30 ; his note at one month for balance, \$—.

“ 12—Withdrew from the business cash, \$100.

“ 13—Sold to H. W. Robertson, for cash, 100 bush. wheat at 75c.

“ 14—Paid clerk's salary with cash, \$20.



- March 16—Bought of H. Dawson 80 bush. barley at 50c ; gave in payment John Wilson's note for \$—.
- “ 18—Received from John Ferguson, on account, an order on A. Lewis for \$10.
- “ 20—Sold M. Watson, on his note at 3 months, 80 bush. barley at 55c.
- “ 23—Prepaid my note in favor of J. Brown, face of note, \$600 ; discount off, \$1.50 ; proceeds paid with cash, \$598.50 (debit bills payable, credit interest and discount, and cash).
- “ 25—Received cash in payment of L. Ross' note, \$—.
- “ 27—Received from John Ferguson, on account, cash, \$20.
- “ 30—Paid clerk's salary with cash, \$20.

#### INVENTORIES, MARCH 31 1899.

Mdse—Goods on hand.....	\$891.50
Expense—Coal oil.....	6.50

Result.—Net Gain, \$20. Present Worth, \$2,560.

#### RECORD OF TRANSACTIONS.

##### SET IV.

1899.

- April 1—(Student's name) commenced business, investing as follows : cash \$2,500 ; John Johnson, owes on account, \$40 ; James Hone, holds a note against me for \$60.
- “ 2—Bought of J. Wall, on account, 4 bbls. sugar, 1,000 lbs. net, at 10c per lb.
- “ 4—Deposited in Bank, \$500.
- “ 5—Sold David Brown, 2 bbls. sugar, 500 lbs. net, at 11c. Received in payment an order on Thomas Keyes.
- “ 6—Bought of L. Allan, for cash, 10 chests Y. H. tea, 600 lbs., at 70c.
- “ 7—Bought on my note, at 60 days, from L. Wilson, 2 hhds. molasses, 126 gals. at 75c.
- “ 9—Sold R. Gault, on his note at 30 days, 4 chests Y. H. tea, 240 lbs., at 75c.
- “ 12—Withdrew cash for private use, \$100.

- April 14—Sold John Gould 30 gals. molasses at 80c., 300 lbs. sugar, at 11c. Received in payment his note at 10 days for \$40, an order on James Hone for \$10, and cash for balance.
- “ 15—Paid cash for office furniture, \$30.
- “ 16—Paid my note favor James Hone with cash, \$60.
- “ 18—Withdrew from the Bank, \$200.
- “ 19—Received from John Johnson, on account, cash, \$30.
- “ 21—Prepaid my note favor of L. Wilson, face, of note \$94.50 ; discount allowed, \$2.50; paid balance in cash (discount is here allowed in my favor, therefore I must give credit to the interest and discount account for \$2.50. As interest and discount are in effect the same, only one account is commonly kept for both.)
- “ 25—Received from Thomas Keyes, cash on account, \$40.
- “ 28—Sold D. Smith, on his note at 10 days, 50 gals. molasses at 80c.
- “ 29—John Gould paid his note, received 14th inst. with cash \$—
- “ 29 —Paid one month's rent, \$40.

## INVENTORIES. APRIL 30TH.

Mdse., 200 lbs. sugar at 10.....	\$ 20.00
360 lbs. tea at 70c.....	252.00
46 gals. molasses at 75c.....	34.50
	<hr/>
Total.....	\$306.50

Find net gain and present worth.

## GROCERY BUSINESS.

## SET V.

1899.

- May 1—(Student's name) commences the grocery business, investing as follows : Mdse. as per inventory, \$2,450, note against L. R. Dawson, dated November 4, 1899, at 6 months, for \$400 ; cash on hand, \$1,000 ; balance of E. B. Watson's account, \$150 ; he owes S. W. Gerth on account, \$200.
- “ 2—Sold S. W. Gerth 20 lbs. refined sugar at 10c. ; 2 lbs. Young Hyson tea at 90c. ; 2 lbs. Oolong tea at 90c. ; 6 lbs. coffee at 25c.

- May 3—Sold E. B. Watson, 12 half chests Y. H. tea, 32 lbs. each at 60c.; 4 lbs. coffee at 25c.; 10 lbs. oatmeal at 10c.; 10 lbs. butter at 30c.; 8 lbs. cheese at 12½c.
- “ 4—Sold C. V. Gault 2 papers corn starch at 15c.; one piece smoked beef, 15 lbs. at 15c.; 18 lbs. cheese at 12½c.
- “ 5—Bought of R. G. Dun 200 lbs. cheese at 8c.; 50 doz. eggs at 10c.
- “ 6—Sold E. B. Watson 1 bag hominy, 50c.; 10 lbs. coffee at 25c.; 4 gals. cider vinegar at 35c.; 2 bags salt at 20c.; 5 dozen eggs at 15c.
- “ 8—Sold C. V. Gault 8 lbs. butter at 30c.; 5 lbs. lemon biscuits at 15c.
- “ 9—Received from E. B. Watson, cash on account \$50.
- “ 10—Sold S. W. Gerth 5 lbs. butter at 30c.; 1 bag buckwheat flour at \$1.25; one box soap, 40 lbs., at 8c.; 2 lbs. powdered sugar at 12½c.; 10 lbs. cheese at 12½c.; one gal. syrup \$1.
- “ 11—Sold R. G. Dun 10 bags flour at \$1.25.
- “ 12—Bought of C. V. Gault 20 bushels potatoes at 25c.; 35 dozen eggs at 10c.
- “ 13—Sold E. B. Watson 10 lbs. butter at 30c.; 5 lbs. oyster biscuits at 10c.; 4 lbs. soda biscuits at 10c.; 2 boxes cinnamon at 12½c.
- “ 16—Sold S. W. Gerth, 1 paper starch, 5 lbs. at 8c.; 10 bars soap at 15c.; 8 lbs. butter at 30c.
- “ 17—Received from E. B. Watson, cash on account, \$25.
- “ 18—Sold R. G. Dun 10 lbs. sugar at 10c.; 4 lbs. Imperial tea \$1; 3 lbs. coffee at 25c.; 3 lbs. chocolate at 40c.
- “ 19—Sold C. V. Gault 20 lbs. sugar at 10c.; 2 lbs. coffee at 25c.; 4 lbs. oatmeal at 10c.; one bag hominy 50c.; 1 paper corn starch 15c., 3 oz. indigo at 15c.; 2 bars soap at 15c.
- “ 22—Bought of R. G. Dun 10 bbls. flour at \$8.; 3 bags oatmeal at \$1.25.
- “ 23—Paid S. W. Gerth, cash on account, \$25.
- “ 24—Received from C. V. Gault, cash in full of account, \$3.75.
- Resources are :—Cash on hand, \$1,053.75; merchandise as per inventory, \$2,350.65; note against L. R. Dawson for \$400.
- The result of this Set properly worked is :—Net gain, \$85.05; net worth at closing, \$3,885.05.

## DRY GOODS BUSINESS.

## SET VI.

Montreal, 1899.

- June 1—(Student's name) commenced business investing as follows: goods on hand, \$1,200. Cash in safe, \$30. Money deposited in the Molson's Bank, \$400.
- “ 2—Bought of J. Oman & Co., goods invoiced at \$360, gave in payment a cheque on the Molson's Bank for \$300 and my note at 90 days for balance \$— . Paid cash for postage 50c and for telegram 25c.
- “ 3—Sold R. W. Deeks, on account, 20 yards black satin at \$2 , 40 yards Brussels carpet at \$1.50; 2 pairs kid gloves at \$1.50; 3 yards ribbon at 35c.
- “ 5—Paid cash for fuel, \$15.50. Lent James Morris cash \$6.50.
- “ 7—Sold A. C. Mann 30 yards black cashmere at 90c.; 10 yards velvet at \$1.60; 20 yards carpet at 70c. Received in payment his cheque for \$47 and an order on A. McKay for balance.
- “ 9—Paid cash for postage, \$1.30. Paid N. Murphy's written order in goods, \$17.50. Received from R. W. Deeks, on account, his cheque for \$40.
- “ 10—Received from James Morris his note at 30 days in full of account, \$6.50.
- “ 12—Paid cash for repairing store, \$3.60.
- “ 14—Sold A. Brown, on his note at 10 days, 20 yards gingham at 12½c.; 10 yards flannel at 30c.; 40 yards cotton at 11c.; thread, 12c.; buttons, 10c. Received from N. Murphy cash in full of account, \$—
- “ 15—Sold A. McGoun 120 yards sheeting at 12c.; 15 yards Tweed at \$1.50; 3 yards Farmer's satin 60c.; 12½ yards cashmere at \$1.10. Received in payment his cheque for \$20, the balance to remain on account, \$
- “ 16—Received from R. W. Deeks, on account, cash \$30. Paid for coal oil, cash \$1.20.
- “ 20—Received from A. McGoun, on account, his cheque for \$15.
- “ 23—Sold James Morris on account, 15 yards Tweed at 90c.; 13 yards broadcloth at \$2.60.

June 26—Deposited in Molson's Bank, cash \$60.

“ 27—Lent J. Clark a \$5 bill.

“ 29—Received from R. W. Deeks his note at 30 days for balance of account, \$

“ 30—Paid clerk's salary with my cheque on Molson's Bank, \$30.

Inventories June 30th : Mdse, goods on hand, \$1,338.81.

Expense, fuel on hand, \$5.50.

Result—Cash on hand, \$105.65. Cash in Bank, \$130.

Net gain, \$20.38. Present net capital, \$1,650.38.

### TRANSACTIONS.

#### SET VII.

Montreal, 1899.

- July 1 The partners in this business are H. B. Wilson and H. J. Wilson. The style of the firm, H. B. Wilson & Son. Each partner is to receive interest on his net investment at the rate of 6 p.c. per annum and the net gain or loss is to be divided equally. H. B. Wilson invests cash, \$10,000, H. J. Wilson invests stock of dry goods valued at \$7,000.
- “ 2 Paid cash for repairs and incidental expenses, \$75. Sold E. P. Lewis, Toronto, on account 1 case American fancy prints, 1,410 yards at 10c, \$141; 2 cases union gingham, 1,785 yds. at 11½c., \$205.27. Total \$346.27. Deposited in Molson's Bank \$9,000.
- “ 4 Sold B. Geer for cash, 25 pieces Scotch gingham, 875 yards at 15½c., \$135.62; 20 pieces Canton flannel, 714 yards at 47½c., \$339.15. Total \$474.77. Paid cash for blank books and stationery, \$62.50. Received cash for petty sales, \$75.10.
- “ 6 Bought of W. A. Shaw, Ottawa, on 3 months' credit, 10 pieces black French broadcloth, 300 yards, at \$4.75, \$1,425.
- “ 9 Sold J. L. Hall on his note at 3 months, 130 yards alpaca at 28c, \$36.40; 60 yards black French broadcloth at \$5.25, \$315. Total \$351.40. Paid cash for services, \$25. Received cash for petty sales \$73.75.

- July 12 Sold B. B. Gibson, on account, 10 pieces Amoskeag sheetings, 350 yards at  $13\frac{1}{2}c.$ , \$47.25; 275 yards regatta shirting at  $9\frac{1}{2}c.$ , \$26.12; 10 pieces, 295 yds. brown sheetings at  $12\frac{1}{2}c.$ , \$36.87. Total \$110.24.
- " 15 Sold Chas. Dawson on account, 500 yards valencia at 38c. \$190; 575 yards Amoskeag ticks at 22c., \$126.50. Total \$316.50. Sold W. A. Lorne on account 10 pieces Am. fancy prints, 275 yds. at  $10\frac{1}{2}c.$ , \$28.87; 125 yards Canton flannel at 19c., \$23.75; 200 yds. 6-4 alpaca at 27c., \$54. Total \$106.62. Received cash for petty sales \$125.75.
- " 17 Discounted J. L. Hall's note of July 9, receiving proceeds in cash. Face of note \$351.40; discount for 87 days at 6 p.c. per annum; \$5.10, proceeds \$346.30.\*
- " 20 Sold Edward Lamb on account, 1 case, 1,425 yards Merrimack prints at  $9\frac{1}{4}c.$ , \$138.94. Received cash for petty sales \$116.70.
- " 22 Accepted W. A. Shaw's draft at 10 days for \$1,000. Sold E. P. Lewis on account, 125 yards Wamsutta prints at 9c., \$11.25; 50 yards black French broadcloth at \$5.22, \$261; 10 pieces, 512 yards denims at  $8\frac{1}{2}c.$ , \$43.52. Total \$315.77.
- " 25 Paid, per check, for insurance on stock of goods, \$57.33. Sold Chas. Dawson, on account, 10 pcs. 357 yards Manchester delaines at 18c., \$64.26, 4 pcs.; 115 yards cashmere at \$2.10, \$241.50. Total \$305.76.
- " 27 Received cash of W. A. Lorne in full of account \$..... Paid per check, for store repairs, \$87.50. Received cash for petty sales, \$127.13.
- " 30 Sold Edward Lamb on account 75 pieces black French broadcloth at \$4.95, \$371.25. Received of Edward Lamb his note at 30 days in full of account, \$.....

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\* The business method of calculating interest and discount is as follows: The year has 365 days, and the actual time for which an obligation is to run forms the basis of the calculation; again, discount is reckoned as interest on the face of the obligation, and deducted therefrom. This note is dated from July 9 to run 3 months. The expiration of the time would be October 9, to which add 3 days of grace, which is the practice, and the date of maturity is October 12. From July 17 to October 12 is exactly 87 days, the time which the note has yet to run. The interest on the face of the note (\$351.40) for 87 days at 6 p.c. per annum is \$5.03, leaving the balance \$346.37 to be paid in cash.

July 31 Paid, per check, W. A. Shaw's sight draft on us to balance his account \$..... Paid H. B. Wilson, cash on private account, \$75. Deposited \$1,000. Received cash of Chas. Dawson, in full of account \$..... .. Interest due on investment, viz.: H. B. Wilson, \$50; H. J. Wilson, \$35. Total \$85. Due for services, viz: H. B. Wilson, \$125; H. J. Wilson, \$100. Total \$225.†

## INVENTORY.

The value of unsold as per inventory is \$5,650.

## PRODUCE BUSINESS.

## SET VIII.

1899

- August 1—(Student's name) Commenced business with \$10,000 cash capital. Bought of H. R. Hague at 10 days, 500 bbls. Genesee flour at \$10. Bought of James E. Laing, for cash, 700 bush. oats at 60c. Sold John J. Garth, on his note at 10 days, 300 bbls. flour at \$10.50. Sold Frederick Wise, for cash, 200 bushels oats at 75c.
- “ 2 Bought of W. A. Kerr, for cash, 300 bbls. Toronto Mills flour at \$10.25. Paid cash for store expenses, \$75. Sold Thomas C. Ryan, on account, 100 bbls. Genesee flour at \$11. Bought of Samuel Goltman, for cash, 1000 bush. corn at 65c.
- “ 3 Sold James E. Date, on account, 300 bush. oats at 78c. Bought of J. Oman for cash 3000 bush. Milwaukee club wheat at \$1. Sold Henry C. Miller, for cash, 500 bush corn at 73c.
- “ 4 Bought of John Ledoux, on account, 4,000 bush. Chicago spring wheat at 85c. Sold G. Davis, for cash, 1,500 bush. Milwaukee club wheat at \$1.10. Sold H. P. Shaw, for cash, 200 bbls. Toronto Mills flour at \$11.50. Received cash of Thomas C. Ryan in full of account, \$——

† These items have nothing to do with the investment, and should therefore be taken to the private accounts.

- August 5 Paid H. R. Hague, cash on account \$2,500. Bought of Samuel Lewis, for cash, 2000 bush. rye at 70c. Sold J. O'Hara, for cash, 1,500 bush. Milwaukee club wheat at \$1.20.
- " 6 Sold Henry Cagney, for cash, 2000 bush. Chicago spring wheat at 90c. Sold James Wilson, for cash, 200 bush. oats at 75c.
- " 7 Sold Philip Milloy, for cash, 100 bbls. Genesee flour at \$10.75. 100 bbls. Toronto Mills flour at \$11.
- " 10 Paid J. Ledoux, cash in full of account, \$— Sold J. Weston, for cash, 2000 bush. Chicago spring wheat at 92c. ; 500 bush. corn at 75c.
- " 12 Sold J. Day, for cash, 2000 bushels rye at 60c. Received cash in full for John J. Garth's note of the 1st inst., \$— Received cash of Jas. E. Date, in full of account, \$— Paid H. R. Hague, cash in full of account, \$—

STATEMENT AT CLOSING.

Cash on hand.....	11,269			
Capital at commencing .....	\$10,000			
<i>Net Gain</i> .....	1,269		11,269	
	11,269		11,269	



## BUSINESS FORMS.

## CHEQUE.

No. .... Montreal, ..... 189

*The Bank of Toronto*

Pay to ..... or Bearer

..... <sup>100</sup>/<sub>100</sub> Dollars

\$ .....  
 \_\_\_\_\_

## RECEIPT.

\$50. <sup>00</sup>/<sub>100</sub>

Montreal, Jan. 4, 1899

Received from Mr. Chas. Larkin,  
 the sum of Fifty <sup>00</sup>/<sub>100</sub> Dollars in settlement of account to  
 date.

H. W. Wilson & Co.

per R. Brown.

## PROMISSORY NOTE.

\$300. <sup>00</sup>/<sub>100</sub>

Montreal, Jan. 3, 1899

Thirty days after date, for value received,  
 I promise to pay to the order of Messrs. H. W. Wilson  
 & Co. Three hundred <sup>00</sup>/<sub>100</sub> Dollars at the Molson's Bank  
 here.

James Ross.

No. ....

Due .....

DRAFT.

Montreal, Jan. 5, 1899

At sight for value received pay to the orders  
of ourselves \$60. <sup>00</sup>/<sub>100</sub>, Sixty <sup>00</sup>/<sub>100</sub> Dollars.

To Joseph Brown & Sons } H. W. Wilson & Co.  
Toronto.

BILL OF EXCHANGE.

Exchange for.....

£..... Stg. No. 18.....

..... after..... of this FIRST of  
Exchange (Second and Third of the same tenor and  
date unpaid) pay to the Order of.....

Sterling, value received, and place the same with or  
without further advice to account of.....

To.....

INVOICE.

24 ST. JAMES STREET

Montreal, January 31 1899

Mr. John Wilson

To JOHN WATSON & SON, Dr.

... PUBLISHERS ...

Fine Book and Job Printers.

1899					
Dec.	29	To Books		45	50

## DEPOSIT SLIP.

## THE BANK OF TORONTO

Credit.....

Deposited by.....

.....  
of..... 18.....

×	1 =
×	2 =
×	4 =
×	5 =
×	10 =
×	20 =
×	50 =
×	100 =

\$	

STATEMENT.

24 ST. JAMES ST.

Montreal, *January 31st* 1899

Mr. *John Wilson*

*City*

To John Watson & Son, Dr.

General Printers and Bookbinders

1898					
		Account rendered			
<i>Sept.</i>	<i>24</i>	<i>To Goods</i>	<i>75</i>	<i>75</i>	
<i>Oct.</i>	<i>9</i>	<i>" "</i>	<i>60</i>	<i>00</i>	
<i>Nov.</i>	<i>12</i>	<i>" "</i>	<i>78</i>	<i>95</i>	
<i>Dec.</i>	<i>29</i>	<i>" "</i>	<i>90</i>	<i>00</i>	
			<i>45</i>	<i>50</i>	
					<i>250 30</i>

## COMMERCIAL WORDS AND PHRASES IN COMMON USE.

ACCEPT.—To acknowledge by signature or agree to perform according to the expressed terms.

ACCEPTANCE.—A formal agreement by signature to pay a draft or bill according to its terms; the common title given to bills after they have been accepted.

ACCOMMODATION PAPER.—Notes or bills drawn to be discounted and not founded on actual sale of goods or *bona fide* indebtedness.

ACCOUNT CURRENT.—A detailed statement of the transactions between parties for a certain period, showing what is the condition of affairs at the current or present time.

ACCOUNT SALES.—A detailed statement rendered by a commission merchant to his principal, showing the sales of certain goods, the expenses attending the same and the difference or net proceeds.

ACKNOWLEDGE.—To admit; as by letter to admit the receipt of money or goods, or by signature to certify to the genuineness of a deed or mortgage.

ACKNOWLEDGMENT.—A receipt or admission.

ACQUITTANCE.—A release from debt or obligation, a written discharge or receipt in full.

AD VALOREM.—According to the value of *ad valorem* duties are an impost of a certain percentage on the cost or value of the article imported. Specific duties are levied upon the quantity, measurement or weight as so many cents or dollars per gallon, yard or pound, as the case may be.

ADVANCE.—Money paid before goods are delivered; increase of values in merchandise; moneys or acceptances from the commission merchant to the consignor before the goods are disposed of.

ADVICE.—Information communicated by letter; usually the announcement of goods shipped or bills sent for acceptance.

AGREEMENT.—A contract.

ALLOWANCE.—A deduction from the gross weight of goods.

APPRAISE.—To set a price upon; to value.

APPRAISER.—One who sets a value upon goods; a government official whose duty it is to examine and report the dutiable values of imported merchandise.

**ARBITRATION.**—A method of settling differences in mercantile affairs by referring the matter in dispute to two or more disinterested parties.

**ASSETS.**—Resources ; the property or effects of a person or a concern in contradistinction to liabilities.

**ASSIGNEE.**—A person to whom the affairs of an insolvent debtor are referred for settlement. An assignee is, in effect, a trustee for the creditors, his duty being to make the most out of the property for their benefit.

**ASSIGNMENT.**—The act or instrument by which the property and effects of an insolvent or embarrassed merchant are placed in the hands of an assignee.

**AUDITOR.**—One who examines accounts; an officer of the Government through his hands all claims upon the treasury must pass.

**AVOIRDUPOIS.**—Commercial standard of weight.

**BALANCE ACCOUNT.**—An account used to contain the balances of resources and liabilities comprising an epitomized statement of the condition of a business.

**BALANCE SHEET.**—A statement in condensed form showing the condition and progress of a business.

**BANK NOTES.**—The promissory notes of a bank which are payable on presentation at its counter, and on that account called money.

**BANKRUPT.**—A person who is unable to pay his debts or who is broken up in his business ; the term usually applies to merchants or business men.

**BILL BOOK.**—A book containing the particulars of our notes issued and others' notes received.

**BILL OF EXCHANGE.**—A general designation given to drafts, either foreign or domestic. A foreign bill of exchange is usually drawn in three parts, and sent at different times or by different modes of conveyance so that one at least will be sure to meet its destination.

**BILL OF LADING.**—A written instrument signed by the proper officer of a vessel acknowledging the receipt of certain packages or quantities of goods, and promising to deliver the same "in like good order" at the place directed, dangers of the sea excepted.

**BILLS PAYABLE.**—Our notes or drafts issued and to be paid.

**BILLS RECEIVABLE.**—Other people's notes or drafts in our possession.

**BOARD OF TRADE.**—A voluntary association of merchants or business men organized and maintained for mutual benefit and for the regulation of business affairs, also known as Chamber of Commerce, Merchants' Exchange, etc. Aside from the benefit of individual contact and discussion of the vital question of commerce, these associations act an important part in the arbitration and settlement of differences which arise between its members, and which might otherwise drift into extensive litigations. The awards and decisions of these boards of arbitration are rarely appealed from to the legal tribunals, and the rules and maxims thus established become at last a part of the law of the land known as the "Law Merchant."

**BONDED WAREHOUSE.**—A building or warehouse in which imported merchandise is stored until the importer makes entry for withdrawal or consumption and pays duties, or until he withdraws for re-exportation to a foreign country without paying duties. These warehouses are owned by private individuals, who engage, under sufficient guarantee, to perform their duties in strict accordance with the requisition of the warehousing laws, and who must first be designated and approved by the secretary of the treasury.

Bonds are obligations or deeds securing the payment of a certain sum of money on or before a future day appointed.

When issued by governments or corporations they are made in denominations of convenient size, bearing the interest usually payable semi-annually. They frequently have *coupons* or *interest-tickets* attached, bearing date, amount, signature, etc., which are due at the expiration of each successive half-year; these are cut off as they are paid and held as receipts. For temporary loans Treasury notes have been also issued by the United States Government, payable with interest, some with and without coupons. Exchequer bills have been issued in England in the same manner.

**BONDSMAN.**—One who is bound or gives security for the faithful performance of any contract.

**BOOK-DEBT.**—An entry or charge on a ledger, called also an open account, in contra-distinction to a written promise or note.

**BRAND**.—Technically, a mark made with a hot iron on a cask or case in common usage, a trade mark either written, engraved or printed, consisting of a simple device, picture, combination or name.

**BREADSTUFFS**.—An American term applied to grain, flour, meal, etc.

**BROKER**.—An agent or middle-man between buyer and seller; one who purchases or sells goods for others; a dealer in stocks.

**BULL**.—A stock-exchange term applied to a person who, believing that a certain stock will rise in the market, makes his contracts upon that faith; contra-distinctive of **BEAR** which signifies one who believes that a certain stock will decline in the market and acts upon that belief.

The contest between the **BULLS** and **BEARS**, which creates such activity in the Stock-Exchange, is an effort on either hand to realize the hopes upon which these transactions are based.

**BULLION**.—A commercial name for uncoined gold or silver.

**CALL**.—Demand for payment of an instalment due.

**CAPITAL**.—Money or other property invested in business.

**CAPITAL STOCK**.—A paid-in fund of a corporation or the amount of value which a man employs in his business.

**CASH SALES**.—Sales made for ready money.

Certificates of Stock are issued to each stock-holder, indicating the number of shares to which he is entitled. The first or original value of the shares is called their *nominal or par value*. When they sell for more than their par value, they are said to be *above par* or *at a premium*, when for less *below par* or *at a discount*.

**CLEARING HOUSE**.—A kind of banking exchange for the convenience of daily settlements between banks.

**CLERICAL ERROR**.—An error in calculation or other accidental error on books or documents.

**COLLATERALS**.—Pledges or security for loans of money or other indebtedness.

**COMMERCIAL PAPER**.—Bills of exchange, drafts or promissory notes given in the course of trade.

**CONSIGNEE**.—The person to whom articles of merchandise are consigned and sent.

**CONSIGNMENT**.—Goods consigned to a correspondent or agent to be sold on account of the sender.



**CONSOLS.**—The leading Government security of England ; a fund formed by the consolidation of different annuities on which three per cent. interest is paid.

**CONSUL.**—An officer commissioned to reside in a seapor of a foreign country, chiefly for the purpose of protecting the commercial interests of the subjects or citizens of the country accrediting him.

**CONTRAMAND.**—Trade carried on contrary to the laws of the country.

**CONTRABAND GOODS.**—Articles prohibited by the laws to be imported or exported on certain conditions.

**COOPERAGE.**—Charges for putting hoops on casks or bales.

**CO-PARTNERSHIP.**—An agreement between two or more persons for joining in a business enterprise, each having a proportionate interest therein.

**CORNER.**—A term used to express a monopolizing arrangement entered into between dealers for the purpose of creating a fictitious value in any kind of produce, stocks or other commodity.

**CORRESPONDENT.**—One who carries on commercial intercourse with another by letter.

**COUNTERMAND.**—A contrary order.

**COUPON.**—An interest certificate which is cut off when payment is made.

**CREDIT SYSTEM.**—The practice of selling goods on time.

**CUSTOMS.**—Taxes or revenue duties levied on goods exported or imported.

**DAYS OF GRACE.**—The time usually allowed beyond the expressed time for the payment of negotiable paper in nearly all States. Three days of grace are allowed on all written obligations, unless otherwise expressly stated.

**DEFAULTER.**—One who is criminally deficient in his accounts.

Dividend is the sum divided among the stock-holders from the gains of the business.

Sometimes in addition to the cash dividend, which is payable at the stated time, the company declares a *scrip dividend*, for which certificates are issued payable on the contingency that the affairs of the company continue prosperous. This scrip bears interest or not as the company may determine.

**DRAWEE.**—The person on whom the bill or draft is drawn.

**DRAYAGE.**—Charge for hauling or conveying goods ; called also cartage.

**DRUMMER.**—A person employed by merchants to solicit customers.

**DUN.**—To press urgently the payment of a debt.

**DUTIES.**—A tax levied by the Government on imported goods ; money paid to the Government on imports and exports.

**E. E.**—An abbreviation for Errors Excepted, usually placed at the bottom of an account. **E. O. E.** similarly used for Errors and Omissions Excepted.

**EFFECTS.**—Movable property, available funds.

**ENDORSE OR INDORSE.**—To transfer by writing one's name on the back, as on notes or bills of exchange. To guarantee payment.

**ENDORSEE.**—The person in whose favor an endorsement is made.

**ENDORSER.**—One who writes his name on the back of a note or bill of exchange, thus becoming liable therefore.

**EXPRESS COMPANY.**—An association which, for a proper consideration, undertakes to carry and deliver packages of goods, money, etc., to the persons to whom such packages are addressed, at a shorter time than would usually be required by the ordinary modes of transmission.

**FAILURE.**—Suspension of payment, inability to meet mercantile engagements.

**FALSE PRETENSES.**—Misrepresentations, statements made with a fraudulent design to obtain goods on credit.

**FIXTURES.**—That part of the furnishing of a store or office which is not movable, such as gas pipes and burners, partitions, etc.

**F.O. B.**—Free on board the bill or invoice with f.o.b. includes the transportation to the shipping port and all the shipping expenses.

**FREE TRADE.**—Commerce unrestricted by customs duty or tariff regulations.

**GAIN.**—Profit, increase in wealth.

**GOOD-WILL.**—The interest which attaches to an established business and which is supposed to inhere in it, whoever may be its proprietor.

**GREENBACKS.**—A name for the bills originally issued as money by the United States Government during the rebellion, the backs of which are printed with green ink.

**Gross Earnings** consist of the entire receipts of a company.

**GROSS WEIGHT.**—The total weight of goods and boxes, bags or chests in which they are packed.

**Ground Rents** is a term applied to leases of building lots, the rent of which is considered equivalent to the interest on the valuation of the land. The payment is generally secured by a claim on the building erected on the land occupied.

**HAND.**—A measure of the hand's breadth, four inches ; used in measuring the height of horses ; style of handwriting.

**HARBOR-MASTER.**—An officer who executes the regulations respecting harbors.

**INSOLVENT.**—Not having sufficient estate to pay one's debts.

**INSTALMENT.**—A part of a sum of moaey paid or to be paid at a particular time.

**INVENTORY.**—A list of merchandise usually made out at certain periods of the business year, for the purpose of knowing the quantity and value of unsold merchandise, in order to ascertain the condition of the business.

**Joint Stock Company** is an association of men having a capital that is divided into shares of equal value, which are transferable and may be bought or sold like any other property.

**JOURNAL.**—A book of consecutive business record, usually the medium between the day book and the ledger.

**LETTER-BOOK.**—The book in which letters are transcribed or copied.

**LETTER OF CREDIT.**—A letter authorizing credit to a certain amount of money to be given to the bearer.

**LOSS AND GAIN.**—A term used in general to express fluctuation in value. As applied to an account, it means a collection of the particular losses and gains of a business, the result of net loss or net gain being shown by either side.

**MANIFEST.**—List of a ship's cargo.

**MERCANTILE AGENCY.**—A concern whose business it is to procure information relating to the standing and credit of country merchants for the use of city merchants or others with whom they deal.

**MERCHANDISE.**—A general name for goods bought and sold by merchants.

**METRIC SYSTEM.**—A system of weights and measures based upon the idea of employing as the unit a uniform standard, the multiples and sub-divisions of which should follow in decimal progression.

**MINT.**—A place established by the Government where money is coined.

**MONEY ORDER.**—An order on a third party requesting him to pay to the person named a certain sum of money not negotiable.

**Mortgage** is a conveyance of property as a pledge for the security of a debt, and becomes void when the debt is paid.

**Net Earnings** are what remains after the expenses are deducted.

**NOTARY PUBLIC.**—An officer whose chief business it is to protest paper for non-payment.

**OLD ACCOUNTS.**—Unsettled bills or open ledger balances of long standing.

**ORDER-BOOK.**—The book in which orders received are entered; also the book which contains copies of orders sent out.

**OUTSTANDING ACCOUNTS.**—The book debts and claims which are yet to be collected.

**OVER CHARGE.**—A charge at a higher rate than that implied or agreed upon or than the usual rates.

**OVERDRAW.**—To draw for a sum greater than one's credit balance in a bank or with a banker.

**PAR.**—Equality in nominal and actual value.

**PAYEE.**—One in whose favor a note or bill of exchange is drawn, or to whom payment is made.

**PAYER.**—The person on whom a bill of exchange is drawn, or who is to pay it.

**PETTY CASH-BOOK.**—A book containing a record of small receipts and disbursements.

**PRINCIPAL.**—An employer; the head of a commercial house; the sum on which interest accrues.

**PROCEEDS.**—Result; sum afforded by sale.

**PROMISSORY NOTE.**—A written promise to pay to a person named at a specified time a certain sum of money unconditionally.

**RECEIPT** is an acknowledgment in writing that a sum of money or other consideration of value has been received. A receipt is evidence of payment against the person who signs it, and is a voucher used by agents to prove the correctness of their accounts. It is also evidence in proving facts quite distinct from the payment stated in it.

**SIGHT**.—The time of presenting a bill to the drawee.

**SIGHT DRAFT**.—A draft payable at sight or on presentation to the drawee.

**SIMPLE INTEREST**.—Legal interest on the principal only, not interest on the interest.

**SLEEPING PARTNER**.—One who has an interest in the profits without letting his name appear or taking any part in the business.

**STERLING**.—The current standard money of Great Britain.

**Stock** is a general term applied to the bonds of the Government or State, and to the bonds and shares of incorporate companies. They are usually bought and sold through the medium of brokers at the Stock Exchange.

**STOCK ON HAND**.—Unsold merchandise.

**SUSPENSE ACCOUNT**.—An account used to contain balances of personal accounts which may be considered doubtful. The proper method of keeping the suspense account, however, is to place upon the credit side the separate amounts which appear upon the debit side of the doubtful accounts, debiting the same to profit and loss at once, thus permitting the doubtful accounts to remain upon the ledger without the corresponding gain which such resources, if genuine, would imply.

**TRADE MARK**.—A device, writing or ticket put on manufactured goods to distinguish them from others and protect the manufacturer from fraudulent imitation.

**TRANS-SHIPMENT**.—The act of transferring merchandise from one conveyance to another.

**TRANSIT**.—A line of passage or conveyance through a county.

**TRANSPORTATION**.—Conveying from one place to another.

**VOUCHERS**.—Receipts, memoranda, entries or documents, the production of which establish a fact.

**UNDERWRITER**.—One who insures a vessel or cargo, so called because he underwrites his name to the conditions of a policy.

## BUSINESS MAXIMS.

Endeavor to be perfect in the calling in which you are engaged.

Think nothing insignificant which has a bearing upon your success.

There is more in the use of advantages than in the measure of them.

Make no investments without a full acquaintance with their nature and condition, and select such investments as have intrinsic value.

Of two investments choose that which will best promote your regular business.

Become known and favorably known.

Never refuse a choice when you can get it.

Goods well bought are half sold.

Goods in store are better than bad debts.

Nothing valuable is lost by civility.

By prosecuting a useful business energetically humanity is benefited.

Keep accurate accounts and know the exact condition of your affairs.

Be economical; a gain usually requires expense; what is saved is clear.

Reality makes no allowances for wishes or bad plans.

