



Clarendon Press Series

# BOOK-KEEPING

Now Ready, for use with  
Hamilton and Ball's Book-keeping.

## RULED EXERCISE BOOK

Fcap. folio, price 1s. 6d.

ALSO

RULED BOOK adapted to the Preliminary Course  
Small 4to, price 4d.

OXFORD

AT THE CLARENDON PRESS

LONDON: HENRY FROWDE

OXFORD UNIVERSITY PRESS WAREHOUSE, AMEN CORNER, E.C.

OXFORD

AT THE CLARENDON PRESS

M DCCCCIV



Clarendon Press Series

# BOOK-KEEPING

BY

SIR R. G. C. HAMILTON, K.C.B.

*(Late Governor of Tasmania)*

AND

JOHN BALL

*(Of the firm of Quilter, Ball and Co.)*

LATE CO-EXAMINERS IN BOOK-KEEPING FOR THE SOCIETY OF ARTS

**New and Enlarged Edition**



Oxford

AT THE CLARENDON PRESS

M DCCCIV

HF 5635  
.H25

HENRY FROWDE, M.A.  
PUBLISHER TO THE UNIVERSITY OF OXFORD  
LONDON, EDINBURGH  
NEW YORK

## P R E F A C E.

A KNOWLEDGE of the theory and practice of accounts is an important part of the education of every man. It enables him to exercise a due control over his own affairs, or the affairs of others which may be intrusted to him. If he is a merchant, he can ascertain with ease and certainty what he possesses, and whether or not his means justify him in entering into certain speculations and investments. He can see which of his investments have proved profitable and ought to be pursued, and which unprofitable and ought to be discontinued; and he is able to provide to a large extent against error and fraud in the conduct of his business. If he is simply in the receipt of an income from professional or other sources, he knows exactly how his income has accrued, and how it has been spent or invested. He can compare his expenditure for similar objects during different periods, and has his attention directed to any heads, under which he may with advantage retrench.

Such a knowledge, however, is not at all common. The reasons are, that its great value does not seem to be generally appreciated, and that the subject is seldom properly taught.

A knowledge of book-keeping does not imply an extensive knowledge of business. The former can be acquired by study, the latter by experience only. It is not our intention to attempt a description of every variety of transaction which occurs in the course of business, but to lay down and illustrate those general principles by the intelligent application of which all problems in book-keeping can be solved.

LONDON, *August 1*, 1868.

A short chapter has been added in the Second Edition on the application of the system of Double Entry to Public Accounts.

LONDON, *March 5*, 1869.

A number of Exercises in Book-keeping, set by the authors as examination papers on various occasions, has been added in this New Edition.

LONDON, *Feb. 1*, 1874.

The Profit and Loss Accounts and Balance Sheets of the Exercises are added in this Edition for the guidance of teachers and students.

LONDON, 1885.

# CONTENTS.

	PAGE
PRINCIPLES AND DEFINITIONS, WITH ILLUSTRATIONS . . . . .	1
THE LEDGER . . . . .	13
BALANCING THE LEDGER . . . . .	16
THE LEDGER BALANCED . . . . .	19
CASH BOOK . . . . .	25
BILL BOOKS . . . . .	26
BOOKS FOR SALES AND PURCHASES, INSURANCES, &c. . . . .	26
JOURNAL . . . . .	27
GENERAL OBSERVATIONS . . . . .	28

## APPENDIX A.

BALANCE SHEET . . . . .	34
PARTNERSHIP TRANSACTIONS . . . . .	36
CASH BOOK . . . . .	42
BILLS RECEIVABLE . . . . .	44
BILLS PAYABLE . . . . .	44
BOUGHT BOOK . . . . .	46
SOLD BOOK . . . . .	46
JOURNAL . . . . .	49
LEDGER . . . . .	57
PRIVATE LEDGER . . . . .	76
TRIAL BALANCE . . . . .	77
BALANCE SHEET . . . . .	78
FORMS OF BILLS OF EXCHANGE . . . . .	80

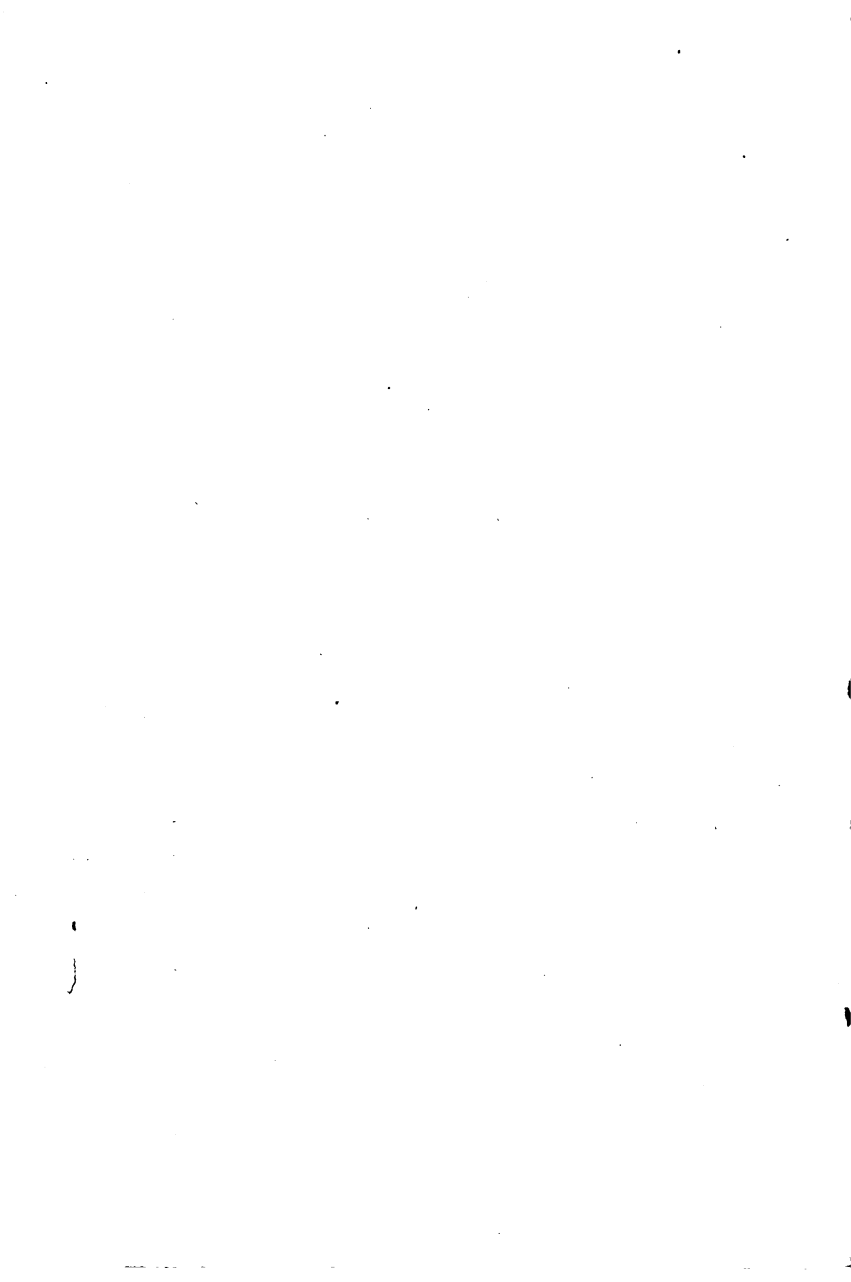
## APPENDIX B.

PUBLIC ACCOUNTS . . . . .	83
---------------------------	----

## APPENDIX C.

EXERCISES IN BOOK-KEEPING . . . . .	93
RESULTS OF THE EXERCISES . . . . .	127







## BOOK-KEEPING.

**Accounts** may be defined as registers of facts relating to money. The fundamental principle of keeping these registers is that they shall be complete records of such *facts*, and of *facts* only.

In very ancient times accounts were kept by means of tallies and chalk-marks, but for many centuries it has been the custom to reduce them into writing and to record them in books. To this operation the term 'Book-keeping' has been applied.

A mere chronological register of pecuniary facts was soon found insufficient. From such a register the merchant could not tell, without going through every item, how he stood in relation to his various customers, and whether his business was profitable or not. It became necessary that his transactions should be also classified under the names of the various persons dealt with and of the various articles dealt in. This grouping of transactions in separate accounts for the various persons and articles affected by them, led gradually to a perception of the fact that *every* pecuniary transaction has a twofold effect. It became evident that every such transaction is a transfer of money or money's worth, and, being a transfer, that it necessarily involves a giver and a

receiver, and requires an entry to be made both in the account which is diminished, and in the account which is increased. The application of this principle resulted in the method of 'Double Entry'—a method equally applicable to every description of accounts, whether commercial, public, fiduciary, or private; a method simple in its design, and perfect in its results.

**Double Entry** in a crude and imperfect form appears to have been known to the ancient Greeks and Romans; and there is no doubt that by every merchant or trader, at however remote a period, who endeavoured to record his transactions with exactness, it must have been to some extent employed. Take a very simple case: a corn-dealer who chalked upon the vessel in which he kept his corn the number of measures taken out, and upon his door the number supplied to his customers, under a special mark for each, kept these accounts by Double Entry in a crude form. It was not, however, till A.D. 1495 that the first treatise on book-keeping was produced. It was the work of an Italian teacher, Luças de Burgo, who detailed the system in use by the intelligent merchants of his day in the trading towns of Italy, since known as the Italian system. This plan, providing, as it did, for the record of the twofold effect of every pecuniary transaction, embodied the vital principle of the method of 'Double Entry;' and although the details and mode of applying the principle have naturally been improved with subsequent experience, yet, under all varieties in the actual practice, the principle itself remains the same.

To record the twofold effect of each transaction involves two separate operations. What is parted with must be deducted from the account (that is the collection

of items) from which it is taken, and what is received in exchange must be added to the account which is increased by it. Instead however of subtracting the amount parted with from each account, experience at a very early period shewed that it was a more convenient and better plan to appropriate one part of each account to the entry of amounts received, and another to the entry of amounts parted with, leaving the state of each account to be ascertained by a comparison of the two parts of it. The book in which all transactions are so classified and arranged is called the Ledger.

In **The Ledger**, therefore, each account is divided vertically into two parts: the one on the left hand, which is technically called the *debtor* side; the other on the right hand, which is technically called the *creditor* side. At first sight the aptness of these terms, except in so far as they are correlative, is not very striking. It becomes so, however, when illustrated by an example between persons. Thus, if A parts with anything to B; *to the extent of that thing's value and so far as that transaction is concerned*, B is A's debtor. And if A receives anything from B; *to the extent of that thing's value and so far as that one transaction is concerned*, B is A's creditor.\* The same is true in the case of articles, or of gains or losses, as well as of persons. For all accounts in the Ledger may be regarded as accounts of persons, that is, as accounts either of the merchant himself, or of persons entrusted with commodities on his behalf (see p. 7), or of

\* It cannot be too carefully borne in mind that in determining the effect of a particular transaction, that transaction *alone* is to be considered. Thus, I may owe John Smith £100, but when I pay him £20, so far as that payment is concerned he is my debtor for £20.

the persons with whom he deals. In book-keeping sense, however, the term 'personal accounts' is applied only to accounts of persons with whom the merchant deals; while the term 'impersonal'\* is applied to the several accounts in which the merchant's property is classified and his gains and losses recorded.

Every transaction is, as we have said, a transfer, and involves a giver and a receiver. Each account therefore, whether personal or impersonal, is the debtor of some other account for what it receives, and the creditor of some other account for what it parts with. If any pecuniary transaction occasions a gain or a loss, such gain or loss appears in the account where it has accrued.†

The words 'Debtor' and 'Creditor' are usually written **Dr.** and **Cr.** Each entry on the Dr. side of an account in the Ledger is prefaced by the word **To**, that is, debtor to; and on the Cr. side by the word **By**, that is, creditor by. To enter on the Dr. side of an account is called to debit the account; to enter on the Cr. side of it, to credit the account.

The difference between the totals of the entries on the two sides of an account is called its **Balance**. If the sum of the entries on the Dr. side of an account is greater than the sum of the entries on the Cr. side of it, the difference is called a Debit balance. If the sum of the entries on the Cr. side of an account is greater than the sum of the entries on the Dr. side of it, the difference

\* Sometimes these accounts are further divided, and described as 'real' or 'nominal' accounts, according as they represent property, or gains and losses.

† See foot-note on p. 8.

is called a Credit balance. An account is said to balance when the credit and debit sides are of the same amount.

A man's property and the sums owing to him are called his **Assets**; the sums owing by him, his **Liabilities**. The surplus of his assets over his liabilities constitutes what is termed his **Capital**.

We now proceed to illustrate the principle of Double Entry by analysing a series of dissimilar transactions, and shewing that however they differ in their nature and effect from one another, yet each has a distinct and intelligible twofold operation. The following examples are supposed to be taken from the consecutive register of John Ward's pecuniary transactions. This register, being a complete record of the facts relating to his business, begins with a list of his assets and liabilities. It contains a statement of all the goods he buys and sells, of all the money he receives and pays, and of all his other pecuniary transactions. In this imaginary series of transactions we have, for the sake of simplicity, omitted all merely explanatory details. But the original registers of actual transactions, though concise, should be so comprehensive as to leave no possibility of doubt arising as to the nature of every item recorded.

The first arrangement which suggests itself in recording transactions as they occur is that their money value should be entered in a part of the record appropriated to the purpose. This is generally accomplished, as in the following examples, by having a column for money on the right hand side of the page.

John Ward's Assets and Liabilities at commencement are as follows:—

	£	s.	d.
ASSETS—			
{ Due to him by T. Jones . . . . .	100	0	0
{ Wine on hand . . . . .	1000	0	0
{ Cash on hand . . . . .	200	0	0
	1300	0	0
LIABILITIES—Due by him to J. Smith . . . . .	50	0	0

His transactions during the first month are as follows:—

	£	s.	d.
* (1) Sold Wine for Cash . . . . .	10	0	0
(2) Bought Wine for Cash . . . . .	100	0	0
(3) Sold J. Smith, Wine . . . . .	50	0	0
(4) Bought of F. Brook, Wine . . . . .	75	0	0
(5) Received T. Jones's acceptance in payment of amount due † . . . . .	100	0	0
(6) Accepted F. Brook's draft ‡ . . . . .	75	0	0
(7) Lent Cash to J. Smith . . . . .	20	0	0
(8) Paid Salary of Clerk . . . . .	10	0	0
(9) Paid Cash for Insurance . . . . .	10	0	0
(10) Discounted T. Jones's acceptance for £100, and received in Cash £99, and allowed for discount £1 . . . . .	100	0	0
(11) Bought Wine of F. Brook . . . . .	100	0	0
(12) Paid F. Brook Cash £98, and was allowed Discount £2 . . . . .	100	0	0
(13) Consigned to P. Walker, to be sold by him on my account and risk, Wine invoiced § at . . . . .	225	0	0
(14) Received Cash from P. Walker on account of Consignment of Wine . . . . .	100	0	0
(15) Received Account Sales   from P. Walker, shewing that the above Consignment of Wine realized (net) . . . . .	285	0	0
(16) Received in Cash from P. Walker the balance of the amount realized by the sale of the Wine consigned to him . . . . .	185	0	0
(17) Paid Cash for purchase of Business Premises . . . . .	300	0	0

\* The numbers opposite each item refer to corresponding numbers given in the Ledger hereafter.

† T. Jones, instead of paying cash down, gives an undertaking, on stamped paper, to pay £100 on a specified day.

‡ John Ward, instead of paying cash down, gives an undertaking, on stamped paper, to pay £75 on a specified day.

§ An invoice is a document which describes the nature, quantity, and prices of the goods, and the names of the purchaser and the seller.

|| An Account Sales is an account of merchandise sold, rendered by the person to whom they were consigned.

\* The first pecuniary fact that John Ward has to deal with is the state of his affairs at commencement. It is manifestly of importance that he should be able to see at one view what the amount of his capital is, he therefore opens an account for this purpose in the Ledger under his own name—'John Ward (Capital account).' Sometimes this account is opened under the title of 'Stock.'

An account is opened in the Ledger by writing the name of it either across the head of both sides, or only on the Dr. side, with or without the word *Contra* on the Cr. side, at the option of the book-keeper. The title of each account should be as brief as possible, and yet so exact as to admit of no doubt arising as to its nature. The Ledger should be paged throughout, and provided with an index in which each account should be entered in alphabetical order with the number of its page, for facility of reference.

He first enters his assets in separate accounts for 'T. Jones,' 'Wine,' and 'Cash.' 'T. Jones' being his debtor for £100, he enters £100 on the Dr. side of T. Jones's account. He treats 'Wine' and 'Cash' as persons entrusted with these commodities on his account, that is, as his debtors for £1,000 and £200 respectively, and he enters, accordingly, £1,000 on the Dr. side of the 'Wine' account, and £200 on the Dr. side of the 'Cash' account.

'T. Jones,' 'Wine,' and 'Cash' being thus regarded as his debtors for the several sums of £100, £1,000, and £200, he is their creditor for those amounts, which he therefore enters on the Cr. side of his own account—'John Ward (Capital account).' This entry he may make, as has been done at p. 13, in one total amount, £1,300.

\* The student should now refer to pp. 13-15, and follow carefully the entry of each transaction in the Ledger.



The words technically used in making the entry in the Ledger to describe such an aggregate of accounts are, '**By sundries,**' that is, by the amount of sundry accounts.

He next enters his liabilities. J. Smith is his creditor for £50. He therefore opens an account for J. Smith, and enters £50 on the Cr. side of it. Being J. Smith's debtor for £50, he enters £50 on the Dr. side of his own account — 'John Ward (Capital account)' — which now shews all his assets and liabilities.

This entry, under the proper heads, of the state of a man's affairs is called **opening the books**. As the assets and liabilities are entered in separate accounts, on the Dr. and Cr. sides respectively, and the *totals* of the assets and liabilities are entered in the general account — 'John Ward (Capital account)' — on its Cr. and Dr. sides respectively, therefore by the axiom, 'The whole is equal to the sum of its parts,' the totals of the debit and credit entries must agree.

His first transaction is—

(1) \* *Sold Wine for Cash* . . . . . £10

Here his cash is increased by an addition of £10, and his wine is lessened, to the value of £10, by wine parted with. In other words, 'Cash' increases its liability to him by £10, and 'Wine' lessens its liability to him by the same amount. He therefore enters £10 on the Dr. side of the 'Cash' account, thereby increasing it by £10, and, instead of deducting £10 from the Dr. side of the 'Wine' account,

\* This and similar transactions may cause a gain or a loss, and to the extent of such gain or loss his capital is affected. But it would generally be very difficult, and often impossible, to tell exactly what the gain or loss on each individual transaction has been. He therefore postpones for the present any entry under his Capital account, leaving the net gain or loss on all the transactions recorded to be ascertained, and transferred to that account in one amount, when he closes his books (see pp. 16, 17).

he does what has precisely the same effect (see p. 3), he enters £10 on the credit side of it.

(2) *Bought Wine for Cash* . . . . . £100

Here Wine is increased by £100, and Cash lessened by £100. He therefore debits 'Wine' and credits 'Cash.'

(3) *Sold J. Smith, Wine* . . . . . £50

Here J. Smith becomes his debtor for £50. He therefore debits J. Smith's account with that amount. Wine is lessened by £50. He therefore credits 'Wine' with £50.

(4) *Bought of F. Brook, Wine* . . . . . £75

Here Wine is increased. He therefore debits 'Wine' with £75. Not having paid Brook for the wine, Brook becomes his creditor for £75. He therefore opens an account for 'F. Brook,' and credits him with £75.

(5) *Received T. Jones's acceptance in payment of amount due* . . . . . £100

Had Jones paid his debt in money, 'Cash' would have been debited as in (1). But Jones has paid by handing over a bill\* which becomes part of John Ward's property, and of which it is necessary that an account should be kept. Ward therefore opens such an account under the title of **Bills Receivable**, and debits it with £100, the amount of the bill received by him. 'T. Jones' having given the bill, is credited with the amount of it.

It must be remembered, however, that Jones has only exchanged one form of liability for another, and that the 'Bills Receivable' account represents, in its aggregate, persons liable for the payment of bills of exchange.

(6) *Accepted F. Brook's draft* . . . . . £75

His liability to F. Brook being thus contingently dis-

\* For description of 'bills,' see p. 26.

charged, he debits 'F. Brook' with £75. But what account is he to credit? Had he paid in money he would have credited 'Cash' as in (2), but as he has paid by giving a bill, it is necessary that he should open an account for **Bills Payable** by him. This account he credits with £75, the amount of F. Brook's draft.

The effect would have been similar if, instead of giving Brook a bill, he had got a temporary advance of £75 in cash to meet the payment. In that case he would have credited the lender with the advance of £75; in this case he credits 'Bills Payable.'

'Bills Payable' thus represents, in aggregate, persons to whom the merchant is indebted for payments postponed until fixed dates upon his written promises to pay.

(7) *Lent Cash to J. Smith* . . . . . £20

Here Smith becomes his debtor for £20, and Cash is lessened by that amount. He therefore debits 'Smith' and credits 'Cash.'

(8) *Paid Salary of Clerk* . . . . . £10

Here Cash is lessened by £10. He therefore credits 'Cash.' But what account is he to debit, having received no description of property in exchange? His assets are reduced by £10, and he might at once debit his own account — 'John Ward (Capital account)' — with £10. But a chief object of book-keeping being to shew the result of his transactions in respect of profit and loss, and how both arise, it is necessary to open accounts which shall exhibit on the one hand the gains and on the other the losses and expenses. One class of expenses is 'Salaries.' He accordingly opens an account under that head, and debits it with £10.

- (9) *Paid Cash for Insurance . . . . . £10*

This transaction is similar to the last. He credits 'Cash' with £10 and opens an account for 'Insurance,' which he debits with £10.

- (10) *Discounted T. Jones's acceptance and received in Cash £99, and allowed for Discount £1 . £100*

Here he parts with one of the bills receivable by him. He therefore credits the account of 'Bills Receivable' with £100.\* As he receives £99 in cash, he debits 'Cash' with that amount. He incurs an expense of £1 in discount. His assets consequently are reduced by £1. As in (8) and (9), he raises an account for 'Discount,' which he debits with £1.

- (11) *Bought Wine of F. Brook . . . . . £100*

Here, as in (4), he debits 'Wine' and credits 'F. Brook.'

- (12) *Paid F. Brook £98 in Cash, and was allowed Discount £2 . . . . . £100*

As the whole liability of £100 to F. Brook is discharged by this transaction, he debits 'F. Brook' with £100. Cash is lessened by £98. He therefore credits 'Cash.' He gains £2 by discount, increasing his assets by that amount, he therefore credits 'Discount' with £2.

- (13) *Consigned to P. Walker, to be sold by him on my account and risk, Wine invoiced at . . . £225*

Here his stock of wine at home is decreased by the value of the consignment. He therefore credits 'Wine' with £225. P. Walker being simply his agent and not the purchaser of the wine, cannot be debited. It is necessary however that

\* It must be borne in mind, however, that Ward is liable to the discounter of the bill in the event of its being returned dishonoured, that is, if Jones fails to pay it when it becomes due.

he should open an account to shew where his property is. This he does under the descriptive title, 'Consignment of Wine to P. Walker,' and he debits it with the invoiced value of the wine, viz. £225.

- (14) *Received Cash from P. Walker on account of Consignment of Wine . . . . .* £100

He now opens an account for 'P. Walker,' which he credits with the £100, and he debits 'Cash' with the receipt of £100.

- (15) *Received Account Sales from P. Walker, shewing that the above consignment of Wine realized (net) . . . . .* £285

P. Walker now becomes his debtor for the amount realized. He therefore debits the account of P. Walker and credits 'Consignment' with the amount realized, viz. £285.

- (16) *Received Cash from P. Walker, being balance of amount realized by consignment of Wine . . . . .* £185

P. Walker is now no longer his debtor. He therefore credits 'P. Walker' with £185, which balances his account, and he debits 'Cash' with the receipt of the same amount.

- (17) *Paid Cash for purchase of Business Premises . . . . .* £300

He has now converted part of his cash into another description of property, for which it is necessary to open an account. This he does under the title of 'Business Premises,' debiting it with the £300, and crediting 'Cash' with the same amount.

The entries of the foregoing transactions stand in his Ledger as follows:—

LEDGER.

Note.—The accounts are placed in the following order as the most convenient for explaining the process of balancing (pp. 16-19).

Dr. JOHN WARD (CAPITAL ACCOUNT). Cr.

	£	s.	d.		£	s.	d.
To J. Smith . . . .	50	0	0	By Sundries . . . .	1300	0	0

Dr. BUSINESS PREMISES. Cr.

* (17) To Cash . . . . .	300	0	0				
--------------------------	-----	---	---	--	--	--	--

Dr. WINE. Cr.

To J. Ward (Capl. Acct.) . . . . .	1000	0	0	(1) By Cash . . . . .	10	c	0
(2) To Cash . . . . .	100	0	0	(3) By J. Smith . . . .	50	c	0
(4) To F. Brook . . . .	75	c	0	(13) By Consignment to P. Walker . . . .	225	0	0
(11) To Do. . . . .	100	0	0				

Dr. CASH. Cr.

To J. Ward (Capl. Acct.) . . . . .	200	0	0	(2) By Wine . . . . .	100	c	0
(1) To Wine . . . . .	10	0	0	(7) By J. Smith (Loan)	20	c	0
(10) To Bills Receivable	99	0	0	(8) By Salaries . . . . .	10	c	0
(14) To P. Walker . . .	100	0	0	(9) By Insurance . . . .	10	c	0
(16) To Do. . . . .	185	0	0	(12) By F. Brook . . . .	98	0	0
				(17) By Business Prem.	300	0	0

\* The numbers prefixed to the entries refer to corresponding numbers given to the separate transactions.

Dr. BILLS RECEIVABLE. Cr.

	£	s.	d.		£	s.	d.
(5) To T. Jones . . . .	100	0	0	(10) By Cash . . . . .	99	0	0
				" By Discount . . . . .	1	0	0

Dr. BILLS PAYABLE. Cr.

				(6) By F. Brook . . . .	75	0	0
--	--	--	--	-------------------------	----	---	---

Dr. T. JONES. Cr.

To J. Ward (Capl. Acct.) . . . . .	100	0	0	(5) By Bills Receivable	100	0	0
------------------------------------	-----	---	---	-------------------------	-----	---	---

Dr. J. SMITH. Cr.

(3) To Wine . . . . .	50	0	0	By J. Ward (Capl. Acct.) . . . . .	50	0	0
(7) To Cash . . . . .	20	0	0				

Dr. F. BROOK. Cr.

(6) To Bills Payable . .	75	0	0	(4) By Wine . . . . .	75	0	0
(12) To Cash . . . . .	98	0	0	(11) By do . . . . .	100	0	0
" To Discount . . . .	2	0	0				

Dr. P. WALKER. Cr.

(15) To Consignment of Wine (net prcds.)	285	0	0	(14) By Cash . . . . .	100	0	0
				(16) By do . . . . .	185	0	0

Dr.                      CONSIGNMENT OF WINE TO P. WALKER.                      Cr.

	£	s.	d.		£	s.	d.
(13) To Wine .....	225	0	0	(15) By P. Walker....	285	0	0

Dr.    SALARIES.    Cr.

(8) To Cash.....	10	0	0				
------------------	----	---	---	--	--	--	--

Dr.    INSURANCE.    Cr.

(9) To Cash.....	10	0	0				
------------------	----	---	---	--	--	--	--

Dr.    DISCOUNT.    Cr.

(10) To Bills Receivable	1	0	0	(12) By F. Brook ....	2	0	0
--------------------------	---	---	---	-----------------------	---	---	---

In order to ascertain the gain or loss resulting from the transactions recorded, he proceeds as follows:—

He first abstracts the totals of all the Dr. entries and of all the Cr. entries from his Ledger. As for every transaction the Dr. entry (or entries) is equal to the Cr. entry (or entries), the totals of the Dr. and Cr. sides, if the entries are correctly made, must agree.

This operation, which is a most valuable check upon the arithmetical accuracy of the entries, is called making a **Trial Balance**.

The trial balance of the foregoing Ledger is as follows. viz.:—



## TRIAL BALANCE.

	DRS.			CRS.		
	£	s.	d.	£	s.	d.
John Ward (Capital Account) . . . . .	50	0	0	1300	0	0
Business Premises . . . . .	300	0	0			
Wine . . . . .	1275	0	0	285	0	0
Cash . . . . .	594	0	0	538	0	0
Bills Receivable . . . . .	100	0	0	100	0	0
Bills Payable . . . . .				75	0	0
T. Jones . . . . .	100	0	0	100	0	0
J. Smith . . . . .	70	0	0	50	0	0
F. Brook . . . . .	175	0	0	175	0	0
P. Walker . . . . .	285	0	0	285	0	0
Consignment (P. Walker) . . . . .	225	0	0	285	0	0
Salaries . . . . .	10	0	0			
Insurance . . . . .	10	0	0			
Discount . . . . .	1	0	0	2	0	0
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3195	0	0	3195	0	0
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Finding the totals of the Dr. and Cr. entries agree, he proceeds to make what are called *closing entries*; strictly, they ought to be called *equalising entries*. No such entries are required in accounts where the totals of the Dr. and Cr. sides are equal, for such accounts are already closed. In these cases he merely inserts the total on each side, and draws a line underneath.

Where the totals of the two sides do not agree, he transfers the difference or balance, so far as it represents a gain or a loss, to a general account of 'Profit and Loss;' and the balance of this account of Profit and Loss he transfers to his own account—'John Ward (Capital account).' The remaining balances represent

only assets or liabilities. He closes the accounts in which they appear by inserting such balance at the foot of the lesser side of each account, and also the totals which now agree. He then opens new accounts in the Ledger under the same titles, or, if there is room, continues the accounts on the same pages, and in these new accounts enters the balances on the proper side, that is, the side opposite to that on which they were entered to close the old accounts, thus maintaining the continuity of the record.

\* His course is as follows: He first values his business premises. Having only recently purchased them, he fairly values them at the amount he gave for them, viz. £300. This amount, being an asset, he carries forward to a new account for 'Business Premises,' by crediting the old account, and debiting the new with £300.

He next ascertains the quantity and estimates the value of his goods on hand; in this case only wine. The operation by which this value is arrived at is called Taking stock. We will assume that it amounts to £980. This asset he carries forward to a new Wine account by debiting it, and crediting his old Wine account with £980. On adding up the two sides of his Wine account, he finds that the total of the debits exceeds the total of the credits by £10. The debits being composed of his stock at commencement and his purchases, and the credits being composed of his deliveries and his stock on hand at the close, it is clear that he has made a loss on this account of £10. He now opens his general account of 'Profit and Loss,' and debits it with the loss of £10, on

\* The student should now refer to pp. 19-22, and follow carefully each entry in the Ledger.

the same principle on which he debited 'Salaries,' an account subsidiary to 'Profit and Loss' (see p. 10); and he closes the old Wine account by crediting it with the loss of £10.\*

He next takes his 'Cash' account. If that account has been correctly kept, his cash in hand must be the difference between the totals of the two sides of the account, viz. £56. This asset he carries forward to a new Cash account by crediting the old account and debiting the new account with £56.

His 'Bills Receivable' account shews no balance.

His 'Bills Payable' account shews a credit balance of £75. This liability he carries forward to a new Bills Payable account, by debiting the old account and crediting the new account with £75.

On J. Smith's account there is a debit balance of £20. This asset he carries forward to a new account for 'J. Smith' by crediting the old account and debiting the new with £20.

The accounts of 'F. Brook' and 'P. Walker' shew no balance.

The 'Consignment' account shews a credit balance of £60. The Consignment has all been sold. This balance therefore represents a gain, for it is the excess of the amount realized by the sale of the wine consigned, beyond its invoiced price. This gain of £60 he therefore carries to the credit of 'Profit and Loss,' closing the 'Consignment' account by debiting it with that amount.

\* In practice, the entry in the Ledger of the gain or loss always precedes the entry of the balance in hand (although arrived at by the process described), in order that the same item may terminate the old account and begin the new account.

The accounts of 'Salaries,' 'Insurance,' and 'Discount' are all subsidiary to the general account of 'Profit and Loss.' He closes them, in the case of 'Salaries,' by crediting it and debiting 'Profit and Loss' with £10; in the case of 'Insurance,' by crediting it and debiting 'Profit and Loss' with £10; and in the case of 'Discount,' by debiting it and crediting 'Profit and Loss' with £1.

He now adds up his **Profit and Loss account**, which shews on the one side all his gains and how they arise, and on the other all his losses and expenses, and finds that it produces a credit balance of £31, which is his net gain on the transactions recorded. This balance of £31, being an increase to his capital during the period, he transfers to his own account—'John Ward (Capital account),'—by crediting that account and debiting 'Profit and Loss' with it.

The account 'John Ward,' which now shews a credit balance of £1281, he closes by transferring that balance to a new account for 'John Ward,' debiting the old account and crediting the new account with £1281.

The totals of both sides of each of the old accounts in his Ledger are now exactly equal, and the Ledger is said to be closed. It stands as follows:—

**Dr.**                      **JOHN WARD (CAPITAL ACCOUNT).**                      **Cr.**

	£	s.	d.		£	s.	d.
To J. Smith . . . . .	50	0	0	By Sundries . . . . .	1300	c	0
To Balance carried down	1281	0	0	By Profit and Loss . . .	31	c	0
	<hr/>	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>
	1331	0	0		1331	c	0
	<hr/>	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>
				By Bal. brought down..	1281	c	0

**Dr. BUSINESS PREMISES. Cr.**

	£	s.	d.		£	s.	d.
(17) To Cash.....	300	0	0	By Bal. carried down..	300	0	0
To Bal. bro <sup>t</sup> . down	300	0	0				

**Dr. \* WINE. Cr.**

To J. Ward (Capl. Acct.).....	1000	0	0	(1) By Cash.....	10	0	0
(2) To Cash.....	100	0	0	(3) By J. Smith ....	50	0	0
(4) To F. Brook....	75	0	0	(13) By Consignment to P. Walker....	225	0	0
(11) To do. ....	100	0	0	By Profit and Loss	10	0	0
				By Bal. carr <sup>d</sup> . down	980	0	0
	1275	0	0		1275	0	0
To Bal. bro <sup>t</sup> . down	980	0	0				

**Dr. CASH. Cr.**

To J. Ward (Capl. Acct.).....	200	0	0	(2) By Wine .....	100	0	0
(2) To Wine .....	10	0	0	(7) By J. Smith (loan)	20	0	0
(10) To Bills Receivable	99	0	0	(8) By Salaries.....	10	0	0
(14) To P. Walker....	100	0	0	(9) By Insurance ....	10	0	0
(16) To do. ....	185	0	0	(12) By F. Brook ....	98	0	0
				(17) By Business Prem.	300	0	0
				By Bal. carr <sup>d</sup> . down	56	0	0
	594	0	0		594	0	0
To Bal. bro <sup>t</sup> . down	56	0	0				

**Dr. BILLS RECEIVABLE. Cr.**

(5) To T. Jones.....	100	0	0	(10) By Cash.....	99	0	0
				By Discount ....	1	0	0
	100	0	0		100	0	0

\* It is conceivable that the loss under this head may have wholly or in part arisen from an undervaluing of the Wine consigned, in which case the profit on the 'Consignment' would have been so much less.

THE LEDGER.

21

Dr. BILLS PAYABLE. Cr.

	£	s.	d.		£	s.	d.
To Bal. carried down..	75	c	o	(6) By F. Brook . . . .	75	o	o
	=	=	=	By Bal. bro <sup>t</sup> . down	75	o	o
	=	=	=		=	=	=

Dr. T. JONES. Cr.

To J. Ward (Cap <sup>l</sup> . Acct.)	100	c	o	(5) By Bills Receivable	100	o	o
	=	=	=		=	=	=

Dr. J. SMITH. Cr.

(3) To Wine . . . . .	50	o	o	By J. Ward (Cap <sup>l</sup> . Acct.)	50	o	o
(7) To Cash . . . . .	20	o	o	By Bal. carried down ..	20	o	o
	=	=	=		=	=	=
	70	o	o		70	o	o
To Bal. bro <sup>t</sup> . down	2c	o	o		=	=	=
	=	=	=		=	=	=

Dr. F. BROOK. Cr.

(6) To Bills Payable..	75	c	o	(4) By Wine . . . . .	75	o	o
(12) To Cash . . . . .	98	c	o	(11) By do. . . . .	100	o	o
„ To Discount . . . .	2	o	o		=	=	=
	=	=	=		175	o	o
	175	c	o		=	=	=
	=	=	=		=	=	=

Dr. P. WALKER. Cr.

(15) To Consignment of Wine, net prods.	285	o	o	(14) By Cash . . . . .	100	o	o
	=	=	=	(16) By do. . . . .	185	o	o
	285	o	o		=	=	=
	=	=	=		285	o	o
	=	=	=		=	=	=

**Dr.**                      **CONSIGNMENT OF WINE TO P. WALKER.**                      **Cr.**

	£	s.	d.		£	s.	d.
(13) To Wine.....	225	0	0	(15) By P. Walker....	285	0	0
To Profit and Loss	6c	0	0				
	<u>285</u>	<u>0</u>	<u>0</u>		<u>285</u>	<u>0</u>	<u>0</u>

**Dr.**                                      **SALARIES.**                                      **Cr.**

(8) To Cash .....	10	0	0	By Profit and Loss....	1c	c	0
	<u>10</u>	<u>0</u>	<u>0</u>		<u>1c</u>	<u>c</u>	<u>0</u>

**Dr.**                                      **INSURANCE.**                                      **Cr.**

(9) To Cash .....	10	0	0	By Profit and Loss ...	1c	c	0
	<u>10</u>	<u>0</u>	<u>0</u>		<u>1c</u>	<u>c</u>	<u>0</u>

**Dr.**                                      **DISCOUNT.**                                      **Cr.**

(10) To Bills Receivable	1	0	0	(12) By F. Brook ...	2	0	0
To Profit and Loss	1	0	0				
	<u>2</u>	<u>0</u>	<u>0</u>		<u>2</u>	<u>0</u>	<u>0</u>

**Dr.**                                      **PROFIT AND LOSS.**                                      **Cr.**

To Wine .....	10	0	0	By Consignment (P. Walker) .....	6c	0	0
To Salaries.....	1c	0	0	By Discount.....	1	0	0
To Insurance.....	10	0	0				
To J. Ward (Capl. Acct.) for Bal.; net profit ..	31	0	0				
	<u>61</u>	<u>0</u>	<u>0</u>		<u>6c</u>	<u>0</u>	<u>0</u>

## BALANCE SHEET.

23

The new accounts have now been opened with the balances outstanding upon the old. These balances which represent the state of the concern at the close are as follows:—

	Dr. Balances.			Cr. Balances.		
	£	s.	d.	£	s.	d.
John Ward . . . . .				1281	0	0
Business Premises . . . . .	300	0	0			
Wine . . . . .	980	0	0			
Cash . . . . .	56	0	0			
Bills Payable . . . . .				75	0	0
J. Smith . . . . .	20	0	0			
	<u>1356</u>	<u>0</u>	<u>0</u>	<u>1356</u>	<u>0</u>	<u>0</u>

Every account in the Ledger has been adjusted to the same moment of time, and the actual state of the concern appears in the foregoing Dr. and Cr. balances, which are conveniently arranged in the following form, designated a Balance Sheet:—

Dr.		BALANCE SHEET.						Cr.			
LIABILITIES.			£	s.	d.	ASSETS.			£	s.	d.
To Bills Payable . . . . .	75	0	0	By Business Premises..	300	0	0				
To John Ward's Capital	1281	0	0	By Wine.....	980	0	0				
				By Cash.....	56	0	0				
				By J. Smith .....	20	0	0				
	<u>1356</u>	<u>0</u>	<u>0</u>		<u>1356</u>	<u>0</u>	<u>0</u>				

From this it appears that the sum of £1281, at the credit of John Ward in the Ledger, is composed of assets of the value of £1356, less liabilities amounting to £75.



When the accounts commenced his assets were £1300, and his liabilities £50. The difference between the value of his assets less liabilities at starting, and his assets less liabilities at close, is £31, the amount appearing as the balance of the Profit and Loss account, which thus exhibits the process by which that result has been arrived at.

No doubt a merchant—provided he kept personal accounts with his customers, and knew how much he owed and how much was owing to him—might, without recording as we have done the full effect of every transaction, ascertain his profit or loss for any period by merely comparing the value of his assets less liabilities (if any), at starting, with the value of his assets less liabilities (if any), at the close, after making allowance for sums withdrawn by him. He could not tell, however, how the difference was occasioned. But by the system of Double Entry he knows exactly how his gains and losses have arisen, and how much of his gains have been consumed by various descriptions of expenses; because he keeps an account for every description of property on which it is desirable to know separately the gains and losses, for every description of expenditure for which he has received no property in exchange, and for every description of receipt in respect of which he has parted with no property. Further, the complete records which under this system are kept of each transaction, enable the merchant to act on all occasions with full knowledge; render it difficult for fraud committed on him to escape undetected; make the position of his affairs apparent; and furnish a self-acting check upon their own accuracy.

In manipulating the foregoing imaginary transactions we have carried each of them from the original con-

secutive record in which it appears directly to its proper accounts in the Ledger. We have shewn that the science of Double Entry consists in classifying in the Ledger all pecuniary transactions which occur in the course of business, that is in assigning each fact to its proper accounts. It will readily be perceived, however, that when the transactions are numerous, and many of them are similar in their nature, some classification in the original entry, in anticipation of their final classification in the Ledger, may with great advantage be made. The classification must necessarily to a large extent depend upon the nature of the business.

## CASH BOOK.

Businesses of every sort involve the receipt and payment of money, and it is the universal practice to record all such transactions in a book set apart for the purpose, called the **Cash Book**. This book is the record of all moneys received and paid, and for purposes of convenience it is kept in Ledger fashion; that is, it is divided vertically, and the receipts are entered on the debit side and the payments on the credit side. Cash consists of money actually in hand and at the banker's, the Cash Book accordingly should contain the record of all receipts and payments of the banker on account of the merchant, as well as of the merchant himself. The process of checking the amount of cash in hand, a most necessary operation, and one of daily occurrence, is greatly facilitated by using separate columns for 'Banker's' and 'At Office.'

For petty disbursements a separate book is kept,

called the **Petty Cash Book**. This book is of the same form as the Cash Book. It contains on the debit side the amounts advanced to the Petty Cash keeper, and on the credit side the payments made by him.

## BILL BOOKS.

**Bills\*** are undertakings to pay certain sums at certain times, and until the times of payment arrive they supply the place of Cash. As instruments of exchange they are very important, and it has been found convenient for purposes of reference, as well as conducive to their final classification in the Ledger, to keep distinct records of them. Bills are of two sorts, those payable *by* the merchant, and those payable *to* him. The former sort are entered in a book called the **Bills Payable** book. The latter are entered, when received, in a book called the **Bills Receivable** book. These books are usually ruled in columns to shew all the particulars of each bill—in fact to afford a complete abstract of it. They are generally furnished with two additional columns, one for the entry of a series of consecutive numbers, written also on the bills, for identification and facility of reference, and another to shew how each bill has been disposed of.

## BOOKS FOR SALES AND PURCHASES, INSURANCES, &c.

The form and number of these books must necessarily depend upon the nature and extent of the business. The great point to be aimed at in their construction is to

\* See page 80.

provide separate books, or parts of books, for the entry of all transactions which similarly affect the same heads of account in the Ledger, in order that *totals* under each head may be arrived at from these books. A large amount of repetition in describing the particulars of similar transactions may often be avoided by a judicious use of columns and printed headings.

The classification of the original entries—in Cash Books, in Bill Books, and in Books for Sales and Purchases—materially lessens the labour of recording them in the Ledger. But this labour may be still further lessened and the classification consolidated by the employment of another book, called the **Journal**.

## JOURNAL.

The Journal collects at convenient periods, usually monthly, the sums of all the transactions appearing in the various original records, and puts them in exact shape for entry in the Ledger, designating the side of each account in the Ledger on which the values are to be placed. The Journal also contains, and may be the original record of, all items which do not fall under the classification of Cash Books, Bill Books, &c., such as transfers from one account to another, or transactions between the partners of a concern. In journalizing (that is, entering in the Journal) any transaction, or group of similar transactions, the receiving account is entered as Dr. to the delivering account for the amount of the transaction. Thus the Journal entry of—

*Sold Wine for Cash* . . . . . £10

is 'Cash Dr. to Wine, £10.' Further description of the transaction may be given in the Journal if necessary. Thus:—

*Cash Dr. to Wine (for 5 doz. Sherry at 40s.) . . . £10*

Such description is technically called The narration.

The Journal is usually ruled with two money columns: the one for the entry of all debits, the other for the entry of all credits. The totals of these columns for any period necessarily agree, and thus form a perfect check upon the totals of the debit and credit entries in the Ledger for the same period, thereby materially assisting the operation of balancing the Ledger. Where every item passes through the Journal the entries in the Ledger are purely mechanical. It is the practice, however, in many businesses to Post \* each item directly from the Cash Books, Bill Books, Books for Sales and Purchases, Insurances, &c., to its proper head of account in the Ledger, and to pass the totals of these books only through the Journal. This plan, which we have illustrated in Appendix A, avoids much mere transcription; and as these entries in the Ledger are made daily, the state of the accounts of the various persons dealt with may be seen at any moment. The transactions which do not fall into the classifications accomplished by these books have to be journalized separately.

By means of these anticipatory classifications, completed by the Journal, the necessity of making two entries in the Ledger for each individual transaction is obviated, as the transactions are so collected and grouped that the

\* To Post, in book-keeping sense, is to enter in Ledger.

result of several of them can be carried in total to the debit and to the credit of the accounts to which each individually relates. This condensation is not only most valuable for enabling us to arrive with ease and certainty at general results, but by avoiding mere repetition of details, it greatly lessens chances of error, and may, by a judicious division of the labour of entry, be made to act as a considerable check against fraud. It is, however, an indispensable condition of a condensation of items in the Ledger, that provision should be made, by means of references, for tracing the course of every individual transaction from its occurrence to its final record. Every set of books should be self-explanatory.

In trades where goods are sold in small quantities, it would involve an unnecessary amount of labour to keep an account for every article in the Ledger. In such cases one general account for Goods is found to be sufficient. This account should be debited periodically with the totals of all purchases and credited with the totals of all sales.

In the keeping of accounts there is no point of greater importance than the correct distribution of items, both of Receipt and Expenditure, under the heads of which **Capital** and **Revenue** are composed, Capital being the assets less liabilities, if any; and Revenue being the income derived from the Capital employed, shewn by the Profit and Loss account. Bearing in mind that Book-keeping, as is stated at p. 1, is a record of facts and of facts only, the student will perceive (1) that no expenditure should be placed or charged to Capital unless it has the effect of increasing the asset to which it is charged beyond the amount at which it is already valued in the books, and (2) that all receipts of money should be

credited to Capital which, issuing out of the assets, have the effect of reducing the assets (other than cash) below the amount at which they are valued in the books.

A periodical investigation into the value of the assets of any business is of great importance, and where the nature of the business and the character of the assets allow of the operation being satisfactorily performed, their value should be determined and the accounts of Capital and Revenue adjusted accordingly.

All expenditure which partakes of the nature of replacement, or the making good of wear and tear, clearly does not increase assets, and therefore should be charged to Profit and Loss. But all expenditure for additional buildings, or machinery, or for improvement of existing buildings or machinery, constituting absolute additions to their extent or efficiency, increases their value, and is therefore a legitimate charge to Capital. On the other hand, all receipts from the sale of premises or machinery lessen those assets, and ought to be credited to Capital.

It is a just and healthful provision in partnerships that the capital of the several partners be made subject to interest at a fixed rate, and that such interest form an element in the Profit and Loss account before its net balance is divided between them. Even where the concern belongs to one man, he should, before estimating his profits, calculate interest upon his capital invested.

The examples by which we have already illustrated the principle of Double Entry comprise every ordinary sort of financial transaction, and after a careful study of these the student will have no great difficulty in mastering the

---

fuller examples given in Appendix A. To become an expert book-keeper great practice is required; the examples given should be carefully worked by the student, and others should be set by the teacher. But the practice which is really valuable does not consist in copying transactions from one book to another, but in assigning each transaction to its proper heads of account.

The specimens given are of **Commercial** transactions, which, from their comprehensive range, afford the most varied illustrations of the principle of Double Entry, for the operations of commerce involve all those multifarious transactions of buying and selling, of lending and borrowing, of employing and being employed, from which profits and losses arise, as well as the receipt and appropriation of profits, and the disposition or appropriation of losses and expenses.

**Bankers** trade in money and bills. The business of **Insurance Companies** consists in the receipt, investment, and payment of money under certain specific conditions. **Railway Companies** derive their income from work done and services performed. **Private Accounts**, as a rule, merely record the receipt, appropriation, and investment of income. **Fiduciary** or **Trust Accounts** are generally of the nature of private accounts, though they are not unfrequently of a commercial character, in cases namely where Trustees carry on businesses for the benefit of others. **Public Accounts**, notwithstanding their enormous magnitude, present but little variety in the nature of the transactions recorded in them, inasmuch as, with few and comparatively unimportant exceptions, every receipt goes to form the national income, and every payment is made out of this income, and goes to form the national



expenditure. In other words, no accounts are kept to exhibit the value of the national assets, and the question of a distinction between Capital and Revenue does not arise for consideration in the formation of the national balance-sheet.\*

The transactions involved in all these classes of accounts thus find their parallels in **Commercial Accounts**, and it is therefore unnecessary to give separate examples of them. And as every pecuniary transaction, to whatever class of accounts it may belong, has of necessity a twofold operation, it follows that the only *complete* record of such transactions, whether they be numerous and complicated or few and simple, is a Double Entry record.

Where the conditions of being entitled and receiving and of becoming liable and discharging are simultaneous, the Cash Book may contain the record of every transaction which takes place. In such cases the system of Double Entry is none the less applicable because all the transactions are of one kind. The accounts in the Ledger are debtors to the Cash account for money paid, and creditors for money received. And 'Cash,' of which the account is kept in the Cash Book, is debtor for all money received, and creditor for all money paid. This very simple plan of account is peculiarly well adapted for recording the income and expenditure of such institutions as hospitals, schools, and the like. Where the heads of account are few in number, this method may be still further reduced. The Ledger may be dispensed with and its functions performed by means of columns introduced in the Cash Book.

\* See Appendix B.

## APPENDIX A.

Dr.

*Balance Sheet of JAMES BRUCE,*

LIABILITIES.			£	s.	d.	£	s.	d.
To Sundry Creditors, viz. :—								
On Bills Payable . . . . .			1150	0	0			
On Open Accounts, as under :—								
F. Haynes . . . . .	290	10						
J. Reeves . . . . .	45	0						
F. Brook . . . . .	430	0						
J. Douglas (Aberdn.)	500	0						
			1265	10	0	2415	10	0
To James Bruce's Capital . . . . .						7539	6	0
						9954	16	0

On 1st January, 1867, George Williams, with a capital of £2500 in cash, which he pays in to the banking account of the new firm, is taken into partnership, on the understanding that he accepts the assets and liabilities as stated above, and that the capital and drawings of the

## BALANCE SHEET.

35

on 31st December, 1866.

Cr.

ASSETS.			£	s.	d.	£	s.	d.
By Cash on hand, viz. :—								
At Union Bank . . . .	1500	0	0					
At Office . . . . .	105	11	4			1605	11	4
<hr/>								
By Sundry Debtors, viz. :—								
On Bills Receivable . . .	709	18	0					
On Open Accounts, as under :—								
J. King . . . . . 500 6 8								
P. Walsh . . . . . 300 0 0								
	800	6	8			1510	4	8
<hr/>								
By Wine on hand . . . . .						5839	0	0
By Business Premises, valued at . . . . .						1000	0	0
<hr/>								
						9954	16	0
<hr/>								

partners are to be subject to interest at five per cent., and that the net balance of the profit and loss is to be divided thus :—

To James Bruce, three-fourths.

To George Williams, one-fourth.

The following is a complete list of their transactions for the month of January, 1867, in the order of date:—

		£	s.	d.
Jan. 1	Advanced for Petty Cash to meet payments for Postages, Stationery, &c. . . . . C	10	0	0
" "	Bought of S. Nokes, 15 hhds. of Brandy at £70 . . . . . B	1050	0	0
" "	Discounted with the Union Bank J. Green's acceptance for £200, due on 1st Feb. (Bills Receivable, No. 84), and allowed for Discount £2 . . . . . C	200	0	0
" "	Our acceptance of J. Duncan's draft, paid at Un. Bnk. this day (Bills Payable, No. 52) C	200	0	0
" 2	Bought of J. Smith, 10 butts of Sherry at £71 10s. . . . . B	715	0	0
" "	Accepted J. Smith's draft, * payable to his order at two months' date (Bills Payable, No. 1) . . . . . P	715	0	0
" 3	Sold to J. Douglas of Aberdeen, 6 butts of Sherry at £70 . . . . . S	420	0	0
" "	Shipped the above to J. Douglas, at his risk, on board the 'Good Hope'			
" "	Insured the above with J. Good for £460 . . . . .	8	0	0
" "	Our Commission on the above shipment . . . . .	9	10	0
" "	Paid Cash for shipping charges on above shipment . . . . . C	7	4	0
" "	Paid F. Brook, by cheque on Union Bank C	420	0	0
" "	Received Discount of F. Brook . . . . . C	10	0	0
" 4	Received consignment of 150 doz. of Claret from T. Sandford, to be sold on his account at 2 per cent. commission on proceeds, invoiced at £2 per doz. . . . .	300	0	0
" "	Paid Cash for carriage of above consignment C	2	0	0
" "	Accepted T. Sandford's draft, payable to his order at 21 days (Bills Payable, No. 2) P	100	0	0
" 5	Paid S. Nokes for Brandy, by cheque on Union Bank . . . . . C	1025	0	0
" "	Received Discount from S. Nokes . . . . . C	25	0	0
" "	Sold to W. Brown, 40 galls. of Brandy at 30s. S	60		
" "	Sold to W. Brown, 7 butts of Sherry at £80 S	560	0	0
" "	Received W. Brown's promissory note * at 21 days (Bills Receivable, No. 1) . . . . . R	620	0	0
" 7	Cash drawn out by J. Bruce for private expenses, by cheque on Union Bank . . . . . C	200	0	0
" "	Sold to J. Cooper, 100 doz. of Claret, part of T. Sandford's consignment, at £2 10s. per doz. . . . .	250	0	0

\* For form see pages 80 and 81.

		£	s.	d.
Jan. 7	Sold to J. Smith, 50 doz. of Claret, remainder of T. Sandford's consignment, at £2 10s. per doz.	125	0	0
" "	Commission gained by us on above consignment	7	10	0
" "	Sold 10 doz. Sherry for cash, at 40s. per doz. C	20	0	0
" 8	J. Harvey's acceptance to us, due this day (Bills Receivable, No. 85), returned to us dishonoured	180	0	0
" "	Paid Cash for noting the Bill C	0	6	0
" "	Paid T. Sandford, by cheque on Union Bank, balance due to him on consignment of Claret C	265	10	0
" 10	Purchased additional Business Premises from W. Brown	700	0	0
" "	Paid W. Brown by returning his promissory note. (Bills Receivable, No. 1)	620	0	0
" "	Accepted W. Brown's draft, payable to F. Hill at 1 month (Bills Payable, No. 3) P	80	0	0
" 12	Paid Cash for Salaries of Clerks C	45	0	0
" "	Sold to J. Cooper, 12 butts of Sherry at £80 S	960	0	0
" 14	Received Cash from J. Cooper (paid into Union Bank) C	960	0	0
" "	Paid Cash for Insurance C	27	4	6
" "	Paid F. Haynes, by cheque on Union Bank C	285	0	0
" "	Received Discount from F. Haynes C	5	10	0
" "	Sold to T. Sandford, 100 doz. of Sherry at £2 10s. S	250	0	0
" "	Received T. Sandford's acceptance at 2 months (Bills Receivable, No. 2) R	150	0	0
" "	Received from T. Sandford our acceptance to him (Bills Payable, No. 2), cancelled	100	0	0
" 16	Received from J. King (paid into Union Bank) C	490	0	0
" "	Allowed Discount to J. King C	10	6	8
" "	Received from J. Cooper (paid into Union Bank) C	250	0	0
" 17	Paid J. Reeves, by cheque on Union Bank, amount due C	45	0	0
" "	Received P. Walsh's acceptance at 1 month, for amount due by him (Bills Receivable, No. 3) R	300	0	0
" 18	Bought of J. Smith, 20 butts of Sherry at £70 B	1400	0	0
" "	Paid J. Smith, by cheque on Union Bank C	1000	0	0
" "	Accepted J. Smith's draft at 2 months (Bills Payable, No. 4) P	400	0	0
" 19	Consigned 20 butts of Sherry to R. Green, to be sold by him on our account and risk	1400	0	0

		£	s.	d.
Jan. 19	J. Thomson's acceptance (Bills Receivable, No. 86), due this day, paid at Union Bank C	329	18	0
" 21	Our acceptance of G. French's draft, due this day, paid at Union Bank (Bills Payable, No. 53) . . . . . C	950	0	0
" "	Sold 5 galls. of Brandy for Cash, at 30s. per gall. . . . . C	7	10	0
" 22	Sold to J. Reeves, 5 doz. of Sherry at £3 S	15	0	0
" "	Sold to J. Reeves, 6 galls. of Brandy at 30s. S	9	0	0
" 23	Received Cash, 10s. in the £ on J. Harvey's debt to us, he having compounded with his creditors . . . . . C	90	0	0
" "	Wrote off balance on J. Harvey's account as a bad debt . . . . . C	90	6	0
" 24	Received Cash from J. Reeves . . . . . C	23	0	0
" "	Allowed for Discount . . . . . C	1	0	0
" 25	Received account sales from R. Green, shewing that the Sherry consigned to him had realized net . . . . .	1350	0	0
" 26	Bought of S. Nokes, 10 butts of Sherry at £50 B	500	0	0
" "	Paid S. Nokes, by cheque on Union Bank C	490	0	0
" "	Received Discount from S. Nokes . . . . . C	10	0	0
" 28	Paid Cash for Repairs of Premises . . . . . C	14	6	8
" "	Bought of J. West, 12 doz. of Brandy in bottles at 50s. . . . . B	30	0	0
" 29	Procured by J. Good the settlement of a total loss of goods, per 'Good Hope,' the sum assured being £460, less brokerage £2 . . . . .	458	0	0
" "	Sold to J. King, 100 galls. of Brandy at 30s. S	150	0	0
" "	Sold to J. King, 100 doz. of Sherry at 30s. S	150	0	0
" "	Sold to P. Walsh, 3 hhds. of Brandy at £75 S	225	0	0
" "	Sold to P. Walsh, 50 doz. of Sherry at £2 S	100	0	0
" 31	Paid into Union Bank, by J. Good . . . . . C	450	0	0
" "	Paid Cash for Salaries of Clerks . . . . . C	50	0	0
" "	Interest due by R. Green to this date . . . . .	1	2	6
" "	Interest on amount drawn out by J. Bruce . . . . .	0	14	2
" "	Interest on J. Bruce's capital . . . . .	35	5	9
" "	Interest on G. Williams's capital . . . . .	12	10	0
" "	Trade charges paid out of Petty Cash* to this date . . . . .	9	4	0
" "	Estimated monthly wear and tear of Premises . . . . .	10	0	0
" "	Stock of Sherry on hand . . . . .	5074	0	0
" "	Stock of Brandy on hand . . . . .	696	4	6

\* It has not been thought necessary to give the Petty Cash Book, shewing the particulars of this sum, as it is merely a record in order of date of the amounts spent for trifling trade expenses.

The transactions in the foregoing list, marked

C	for	Cash Book,
R	„	Bills Receivable,
P	„	Bills Payable,
B	„	Bought,
S	„	Sold,

are recorded directly in these books as they occur, and posted directly from these books to the Ledger, to the debit or the credit of their proper accounts. The remaining transactions, not being sufficiently numerous to be classified in special books for the purpose, are made the subjects of separate Journal entries.

If the Cash Book and Journal are kept by two separate persons, it is necessary that the one who keeps the Cash Book, as well as the one who keeps the Journal, should know which accounts, besides personal accounts, are required to be opened in the Ledger, as the account to which each item belongs has to be designated in the entry of it in the Cash Book.

The Appendix supposes that Messrs. Bruce & Williams require their stock to be kept under the two heads of 'Wine' and 'Brandy;' and their Profit and Loss account includes the following subdivisions, viz. 'Trade Charges,' 'Salaries,' 'Insurance,' 'Interest and Discount,' 'Commission,' 'Bad Debts.'

It will be observed that in accordance with a convenient plan (see pp. 42, 43), Messrs. Bruce & Williams's Cash Book is furnished with separate columns for 'Banker's' and 'At Office.' It is also furnished with columns for 'Discount,' so as to obviate the necessity of making a separate entry in the Discount account



in the Ledger for every item of discount received and allowed.

The cash transactions which we have given are not sufficiently numerous to fill either side of the Cash Book. It is well to mention, however, that it is usual when one side of an account either in the Cash Book or Ledger is full, to add up both, and to carry the totals forward to the next folio. It is usual also in such cases to draw a line diagonally across the side which is not full, to show that the blank is intentional.

We have given no instance in these transactions of a transfer between the moneys in the bank and the cash at office. Such transfers should appear on the face of the Cash Book only. The general account of 'Cash' in the Ledger is not affected by them.

CASH BOOK.  
BILLS RECEIVABLE BOOK.  
BILLS PAYABLE BOOK.  
BOUGHT BOOK.  
SOLD BOOK.  
JOURNAL.  
LEDGER.



(1)

## CASH BOOK.

Cr.

Lgr. Fol.	Date.	Payments.	Discount.			At Office.			At Bankers.		
			£	s.	d.	£	s.	d.	£	s.	d.
	1867										
3	Jan. 1	By Petty Cash (advance)				10	0	0			
2	" "	By Bills Payable, No. 52, due this day . . . . .							20c	0	0
* 3	" 3	By J. Douglas, Shipping charges . . . . .				7	4	0			
4	" "	By F. Brook . . . . .	10	0	0				420	0	0
* 4	" 4	By T. Sandford (Carriage of consignment) . . . . .				2	0	0			
3	" 5	By S. Nokes . . . . .	25	0	0				1025	0	0
8	" 7	By J. Bruce (current ac- count), withdrawn for expenses . . . . .							20c	0	0
5	" 8	By J. Harvey, noting ac- ceptance (Bills Receiv- able, No. 85), returned dishonoured . . . . .				0	6	0			
4	" "	By T. Sandford . . . . .							265	10	0
7	" 12	By Salaries of Clerks . .				45	0	0			
7	" 14	By Insurance . . . . .				20	4	6			
5	" "	By F. Haynes . . . . .	5	10	0				285	0	0
6	" 17	By J. Reeves . . . . .							45	0	0
3	" 18	By J. Smith . . . . .							1000	0	0
2	" 21	By Bills Payable, No. 53, due this day . . . . .							95c	0	0
3	" 26	By S. Nokes . . . . .	10	0	0				49c	0	0
8	" 28	By Trade Charges, for Repairs of Premises . .				14	6	8			
7	" 31	By Salaries of Clerks . . .				30	0	0			
		Balance in hand..				117	0	2	1797	8	0
			50	10	0	246	1	4	6677	18	0

entry. These transfers sometimes represent the exact cost incurred, but more frequently a larger amount is charged to the customer than is actually paid.

## BILLS

(1)

Lgr. Fol.	Number	When Received	Of whom Received.	By whom Drawn.	On whom Drawn.	To whom Payable.
4	1	1867. Jan. 5	W. Brown	Himself	Prom <sup>y</sup> . note	Ourselves
4	2	" 14	T. Sandford	Himself	Jones & Co.	Ourselves
6	3	" 17	P. Walsh	Ourselves	Himself	Ourselves

## BILLS

(1)

Lgr. Fol.	Number.	When Accepted.	By whom Drawn.	Place.	To whom Payable.
3	1	1867. Jan. 2	J. Smith	London	Himself
4	2	" 4	T. Sandford	Edinburgh	Himself
4	3	" 10	W. Brown	London	F. Hill
3	4	" 18	J. Smith	London	Himself

(1)

## RECEIVABLE.

Where Payable.	Date.	Term.	* Due.	Amount.			How Disposed of.
London	1867. Jan. 5	21 days	Jan. 29	£	s.	d.	Paid to W. Brown, 10th Jan.
Edinburgh	" 14	2 months	Mar. 17	620	0	0	
London	" 17	1 month	Feb. 20	150	0	0	
				300	0	0	
					1070	0	0

(1)

## PAYABLE.

On whose Account.	Date.	Term.	* Due.	Amount.			To whom Paid.
Drawer	1867. Jan. 2	2 months	Mar. 5	£	s.	d.	Returned by T. Sandford
Do.	" 3	21 days	Jan. 27	715	0	0	
Do.	" 10	1 month	Feb. 13	100	0	0	
Do.	" 18	2 months	Mar. 21	80	0	0	
				400	0	0	
					1295	0	0

\* The three days which appear in each case beyond the 'Term' are called *days of grace*. Payment cannot be demanded till the last of these three days.

## BOUGHT BOOK.

(1)

Lgr. Fol.	Date.	From whom Bought.	* No. of Invoice Inwards.	Quantities, &c.	Brandy.			Wine.		
					£	s.	d.	£	s.	d.
	1867									
3	Jan. 1	S. Nokes	1	15 hhds. Bdy. at £70	1050	0	0			
3	" 2	J. Smith	2	10 butts of Sherry at £71 10s. . . . .				715	0	0
3	" 18	Ditto	3	20 do. at £70				1400	0	0
3	" 26	S. Nokes	4	10 do. at £50				500	0	0
6	" 28	J. West	5	12 doz. Brdy. at 50s.	30	0	0			
					1080	0	0	2615	0	0

## SOLD BOOK.

(1)

Lgr. Fol.	Date.	To whom Sold.	† No. of Invoice Outwards.	Quantities, &c.	Brandy.			Wine.		
					£	s.	d.	£	s.	d.
	1867									
3	Jan. 3	J. Douglas	1	6 butts Shry. at £70				420	0	0
4	" 5	W. Brown	2	40 galls. Bdy. at 30s.	60	0	0			
4	" "	Ditto	"	7 butts Shry. at £80				560	0	0
5	" 12	J. Cooper	3	12 do. at £80				960	0	0
4	" 14	T. Sandford	4	100 doz. Shry. at 50s.				250	0	0
6	" 22	J. Reeves	5	5 doz. Sherry at £3				15	0	0
6	" "	Ditto	"	6 galls. Brdy. at 30s.	9	0	0			
5	" 29	J. King	6	100 do. at 30s.	150	0	0			
5	" "	Ditto	"	100 doz. Shry. at 30s.				150	0	0
6	" "	P. Walsh	7	3 hhds. Brdy. at £75	225	0	0			
6	" "	Ditto	"	50 doz. Sherry at £2				100	0	0
					444	0	0	2455	0	0

\* These Invoices should be carefully preserved and numbered, as above, for purposes of reference.

† The Invoices should be copied, and the copies carefully preserved and numbered, as above, for purposes of reference.

The only transactions comprised in the list on pp. 36-38 which have not fallen into one or other of the foregoing books of account, are the following:—

1867		£	s.	d.
Jan. 3	Insured Shipment of Sherry to J. Douglas with J. Good for £460. . . . .	8	0	0
" "	Our Commission on the above Shipment . . .	9	10	0
" 4	Received consignment of 150 doz. of Claret from T. Sandford, to be sold on his account at 2 per cent. commission on proceeds, invoiced at £2 per doz. . . . .	300	0	0
" 7	Sold to J. Cooper, 100 doz. of Claret, part of T. Sandford's consignment, at £2 10s. per doz.	250	0	0
" "	Sold to J. Smith, 50 doz. of Claret, remainder of T. Sandford's consignment, at £2 10s. per doz.	125	0	0
" "	Commission gained by us on the above consignment . . . . .	7	10	0
" 8	J. Harvey's acceptance to us, due this day (Bills Receivable, No. 85), returned to us dishonoured . . . . .	180	0	0
" 10	Purchased additional Business Premises from W. Brown . . . . .	700	0	0
" "	Paid W. Brown, by returning his promissory note. (Bills Receivable, No. 1) . . . . .	620	0	0
" 14	Received from T. Sandford, our acceptance to him (Bills Payable, No. 2), cancelled. . . . .	100	0	0
" 19	Consigned 20 butts of Sherry to R. Green, to be sold by him on our account and risk . .	1400	0	0
" 23	Wrote off balance of J. Harvey's account as a bad debt . . . . .	90	6	0
" 25	Received account sales from R. Green, shewing that the Sherry consigned to him realized net	1350	0	0
" 29	Procured by J. Good the settlement of a total loss of goods, per 'Good Hope,' the sum assured being £460, less brokerage £2. . . .	458	0	0
" 31	Interest due by R. Green to this date . . (say)	1	2	6
" "	Interest on amount drawn out by J. Bruce (say)	0	14	2
" "	Interest on J. Bruce's Capital . . . . . (say)	35	5	9
" "	Interest on G. Williams's Capital . . . . . (say)	12	10	0
" "	Trade charges paid out of Petty Cash to this date	9	4	0
" "	Estimated monthly Wear and Tear of Premises	10	0	0
" "	Stock of Sherry on hand . . . . .	5074	0	0
" "	Stock of Brandy on hand . . . . .	696	4	6



Separate Journal entries are made for each of the foregoing transactions, with the exception of the third, for which there is no entry required in the Journal.

Messrs. Bruce and Williams cannot credit T. Sandford with the invoiced price, as they are liable only for the proceeds, a sum not yet ascertained. They therefore merely record fully the fact of the consignment, but do not make it a matter of account in the Ledger. When they sell part of it, it will be seen that they credit Sandford with the amounts realized; and when they incur charges on account of it, they debit him with the amount of such charges. It is the practice, however, of many merchants, for convenience in making out Account Sales and Accounts current,\* to keep a separate account of the consignment, and to transfer only the net proceeds to the credit of the consignor.

The Journal commences with the entry of the assets and liabilities of J. Bruce on 1st January. It contains separate entries for each of the above transactions, and collects the totals for the month of Cash, Bills, Purchases on credit and Sales on credit, from the foregoing books, for entry in the Ledger.

\* An Account current is a Dr. and Cr. statement of transactions undertaken on behalf of a correspondent. Where interest, as is usually the case, is charged and allowed, the amount of it is ascertained periodically and the necessary entries made between the 'Interest' account and the personal account of the correspondent.

(1)

## JOURNAL.

I. gr. Fol.	Date.	January, 1867.	Drs.			Crs.		
			£	s.	d.	£	s.	d.
1	Jan. 1	Sundries, Dr. to James Bruce (Capital Account) . . . . .				9954	16	0
		For assets on this date, viz.:—						
2		Cash . . . . .	1605	11	4			
2		Bills Receivable . . . . .	709	18	c			
5		J. King, due by him . . . . .	500	6	8			
6		P. Walsh, „ . . . . .	300	0	c			
1		Wine . . . . .	5839	0	0			
2		Business Premises . . . . .	1000	0	c			
<hr/>								
1	„ „	James Bruce (Capital Account), Dr. to Sundries . . . . .	2415	10	c			
		For liabilities on this date, viz.:—						
2		To Bills Payable . . . . .				115c	c	0
5		To F. Haynes, due to him ..				290	10	0
6		To J. Reeves, „ ..				45	c	0
4		To F. Brook, „ ..				43c	c	0
3		To J. Douglas (Aberdeen), due to him . . . . .				50c	c	0
<hr/>								
3	„ 3	J. Douglas, Dr. to Sundries . . . .	17	10	0			
4		To J. Good, for Insurance on Shipment, per 'Good Hope'				8	c	0
7		To Commission for Commission on ditto . . . . .				9	10	0
Carried forward ..			12387	16	0	12387	16	0

Lgt. Fol.	Date.	January, 1867 (continued).	Drs.			Crs.		
			£	s.	d.	£	s.	d.
		Brought forward ..	12387	16	0	12387	16	0
4	Jan. 7	Sundries, Dr. to T. Sandford ..				375	0	0
5		J. Cooper, for 100 doz. of Claret at £2 10s., consigned by him	250	0	0			
3		J. Smith, for 50 doz. ditto ....	125	0	0			
4	" "	T. Sandford ..... Dr.	7	10	0			
7		To Commission ..... For special Commission on pro- ceeds of consignment of Claret.				7	10	0
5	" 8	J. Harvey ..... Dr.	180	0	0			
2		To Bills Receivable For his acceptance (Bills Re- ceivable, No. 85) returned dis- honoured.				180	0	0
2	" 10	Business Premises ..... Dr.	700	0	0			
4		To W. Brown For additional Premises pur- chased.				700	0	0
4	" "	W. Brown ..... Dr.	620	0	0			
2		To Bills Receivable For his promissory note (Bills Receivable, No. 1) cancelled and returned to him in part payment for Premises purchased.				620	0	0
2	" 14	Bills Payable ..... Dr.	100	0	0			
4		To T. Sandford For our acceptance to him (Bills Payable, No. 2) cancelled and returned by him to us.				100	0	0
		Carried forward ..	14370	6	0	14370	6	0

Lgr. Fol.	Date.	January, 1867 (continued).	Drs.			Crs.		
			£	s.	d.	£	s.	d.
		Brought forward ..	1437	6	0	1437	6	0
8 1	Jan. 19	Consignment of Sherry to R. Green .....	1400	0	0			
		To Wine For 20 butts of Sherry at £70.				1400	0	0
8 5	" 23	Bad Debts .....	90	6	0			
		To J. Harvey To balance due by him, written off as a loss.				90	6	0
6 8	" 25	R. Green .....	1350	0	0			
		To Consignment to R. Green For amount realized by Consignment, as per Account Sales.				1350	0	0
4 3	" 29	J. Good .....	458	0	0			
		To J. Douglas For Assurance on Shipment in 'Good Hope,' totally lost. £460 Less Brokerage .. 2 <u>£458</u>				458	0	0
2	" 31	Cash .....	5318	8	0			
		To Sundries For Cash received this month, as per Cash Book, fol. (1); the individual items having been posted directly to the credit of the accounts in the Ledger to which they refer.				5318	8	0
		Carried forward ..	22987	0	0	22987	0	0

Lgr. Fol.	Date.	January, 1867 (continued).	Drs.			Crs.		
			£	s.	d.	£	s.	d.
		Brought forward ..	22987	0	0	22987	0	0
2	Jan. 31	Sundries . . . . . Dr. To Cash For Cash paid this month, as per Cash Book, fol. (1); the in- dividual items having been posted directly to the debit of the ac- counts in the Ledger to which they refer.	5009	11	2	5009	11	2
7	" "	Interest and Discount . . . . . Dr. To Sundries For Discount allowed this month, as per Cash Book, fol. (1); the individual items having been posted directly to the credit of the accounts in the Ledger to which they refer.	13	6	8	13	6	8
7	" "	Sundries . . . . . Dr. To Interest and Discount For Discount received this month, as per Cash Book, fol. (1); the individual items having been posted directly to the debit of the accounts in the Ledger to which they refer.	50	10	0	50	10	0
2	" "	Bills Receivable . . . . . Dr. To Sundries For Bills received this month, as per Bills Receivable Book, fol. (1); the individual amounts having been posted directly to the credit of the accounts in the Ledger to which they refer.	1070	0	0	1070	0	0
		Carried forward ..	29130	7	10	29130	7	10

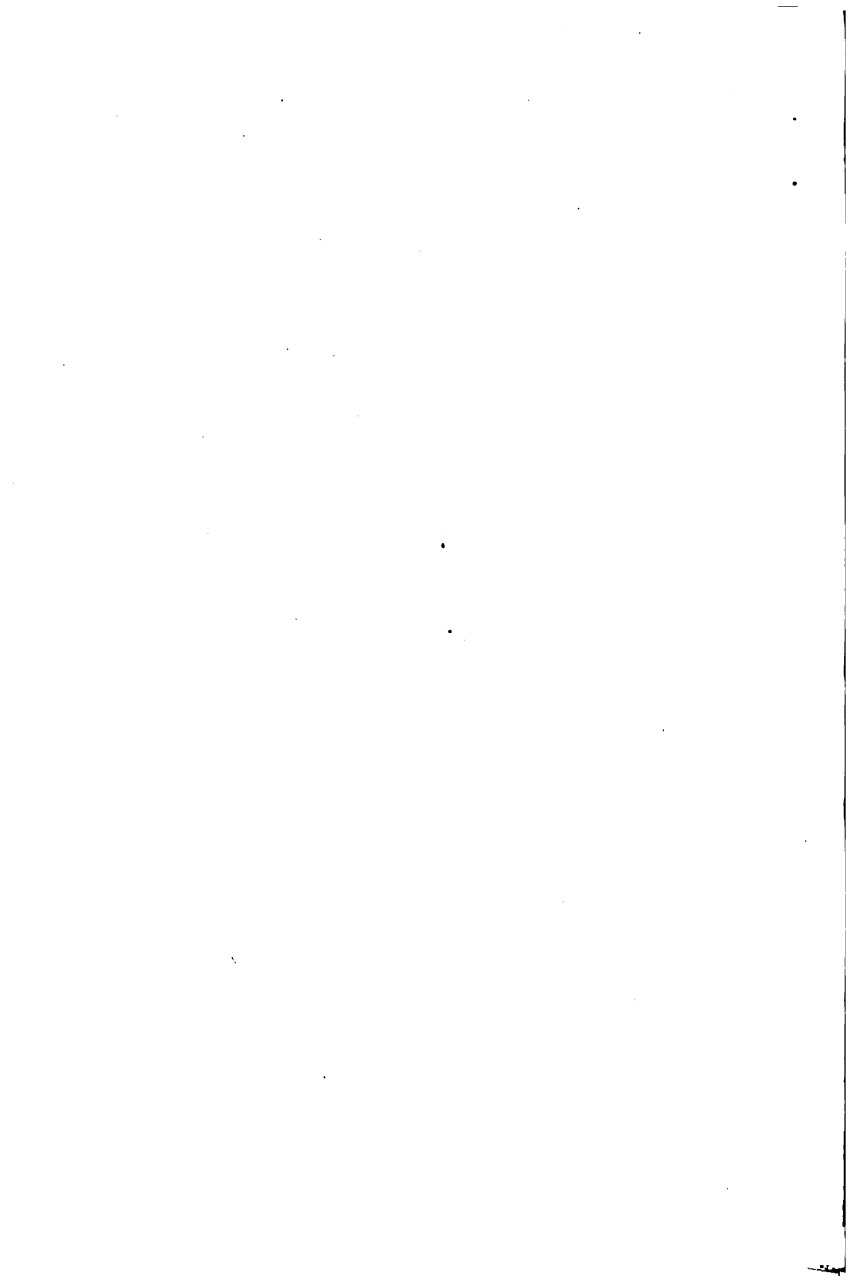
Lgr. Fol.	Date.	January, 1867 (continued).	Drs.			Crs.		
			£	s.	d.	£	s.	d.
		Brought forward ..	2913	7	10	2913	7	10
2	Jan. 31	Sundries ..... Dr. To Bills Payable For Bills accepted this month, as per Bills Payable Book, fol. (1); the individual amounts having been posted directly to the debit of the accounts in the Ledger to which they refer.	129	5	0	129	5	0
1	" "	Brandy ..... Dr. To Sundries For Credit Purchases this month, as per Bought Book, fol. (1); the individual purchases having been posted directly to the credit of the accounts in the Ledger to which they refer.	108	0	0	108	0	0
1	" "	Sundries ..... Dr. To Brandy For Credit Sales this month, as per Sold Book, fol. (1); the indi- vidual sales having been posted directly to the debit of the ac- counts in the Ledger to which they refer.	444	0	0	444	0	0
1	" "	Wine ..... Dr. To Sundries For Credit Purchases this month, as per Bought Book, fol. (1); the individual purchases having been posted directly to the credit of the accounts in the Ledger to which they refer.	261	5	0	261	5	0
		Carried forward ..	345	64	7	345	64	7

Lgr. Fol.	Date.	January, 1867 (continued).	Drs.			Crs.				
			£	s.	d.	£	s.	d.		
		Brought forward ..	345	64	7	10	345	64	7	10
I	Jan. 31	Sundries ..... Dr. To Wine For Credit Sales this month, as per Sold Book, fol. (1); the indi- vidual sales having been posted directly to the debit of the ac- counts in the Ledger to which they refer.	2455	0	0	2455	0	0		
7 6 8	" "	Sundries ..... Dr. To Interest, viz. :— R. Green, due on proceeds of Consignment ..... J. Bruce (Current Acct.), on account of Capl. withdrawn					1	16	8	
7 8 9	" "	Interest, Dr. to Sundries ..... Viz. :— To J. Bruce (Current Acct.), on Capital invested ..... To G. Williams (ditto) ....	47	15	9		35	5	9	
8 3	" "	Trade Charges ..... Dr. To Petty Cash For amount paid, as per Petty Cash Book.	9	4	0	9	4	0		
9 2	" "	Profit and Loss ..... Dr To Business Premises For month's Wear and Tear.	10	0	0	10	0	0		
			* 37088	4	3	37088	4	3		

\* All items having been posted in the Ledger up to this point, a Trial Balance (see p. 77) is made out, which must agree with the then totals of the Drs. and Crs.

Lgt. Fol.	Date.	January, 1867 (continued).	Drs.			Crs.					
			£	s	d.	£	s	d.			
		Brought forward ..	370	88	4	3	370	88	4	3	
9	Jan. 31	Sundries, Dr. to Profit and Loss					579	14		6	
1		Wine, for profit thereon .....	495		0						
1		Brandy, ditto .....	67		14						
7		Commission for balance .....	17		0						
<hr/>											
9	" "	Profit and Loss, Dr. to Sundries	267		16						
7		To Interest and Discount, for balance .....					8	15		9	
7		To Salaries, ditto .....					75		0	0	
7		To Insurance, ditto .....					20		4	6	
8		To Trade Charges, ditto .....					23	10		8	
8		To Bad Debts, ditto .....					90		6	0	
8		To Consignment (R. Green), for loss thereon .....					50		0	0	
<hr/>											
9	" "	Profit and Loss, Dr. to Sundries	301		17						
8		To J. Bruce (Current Acct.), for share of profit .....					226		8	2	
9		To G. Williams (ditto), ditto					75		9	5	
<hr/>											
8	" "	J. Bruce (Current Account).. Dr.	60		19						
1		To J. Bruce (Capital Acct.) For balance transferred.					60		19	9	
<hr/>											
9	" "	G. Williams (Current Acct.).. Dr.	87		19						
1		To G. Williams (Capital Acct.) For balance transferred.					87		19	5	
<hr/>											
			383	86	12	5	383	86	12	5	
			<hr/>			<hr/>			<hr/>		





# LEDGER.

## INDEX.

	Fol.		Fol.
Bad Debts .....	8	Insurance .....	7
Bills Payable .....	2	Interest and Discount .....	7
Bills Receivable .....	2	King, J. ....	5
Brandy .....	1	Nokes, S. ....	3
Brook, F. ....	4	Petty Cash .....	3
Brown, W. ....	4	Profit and Loss .....	9
Bruce, J. (Capital Account) ..	1	Reeves, J. ....	6
Bruce, J. (Current Account) ..	8	Salaries .....	7
Business Premises .....	2	Sandford, T. ....	4
Cash .....	2	Smith, J. ....	3
Commission .....	7	Trade Charges .....	8
Cooper, J. ....	5	Walsh, P. ....	6
Douglas, J. ....	3	West, J. ....	6
Good, J. ....	4	Williams, G. (Capital Account) ..	1
Green, R. ....	6	Williams, G. (Current Account) ..	9
Green, R., Consignment to ..	8	Wine .....	1
Harvey, J. ....	5		
Haynes, F. ....	5		

We have omitted all notice of *quantities* in the Ledger, but in practice it is often found of importance to enter them as a check upon the amount of goods in hand. This is more particularly the case in businesses where goods are bought and sold in bulk.

Dr.

J. BRUCE.

Bk.	Fol.	Date.		£	s.	d.
J	1	1867 Jan. 1	To Sundries .....	241	10	0
		" 31	To Balance, carried down .....	760	5	9
				<u>1001</u>	<u>15</u>	<u>9</u>

Dr.

G. WILLIAMS.

		Jan. 31	To Balance, carried down .....	2587	19	5
				<u>2587</u>	<u>19</u>	<u>5</u>

Dr.

WINE.

J	1	Jan. 1	To J. Bruce (Capital Account) .....	5839	0	0
"	5	" 31	To Sundries .....	2615	0	0
"	7	" "	To Profit and Loss, for Balance .....	495	0	0
				<u>8949</u>	<u>0</u>	<u>0</u>
		Feb. 1	To Stock, brought down .....	5074	0	0

Dr.

BRANDY.

J	5	Jan. 31	To Sundries .....	1080	0	0
"	7	" "	To Profit and Loss for Balance .....	67	14	6
				<u>1147</u>	<u>14</u>	<u>6</u>
		Feb. 1	To Stock, brought down .....	696	4	6

## CAPITAL ACCOUNT.

Cr.

Bk.	Fol.	Date.		£	s.	d.
J	1	Jan. 1	By Sundries.....	9954	16	0
"	7	" 31	By J. Bruce (Current Account).....	60	19	9
				<u>10015</u>	<u>15</u>	<u>9</u>
		Feb. 1	By Balance, brought down.....	7600	5	9

## CAPITAL ACCOUNT.

Cr.

C	1	Jan. 1	By Cash.....	2500	0	0
J	7	" 31	By G. Williams (Current Account)....	87	19	5
				<u>2587</u>	<u>19</u>	<u>5</u>
		Feb. 1	By Balance, brought down.....	2587	19	5

Cr.

C	1	Jan. 7	By Cash.....	20	0	0
	3	" 19	By Consignment to R. Green.....	1400	0	0
J	6	" 31	By Sundries.....	2455	0	0
		" "	By Stock, carried down.....	5074	0	0
				<u>8949</u>	<u>0</u>	<u>0</u>

Cr.

C	1	Jan. 21	By Cash.....	7	10	0
J	5	" 31	By Sundries.....	444	0	0
		" "	By Stock, carried down.....	696	4	6
				<u>1147</u>	<u>14</u>	<u>6</u>

Dr.

## BILLS

Bk.	Fol.	Date. 1867		£	s.	d.
J	1	Jan. 1	To James Bruce (Capital Account) . . . .	709	18	0
"	4	" 31	To Sundries . . . . .	1070	0	0
				<u>1779</u>	<u>18</u>	<u>0</u>
		Feb. 1	To Balance, brought down . . . . .	450	0	0

Dr.

## BILLS

C	1	Jan. 1	To Cash . . . . .	200	0	0
J	2	" 14	To T. Sandford . . . . .	100	0	0
C	1	" 21	To Cash . . . . .	950	0	0
		" 31	To Balance, carried down . . . . .	1195	0	0
				<u>2445</u>	<u>0</u>	<u>0</u>

Dr.

## BUSINESS

J	1	Jan. 1	To James Bruce (Capital Account) . . . .	1000	0	0
"	2	" 10	To W. Brown . . . . .	700	0	0
				<u>1700</u>	<u>0</u>	<u>0</u>
		Feb. 1	To Balance, brought down . . . . .	1690	0	0

Dr.

## CASH.

J	1	Jan. 1	To James Bruce (Capital Account) . . . .	1605	11	4
"	3	" 31	To Sundries . . . . .	5318	8	0
				<u>6923</u>	<u>19</u>	<u>4</u>
		Feb. 1	To Balance, brought down . . . . .	1914	8	2

## RECEIVABLE.

Cr.

Bk.	Fol.	Date.		£	s.	d.
		1867				
C	1	Jan. 1	By Cash .....	198	0	0
"	1	" "	By Discount .....	2	0	0
J	2	" 8	By J. Harvey .....	180	0	0
"	2	" 10	By W. Brown .....	620	0	0
C	1	" 19	By Cash .....	329	18	0
		" 31	By Balance, carried down .....	450	0	0
				<u>1779</u>	<u>18</u>	<u>0</u>

## PAYABLE.

Cr.

J	1	Jan. 1	By James Bruce (Capital Account).....	1150	0	0
"	5	" 31	By Sundries.....	1295	0	0
				<u>2445</u>	<u>0</u>	<u>0</u>
		Feb. 1	By Balance, brought down .....	1195	0	0

## PREMISES.

Cr.

J	6	Jan. 31	By Profit and Loss .....	10	0	0
		" "	By Balance, carried down .....	1690	0	0
				<u>1700</u>	<u>0</u>	<u>0</u>

Cr.

J	4	Jan. 31	By Sundries .....	5009	11	2
		" "	By Balance, carried down .....	1914	8	2
				<u>6923</u>	<u>19</u>	<u>4</u>

## Dr. PETTY

Bk.	Fol.	Date.		£	s.	d.
		1867				
C	I	Jan. 1	To Cash .....	10	0	0
				10	0	0
		Feb. 1	To Balance, brought down .....	0	16	0

## Dr. S.

C	I	Jan. 5	To Cash .....	1025	0	0
"	I	" "	To Discount .....	25	0	0
"	I	" 26	To Cash .....	490	0	0
"	I	" "	To Discount .....	10	0	0
				1550	0	0

## Dr. J.

P	I	Jan. 2	To Bills Payable .....	715	0	0
J	2	" 7	To T. Sandford .....	125	0	0
C	I	" 18	To Cash .....	1000	0	0
P	I	" 18	To Bills Payable .....	400	0	0
				2240	0	0
		Feb. 1	To Balance, brought down .....	125	0	0

## Dr. J.

J	I	Jan. 3	To Sundries .....	17	10	0
S	I	" "	To Wine .....	420	0	0
C	I	" "	To Cash .....	7	4	0
		" 31	To Balance, carried down .....	513	6	0
				958	0	0

## CASH.

Cr.

Bk.	Fol.	Date. 1867		£	s.	d.
J	6	Jan. 31	By Trade Charges .....	9	4	0
		" "	By Balance, carried down .....	0	16	0
				10	0	0

## NOKES.

Cr.

Bk.	Fol.	Date.		£	s.	d.
B	1	Jan. 1	By Brandy .....	1050	0	0
"	1	" 26	By Wine .....	500	0	0
				1550	0	0

## SMITH.

Cr.

Bk.	Fol.	Date.		£	s.	d.
B	1	Jan. 2	By Wine .....	715	0	0
"	1	" 18	By ditto .....	1400	0	0
		" 31	By Balance, carried down .....	125	0	0
				2240	0	0

## DOUGLAS.

Cr.

Bk.	Fol.	Date.		£	s.	d.
J	1	Jan. 1	By James Bruce (Capital Account) ...	500	0	0
"	3	" 29	By J. Good .....	458	0	0
				958	0	0
		Feb. 1	By Balance, brought down .....	513	6	0



Dr.

J.

Bk.	Fol.	Date.		£	s.	d.
J	3	1867 Jan. 29	To J. Douglas.....	458	0	0
				<u>458</u>	<u>0</u>	<u>0</u>

Dr.

F.

C	I	Jan.				
	1	3	To Cash .....	420	0	0
"	1	" "	To Discount .....	10	0	0
				<u>430</u>	<u>0</u>	<u>0</u>

Dr.

T.

C	I	Jan.				
	1	4	To Cash .....	2	0	0
P	1	" "	To Bills Payable.....	100	0	0
J	2	" "	To Commission .....	7	10	0
C	1	" "	To Cash .....	265	10	0
S	1	" 14	To Wine.....	250	0	0
				<u>625</u>	<u>0</u>	<u>0</u>

Dr.

W.

S	I	Jan.				
	1	5	To Brandy .....	60	0	0
"	1	" "	To Wine.....	560	0	0
J	2	" 10	To Bills Receivable .....	620	0	0
P	1	" 10	To Bills Payable.....	80	0	0
				<u>1320</u>	<u>0</u>	<u>0</u>

## GOOD.

Cr.

Bk.	Fol.	Date.		£	s.	d.
		1867				
J	1	Jan. 3	By J. Douglas.....	8	0	0
C	1	" 31	By Cash.....	45	0	0
				458	0	0

## BROOK.

Cr.

J	1	Jan. 1	By James Bruce (Capital Account) ....	430	0	0
				430	0	0

## SANDFORD.

Cr.

J	2	Jan. 7	By Sundries .....	375	0	0
"	2	" 14	By Bills Payable.....	100	0	0
R	1	" "	By Bills Receivable .....	150	0	0
				625	0	0

## BROWN.

Cr.

R	1	Jan. 5	By Bills Receivable .....	620	0	0
J	2	" 10	By Business Premises .....	700	0	0
				1320	0	0

Dr.

J.

Bk.	Fol.	Date. 1867		£	s.	d.
J	2	Jan. 7	To T. Sandford .....	250	0	0
S	1	" 12	To Wine .....	960	0	0
				<u>1210</u>	<u>0</u>	<u>0</u>

Dr.

J.

J	2	Jan. 8	To Bills Receivable .....	180	0	0
C	1	" "	To Cash .....	0	6	0
				<u>180</u>	<u>6</u>	<u>0</u>

Dr.

F.

C	1	Jan. 14	To Cash .....	285	0	0
"	1	" "	To Discount .....	5	10	0
				<u>290</u>	<u>10</u>	<u>0</u>

Dr.

J.

J	1	Jan. 1	To James Bruce (Capital Account) .....	500	6	8
S	1	" 29	To Brandy .....	150	0	0
"	1	" "	To Wine .....	150	0	0
				<u>800</u>	<u>6</u>	<u>8</u>
			Feb. 1 To Balance, brought down .....	300	0	0

## COOPER.

Cr.

Bk	Fol.	Date.		£	s.	d.
		1867				
C	I	Jan. 14	By Cash .....	960	0	0
"	I	" 16	By ditto .....	250	0	0
				1210	0	0

## HARVEY.

Cr.

J	3	Jan. 23	By Bad Debts.....	90	6	0
C	I	" "	By Cash .....	90	0	0
				180	6	0

## HAYNES.

Cr.

J	I	Jan. 1	By James Bruce (Capital Account).....	290	10	0
				290	10	0

## KING.

Cr.

C	I	Jan. 16	By Cash .....	490	0	0
"	I	" "	By Discount .....	10	6	8
		" 31	By Balance, carried down .....	300	0	0
				800	6	8

Dr.

J.

Bk.	Fol.	Date.		£	s.	d.
C	I	1867 Jan. 17	To Cash .....	45	0	0
S	I	" 22	To Wine .....	15	0	0
"	I	" "	To Brandy .....	9	0	0
				69	0	0

Dr.

P.

J	I	Jan. 1	To James Bruce (Capital Account) ....	300	0	0
S	I	" 29	To Brandy .....	225	0	0
"	I	" "	To Wine .....	100	0	0
				625	0	0
		Feb. 1	To Balance, brought down .....	325	0	0

Dr.

R.

J	3	Jan. 25	To Consignment to R. Green .....	1350	0	0
"	6	" 31	To Interest .....	1	2	6
				1351	2	6
		Feb. 1	To Balance, brought down .....	1351	2	6

Dr.

J.

		Jan. 31	To Balance, carried down .....	30	0	0
--	--	---------	--------------------------------	----	---	---

## REEVES.

Cr.

Bk.	Fol.	Date.		£	s.	d.
		1867				
J	1	Jan. 1	By James Bruce (Capital Account).....	45	0	0
C	1	" 24	By Cash .....	23	0	0
"	1	" "	By Discount .....	1	0	0
				69	0	0

## WALSH.

Cr.

R	1	Jan. 17	By Bills Receivable.....	300	0	0
		" 31	By Balance, carried down .....	325	0	0
				625	0	0

## GREEN.

Cr.

		Jan. 31	By Balance, carried down .....	1351	2	6
				1351	2	6

## WEST.

Cr.

B	1	Jan. 28	By Brandy .....	30	0	0
		Feb. 1	By Balance, brought down.....	30	0	0

## Dr. INTEREST AND

Bk.	Fol.	Date.		£	s.	d.
		1867				
J	4	Jan. 31	To Sundries .....	13	6	8
"	6	" "	To ditto .....	47	15	9
				61	2	5

## Dr. COMMISSION.

Bk.	Fol.	Date.		£	s.	d.
J	7	Jan. 31	To Profit and Loss, balance transferred ..	17	0	0
				17	0	0

## Dr. SALARIES.

Bk.	Fol.	Date.		£	s.	d.
C	I	Jan. 12	To Cash .....	45	0	0
"	I	" 31	To ditto .....	30	0	0
				75	0	0

## Dr. INSURANCE.

Bk.	Fol.	Date.		£	s.	d.
C	I	Jan. 14	To Cash .....	20	4	6

(7)

## LEDGER.

71

## DISCOUNT.

Cr.

Bk.	Fol.	Date.		£	s.	d.
		1867				
J	4	Jan. 31	By Sundries .....	50	10	0
"	6	" "	By ditto .....	1	16	8
"	7	" "	By Profit and Loss, balance transferred ..	8	15	9
				61	2	5

Cr.

J	1	Jan. 3	By J. Douglas.....	9	10	0
"	2	" 7	By T. Sandford .....	7	10	0
				17	0	0

Cr.

J	7	Jan. 31	By Profit and Loss, balance transferred ..	75	0	0
				75	0	0

Cr.

J	7	Jan. 31	By Profit and Loss, balance transferred ..	20	4	6
---	---	---------	--	----	---	---



Dr.

## TRADE

Bk.	Fol.	Date. 1867		£	s.	d.
C	1	Jan. 28	To Cash .....	14	6	8
J	6	" 31	To Petty Cash .....	9	4	0
				23	10	8

Dr.

## BAD

J	3	Jan. 23	To J. Harvey .....	9c	6	0

Dr.

## CONSIGNMENT TO

J	3	Jan. 19	To Wine .....	1400	0	0
				1400	0	0

Dr.

## J. BRUCE,

C	1	Jan. 7	To Cash .....	200	0	0
J	6	" 31	To Interest .....	0	14	2
"	7	" "	To J. Bruce (Capital Account) .....	60	19	9
				261	13	11

## CHARGES.

Cr.

Bk.	Fol.	Date.		£	s.	d.
J	7	1867 Jan: 31	By Profit and Loss, balance transferred ..	23	10	8
				<u>23</u>	<u>10</u>	<u>8</u>

## DEBTS.

Cr.

J	7	Jan. 31	By Profit and Loss, balance transferred ..	90	6	0
				<u>90</u>	<u>6</u>	<u>0</u>

## R. GREEN.

Cr.

J	3	Jan. 25	By R. Green .....	1350	0	0
J	7	" 31	By Profit and Loss, for Loss on this consignment.....	50	0	0
				<u>1400</u>	<u>0</u>	<u>0</u>

## CURRENT ACCOUNT.

Cr.

J	6	Jan. 31	By Interest .....	35	5	9
"	7	" "	By Profit and Loss .....	226	8	2
				<u>261</u>	<u>13</u>	<u>11</u>

Dr.

G. WILLIAMS,

Bk.	Fol.	Date.		£	s.	d.
J	7	1867 Jan. 31	To G. Williams (Capital Account) . . . . .	87	19	5
				87	19	5

Dr.

\* PROFIT

J	6	Jan. 31	To Business Premises . . . . .	10	0	0
"	7	" "	To Interest and Discount . . . . .	8	15	9
"	"	" "	To Salaries . . . . .	75	0	0
"	"	" "	To Insurance . . . . .	20	4	6
"	"	" "	To Trade Charges . . . . .	23	10	8
"	"	" "	To Bad Debts . . . . .	90	6	0
"	"	" "	To Consignment to R. Green . . . . .	50	0	0
"	"		To Balance, divisible thus, viz. :—			
"	"		J. Bruce, three quarters .. £226 8 2			
"	"		G. Williams, one quarter .. 75 9 5			
				301	17	7
				579	14	6

\* In posting above the Journal entries, 'Sundries Dr. to Profit and Loss' and 'Profit and Loss Dr. to Sundries' (J. p. 7), we have stated the amount of each account separately, in-

## CURRENT ACCOUNT.

Cr.

Bk.	Fol.	Date. 1867		£	s.	d.
J	6	Jan. 31	By Interest .....	12	10	0
"	7	" "	By Profit and Loss .....	75	9	5
				87	19	5

## AND LOSS.

Cr.

J	7	Jan. 31	By Wine.....	495	0	0
"	"	" "	By Brandy .....	67	14	6
"	"	" "	By Commission .....	17	0	0
				579	14	6

stead of under 'Sundries,' in order that the composition of this account may appear on the face of the Ledger.

## PRIVATE LEDGER.

It will be observed that two separate accounts are opened in the Ledger for each partner. The 'Current Account' shews in detail all sums withdrawn, and all entries in respect of interest on capital and drawings, or profit or loss accruing, during the period to the close of which the books are balanced. By this means the 'Capital Account' is kept clear of details, and exhibits in a compendious form the progress and state of the Capital during the same period.

These 'Current' and 'Capital' accounts, and also the 'Profit and Loss' accounts, are frequently kept in a separate book accessible only to the proprietor of the concern, so that he alone has cognizance of the results of his operations, and the condition of his affairs. When this is done it is convenient to open in the General Ledger an account under the title of 'Private Ledger,' and to post into it without distinction all transactions coming under any head of account kept in the Private Ledger. By means of this account the general books are balanced, without recourse being had to the Private Ledger. In the Private Ledger one account is opened for all the transfers from the General Ledger, and the various items of which this account is composed are there analysed and distributed under their proper heads, after which the general account of 'Profit and Loss' is made up, the 'Current' and 'Capital' accounts adjusted, and the Private Ledger balanced.

## TRIAL BALANCE.

Fol.		Drs.			Crs.		
		£	s.	d.	£	s.	d.
1	J. Bruce (Capital Account).....	2415	10	0	9954	16	0
"	G. Williams (ditto) .....				2500	0	0
"	Wine .....	8454	0	0	3875	0	0
"	Brandy .....	1080	0	0	451	10	0
2	Bills Receivable .....	1779	18	0	1329	18	0
"	Bills Payable .....	1250	0	0	2445	0	0
"	Business Premises .....	1700	0	0	10	0	0
"	Cash .....	6923	19	4	5009	11	2
3	Petty Cash .....	10	0	0	9	4	0
"	S. Nokes .....	1550	0	0	1550	0	0
"	J. Smith .....	2240	0	0	2115	0	0
"	J. Douglas .....	444	14	0	958	0	0
4	J. Good .....	458	0	0	458	0	0
"	F. Brook .....	430	0	0	430	0	0
"	T. Sandford .....	625	0	0	625	0	0
"	W. Brown .....	1320	0	0	1320	0	0
5	J. Cooper .....	1210	0	0	1210	0	0
"	J. Harvey .....	180	6	0	180	6	0
"	F. Haynes .....	290	10	0	290	10	0
"	J. King .....	800	6	8	500	6	8
6	J. Reeves .....	69	0	0	69	0	0
"	P. Walsh .....	625	0	0	300	0	0
"	R. Green .....	1351	2	6			
"	J. West .....				30	0	0
7	Interest and Discount .....	61	2	5	52	6	8
"	Commission .....				17	0	0
"	Salaries .....	75	0	0			
"	Insurance .....	20	4	6			
8	Trade Charges .....	23	10	8			
"	Bad Debts .....	90	6	0			
"	Consignment to R. Green .....	1400	0	0	1350	0	0
"	J. Bruce (Current Account) .....	200	14	2	35	5	9
9	G. Williams (ditto) .....				12	10	0
"	Profit and Loss .....	10	0	0			
		37088	4	3	37088	4	3

## BALANCE

Dr.

*Balance Sheet of JAMES BRUCE AND*

LIABILITIES.	£	s.	d.	£	s.	d.
To Sundry Creditors, viz.:—						
On Bills Payable . . . . .	1195	0	0			
On Open Accounts, as under:—						
J. Douglas . . . . . £513 6 0						
J. West . . . . . 30 0 0						
	543	6	0	1738	6	0
To Capital Accounts, viz.:—						
To J. Bruce . . . . .	7600	5	9			
To G. Williams . . . . .	2587	19	5			
				10188	5	2
				11926	11	2

## SHEET.

G. WILLIAMS, on 31st January, 1867.

Cr.

ASSETS.	£	s.	d.	£	s.	d.
By Cash in hand, viz. :—						
At Union Bank . . . . .	1797	8	0			
At Office . . . . .	117	0	2			
Petty Cash . . . . .	0	16	0			
				1915	4	2
By Sundry Debtors, viz. :—						
On Bills Receivable . . . . .	450	0	0			
On Open Accounts, as under :—						
J. Smith . . . . . £125 0 0						
J. King . . . . . 300 0 0						
P. Walsh . . . . . 325 0 0						
R. Green . . . . . 1351 2 6						
	2101	2	6			
				2551	2	6
By Stock in hand, viz. :—						
Wine . . . . .	5074	0	0			
Brandy . . . . .	696	4	6			
				5770	4	6
By Business Premises, valued at ..				1690	0	0
				11926	11	2



(1) FORMS OF BILLS OF EXCHANGE. (See p. 36.)

£715:0:0

London, 2nd January, 1867.

Two months after date pay; to my order the sum of seven hundred and fifteen pounds, for value received.

ACCEPTED  
at the Union Bank  
Payable, to  
Messrs. Bruce & Williams,

To Messrs. Bruce & Williams,  
London.

J. Smith.

[No. 1 is drawn by J. Smith and accepted by Messrs. Bruce and Williams. Relatively to Bruce and Williams it is a 'Bill Payable,' to J. Smith it is a 'Bill Receivable.']

(2)

£620 : 0 : 0

London, 5th January, 1867.

*Twenty-one days after date I promise to pay to Messrs. Bruce & Williams or to their order the sum of six hundred and twenty pounds for value received.*

*W. Brown.*

[No 2 being a promise on the part of W. Brown to pay £620 to Messrs. Bruce and Williams, is to Bruce and Williams a 'Bill Receivable,' and to W. Brown a 'Bill Payable.']



## APPENDIX B.

### PUBLIC ACCOUNTS.

SOME further elucidation of the application of the system of Double Entry to public accounts than is given at pp. 31, 32 having been desired, it is proposed in the present chapter to trace so much of the course and treatment of public moneys as is necessary for that purpose.

It is not within the scope of an elementary treatise, even if it were practicable, to describe the multifarious channels through which the public income and expenditure flow, and the many checks and counterchecks which are necessary to provide against error and fraud in the collection and distribution of public moneys. Nor do we propose to treat of the control exercised by the Treasury over the receipt and expenditure of the public revenue, and the examination applied by the Department for Auditing Public Accounts. These points, however important, concern rather the financier than the student of book-keeping. What is intended, is to afford practical explanation for the information and use of persons engaged, or seeking to be engaged, in the keeping of this class of accounts.

We have already stated at page 32, that 'no accounts are kept to exhibit the value of the national assets.' Such accounts of assets as Manufacturing and Store Departments have to keep are *supplementary* only, and do not form part of the national balance-sheet.

The Revenue of the country, collected by the various officers of the Revenue Departments, passes through the receivers of these Departments into Her Majesty's Exchequer, and forms a fund called the 'Consolidated Fund.' Out of this fund, with few and unimportant exceptions, all issues of money on account of the public service are made.

The public expenditure, which is conducted by a large number of separate Departments\*, belongs to two classes; the one, consisting of permanent specific charges authorized by Act of Parliament, called 'Consolidated Fund Charges;' the other, of charges approved by special votes of the House of Commons, called 'Voted Services.' The 'Consolidated Fund Charges' consist, principally, of the interest of the Funded Debt, and of certain fixed salaries and allowances. The 'Voted Services' provide for the maintenance of the army and navy, the collection of the revenue, and all the miscellaneous expenditure of the country.

The revenue for each year is adjusted with the view of meeting the estimated expenditure for each year. The actual receipts constitute the income, the actual payments constitute the expenditure. The annual balance-sheet of the country, therefore, becomes a gigantic cash account of revenue received under the various heads, and of its appropriation to the various services of the country.

The records of Her Majesty's Exchequer show the amounts paid in under the various heads of revenue, and the issues thereout on account of the various heads of expenditure; and a balance-sheet made out from these

\* These Departments are hereafter designated, for sake of brevity, 'Expending Departments.'

data is of great value, and can be readily produced. But such an account can only be an approximation; for the revenue, after collection, necessarily takes time to find its way into the Exchequer, and the issues from the Exchequer are only advances to meet expenditure, and do not of themselves constitute final charges.

The Paymaster-General acts as the paymaster of the State. His records show the payments actually made by him, on the authority of the Expending Departments, on account of the various heads of service. But, inasmuch as his payments are necessarily in arrear of the orders issued upon him, and as many of these are merely advances to Sub-Accountants\*, any account which he can furnish of the national expenditure, although closer than that procurable from the Exchequer records, is also only an approximation. The material for a final balance-sheet must necessarily be obtained from the various Departments in which the revenue is collected, and in which the expenditure on account of the public service is conducted. The national balance-sheet is thus a distributive consolidation of the balance-sheets of all these various Departments. In the records of these Departments, therefore, uniformity becomes essential, inasmuch as all items of revenue on the one hand, and of expenditure on the other, are component parts of the national balance-sheet. These records we shall now proceed to consider so far as is necessary for our purpose.

The whole income of the country is paid into Her Majesty's Exchequer, and, so far as its collection and receipt are concerned, there is no operation for the

\* A Sub-Accountant is a public officer who has to render accounts of the appropriation of moneys intrusted to him for special objects.

treatment of which a parallel cannot readily be found in the examples already given.

As regards public expenditure, however, although the intelligent student will understand that each person or Department who makes a payment on account of services rendered to the public must be credited with the amount of it, and that the particular head of service for which the payment was made must be debited, yet he may not be able to see clearly how the entries should be made as between Her Majesty's Exchequer from which the money comes and the various services to which it is applied. We shall endeavour to explain this as briefly as possible.

All issues on account of the public service are made from Her Majesty's Exchequer under specific Parliamentary sanction. The objects and amounts of the 'Consolidated Fund Services' are fixed by permanent statutes. The annual charges for 'Voted Services' are submitted to the House of Commons in detailed estimates prepared by the various Expending Departments, each head of service being divided into a number of sub-heads. These estimates, except so far as they relate to special and non-recurring objects, are, or ought to be, prepared and considered with reference to the actual expenditure under each of the sub-heads during the past year, due allowance being made for any anticipated variation in the ensuing year. It becomes of the highest importance, therefore, that the same *form* of estimate should, as far as possible, be observed from year to year. The objects and amounts of these services are decided by votes of the House of Commons in Committee of Supply, and these votes receive full legislative sanction by being embodied annually in an Act of Parliament called the 'Appropriation Act.'

This Act defines the object of each vote, and the amount appropriated to 'defray the charges which will come in course of payment during the year.' Her Majesty's Exchequer, acting under an order from the Crown to whom the supplies are voted, makes issues from time to time on account of these services, never of course exceeding the total amount which Parliament has appropriated to each; and the Expending Departments are restricted by the Appropriation Act from applying the grant of a year to any other purpose than *to meet the payments to be made during the year*. The balance of any grant remaining unexpended at the close of a year must be surrendered to the Exchequer as a saving.

The Expending Department is further required to record its expenditure under the sub-heads of each grant, none of which may be exceeded except with the express sanction of the Treasury. If the total grant of a year from unforeseen causes has to be exceeded, such excess forms the subject of a special supplemental Vote of Parliament, and temporary provision for it is made by the Treasury out of a fund placed at their disposal for such purpose.

No money received by an Expending Department, from sales of old stores and such like, may be used in aid of the Vote. They form part of the national income (p. 83), and are paid into the Exchequer under the general head of 'Extra Receipts on Votes of Parliament.'

In the records of the Expending Departments an account is opened each year, under each separate head of service, for Her Majesty's Exchequer, from which the supplies flow. This account is debited and a 'general account' for each service is credited with the amount



which Parliament has assigned to it for the year. Even if there were any advantage to be derived from such a course, the balance\* at the Exchequer would not admit of the sums appropriated by Parliament to each service being withdrawn at the commencement of each year and handed over to the Expending Department. The Exchequer is only called upon to make issues for each service as the money is actually required to meet payments on account of it. These issues are not made directly to the Expending Departments, but to the Paymaster-General, who acts as their banker. For the amount of these issues, reported each month to the Expending Department by the Paymaster-General, the account of 'Her Majesty's Exchequer' is credited, and an account opened for 'Her Majesty's Paymaster-General' is debited.

The Expending Departments instruct the Paymaster-General to make payments on account of various services and issue orders upon him for this purpose in favour of the several payees. These payments consist of two classes, technically called 'final payments' and 'imprests:' final payments being those made to the persons entitled to receive and keep the money, and imprests being advances or issues to Sub-Accountants. Sometimes the payees, more especially if they reside out of the country, acting under the instructions of the Expending Departments, draw bills upon these Departments which are payable by the Paymaster-General. These, when accepted, are treated in the books of the Departments as 'Bills Payable.' (See pp. 9, 10.)

\* When the balance at the Exchequer is insufficient to meet the current expenditure of the country it is supplemented by money raised by means of Exchequer Bills. These Exchequer Bills constitute the 'Unfunded Debt.'

As soon as the orders for payment are issued on the Paymaster-General, those representing final payments are debited to the various sub-heads of service to which they refer (for all of these sub-heads separate accounts have to be opened in the ledger), and the imprests are debited to the personal accounts of the Sub-Accountants to whom they are made. But as these orders may not be cashed by the Paymaster-General for some time after issue, it is clear that he cannot at once be credited with the payment of them. An intermediate account therefore is opened under the title of 'Orders Payable,' which is credited with the amount of all orders drawn upon the Paymaster-General. The account of the Paymaster-General is credited and 'Orders Payable' debited with the amount of orders actually paid by the Paymaster-General. To put the Expending Department in possession of this information the Paymaster-General furnishes monthly a detailed list of the orders paid by him under each service. The balance of the 'Orders Payable' account thus shows the amount of 'Outstanding Orders,' that is, the orders which the Paymaster-General has been instructed to pay, but which have not been presented for payment. If any order after issue is for any reason cancelled instead of being paid, the sub-head of service debited with its issue is credited, and 'Orders Payable' is debited.

We have seen that Sub-Accountants are debited with the issues made to them by the Paymaster-General. They are also debited with any items of revenue which may be received by them, and the heads of revenue affected by the receipt are credited. Sub-Accountants are credited and the proper sub-heads of service are

debited with the final payments which the accounts rendered by them periodically show that they have properly expended under the instructions of the Department. They are also credited and the Paymaster-General debited with sums which they remit to him on account of their Department. Advances or imprests may pass through the hands of many Sub-Accountants before they are finally expended. In such cases the account of the Sub-Accountant who makes the transfer is credited with the amount of it, and that of the Sub-Accountant to whom it is made is debited.

At the close of each year, the 'General Account' of each service is debited with the amount of the net expenditure appearing under each of the sub-heads, and each of these sub-heads is credited with the amount so transferred. The account for 'Her Majesty's Exchequer' is credited and the 'General Account' for that year is debited with the amount of the saving (if any) on the grant when surrendered to Her Majesty's Exchequer (p. 85).

It frequently happens, more especially when several separate services are under the control of one Expending Department, that payments are made by Sub-Accountants on account of one service out of sums imprested to them from another. In such cases the amount expended by the Sub-Accountant, after due examination, is debited to the proper service, and he is credited. The cash accounts of the services are adjusted by instructing the Paymaster-General to transfer the amount from the service on account of which it was paid to the service out of which the advance to the Sub-Accountant was made. Or they may be adjusted by authorizing the Paymaster-General to reimburse to the Sub-Accountant the amount he has

expended out of the service to which the expenditure referred, thereby reinstating his balance under the other head of service.

Thus under these and many other circumstances adjustments of account may arise from other causes than error. These adjustments, or 'adjusting entries' as they are usually called, are frequently somewhat perplexing to the book-keeper, but they offer no real difficulty if he always clearly sets before him the fundamental principle of keeping accounts laid down at p. 1, 'that they shall be *complete* records of facts, and of *facts* only.'

It is no doubt the case, owing to the vast number and the uniform character of the details of income and expenditure, that the keeping of public accounts necessitates a large amount of mechanical and monotonous labour. But even this labour will be better performed if the persons charged with it understand the principles which govern their work, and so have an intelligent apprehension of the part which they are taking in the evolution of the results required for the formation of their Departmental balance-sheet, and the relation which that balance-sheet bears to the production of the grand final results which compose the general balance-sheet of the nation.

From the foregoing sketch of the course and treatment of public moneys, it will be seen that the transactions occurring in public accounts find their exact parallels in a merchant's 'Profit and Loss' account, in so far as that account records income received and its appropriation; and that the system of Double Entry is not only applicable to public accounts, but that without it no complete record can be effected, nor due security against error obtained.

In the case of Commercial accounts the importance of having the books closely entered up is not likely to be lost sight of, because the persons who manage the undertakings have a direct pecuniary interest in them. But in the case of public accounts, from the absence of any such interest, this practice is much less likely to be attended to, although it is equally important. For it not only enables the Accountant to furnish with ease and despatch accurate statements, brought down to the most recent date, of any branch of administration embraced in the accounts, but it also acts as a powerful check against the commission of fraud by securing its speedy detection.

Though on a smaller scale, the course of all moneys raised by local taxation, such as county and borough rates, is necessarily similar in its broad features to that already traced of public moneys; and the application of the system of Double Entry to this class of accounts may therefore be gathered from the illustrations already given.

## APPENDIX C.

### EXERCISES IN BOOK-KEEPING,

SET BY THE AUTHORS ON VARIOUS OCCASIONS.

ONE of the following sets of exercises being given to the pupil, he should be required to record the double effect of each individual transaction in the Ledger, as explained in the text, pp. 5-25. When he is able readily to assign any transaction to its proper heads of account, he should then treat the exercises in the more formal manner shown in Appendix A.

#### No. I.

On the 1st of January, 1858, Andrew Freeport began to trade with a Capital of £2000, consisting of—

Cash .....	£1000
Bills Receivable—	
Due 30th of March .....	£200
„ 28th of January .....	100—300
Wine .....	700
Total .....	£2000

		£	s.	d.
1858				
Jan. 4	Sold to John Falstaff a butt of Wine .....	150	0	0
„ 9	Sold to William Honeycomb 3 pipes of Wine .....	260	0	0
„ "	Received from William Honeycomb his acceptance, due 31st instant.....	250	0	0
	Abatement allowed (off sale of Wine to him)	10	0	0
„ 11	Bought of Dombey and Son 50 pipes of Wine.....	1000	0	0
„ 12	Paid in Cash to Dombey and Son .....	350	0	0
„ 14	Bought of James Thomson a cargo of Staves .....	550	0	0
„ 17	Sold to Dombey and Son the above cargo of Staves .....	600	0	0
„ 18	Accepted James Thomson's draft, payable 7 days after sight, due 28th instant.....	550	0	0

1858		£	s.	d.
Jan. 19	Sold to Philip Sidney 4 pipes of Wine . . . . .	280	0	0
" 20	Sold to John Dryden 6 pipes of Wine . . . . .	400	0	0
" 21	Received of Philip Sidney his acceptance due 28th February . . . . .	280	0	0
" "	Discounted William Honeycomb's acceptance for £250, due the 31st instant; received Cash . . . . .	242	10	0
	Allowed Discount . . . . .	7	10	0
" 22	Bought of Dombey and Son 20 pipes of Wine . . . . .	340	0	0
" "	Accepted Dombey and Son's draft, due 25th March . . . . .	200	0	0
	Paid to them Cash . . . . .	100	0	0
" 23	Received from John Dryden, Cash on account	220	0	0
" 24	Sold to Alexander Pope 2 pipes of Wine . . . .	120	0	0
" "	Bought of William Paley 60 pipes of Wine ..	1200	0	0
" 28	Received Cash for Bill Receivable, on hand 1st January, due this day . . . . .	100	0	0
" "	Paid Cash, acceptance in favour of James Thomson, due this day . . . . .	550	0	0
" 29	Received Cash of Alexander Pope . . . . .	40	0	0
" "	Sold to H. Bardolph 10 pipes of Wine . . . . .	450	0	0
" 30	Received of H. Bardolph, Cash on account ..	200	0	0
" "	Bought, and paid for the same in Cash, 15 pipes of Wine . . . . .	600	0	0
" "	Paid Cash, Rent of Counting-house . . . . .	7	0	0
" "	Ditto, Clerk's Salary . . . . .	10	0	0
" 31	Interest on Capital accrued to this date: one month at 5 per cent. per annum on £2000	8	6	8
" "	Drew out Cash for private purposes . . . . .	100	0	0
" "	Stock of Wine on hand at this date . . . . .	2500	0	0

## No. II.

On the 1st of January, 1859, Henry Grey commenced business with a Capital of £2000, which consisted of—

Cash . . . . .	£1000
Bills Receivable—	
Due 20th of January . . . . .	£100
" 4th of May . . . . .	150—250
Iron . . . . .	750
<b>Total . . . . .</b>	<b>£2000</b>

1859		£	s.	d.
Jan. 10	Purchased of Vulcan and Co., Iron . . . . .	2000	0	0
" 12	Purchased of Cyclops and Co., do. . . . .	450	0	0

1859		£	s.	d.
Jan. 12	Sold to Mars and Co., Iron .....	3000	0	0
" "	Received of Mars and Co. their acceptance, due 4th April.....	1000	0	0
" "	And Cash .....	1500	0	0
" 13	Discounted with John Gride, Mars and Co's. acceptance, due 4th April, for .....	1000	0	0
" "	Received from John Gride, Cash .....	990	0	0
" "	And allowed Discount to him .....	10	0	0
" 14	Accepted Vulcan and Co's. draft, due 4th May .....	2000	0	0
" 15	Purchased of Vulcan and Co., Iron .....	800	0	0
" 16	Paid Cash to Vulcan and Co., in settlement of the foregoing purchase .....	770	0	0
" "	On being allowed by them an abatement of..	30	0	0
" "	Accepted Cyclops and Co's. draft, due 30th instant, in part payment of Iron purchased of them .....	200	0	0
" "	Cash paid to Cyclops and Co. ....	250	0	0
" 17	Cash paid for 2 weeks' Wages to Labourers	30	0	0
" "	Cash paid, freight on account of Iron .....	140	0	0
" "	Cash paid, Clerks' Salaries.....	20	0	0
" 18	Cash received of Mars and Co., they having failed, 10s. in the £ in discharge of balance of £500 due from them .....	250	0	0
" "	Write off loss by Mars and Co.....	250	0	0
" "	Cash lent to John Minus at 5 per cent. in- terest .....	1000	0	0
" 19	Cash paid for horse-keep .....	15	0	0
" 20	Sold to Bellona, Iron.....	650	0	0
" "	Sold to Argus, Iron .....	380	0	0
" "	Received from Bellona, her acceptance, due 31st instant .....	650	0	0
" "	Received Cash for Bill Receivable, due this day .....	100	0	0
" 21	Cash paid for Petty Cash disbursements, to be accounted for .....	20	0	0
" 22	Bought of Tubal Cain, Iron .....	780	0	0
" 23	Sold to Mercury, Iron .....	600	0	0
" 30	Cash paid, acceptance in favour of Cyclops and Co., due this day .....	200	0	0
" 31	Charge John Minus with interest of loan of £1000 to this day .....	2	1	8
" "	Interest on Capital, one month, on £2000 ..	8	6	8
" "	Rent of Counting-house, due to John Nokes	15	0	0
" "	Drew out Cash on private account of H. Grey	300	0	0
" "	Cash paid, two weeks' wages to Labourers ..	30	0	0
" "	Stock of Iron on hand at this date .....	850	0	0



## No. III.

On the 1st of January, 1860, George Wood, corn merchant, ascertained the state of his affairs to be as follows:—

His Assets consisted of—

Balance at the Bank of England .....	£300
Cash in the house .....	100
W. Smith's acceptance, due 23rd of May .....	£200
J. Francis' acceptance, due 1st of April .....	100—300
Balance due to him by A. Tod .....	500
Stock of Wheat .....	1500
Stock of Flour .....	500
On the other hand he owed to R. Smith for Cash lent at 5 per cent. interest .....	700
T. Jones for Wheat .....	500
Acceptance payable at the Bank of England, due 14th of January .....	400
Ditto, ditto, 10th of April .....	200

1860		£	s.	d.
Jan. 10	Purchased of W. Thompson 500 quarters of Barley at 40s. ....	1000	0	0
" "	Accepted W. Thompson's draft, in payment of Barley, at three months' date, for ....	1000	0	0
" 12	Sold to J. Howard 200 quarters of Wheat at 64s. ....	640	0	0
" 13	Received Cash from A. Tod on account of debt due by him .....	250	0	0
" "	Purchased of T. Mills 300 sacks of Flour at 50s. ....	750	0	0
" "	Paid Cash into Bank of England .....	300	0	0
" 14	Paid by the Bank of England my acceptance due this day .....	400	0	0
" 15	Purchased of H. Bacon, on joint account with J. Thomas, 250 barrels of American Flour at 40s. ....	500	0	0
" 19	Received Cash of J. Howard, and paid into Bank of England .....	624	0	0
" "	Allowed Discount to J. Howard, 2½ per cent. on £640 .....	16	0	0
" 22	Received Cash of J. Thomas, his moiety of cost of American Flour .....	250	0	0
" "	Paid Cash into Bank of England .....	250	0	0
" 23	Sold to H. Bacon 300 quarters of Barley at 42s. 6d. ....	637	10	0
" "	Paid Cash for Wharf Rent and charges on Barley .....	17	6	8

1860		£	s.	d.
Jan. 23	Discounted with Bank of England W. Smith's acceptance for £200 0 0 Net proceeds of Bill ..... £197 13 4 Discount charged..... 2 6 8	200	0	0
" 24	Sold to H. Nilus 150 quarters of Barley at 50s. ....	375	0	0
" "	Sold to H. Bradley 250 barrels of American Flour, on joint account with J. Thomas, at 45s. ....	562	10	0
" "	Received Cash from H. Bacon, balance due from him .....	137	10	0
" 25	Sold to John Baker 400 sacks of Flour, at 48s.	960	0	0
" "	Received Cash of John Baker on account of same .....	700	0	0
" 26	Paid Cash into Bank of England .....	720	0	0
" "	Paid to T. Mills by cheque on Bank of England.....	740	12	6
" "	Discount allowed by T. Mills, $1\frac{1}{4}$ per cent. on £750.....	9	7	6
" "	Cash taken for private expenditure .....	50	0	0
" "	Paid Cash for charge on Flour bought on joint account with J. Thomas .....	6	15	0
" 31	Cash paid to R. Hobbs for one month's Salary as Clerk.....	12	10	0
" "	One month's Interest on capital account to date .....	5	10	0
	Stock on hand 31st of January:—			
	300 quarters of Wheat at 60s. ....	900	0	0
	100 sacks of Flour at 50s. ....	250	0	0
	50 quarters of Barley at 40s.....	100	0	0
	Amount due 31st of January:—			
	To James Story for one month's Warehouse Rent .....	5	10	0
	To R. Brown for Stationery supplied ....	6	5	0

## No. IV.

On the 1st of January, 1861, Charles Stuart ascertained that the state of his affairs was as follows:—

## ASSETS.

Fig Iron, 400 tons at £4 per ton .....	£1600
Balance of Cash in hand .....	1400
O. Cromwell's acceptance, due 10th of January .....	500

## DEBTS.

C. Stuart's acceptance, due 25th of January .....	570
---	-----

Transactions subsequently to 1st of January, 1861:—

1861		£	s.	d.
Jan. 4	Purchased of Carron Company 200 tons of Pig Iron.....	900	0	0
" 5	Sold to J. Locke 300 tons Pig Iron .....	1400	0	0
" "	Received of J. Locke his acceptance, due 8th March.....	1000	0	0
" "	Received Cash of J. Locke .....	200	0	0
" 10	Cash Paid, freight and insurance on 200 tons Pig Iron .....	45	0	0
" "	O. Cromwell's acceptance, due 10th instant, returned dishonoured.....	500	0	0
" "	Cash paid, Notarial Charges thereon .....	1	10	0
" 12	Sold to J. Locke 200 tons Pig Iron .....	1000	0	0
" 15	Paid Cash to the Carron Company .....	900	0	0
" 17	Discounted J. Locke's acceptance for £1000			
" "	Received Cash proceeds of bill .....	992	10	0
" "	Discount charged thereon .....	7	10	0
" 18	Received of J. Locke his acceptance, due 4th April.....	800	0	0
" 21	Purchased of C. J. Mare and Co. 2000 Tons Iron Rails at £5 10s. ....	11000	0	0
" 23	Consigned to Pernambuco, on my own account and risk, to the care of Ewart and Co., of that place, 1000 tons Iron Rails at cost price of £5 10s. per ton .....	5500	0	0
" "	Received of Vernon and Co., of London, by way of advance on the above shipment, their acceptance at four months' date ....	3000	0	0
" 24	Accepted C. J. Mare and Co.'s draft on me at three months' date .....	6000	0	0
" "	Paid Cash to C. J. Mare and Co., on account	2500	0	0
" "	Cash paid, freight and charges on Iron Rails consigned to Pernambuco .....	750	0	0
" 25	Cash paid, my acceptance due this day ....	570	0	0
" "	Cash paid, J. Mackenzie on my private account.....	160	0	0
" "	Sold to G. Stephenson, 200 tons Iron Rails at £6 per ton .....	1200	0	0
" "	Received of G. Stephenson his acceptance, due 28th March .....	1000	0	0
" 26	Sold to J. Locke 600 tons Iron Rails at £6 per ton.....	3600	0	0
" 28	Received Cash of J. Locke on account ....	2800	0	0
" "	Cash received from O. Cromwell, on account of his acceptance due 10th instant, returned dishonoured .....	200	0	0

1861		£	s.	d.
Jan. 31	Cash paid, my Clerk one month's Salary to date .....	25	0	0
" "	Interest accrued to this date, viz., one month on Capital Account .....	11	5	0
	Stock on hand 31st January, viz.—			
	Pig Iron at £4 .....	400	0	0
	Iron Rails at £5 10s. ....	1100	0	0
	Amounts due and unpaid 31st January, viz.—			
	To Wm. Johnson, one month's Rent of Office and Warehouse .....	13	6	8
	To J. Howard for Stationery supplied ....	6	10	0

No. V.

On the 1st of January, 1862, John Foster found the state of his affairs to be as follows :—

LIABILITIES.

Amount due to Henry Thomson.....	£600
John Foster's own acceptance, due 15th January .....	400

ASSETS.

20 pipes of Wine, valued at .....	£2000
Cash in hand .....	500
J. Cox's acceptance, due 20th January .....	1200
Outstanding shipment of Wine to Ceylon .....	300

Transactions subsequently to the 1st of January, 1862 :—

1862		£	s.	d.
Jan. 2	Sold to J. Wilks 1 pipe of Wine .....	120	0	0
" "	Cash received of J. Sands, Loan at 5 per cent. per annum.....	500	0	0
" 3	Sold to S. Box 2 pipes of Wine .....	260	0	0
" 4	Purchased of R. Brown (ex. duty) 1 pipe of Wine .....	102	0	0
" 5	Cash paid, duty on ditto .....	30	0	0
" 7	Cash received of S. Box, on account.....	100	0	0
" "	Sold to N. James 4 pipes of Wine .....	500	0	0
" "	Received of N. James his acceptance, due 10th March .....	500	0	0
" 8	Cash received of J. Wilks .....	117	10	0
" "	Discount allowed to ditto .....	2	10	0
" 10	Sold to W. Nix 10 pipes of Wine.....	1400	0	0
" "	Received of W. Nix his acceptance, due 13th April .....	1400	0	0

1862		£	s.	d.
Jan. 11	Discounted with O. G. and Co. N. James's acceptance, due 10th March . . . . .	500	0	0
" "	Received from O. G. and Co. Cash . . . . .	495	10	0
" "	Discount charged by O. G. and Co. . . . .	4	10	0
" 12	Sold to B. How 2 pipes of Wine . . . . .	175	0	0
" "	Cash paid for Stationery . . . . .	3	10	0
" 13	Received final account of sales of consignment to Ceylon; net proceeds to be accounted for by Abel and Co., of Ceylon . .	220	0	0
" 14	Purchased and paid for in Cash, 5 pipes of Wine	460	0	0
" 15	Cash Paid, my acceptance due this day . . . .	400	0	0
" 16	Sold to E. Jones 3 pipes of Wine . . . . .	350	0	0
" 17	Cash Paid to H. Thomson, on account . . . .	300	0	0
" 18	Purchased of Tom Brown 8 pipes of Wine . .	720	0	0
" 19	Cash Paid to ditto, on account . . . . .	500	0	0
" 20	Cash received of E. Jones, on account . . . .	100	0	0
" 21	J. Cox's acceptance, due 20th instant, returned dishonoured and noted; noting 1s. 6d.	1200	1	6
" 22	Cash received of J. Cox on account of dishonoured bill . . . . .	800	0	0
" "	Accepted Tom Brown's draft, due 25th April	220	0	0
" 25	Bought and paid for in Cash 7 pipes of Wine . . . . .	560	0	0
" 31	Cash Paid, one month's Salary to Clerk . . . .	20	0	0
" "	Interest on Capital, one month . . . . .	8	6	8
" "	Interest charged to J. Cox on his returned bill	1	13	4
" "	Interest due to J. Sands on loan . . . . .	1	19	9
" "	Cash drawn out by J. Foster on private account . . . . .	50	0	0
" "	Rent Due to W. Rix, one month . . . . .	15	0	0
" "	Due to S. Low for Stationery . . . . .	2	10	0
" "	Stock of Wine on hand this day, 19 pipes . .	1600	0	0

## No. VI.

On the 1st of January, 1863, John Hodge and Charles Wright found the state of their Partnership affairs to be as follows:—

LIABILITIES.	£	s.	d.
Due to John Hodge, Capital . . . . .	2000	0	0
" Charles Wright, Capital . . . . .	1000	0	0
" John Roe . . . . .	450	0	0
The Firm's acceptance, due 30th January . . . .	820	0	0

£4270 0 0

	ASSETS.	£	s.	d.
Cash at the Bankers' .....		1250	0	0
Petty Cash in hand .....		5	15	0
Due from James Pott.....		164	5	0
"    Henry Nix .....		50	0	0
Bill Receivable, due 15th February .....		400	0	0
Stock of Wine, 50 pipes.....		2400	0	0
		£4270 0 0		

The Capital of the Partners bears interest at £5 per cent. per annum, and the net profits are divisible between the two Partners in equal moieties.

		TRANSACTIONS.		
		£	s.	d.
1863				
Jan.	1	Sold 10 pipes of Wine to Henry Green . . .	550	0 0
"	"	Bought 20 pipes of Wine of Charles Brown..	800	0 0
"	9	Received Cash from O. G. and Co. proceeds of Bill Receivable for £400, due 15th of February, discounted with them .....	397	15 0
"	"	Discount charged by O. G. and Co.....	2	5 0
"	12	Paid Cash to Charles Brown.....	760	0 0
"	"	Trade Discount allowed by Charles Brown: ..	40	0 0
"	15	Received Cash from James Pott, on account..	100	0 0
"	20	Sold James Pott 2 pipes of Wine .....	140	0 0
"	25	Received of Henry Green his acceptance at two months, due 28th March .....	550	0 0
"	30	Accepted John Roe's draft at four months' date .. .....	450	0 0
"	"	Cash Paid, our acceptance due this day . . .	820	0 0
"	31	Cash Paid, Clerk's Salary, one month .....	15	0 0
"	"	Paid out of Petty Cash sundry trade charges	1	16 0
"	"	Paid out of Petty Cash on private account of J. Hodge .. .....	3	0 0
Feb.	1	Advanced to Petty Cash .....	10	0 0
"	"	Cash drawn out by the Partners on their re- spective private accounts, viz.— John Hodge .. . . . . £60 0 0 Charles Wright .. . . . . 50 0 0	110	0 0
"	2	Sold to Richard Love 20 pipes of Wine at £50 .. .....	1000	0 0
"	"	Consigned to Sydney, on our own account and risk, through Small and Co., 10 pipes of Wine invoiced at .. .....	600	0 0

1863		£	s.	d.
Feb. 10	Received of Small and Co. Cash as advance on consignment to Sydney .....	330	0	0
" 15	Bill Receivable, due this day, returned dishonoured by acceptor, John Nokes .....	400	0	0
" "	Notarial Charges thereon paid out of Petty Cash .....	0	3	6
" 20	Cash received of John Nokes on account of his dishonoured acceptance .....	200	0	0
" 21	Purchased of Henry Jones 15 pipes of Wine..	750	0	0
" "	Sold to H. Cox 5 pipes of Wine .....	450	0	0
" "	Cash Paid, freight, insurance, and charges on consignment to Sydney .....	75	0	0
" 23	Received of H. Cox Cash .....	200	0	0
" "	His acceptance, due 26th May .....	100	0	0
" 24	Received of Richard Love his acceptance, due 27th of April .....	600	0	0
" 28	Value of stock of Wine remaining on hand at this date .....	1700	0	0
" "	Due to H. Good for Stationery .....	7	10	0
" "	" H. Knott one month's Salary .....	15	0	0
" "	" J. Craig two months' Rent .....	20	0	0
" "	Credit Partners' Accounts with two months' interest on their Capital, viz.—			
	John Hodge on £2000 .....	16	13	4
	Charles Wright on £1000 .....	8	6	8
" "	Debit Partners' Accounts with interest on sums drawn on private account, viz.—			
	John Hodge one month on £60 .....	0	5	0
	C. Wright one month on £50 .....	0	4	2
" "	Credit John Hodge his moiety of Balance of Profit and Loss Account .....			
" "	Credit Charles Wright do. do. ....			

## No. VII.

James Bell and John Lee enter into Partnership on the 1st of January, 1864.

James Bell's Capital was—

In Cash .....

In Cotton .....

John Lee's Capital was—

In Cash .....

— £4000

N.B.—The Capital of the Partners bears interest at 5 per cent. per annum, and the net profits are divisible between them in equal moieties.

## SUBSEQUENT TRANSACTIONS.

1864			£	s.	d.
Jan.	2	Bought of R. Black, Cotton as per invoice ..	700	0	0
"	"	Accepted R. Black's draft at 14 days, due 19th instant .....	700	0	0
"	3	Sold to Samuel Bow, Cotton .....	360	0	0
"	"	Received from Samuel Bow his acceptance, due 7th February .....	200	0	0
"	"	And Cash .....	160	0	0
"	4	Bought of S. Tom, Cotton as per invoice....	800	0	0
"	5	Paid Cash to S. Tom .....	792	10	0
"	"	Abatement allowed by S. Tom .....	7	10	0
"	"	Bought of James Trig, Cotton as per invoice	600	0	0
"	"	Received of James Trig, Bill Receivable, due 15th instant .....	210	0	0
"	6	Sold to Samuel Bow, Cotton .....	700	0	0
"	"	Received of Samuel Bow his acceptance, due 9th February .....	250	0	0
"	"	Advanced for Petty Cash .....	10	0	0
"	8	Bought of R. Nix, Manchester, Cotton Goods as per invoice .....	670	0	0
"	"	Sold to H. Pott, Cotton as per invoice .....	480	0	0
"	12	Consigned to Ceylon, through Braine and Co., for our own account and risk, Cotton Goods invoiced to them at .....	1000	0	0
"	"	Received of Braine and Co. Cash Advance on said consignment .....	666	0	0
"	13	Paid to James Trig, Cash .....	450	0	0
"	"	Cash Paid, freight and charges on shipment to Ceylon .....	58	10	0
"	"	Paid out of Petty Cash, Postage, &c. ....	3	17	6
"	14	Discounted with D. Gride, Samuel Bow's ac- ceptance for £250, due 9th February, re- ceived Cash .....	248	15	0
"	"	Allowed Discount .....	1	5	0
"	16	Bill Receivable, received of James Trig 5th instant, due 15th instant, returned dis- honoured .....	210	0	0
"	17	Cash drawn out by James Bell ..	250	0	0
"	"	" " by John Lee .....	100	0	0
"	19	Cash Paid, our acceptance of R. Black's draft, due this day .....	700	0	0
"	"	Cash placed on deposit at Bankers' .....	1000	0	0
"	20	Bought of R. Nix, Manchester, Cotton Goods as per invoice .....	325	0	0
"	"	Paid R. Nix, Manchester, Cash on account ..	400	0	0
"	"	Our acceptance, due 10th March ..	200	0	0
"	24	Paid out of Petty Cash for Stationery, &c. ..	4	10	0



1864		£	s.	d.
Jan. 31	Stock of Cotton on hand .....	1800	0	0
" "	Cotton Goods on hand at cost .....	325	0	0
" "	Salary due to D. Scribe .....	21	0	0
" "	Rent due to R. Tree .....	15	0	0
" "	Balance of Interest to Credit of James Bell ..	11	17	6
" "	" " " of John Lee ..	3	15	0

## No. VIII.

John Long and James Rose begin business in Partnership on the 1st of January, 1865.

John Long's Capital was £2000 in Cash and James Rose's Capital £1500 in Cash and £1000 in Wine.

N.B.—The Capital and Drawings of the Partners are subject to interest at 5 per cent. per annum, and the Balance of the Profit and Loss Account is divisible thus:—To John Long *one-third*, to James Rose *two-thirds*.

1865		£	s.	d.
Jan. 3	Bought of T. Styles, Wine, duty paid .....	450	0	0
" "	Accepted T. Styles' draft at two months' date	450	0	0
" 5	Lent John Nokes, Cash .....	300	0	0
" 7	Sold to W. Box, Wine .....	800	0	0
" "	Sold to H. Potts, Wine .....	250	0	0
" "	Received of W. Box, Cash on account .....	600	0	0
" 8	Sold to S. Vix, Wine .....	120	0	0
" "	Paid Cash for Office Furniture and Fixtures..	105	0	0
" 9	Received of W. Box, his acceptance at six months' .....	205	0	0
" "	Charge W. Box with interest, six months', on £200 .....	5	0	0
" 12	Shipped on own account and risk, to Bombay, Wine invoiced at .....	330	0	0
" 13	Bought Wine of J. Styles .....	700	0	0
" "	Paid Cash to J. Styles, on account .....	500	0	0
" "	Cash drawn out by James Rose .....	400	0	0
" "	Do. do. by John Long .....	100	0	0
" "	Bought of C. Aggs, Wine .....	830	0	0
" 16	Received Cash, advance on the above shipment to Bombay .....	140	0	0
" "	Bought Wine and paid Cash .....	1150	0	0
" "	Accepted C. Aggs' draft at three months' date	500	0	0
" 18	Sold Wine to J. Nokes .....	625	0	0
" "	Charge interest to J. Nokes .....	7	10	0
" "	Received of J. Nokes his acceptance, on account .....	732	10	0

1865		£	s.	d.
Jan. 18	Advanced for Petty Cash .....	20	0	0
" 20	Sold Wine to J. Nokes .....	270	0	0
" 23	Do. to J. Dodd .....	860	0	0
" 23	Do. to R. Kell .....	400	0	0
" "	Paid trade charges out of Petty Cash .....	8	6	8
" 24	Bought Wine of N. Scott .....	125	0	0
" 26	Received of J. Nokes his acceptances .....	100	0	0
" "	Do. of J. Dodd do. ....	300	0	0
" 28	Discounted with O. G. and Co. J. Nokes' acceptance for .....	732	10	0
" "	Received Cash of O. G. and Co. ....	705	5	0
" "	Discount charged by O. G. and Co. ....	27	5	0
" 30	Paid to N. Scott, W. Box's acceptance. ....	205	0	0
" 31	Stock of Wine on hand at cost. ....	950	0	0
" "	Interest on amount drawn out by John Long .....	0	3	4
" "	Interest on John Long's Capital .....	8	6	6
" "	Interest on amount drawn out by James Rose .....	0	13	4
" "	Interest on James Rose's Capital .....	10	8	4
" "	Rent due to A. Bone .....	18	10	0
" "	Salary due to T. Fox .....	25	0	0
" "	Trade charges paid out of Petty Cash .....	9	3	0

## No. IX.

John Ward takes W. Campbell into Partnership on the 1st of January, 1866. John Ward's Assets and Liabilities are as follows, viz.—

## ASSETS.

Sherry .....	£2250	0	0
Brandy .....	300	0	0
Sundry Debtors to him, viz.—			
A. Green .....	200	0	0
J. Smith .....	50	0	0
T. Jones .....	100	0	0
Bills Receivable .....	262	0	0
Cash .....	1000	10	6

## LIABILITIES.

Bills Payable .....	150	0	0
Due to P. Robb .....	20	10	0
Do. F. Brook .....	132	4	0

W. Campbell's Capital amounts to £2000 Cash.

N.B.—The Capital and Drawings of the Partners are subject to interest at 5 per cent. per annum, and the Balance of the Profit and Loss Account is divisible thus:—To John Ward, *two-thirds*: to W. Campbell, *one-third*.

1866.		£	s.	d.	
Jan.	1	Paid Cash for Purchase of Business Premises	1500	0	0
"	"	Advanced for Petty Cash .....	20	0	0
"	2	Received Cash from J. Wilson in payment of his acceptance, due this day.....	62	0	0
"	3	Consigned to P. Walker, to be sold by him on our account and risk, Brandy invoiced at .....	225	0	0
"	"	Bought of F. Brook, Sherry .....	75	0	0
"	4	Paid Cash for our acceptance of J. Ward's draft, due this day .....	150	0	0
"	5	Sold P. Robb, Brandy .....	20	0	0
"	6	Received A. Green's acceptance, at 21 days, in payment of amount due by him .....	200	0	0
"	"	Received Cash from J. Smith .....	50	0	0
"	8	Discounted A. Green's acceptance for £200, and received Cash £198, and allowed Discount £2 .....	200	0	0
"	11	Advanced for Petty Cash .....	30	0	0
"	"	Received from P. Walker, on account of consignment of Brandy .....	100	0	0
"	12	Lent Cash to J. Smith .....	100	0	0
"	13	Sold Sherry for Cash.....	400	0	0
"	"	Sold Sherry to A. Green .....	800	0	0
"	"	Received from A. Green his acceptance, due 16th April.....	800	0	0
"	15	Bought Sherry of J. Potts.....	1500	0	0
"	"	Paid Cash to J. Potts, on account.....	750	0	0
"	"	Accepted J. Potts' draft at two months' .....	750	0	0
"	17	Bought Brandy for Cash .....	300	0	0
"	19	Cash drawn out by J. Ward.....	100	0	0
"	20	Received Cash of T. Jones, by way of composition, in discharge of his debt of £100 .....	50	0	0
"	22	Received account sales from P. Walker, showing that the above consignment of Brandy to him realised net .....	285	0	0
"	"	Received Cash from P. Walker, balance of amount realised, viz.....	185	0	0
"	24	Paid Cash for Repairs of Premises .....	10	6	0
"	25	Sold for Cash, Brandy .....	150	0	0
"	26	Paid Cash for Fire Insurance.....	20	0	0
"	30	Bought Sherry from J. Potts.....	900	0	0
"	"	Paid to J. Potts, A. Green's acceptance, due 16th April .....	800	0	0
"	"	Paid Cash to J. Potts .....	100	0	0
"	31	Paid Salary of Clerk .....	10	0	0
"	"	Trade charges, paid out of Petty Cash.....	40	2	0
"	"	Interest on amount drawn out by J. Ward ..	0	3	4

1866		£	s.	d.
Jan. 31	Interest on J. Ward's Capital .....	16	1	8
" "	Interest on W. Campbell's Capital .....	8	6	8
" "	Stock of Sherry in hand .....	3925	0	0
" "	Stock of Brandy in hand .....	100	0	0

## No. X.

On the 1st of January, 1867, John Ward and W. Campbell have Assets and Liabilities as follows, viz.—

ASSETS.		£	s.	d.
Business Premises and Plant valued at .....	1500	0	0	
Sherry .....	3525	0	0	
Brandy .....	500	0	0	
Due by J. Smith .....	100	0	0	
Bills Receivable .....	200	0	0	
Cash .....	1115	0	0	

LIABILITIES.		£	s.	d.
Bills Payable .....	750	0	0	
Due to P. Robb .....	208	0	0	

John Ward's Capital is .....	3908	0	0
W. Campbell's " .....	2074	0	0

They take J. Smart into Partnership on the 1st of January, 1867. J. Smart's Capital amounts to £2500 in Cash.

N.B. The Capital and Drawings of the Partners are subject to interest at 5 per cent. per annum, and the Net Balance of Profit and Loss is divisible thus—to John Ward, *one-half*; to W. Campbell and J. Smart *one-quarter* each.

1867		£	s.	d.
Jan. 1	Advanced for Petty Cash .....	20	0	0
" "	Sold J. Smith, Brandy .....	15	0	0
" 2	Paid Cash for our acceptance of J. Duncan's draft, due this day .....	200	0	0
" 5	Discounted J. Green's acceptance for £200, and received £198 in Cash, and allowed for Discount £2 .....	200	0	0
" "	Bought of J. Smith, Sherry .....	715	0	0
" "	Accepted J. Smith's draft, at two months' date .....	600	0	0
" 8	Invoice of Brandy bought of S. Nokes .....	1035	0	0
" 9	Received consignment of Claret from T. Sandford, to be sold by us on his account at 2 per cent. commission on proceeds, invoiced at .....	300	0	0

1867		£	s.	d.
Jan. 9	Paid Cash for carriage of above consignment	2	0	0
" 10	Advanced Cash to T. Sandford . . . . .	100	0	0
" "	Paid Cash for additional Business Premises ..	500	0	0
" 12	Cash paid S. Nokes for Brandy . . . . .	1015	0	0
" "	Discount allowed by S. Nokes . . . . .	20	0	0
" "	Sold W. Brown, Brandy . . . . .	50	0	0
" "	Sold W. Brown, Sherry . . . . .	500	0	0
" "	Received W. Brown's acceptance at 21 days	550	0	0
" 15	Cash drawn out by W. Campbell . . . . .	100	0	0
" 20	Consigned to R. Green, to be sold by him on our account and risk, Sherry, invoiced at ..	200	0	0
" 27	Lent Cash to J. Smith . . . . .	100	0	0
" 29	Bought Sherry of P. Robb . . . . .	632	10	0
" "	Paid P. Robb on account, by handing to him W. Brown's acceptance for £550 . . . . .	550	0	0
" 30	Sold Brandy for Cash . . . . .	500	0	0
" "	Sold Sherry for Cash . . . . .	850	0	0
" 31	Sold for Cash part of consignment of Claret from T. Sandford . . . . .	150	0	0
" "	Paid Salaries of Clerks . . . . .	45	0	0
" "	Trade charges, paid out of Petty Cash. . . . .	19	4	0
" "	Interest on amount drawn out by W. Campbell	0	4	2
" "	Interest on J. Ward's Capital . . . . .	16	5	8
" "	" W. Campbell's Capital . . . . .	8	12	10
" "	" J. Smart's Capital . . . . .	10	8	4
" "	Estimated Wear and Tear of Business Premises and Plant . . . . .	10	0	0
" "	Commission earned on consignment of Claret	3	0	0
" "	Stock of Sherry on hand . . . . .	3473	0	0
" "	" Brandy " . . . . .	960	0	0

## No. XI.

On the 1st of January, 1868, D. Scott has Assets and Liabilities as follows:—

ASSETS.		£	s.	d.
Business Premises, valued at . . . . .	500	0	0	
Wine . . . . .	2000	0	0	
Due by J. Wall . . . . .	205	0	0	
Bills Receivable . . . . .	352	0	0	
Cash . . . . .	605	12	4	
LIABILITIES.				
Bills Payable . . . . .	557	0	0	
Due to W. Brown . . . . .	44	0	0	

On the 1st of January, 1868, T. Jones is taken into Partnership. T. Jones's Capital is composed of Brandy valued at £2000 and £1000 in Cash.

N.B.—The Capital and Drawings of the Partners are subject to interest at 5 per cent. per annum, and the Net Balance of Profit and Loss is divisible equally between them.

1868		£	s.	d.	
Jan.	1	Advanced for Petty Cash . . . . .	10	0	0
"	"	Paid Cash for purchase of additional Business Premises . . . . .	200	0	0
"	3	Discounted S. Nokes's acceptance for £200, and received in Cash £197 10s., and allowed for Discount £2 10s. . . . .	200	0	0
"	6	Bought Wine for Cash . . . . .	342	10	0
"	"	Sold Brandy for Cash . . . . .	845	0	0
"	"	Paid Cash for our acceptance to J. Wilson, due this day . . . . .	257	0	0
"	9	Bought Brandy of F. Black . . . . .	400	0	0
"	10	Cash drawn out by D. Scott . . . . .	200	0	0
"	13	Sold G. Green, Wine . . . . .	500	0	0
"	"	Received from G. Green (and cancelled) our acceptance to him . . . . .	300	0	0
"	"	Received G. Green's acceptance to us at two months . . . . .	200	0	0
"	14	Received amount due by J. Wall—viz., £200 in Cash, and allow for Discount £5 . . . . .	205	0	0
"	16	Paid amount due to W. Brown—viz., £42 in Cash, and received for Discount £2 . . . . .	44	0	0
"	20	Sold J. Wilson, Brandy . . . . .	240	0	0
"	"	Sold ditto, Wine . . . . .	800	0	0
"	"	Received J. Wilson's acceptance at twenty-one days . . . . .	1040	0	0
"	25	Received consignment of Cigars from J. Thompson, invoiced at . . . . .	100	0	0
"	30	Bought of J. Wall the Schooner <i>Dolphin</i> . . . . .	2000	0	0
"	"	Paid J. Wall, Cash . . . . .	1000	0	0
"	"	Accepted J. Wall's draft at two months . . . . .	1000	0	0
"	"	Paid Salaries of Clerks . . . . .	30	0	0
"	"	Received Johnson and Son's account for carriage of Wine during the month of January . . . . .	4	3	0
"	"	Trade charges paid out of Petty Cash to this date . . . . .	8	9	0
"	"	Interest on amount of Capital drawn out by D. Scott . . . . .	0	11	6
"	"	Interest on D. Scott's Capital . . . . .	12	15	2
"	"	" T. Jones's " . . . . .	12	10	0

1868		£	s.	d.
Jan. 30	Estimated Wear and Tear of Business Premises	10	0	0
" "	Stock of Wine on hand . . . . .	1250	0	0
" "	Stock of Brandy on hand . . . . .	1310	0	0

## No. XII.

On the 1st of January, 1869, Grant and Ross have Assets and Liabilities as follows:—

ASSETS.		£	s.	d.
Business Premises, valued at . . . . .		300	0	0
Cash at Bankers . . . . .		942	3	6
Petty Cash . . . . .		8	1	0
Acceptance of W. Thom, due 8th January . . . . .		371	10	0
Due by A. Down . . . . .		148	0	0
Goods on hand, viz.:—				
10 tons of Tin . . . . .		800	0	0
Wool . . . . .		1500	0	0

## LIABILITIES.

T. Vane, Balance of Account . . . . .	369	14	6
Our acceptance to J. Brook, due 18th January..	500	0	0

N.B.—The Surplus Assets over Liabilities, being the Capital of the Business, belong to the Partners in the following proportions, viz., to H. Grant, £2400, to J. Ross, £800. The Capital and Drawings of the Partners are subject to Interest at 5 per cent. Ross, as manager, receives £25 a month. The remaining Balance of Profit and Loss is divisible as follows:—To H. Grant, *three-fourths*; to J. Ross, *one-fourth*.

1869		£	s.	d.
Jan. 1	Discounted W. Thom's acceptance, and received in Cash £371, and allowed for Discount 10s. . . . .	371	10	0
" 4	Bought of T. Vane 5 tons of Tin.. . . .	400	0	0
" 6	Accepted T. Vane's draft at two months . . . . .	769	14	6
" 6	Bought Wool for Cash . . . . .	500	0	0
" 8	Sold Wool to W. Thom . . . . .	1000	0	0
" "	Received from W. Thom his acceptance for £500 at a month, and Harris and Co.'s acceptance to him for £500, due 31st January . . . . .	1000	0	0
" 12	Received from R. Green consignment of Indigo, invoiced at . . . . .	1200	0	0
" "	Accepted R. Green's draft at two months for . . . . .	800	0	0
" 14	Received Cash of A. Down for balance of his account . . . . .	145	0	0
" "	And allowed to him for Discount . . . . .	3	0	0

1869		£	s.	d.
Jan. 15	H. Grant drew out for Private Expenses . . . .	50	0	0
" 16	Sold for Cash the whole of R. Green's con- signment of Indigo for . . . . .	1300	0	0
" "	Commission gained by us on the above con- signment . . . . .	33	0	0
" 18	Renewed our acceptance, due this day, for £500 for two months, in favour of J. Brook (including interest) . . . . .	508	12	0
" 20	Cheque drawn for Petty Cash . . . . .	20	0	0
" "	Sold 15 tons of Tin to A. Down for . . . . .	1500	0	0
" 26	Received from A. Down, Cash . . . . .	800	0	0
" "	" " his acceptance at one month for . . . . .	700	0	0
" 31	Received Cash for Harris and Co.'s acceptance, due this day . . . . .	500	0	0
" "	Paid J. Ross his Salary as Manager . . . . .	25	0	0
" "	Paid Salary of Clerk . . . . .	8	0	0
" "	Payment out of Petty Cash for Trade Charge in the month . . . . .	15	1	0
" "	Interest on H. Grant's Capital . . . . .	10	0	0
" "	" J. Ross's " . . . . .	3	6	8
" "	" H. Grant's Drawing . . . . .	0	2	4
" "	" allowed to us by Bankers on our balances during the month . . . . .	4	0	6
" "	Interest due by us to R. Green . . . . .	2	1	0
" "	Wear and Tear of Premises, estimated at . . . .	5	0	0
" "	Wool on hand, valued at . . . . .	1000	0	0

On examining the books it is discovered that the following transaction, "Interest allowed to us by Bankers in the month, £4 os. 6d.," has been posted as if it had been "Interest charged by Bankers in the month, £4 6s." Give the Journal entry or entries necessary to correct the error.

## No. XIII.

On the 1st of January, 1870, John Guy and Thomas Sterne begin business in Partnership with each other as Iron Merchants; the state of the joint Assets and Liabilities at that date being as follows:—

## ASSETS.

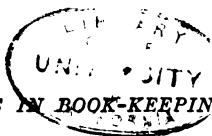
	£	s.	d.
Cash at the Bankers . . . . .	850	0	0
Stock of Pig and Bar Iron . . . . .	1950	0	0
Petty Cash . . . . .	7	10	0
Debt due from W. Snooks . . . . .	685	7	6
W. Jack's Promissory Note, due 5th January . .	158	5	0



	£	s.	d.
LIABILITIES.			
Debt due to C. Pym . . . . .	426	8	0
Their acceptance, due 16th January . . . . .	224	14	6
John Guy's Capital . . . . .	1800	0	0
Thomas Sterne's Capital . . . . .	1200	0	0

N.B.—The Partners are entitled to interest on their Capitals, and chargeable with interest on their Drawings at the rate of 5 per cent. per annum. T. Sterne is to receive Salary as Manager at the rate of £25 a month, and the Balance of Net Profit is divisible between the two Partners in equal moieties.

1870		£	s.	d.
Jan. 1	Drew from the Bankers for Petty Cash . . . . .	10	0	0
" "	Paid out of Petty Cash for Stationery . . . . .	1	10	0
" 3	Sold to W. Sim 250 tons of Iron . . . . .	1250	0	0
" "	Received W. Sim's acceptance, due 1st March . . . . .	1250	0	0
" 4	Bought 220 tons of Iron of A. Rab . . . . .	880	0	0
" 6	Cash Paid, freight of Iron bought . . . . .	64	2	6
" 8	W. Jack's Promissory Note, due this day, for £158 5s., dishonoured . . . . .	158	5	0
" 9	Paid Notarial Charges thereon . . . . .	0	17	0
" "	Received W. Jack's Promissory Note, due 12th March, in renewal of his dishonoured Promissory Note, including interest and charges thereon . . . . .	160	7	6
" 10	Bought 500 tons of Iron of B. Prince, at £4 15s. . . . .	2375	0	0
" "	Sold 600 Tons of Iron to Mobile Railway Company, and received payment, half Cash and half Bonds, bearing 8 per cent. interest . . . . .	3300	0	0
" 11	Accepted B. Prince's draft at 3 months, due 13th April . . . . .	2375	0	0
" 12	Paid A. Rab £880, less 2½ per cent. Discount for Cash . . . . .	858	0	0
" 13	Discounted W. Sim's acceptance and W. Jack's Promissory Note, and received in Cash £1400 12s. 6d., and allowed for Discount £9 15s. . . . .	1410	7	6
" "	Bought 500 tons of Iron for Cash . . . . .	2137	10	0
" "	Consigned to C. Pym 200 tons of Iron invoiced at . . . . .	900	0	0
" 15	Received from C. Pym his acceptance, due 16th July, on account of consignment . . . . .	250	0	0
" 16	Paid our acceptance, due this day . . . . .	224	14	6
" "	J. Guy drew out for private expenses . . . . .	50	0	0
" 18	C. Pym advised sale of Iron consigned to him for . . . . .	887	10	0



		£	s.	d.
1870				
Jan. 18	And that his commission thereon was . . . . .	8	17	6
" 20	Bought 1000 tons of Iron of W. Crookes, payment one third Cash on delivery, residue in 14 days . . . . .	4250	0	0
" 22	Sold Mobile Railway Bonds for £1000 at 97½ per cent, less brokerage half per cent . . . . .	970	0	0
" 23	Paid W. Crookes on delivery of Iron . . . . .	1416	13	4
" 24	Sold 800 tons of Iron to C. Pym, Cash on delivery 14 days hence . . . . .	3600	0	0
" 30	Received from W. Snooks composition of 11s. in the £ on his debt of £685 7s. 6d. . . . .	376	19	0
" 31	Paid Thomas Sterne his Salary as Manager . . . . .	25	0	0
" "	Paid Salary of Clerk . . . . .	8	8	0
" "	Payments out of Petty Cash for Trade Expenses during the month . . . . .	10	3	0
" "	Interest on John Guy's Capital . . . . .	7	10	0
" "	" T. Sterne's Capital . . . . .	5	0	0
" "	" John Guy's Drawing . . . . .	0	2	1
" "	" allowed by Bankers on the Firm's minimum balance during the month . . . . .	1	5	0
" "	Iron on hand, valued at . . . . .	3300	0	0
" "	Mobile Railway Bonds on hand £650, valued at 95 per cent . . . . .	617	10	0

No. XIV.

On the 1st of January, 1871, James Sharpe, Wine and Tea Merchant, took into his business, as Partner, George Mills, on the following conditions, viz. :—

1. G. Mills to bring into the business a Capital of £3,560.
2. The Net Balance of Profit and Loss to be divided thus, viz. :—  
To James Sharpe, *two-thirds* ; to George Mills (in addition to a Salary of £250 per annum), *one-third*.
3. The Capital and Drawings of the Partners to be subject to interest at 5 per cent.

James Sharpe's Assets, 1st January, 1871—	£	s.	d.
J. Brown's Promissory Note, due 7th January ..	373	10	0
Debt due by P. Gibbon . . . . .	172	15	0
Stock of Tea in hand . . . . .	741	0	0
Stock of Wine in hand . . . . .	932	0	0
Cash in hand . . . . .	315	0	0
Business Premises, valued at . . . . .	425	0	0
James Sharpe's Liabilities, 1st January, 1871—			
His acceptance, due 13th January . . . . .	175	0	0
Amount due to J. Price . . . . .	842	17	6

1871		£	s.	d.	
Jan.	2	Received from G. Mills, amount of his Capital, as agreed .....	3560	0	0
"	"	Sold to R. Bruce 5 butts of Wine, at £48 ..	240	0	0
"	"	Paid Cash for Wine .....	2000	0	0
"	3	Received Cash from R. Bruce .....	235	15	0
"	"	Discount allowed him .....	4	5	0
"	5	Bought of P. Smith 33 chests of tea at £9 10s. per chest .....	313	10	0
"	6	Advanced for Petty Cash .....	12	10	0
"	"	Accepted P. Smith's draft, payable in 21 days .....	313	10	0
"	7	Consigned to N. Brook, on our account and risk, Tea, invoiced at .....	531	0	0
"	9	J. Brown's Promissory Note, due this day, returned dishonoured .....	373	10	0
"	"	Advanced out of Petty Cash for noting ditto .....	0	1	6
"	10	Cash Drawn by James Sharpe for private expenses .....	35	0	0
"	11	Received from J. Brown his Promissory Note, due 14th March, being in renewal of his dishonoured bill, inclusive of interest, £7 15s. 9d., and amount paid by us for noting bill, 1s. 6d. ....	381	7	3
"	12	Mem.: Received consignment of 100 doz. Sherry from R. Pullen, to be sold by us at 1½ per cent. <i>del credere</i> commission on net proceeds.*			
"	"	Paid carriage and charges on the above consignment .....	4	5	0
"	13	James Sharpe's acceptance paid this day ..	175	0	0
"	14	Received from N. Brook account sales of Tea consigned to him and sold to B. Long for	607	9	6
"	16	Sold to R. Bruce 25 doz. Sherry, being part of R. Pullen's consignment .....	65	0	0
"	17	Sold to James Price 75 doz. Sherry, being remainder of R. Pullen's consignment ...	230	0	0
"	"	Our commission on above sales .....	4	8	5
"	"	Remitted to R. Pullen, balance due to him ..	286	6	7
"	18	Insured Business Premises .....	12	3	9
"	19	Received from B. Long amount due by him for Tea sold to him by N. Brook on our account .....	607	9	6
"	20	Received Cash, 15s. 6d. in the £ on £172 15s. debt due by P. Gibbon, he having compounded with his creditors .....	133	3	2

\* In consideration of a *del credere* commission, the agent binds himself to make good the net proceeds.

		£	s.	d.
1871				
Jan. 21	Bought 6 chests of Tea at £9 10s. and gave in exchange Cash . . . . . £20 0 0 Wine invoiced at . . . . . 37 0 0			
		57	0	0
" 23	Discounted J. Brown's Promissory Note, receiving in Cash . . . . . £375 4 2 And allowed for Discount . . . . . 6 3 1			
		381	7	3
" 24	Accepted James Price's draft for balance due to him . . . . .	612	17	6
" 26	Sold, for Cash, 75 chests of Tea, at £9 . . . . .	675	0	0
" 27	Opened a Deposit Account with Union Bank, and deposited therein . . . . .	1000	0	0
" "	Our acceptance of P. Smith's draft paid this day . . . . .	313	10	0
" 30	Purchased additional Business Premises from R. Bruce . . . . .	250	0	0
" 31	Paid for Clerks Salaries . . . . .	25	0	0
" "	Paid out of Petty Cash this month for Postage, Stationery, &c. . . . .	11	16	3
" "	Interest on J. Sharpe's Capital . . . . .	8	1	6
" "	" J. Sharpe's Drawings . . . . .	0	2	0
" "	" G. Mills' Capital . . . . .	14	16	8
" "	G. Mills' Salary, due this day . . . . .	20	16	8
" "	Tear and Wear of Premises . . . . .	7	10	0
" "	Stock of Wine on hand . . . . .	2850	0	0
" "	" Tea on hand . . . . .	35	0	0

## No. XV.

Messrs. Fox and Jackson being in business as Iron Merchants, their Liabilities and Assets on the 31st of December, 1871, were as follows, viz. :—

	LIABILITIES.	£	s.	d.
	Due to B. Jones . . . . .	3500	0	0
	Due to D. Adams . . . . .	1300	0	0
	Bills Payable—			
	Due 22nd January, 1872 . . . . .	753	1	2
	" 2nd February, 1872 . . . . .	1031	4	6
	" 28th February, 1872 . . . . .	707	9	7
	Joseph Fox's Capital . . . . .	6755	7	3
	W. Jackson's Capital . . . . .	500	0	0

	ASSETS.	£	s.	d.
	Due by P. Benson . . . . .	1320	0	0
	" J. Howard . . . . .	762	3	10

		£	s.	d.	
J. Scott's acceptance, due 17th January .....		1300	0	0	
P. Brook's acceptance, due 30th January .....		1721	4	9	
Leasehold Premises, estimated value of Lease, subject to rental of £120 a year .....		1500	0	0	
Cash on hand .....		1962	17	1	
Stock of Iron on hand .....		5980	16	10	
<b>1872</b>					
Jan.	1	Sold Iron for Cash .....	90	0	0
"	3	Sold Iron to R. Burn .....	382	10	0
"	4	Advanced for Petty Cash .....	15	0	0
"	5	Received R. Burn's acceptance, in payment of Iron sold .....	382	10	0
"	6	Sold to the London agents of the Ohio Rail- way Company, Iron Rails, value .....	4500	0	0
"	"	And allowed Discount .....	78	10	9
"	"	And received of them their acceptance at three months .....	1421	9	3
"	"	And seven per cent. Bonds of the Ohio Railway Company at par .....	3000	0	0
"	9	Purchased Iron, and paid for the same in Cash .....	2000	0	0
"	10	Allowed interest to D. Adams .....	23	1	6
"	"	Accepted D. Adams's draft .....	1323	1	6
"	12	Received Cash, being a composition of 11s. in the £ in full discharge of the debt due by J. Howard .....	419	3	8
"	"	Mem.: Received from P. Benson a consign- ment of Pig Iron, to be sold by us on his account.			
"	13	Sold for Cash, £1500 Ohio Railway Bonds ..	1525	0	0
"	14	Purchased Iron, and paid for the same in Cash, value .....	1000	0	0
"	16	Cash withdrawn by J. Fox .....	50	0	0
"	18	J. Scott's acceptance, due 17th instant, re- turned dishonoured .....	1300	0	0
"	"	Paid out of Petty Cash for noting same ...	0	1	6
"	19	Discounted R. Burn's acceptance, and re- ceived in Cash .....	£375	2	9
"	"	And allowed Discount .....	77	3	
"	20	Sold to B. Jones, Iron consigned to us by P. Benson .....	382	10	0
"	21	Charged P. Benson commission on sale of his Iron to B. Jones .....	1440	0	0
"	"	Remitted Cash to P. Benson .....	43	4	6
"	"	Paid our acceptance, due this day .....	76	15	6
"	22	Paid our acceptance, due this day .....	753	1	2
"	24	Sold to D. Adams, Iron, value .....	1500	0	0

1872		£	s.	d.
Jan. 25	Received J. Scott's Promissory Note at 60 days, being in renewal of his dishonoured acceptance, due 17th instant. . . . . £1300 0 0			
	Interest on renewal and noting .. . . . 25 5 0			
		1325	5	0
" 26	Received from D. Adams, in payment of Iron sold to him, our acceptance . . . . .	1323	1	6
	And Cash . . . . .	176	18	6
" 30	Received Cash from P. Brook for his acceptance, due this day . . . . .	1721	4	9
" 31	Amount paid out of Petty Cash for Stationery, Postage, &c. . . . .	7	2	9
" "	Interest on J. Fox's Capital . . . . .	28	2	11
" "	" J. Fox's Drawings . . . . .	0	2	1
" "	" W. Jackson's Capital . . . . .	2	1	8
" "	Wear and Tear of Business Premises . . . . .	5	0	0
" "	Rent of Premises, due this day . . . . .	10	0	0
" "	Value of Stock of Iron . . . . .	3039	6	10
" "	Ohio Railway Bonds on hand, at par . . . . .	1500	0	0

## No. XVI.

On the 1st of January, 1868, Duke and French, Merchants, found their Partnership Accounts stood as follows:—

LIABILITIES.		£	s.	d.
J. Tait, balance of account . . . . .		92	10	7
Our acceptance outstanding in favour of Ingram and Co., Madras, due 27th January . . . . .		570	12	2
Mason and Nephew, balance of invoice of Cotton Goods . . . . .		413	5	8
Rent of Office (one quarter) to Christmas, 1867, B. Sharp, Salary . . . . .		50	0	0
		30	0	0
ASSETS.				
Cash at Bankers' . . . . .		452	11	8
Petty Cash . . . . .		4	10	6
Shipment of Cotton Goods to Melbourne, ex "Lady Elizabeth" . . . . .		608	4	1
Debt due from Ingram and Co., Madras . . . . .		1496	0	11
Acceptance of Moffatt and Co., due 2nd Feb. . . . .		595	1	3
Stock of merchandise, viz.:—				
5 tons Copper . . . . .	£300 0 0			
10 bales Cotton Goods . . . . .	200 0 0			
		500	0	0

The Surplus Assets over Liabilities, being the Capital of the business, belongs to the Partners in the following proportions:—

H. Duke . . . . .	£1500 0 0
W. French . . . . .	1000 0 0

The Profits of the business to be equally divided between the Partners, after allowing 5 per cent. interest on their Capital.

1868		£	s.	d.	
Jan.	2	Laing and Co. accepted our draft, due 5th March, on account of Cotton Goods shipped to Melbourne ex "Lady Elizabeth".....	550	0	0
"	"	Paid J. Tait balance of his account.....	90	0	0
"	"	J. Tait allowed us for Discount.....	2	10	7
"	8	Purchased of J. Dyson, 20 tons Copper....	1400	0	0
"	"	Discounted Moffatt and Co.'s acceptance, due 2nd February, for £595 1s. 3d., and received in Cash.....	592	11	8
"	"	Discount Charged for same.....	2	9	7
"	12	Sold to J. Jackson 50 chests Indigo, ex "Laura," consigned to our care and belonging to Ingram and Co., Madras.....	600	0	0
"	"	Paid shipping charges on above Indigo....	132	11	8
"	"	Commission charged Ingram and Co. for above sale.....	15	0	0
"	27	Renewed our acceptance, due this day, for £570 12s. 2d. for two months, in favour of Ingram and Co., including interest....	577	15	8
"	30	Received Cash of J. Jackson for 50 chests Indigo sold to him on 12th.....	600	0	0
"	"	Paid Cash to J. Dyson on account of Copper	1000	0	0
Feb.	2	Moffatt and Co.'s acceptance returned to us this day dishonoured, and noting expenses	595	2	9
"	4	Moffatt and Co. took up their acceptance and interest.....	595	15	0
"	8	Accepted draft in favour of Mason and Nephew, due 11th April.....	413	5	8
"	18	Paid Rent of Office to Christmas.....	50	0	0
"	"	Paid B. Sharp on account of Salary.....	25	0	0
"	20	Sold Campbell and Co. 10 tons Copper....	750	0	0
"	21	H. Duke drew out of the business for private expenses.....	50	0	0
"	"	W. French drew out of the business for private expenses.....	50	0	0
"	"	Cheque drawn for Petty Cash.....	20	0	0
Mar.	4	Received Cash for Laing and Co.'s acceptance against shipment of Cotton Goods to Melbourne.....	550	0	0
"	10	Sold C. Crawley 15 tons Copper.....	1250	0	0
"	"	Took his acceptance for the same at three months.....	1250	0	0
"	"	Received of Campbell and Co. Cash.....	735	0	0
"	"	Allowed them Discount on settlement.....	15	0	0

1868		£	s.	d.
Mar. 28	Received through Laing and Co. account sales of Cotton Goods shipped to Melbourne, and remittance from them in Cash for the balance .....	152	1	4
" 30	Sold Leach and Son 10 bales of Cotton Goods .....	250	0	0
" "	Paid out of Petty Cash for sundry office disbursements during the quarter .....	7	12	0
" "	Paid Rent of Office (one quarter) to Lady-day .....	50	0	0
" "	Paid B. Sharp his Salary .....	35	0	0
" "	Paid acceptance in favour of Ingram and Co., due this day .....	577	15	8
" 31	Interest charged to Ingram and Co. on their account current .....	32	12	8
" "	Interest allowed to us by Bankers on our account .....	2	12	4
" "	Interest on H. Duke's Capital .....	18	15	0
" "	" W. French's Capital .....	12	10	0

## No. XVII.

On the 1st of January, 1869, W. Johnson, Miller and Corn Merchant, found his Assets and Liabilities as follows:—

N.B.—The books are to show separately his Profit or Loss as a Miller and as a Corn Merchant, and all his Assets and Liabilities are to be embodied in one Balance Sheet.

LIABILITIES.		£	s.	d.
W. Smith, balance of account .....		226	10	0
Acceptance to F. Long, due 15th January .. ..		250	0	0
ASSETS.				
Business Premises and Machinery, valued at.. .		1400	0	0
Two Horses, Wagon, Cart, &c.....		300	0	0
Cash in Bank.....		157	10	0
Petty Cash .....		1	4	6
Debt Due by R. Young.....		116	5	0
Goods on hand, viz.:—				
Wheat .....		183	15	0
Flour, &c., at Mill .....		22	16	0
1869		£	s.	d.
Jan. 1	Accepted W. Smith's draft at two months ..	226	10	0
" 2	Drew Cheque for Petty Cash .....	10	0	0
" "	Bought of W. Gye 60 quarters of Wheat....	126	0	0
" "	Received from R. Young his acceptance at one month.....	100	0	0



1869		£	s.	d.	
Jan.	2	Received from R. Young, Cash .....	16	5	0
"	4	Sold to R. Young, Wheat .....	110	0	0
"	"	Sent to Mill 10 quarters of Wheat .....	21	0	0
"	5	Bought of W. Smith, Wheat .....	152	0	0
"	"	Purchased Steam-engine for Mill of Sims and Co. ....	527	10	0
"	6	Cash borrowed of F. Price on security of premises, &c., at 5 per cent. per annum ..	750	0	0
"	8	Paid Sims and Co. Cash .....	515	0	0
"	"	And received Discount .....	12	10	0
"	9	Paid Cash to W. Gye .....	126	0	0
"	"	Received of R. Young, Cash .....	100	0	0
"	"	Bought of R. Young, Corn for Mill .....	10	0	0
"	12	Sold to W. Smith 50 quarters of Wheat ...	115	0	0
"	15	Acceptance to F. Long, due this day, paid Cash .....	250	0	0
"	23	Sold to R. Young, Wheat .....	136	10	0
"	25	Paid Cash to Millwright for repairs .....	9	7	6
"	26	Sold Flour to J. Reeve .....	40	0	0
"	29	Sent to Mill, Wheat .....	26	5	0
"	30	Paid into Bank, Cash received this month for small Retail Sales of Flour, &c. at Mill ..	24	12	0
"	"	Cash Paid for Wages, of which £10 to per- sons employed at Mill .....	15	0	0
"	"	Cash Paid to J. Owen for fixing Steam- engine .....	16	0	0
"	"	Paid out of Petty Cash for Horse Provender, &c. ....	1	17	6
"	"	Wear and Tear of Premises, &c., estimated at	5	0	0
"	"	Depreciation in value of Horses, and wear and tear of Carts .....	2	10	0
"	"	Wear and tear of Steam-engine .....	10	0	0
"	"	Goods on hand—			
		Wheat .....	97	15	0
		Flour, &c., at Mill .....	36	5	0
"	"	Interest on Loan .....	2	10	0

N.B.—All Cash Transactions, unless the words "Petty Cash" appear, pass through the Bank.

### No. XVIII.

On the 1st of January, 1870, John Carfax, Timber and Slate Merchant, found his Assets and Liabilities as follows:—

' N.B.—The Books are to show separately his Profit or Loss as a



		£	s.	d.
1870				
Jan. 28	Received from S. Crookes, Cash .....	63	0	0
" 31	Paid into Bank, Cash received this month for Retail Sales, viz.:—			
" "	Of Timber and Deals .....	171	19	3
" "	Of Slates .....	37	14	6
" "	Cash paid for Wages, of which £21 5s. od. to persons employed in timber yard.....	29	7	6
" "	Paid out of Petty Cash, Office Expenses ....	7	12	0
" "	Cash paid for Horse Provender .....	11	18	0
" "	Wear and Tear of Premises, &c., estimated at	5	0	0
" "	Depreciation in value of Horses, and Wear and Tear of Carts (one horse killed) ....	47	0	0
" "	Goods on hand—Timber and Deals .....	2850	0	0
" "	" " Slates .....	170	0	0
" "	Interest on Loan .....	1	15	0

N.B.—All Cash Transactions, unless the words "Petty Cash" appear, pass through the Bank.

## No. XIX.

On the 1st of January, 1871, John Willes and Abel Shaw enter into Partnership. The former guarantees the new firm from loss on the realization of his Assets, the Stock of Brandy and Sugar in hand being accepted by the new firm at values agreed on and entered in the books; and, in consideration of the Goodwill of the Business, &c., being his, they agree that Willes shall take *two-thirds* of the Profits; and Shaw, who introduces £1500 in Cash, shall take *one-third*. The Capital and Partners' Drawings to bear interest at the rate of 5 per cent. per annum.

John Willes' Assets are—	£	s.	d.
Cash at Bankers' .....	520	0	0
Petty Cash in office box .....	20	0	0
Bills Receivable—			
Drawn by Abraham Smith .....	£100		
" John Williams .....	240	340	0 0
Due to him by John Jones .....	90	0	0
Value of Plant and Business Premises .....	1000	0	0
Brandy in Stock .....	120	0	0
Sugar in Stock .....	80	0	0
Consignment of Wine to Melbourne.....	200	0	0
		<hr/>	
	£2370	0	0

		£	s.	d.
His Liabilities—				
	Bills Payable .....	550	0	0
	Due to H. Morton .....	300	0	0
		£850	0	0
1871		£	s.	d.
Jan. 3	Bought Rum in bond for Cash .....	50	0	0
" 4	Sold Brandy to H. Morton .....	60	0	0
" "	Discounted draft drawn on Wm. Smith by H. Harrison, due 4th March, charged Dis- count .....	5	0	0
" "	Gave Cash .....	245	0	0
" 10	Paid Cash for Customs' Charges on Rum...	20	0	0
" 15	Abraham Smith being unable to meet the whole of his Bill for £100 (one of Willes' Assets) we lend him £50, and take his ac- ceptance for the same .....	50	0	0
" 18	Paid Cash for enlargement of Business Premises	200	0	0
" 20	Received Cash for Abraham Smith's Bill ....	100	0	0
" 30	H. Morton drew on us for Balance of his account	240	0	0
Feb. 5	Received Cash for John Jones' debt .....	90	0	0
" 10	Bought Wine for Messrs. James and Wilson on commission, and paid Cash for same ..	500	0	0
" 15	Abel Shaw drew for his own use .....	50	0	0
" 20	Paid out of Petty Cash, notarial charges and expenses incurred in respect of John Williams' draft for £240 (one of Willes' Assets), not paid on maturity .....	2	0	0
" 24	Received Cheque from Underwriters for pro- ceeds of Wine consigned to Melbourne; the vessel having been wrecked after paying salvage and charges (one of Willes' Assets)	40	0	0
Mar. 3	Paid charges on Wine bought for Messrs. James and Wilson .....	10	0	0
" 4	Received Cash for Harrison's draft .....	250	0	0
" 7	Bought Sugar of John Smith .....	90	0	0
" 9	Paid Cash for charges for repairs consequent on explosion of gas .....	50	0	0
" 16	Sold Rum to H. Jameson.....	30	0	0
" 18	Paid acceptance (one of Willes' Liabilities) ..	550	0	0
" 20	Sold Wine for Cash on account of James and Wilson .....	650	0	0
" 23	Received in full of all demands a dividend of 10s. in the £ for John Williams' acceptance of £240, and expenses in full (one of Willes' Assets) .....	122	0	0

1871		£	s.	d.
Mar. 25	Received Cash for Smith's acceptance . . . . .	50	0	0
" 28	Accepted James and Wilson's draft for balance due to them on Wine Account, less our charges and commission, £20 . . . . .	120	0	0
" 31	Office Expenses of Quarter paid from Petty Cash . . . . .	8	0	0
" "	Paid Cash for Salary of Clerk for three months . . . . .	25	0	0
" "	Interest on Partners' Capital ( <i>equal moiety to each</i> ) . . . . .	37	10	0
" "	Interest on Drawing of Abel Shaw . . . . .	0	10	0
" "	Written off for Depreciation for Wear and Tear of Premises . . . . .	30	0	0
" "	Value of Stock remaining on hand—			
	Brandy . . . . .	80	0	0
	Sugar . . . . .	90	0	0
	Rum . . . . .	60	0	0

N.B.—All Cash Transactions, unless the words "Petty Cash" appear, pass through the Bank Account.

## No. XX.

On the 1st of January, Thomas Reynolds and James Blyth enter into Partnership; Reynolds introduces the following:—

ASSETS.		£	s.	d.
Cash . . . . .		1350	0	0
C. Townsend's acceptance . . . . .		50	0	0
T. Newberry's " . . . . .		150	0	0
Wine in Stock . . . . .		800	0	0
Value of Cotton in transit from Calcutta . . . . .		500	0	0
Value of Barges . . . . .		600	0	0

## LIABILITIES.

Bills Payable . . . . .	300	0	0
Due to H. Kerr . . . . .	250	0	0
" T. Kelly . . . . .	200	0	0

Blyth introduces the following:—

## ASSETS.

Cash . . . . .	1150	0	0
W. Palen's acceptance, due 20th January . . . . .	100	0	0
Brandy in Stock . . . . .	1250	0	0

## LIABILITIES.

Due to P. Tonkin . . . . .	500	0	0
Bills Payable . . . . .	200	0	0

Each Partner guarantees the Firm from loss on his Assets. Reynolds to take *three-fifths* of the Profits, and Blyth *two-fifths*, in addition to a Salary of £300 per annum for managing the Business.

1872		£	s.	d.	
Jan.	1	Bought Wine for Cash . . . . .	100	0	0
"	5	Accepted P. Tonkin's Bill at 3 months . . . . .	500	0	0
"	8	P. Elliott sold Brandy on commission . . . . .	410	0	0
"	"	Commission charged being . . . . .	4	2	0
"	12	Barge "Emma," value £200, run down this day; insured with Royal Exchange to half its value			
"	16	Received from Jas. Duncan consignment of Wine for sale on commission . . . . .	1000	0	0
"	20	Received Cash for W. Palen's bill . . . . .	100	0	0
"	26	Paid H. Kerr to balance account . . . . .	250	0	0
"	30	Consigned Wine to W. Dawson for sale on Commission . . . . .	500	0	0
Feb.	4	T. Newberry is unable to meet his bill, due this day. We therefore accept in discharge of debt—Cash . . . . . £75 Brandy . . . . . 25 Promissory Note . . . . . 50			
			150	0	0
"	5	Sold Brandy to J. Watson . . . . .	350	0	0
"	6	Sold H. Turner Brandy value £400 and received—Cash . . . . . £200 Promissory Note . . . . . 200			
			400	0	0
"	9	Thos. Reynolds drew for his own use . . . . .	50	0	0
"	12	Received from Royal Exchange Assurance Company £100, being amount of policy on barge "Emma." . . . . .	100	0	0
"	15	A part of the Cotton in transit being damaged by fire, received for Salvage . . . . . £30 Received from Insurance Office . . . . . 70			
			100	0	0
		Received remainder unharmed			
"	18	W. Dawson has sold part of Wine consigned to him . . . . .	550	0	0
"	20	Sold on account of Jas. Duncan, Wine for Cash . . . . .	1150	0	0
"	22	Jas. Blyth drew on account of Salary . . . . .	50	0	0
"	"	Paid Customs' charges on Cotton, Wharfage Dues, &c. . . . .	10	0	0
"	"	Commission on Duncan's Wine . . . . .	25	0	0
"	25	Recovered Barge "Emma," and sold her for	50	0	0
"	"	Accepted Duncan's draft . . . . .	1125	0	0

1872		£	s.	d.
Feb. 27	Sold the whole of the Cotton for .....	500	0	0
" 28	Paid Clerks' Salaries .....	60	0	0
" "	Value of the Stock on hand—			
	Brandy .....	200	0	0
	Wine .....	400	0	0
	Barges .....	400	0	0

---

# RESULTS,

SHOWING FOR EACH OF THE FOREGOING EXERCISES

## THE STATEMENT OF PROFIT AND LOSS

AND

## THE FINAL BALANCE SHEET.

### I.

Dr.	PROFIT AND LOSS ACCOUNT.						Cr.
	£	s.	d.		£	s.	d.
Interest and Discount...	25	16	8	Wine.....	320	0	0
Salaries .....	10	0	0	Staves .....	50	0	0
Rent .....	7	0	0				
Andrew Freeport (net profit) .....	327	3	4				
	370	0	0		370	0	0

Dr.	BALANCE SHEET.						Cr.
	£	s.	d.		£	s.	d.
<b>LIABILITIES.</b>				<b>ASSETS.</b>			
<i>Sundry Creditors</i> :—				<i>Cash</i> :—			
Bills Payable .....	200	0	0	Balance in hand.....	85	10	0
Dombey & Son .....	90	0	0	<i>Sundry debtors</i> :—			
William Paley .....	1200	0	0	Bills Receivable.....	480	0	0
<i>Capital</i> :—				John Falstaff.....	150	0	0
Andrew Freeport ...	2235	10	0	John Dryden.....	180	0	0
				Alexander Pope.....	80	0	0
				H. Bardolph .....	250	0	0
				<i>Stock on hand</i> :—			
				Wine .....	2500	0	0
	3725	10	0		3725	10	0



## II.

Dr.

PROFIT AND LOSS.

Cr.

	£	s.	d.		£	s.	d.
Salaries and Wages ....	80	0	0	Interest and Discount	13	15	0
Rent .....	15	0	0	Iron .....	560	0	0
Trade Charges .....	15	0	0				
Bad debts .....	250	0	0				
Hy. Grey (net profit)	213	15	0				
	<u>573</u>	<u>15</u>	<u>0</u>		<u>573</u>	<u>15</u>	<u>0</u>

Dr.

BALANCE SHEET.

Cr.

LIABILITIES.				ASSETS.			
	£	s.	d.		£	s.	d.
<i>Sundry Creditors</i> :—				<i>Cash</i> :—			
Bills Payable .....	2000	0	0	Balance in hand,....	1065	0	0
John Nokes .....	15	0	0	Petty Cash.....	20	0	0
Tubal Cain .....	780	0	0	<i>Sundry Debtors</i> :—			
<i>Capital</i> :—				Bills Receivable,....	800	0	0
Hy. Grey .....	1922	1	8	Argus.....	380	0	0
				Mercury .....	600	0	0
				John Minus (Loan Account) .....	1002	1	8
				<i>Stock on hand</i> :—			
				Iron .....	850	0	0
	<u>4717</u>	<u>1</u>	<u>8</u>		<u>4717</u>	<u>1</u>	<u>8</u>

## III.

Dr.	PROFIT AND LOSS.			Cr.			
Interest and Discount...	£	s.	d.	Wheat .....	£	s.	d.
Salaries .....	14	9	2	Barley .....	40	0	0
Trade Charges .....	12	10	0	J. Thomas (Joint Ac-	95	3	4
Rent .....	6	5	0	count) .....	27	17	6
Flour .....	5	10	0				
Geo. Wood (net profit)	40	0	0				
	84	6	8				
	163	0	10		163	0	10

Dr.	BALANCE SHEET.			Cr.			
LIABILITIES.			ASSETS.				
<i>Sundry Creditors:—</i>	£	s.	d.	<i>Cash in hand:—</i>	£	s.	d.
Bills Payable.....	1200	0	0	At Bank .....	1251	0	10
R. Smith (Loan Ac-				At Office .....	80	18	4
count) .....	700	0	0	<i>Sundry Debtors:—</i>			
T. Jones .....	500	0	0	Bill Receivable .....	100	0	0
R. Brown .....	6	5	0	A. Tod .....	250	0	0
Jas. Story .....	5	10	0	John Baker .....	260	0	0
J. Thomas.....	277	17	6	H. Bradley.....	562	10	0
<i>Capital:—</i>				H. Nilus.....	375	0	0
Geo. Wood .....	1439	16	8	<i>Stock on hand:—</i>			
				Wheat .....	900	0	0
				Flour .....	250	0	0
				Barley .....	100	0	0
	4129	9	2		4129	9	2

*N.B.*—W. Smith's acceptance, said to be due the 23rd January, should be stated to be due the 23rd May.

## IV.

Dr.	PROFIT AND LOSS.						Cr.
Rent .....	£	s.	d.	Pig Iron.....	£	s.	d.
Interest and Discount	13	6	8	Iron Rails .....	255	0	0
Salaries .....	18	15	0		400	0	0
Trade Charges .....	25	0	0				
Chas. Stuart (net profit)	6	10	0				
	591	8	4				
	<u>655</u>	<u>0</u>	<u>0</u>		<u>655</u>	<u>0</u>	<u>0</u>

Dr.	BALANCE SHEET.						Cr.
LIABILITIES.				ASSETS.			
<i>Sundry Creditors</i> :—	£	s.	d.	<i>Cash</i> :—	£	s.	d.
Bills Payable .....	6000	0	0	On hand .....	641	0	0
C. J. Mare & Co.	2500	0	0	<i>Sundry Debtors</i> :—			
Wm. Johnson .....	13	6	8	Bills Receivable ...	4800	0	0
J. Howard .....	6	10	0	J. Locke .....	1200	0	0
<i>Capital</i> :—				O. Cromwell .....	301	10	0
C. Stuart .....	3372	13	4	G. Stephenson.....	200	0	0
				<i>Stock</i> :—			
				Pig Iron .....	400	0	0
				Iron Rails .....	1100	0	0
				Consign. ...£6250			
				Less Adv. 3000			
					3250	0	0
	<u>11892</u>	<u>10</u>	<u>0</u>		<u>11892</u>	<u>10</u>	<u>0</u>

## V.

## Dr. PROFIT AND LOSS. Cr.

	£	s.	d.		£	s.	d.
Rent .....	15	0	0	Wine .....	533	0	0
Interest and Discount	15	13	1				
Salaries .....	20	0	0				
Trade Charges .....	6	0	0				
Consignment to Ceylon	80	0	0				
John Foster (net profit)	396	6	11				
	<u>533</u>	<u>0</u>	<u>0</u>		<u>533</u>	<u>0</u>	<u>0</u>

## Dr. BALANCE SHEET. Cr.

LIABILITIES.				ASSETS.			
<i>Sundry Creditors</i> :—	£	s.	d.	<i>Cash</i> :—	£	s.	d.
Bills Payable .....	220	0	0	On hand .....	289	8	6
Hy. Thomson .....	300	0	0	<i>Sundry Debtors</i> :—			
R. Brown .....	102	0	0	Bills Receivable.....	1400	0	0
W. Rix .....	15	0	0	S. Box .....	160	0	0
S. Low .....	2	10	0	B. How .....	175	0	0
J. Sands (loan) .....	501	19	9	Abel & Co. ....	220	0	0
<i>Capital</i> :—				E. Jones.....	250	0	0
John Foster .....	3354	13	7	J. Cox .....	401	14	10
				<i>Stock on hand</i> :—			
	<u>4496</u>	<u>3</u>	<u>4</u>	Wine .....	1600	0	0
					<u>4496</u>	<u>3</u>	<u>4</u>

## VI.

Dr.	PROFIT AND LOSS.			Cr.			
	£	s.	d.		£	s.	d.
Rent .....	20	0	0	Interest and Discount	13	4	2
Salaries .....	30	0	0	Wine .....	490	0	0
Trade Charges .....	9	6	0				
John Hodge (part profits) .....	221	19	1				
Chas. Wright (part profits) .....	221	19	1				
	<u>503</u>	<u>4</u>	<u>2</u>		<u>503</u>	<u>4</u>	<u>2</u>

Dr.	BALANCE SHEET.			Cr.			
	£	s.	d.		£	s.	d.
LIABILITIES.				ASSETS.			
<i>Sundry Creditors</i> :—				<i>Cash on hand</i> :—			
Bills Payable .....	450	0	0	At Bank .....	287	15	0
Hy. Jones .....	750	0	0	Petty Cash .....	10	15	6
Sundry Outstanding Accounts .....	42	10	0	<i>Sundry Debtors</i> :—			
<i>Capital</i> :—				Bills Receivable.....	1250	0	0
John Hodge .....	2175	7	5	James Pott .....	204	5	0
Chas. Wright.....	1180	1	7	Hy. Nix.....	50	0	0
				Richd. Love .....	400	0	0
				John Nokes .....	200	3	6
				H. Cox .....	150	0	0
				<i>Stock</i> :—			
				Wine .....	1700	0	0
				Consig. to Sydy. £675			
				Less Advance 330			
					345	0	0
	<u>4597</u>	<u>19</u>	<u>0</u>		<u>4597</u>	<u>19</u>	<u>0</u>

*N.B.*—On receiving back Nokes' acceptance for £400 dishonoured, the amount of the Bill was necessarily made good to O. G. & Co., who had previously discounted it.

VII.

Dr.	PROFIT AND LOSS.						Cr.
	£	s.	d.		£	s.	d.
Rent .....	15	0	0	Cotton .....	240	0	0
Interest and Discount	9	7	6	Cotton Goods .....	330	0	0
Salaries .....	21	0	0				
Trade Charges .....	8	7	6				
James Bell (part profits)	258	2	6				
John Lee (part profits)	258	2	6				
	<u>570</u>	<u>0</u>	<u>0</u>		<u>570</u>	<u>0</u>	<u>0</u>

Dr.	BALANCE SHEET.						Cr.
	£	s.	d.		£	s.	d.
LIABILITIES.				ASSETS.			
<i>Sundry Creditors:—</i>				<i>Cash:—</i>			
Bills Payable .....	200	0	0	On Deposit .....	1000	0	0
J. Trig .....	150	0	0	On Current Account	313	15	0
R. Nix .....	395	0	0	Petty Cash.....	1	12	6
D. Scribe .....	21	0	0	<i>Sundry Debtors:—</i>			
R. Tree.....	15	0	0	Bills Receivable.....	200	0	0
<i>Capital:—</i>				Samuel Bow .....	450	0	0
James Bell.....	3020	0	0	H. Pott .....	480	0	0
John Lee .....	1161	17	6	<i>Stock:—</i>			
				Cotton .....	1800	0	0
				Cotton Goods .....	325	0	0
				Consig. to Ceylon:—			
				£1058 10			
				Less Adv. 666 0			
					392	10	0
	<u>4962</u>	<u>17</u>	<u>6</u>		<u>4962</u>	<u>17</u>	<u>6</u>

## VIII.

Dr.	PROFIT AND LOSS.			Cr.			
Rent .....	£	s.	d.	Wine .....	£	s.	d.
Interest and Discount	18	10	0		350	0	0
Salaries .....	32	13	2				
Trade Charges .....	25	0	0				
John Long (part profits)	17	9	8				
Jas. Rose (part profits)	85	9	1				
	170	18	1				
	350	0	0		350	0	0

Dr.	BALANCE SHEET.			Cr.			
LIABILITIES.			ASSETS.				
<i>Sundry Creditors</i> :—	£	s.	d.	<i>Cash on hand</i> :—	£	s.	d.
Bills Payable .....	950	0	0	At Bank .....	2370	5	0
J. Styles .....	200	0	0	Petty Cash .....	2	10	4
C. Aggs .....	330	0	0	<i>Sundry Debtors</i> :—			
A. Bone .....	18	10	0	Bills Receivable .....	400	0	0
T. Fox .....	25	0	0	H. Potts .....	250	0	0
<i>Capital</i> :—				S. Vix .....	120	0	0
John Long .....	1993	12	3	J. Dodd .....	560	0	0
James Rose .....	2280	13	1	R. Kell .....	400	0	0
				N. Scott .....	80	0	0
				J. Nokes .....	170	0	0
				„ (loan acct.)	200	0	0
				<i>Stock</i> :—			
				Wine .....	950	0	0
				Consig. to Bombay;			
				£330			
				Less Advance 140	190	0	0
				<i>Office Furniture and</i>			
				<i>Fixtures</i> :—			
				Valued at .....	105	0	0
	5797	15	4		5797	15	4

## IX.

## Dr. PROFIT AND LOSS. Cr.

	£	s.	d.		£	s.	d.
Brandy .....	105	0	0	Sherry .....	400	0	0
Interest and Discount...	26	5	0	Consigt. to P. Walker	60	0	0
Insurance .....	20	0	0				
Salaries .....	10	0	0				
Trade Charges .....	50	8	0				
Bad Debts .....	50	0	0				
W. Campbell (part profits)	66	2	4				
John Ward (part profits)	132	4	8				
	460	0	0		460	0	0

## Dr. BALANCE SHEET. Cr.

LIABILITIES.				ASSETS.			
	£	s.	d.		£	s.	d.
<i>Sundry Creditors:—</i>				<i>Sundry Debtors:—</i>			
Bills Payable .....	750	0	0	Bills Receivable.....	200	0	0
P. Robb.....	0	10	0	J. Smith (Loan Account) .....	100	0	0
F. Brook .....	207	4	0	<i>Stock on hand:—</i>			
<i>Capital:—</i>				Brandy .....	100	0	0
John Ward .....	3907	19	6	Sherry .....	3925	0	0
W. Campbell .....	2074	9	0	<i>Premises:—</i>			
				Valued at .....	1500	0	0
				<i>Cash on hand:—</i>			
				At Bank .....	1105	4	6
				Petty Cash .....	9	18	0
	6940	2	6		6940	2	6





XI.

Dr. PROFIT AND LOSS. Cr.

	£	s.	d.		£	s.	d.
Brandy .....	5	0	0	Wine .....	207	10	0
Interest and Discount...	30	3	8				
Premises (wear and tear) .....	10	0	0				
Salaries .....	30	0	0				
Trade Charges .....	12	12	0				
D. Scott (part profits)...	59	17	2				
T. Jones (part profits)	59	17	2				
	207	10	0		207	10	0

Dr. BALANCE SHEET. Cr.

LIABILITIES.			ASSETS.				
	£	s.	d.		£	s.	d.
<i>Sundry Creditors:—</i>				<i>Personal Security:—</i>			
Bills Payable .....	1000	0	0	Bills Receivable.....	1392	0	0
F. Black .....	400	0	0	<i>Ship Property:—</i>			
Johnson & Son .....	4	3	0	The "Dolphin" ....	2000	0	0
<i>Capital:—</i>				<i>Premises:—</i>			
D. Scott.....	2933	13	2	Valued at .....	690	0	0
T. Jones .....	3072	7	2	<i>Stock on hand:—</i>			
				Wine .....	1250	0	0
				Brandy .....	1310	0	0
				<i>Cash on hand:—</i>			
				At Bank.....	766	12	4
				Petty Cash.....	1	11	0
	7410	3	4		7410	3	4

## XII.

Dr.	PROFIT AND LOSS.			Cr.			
Interest and Discount...	£	s.	d.	Tin .....	£	s.	d.
Premises (wear and tear)	23	6	10	Commission .....	300	0	0
Salaries .....	5	0	0		33	0	0
Trade Charges .....	33	0	0				
J. Ross (part profits)...	15	1	0				
H. Grant (part profits)	64	3	0				
	192	9	2				
	333	0	0		333	0	0

Dr.	BALANCE SHEET.			Cr.			
LIABILITIES.			ASSETS.				
<i>Sundry Creditors:—</i>	£	s.	d.	<i>Personal Security:—</i>	£	s.	d.
Bills Payable .....	2078	6	6	Bills Receivable.....	1200	0	0
R. Green (Consign- ment).....	469	1	0	<i>Premises:—</i>			
<i>Capital:—</i>				Valued at .....	295	0	0
H. Grant .....	2552	6	10	<i>Stock on hand:—</i>			
J. Ross .....	867	9	8	Wool.....	1000	0	0
				<i>Cash on hand:—</i>			
				At Bank .....	3459	4	0
				Petty Cash.....	13	0	0
	5967	4	0		5967	4	0

Ans. to question: "Cash Dr. to Interest and Discount, £8 1s."

XIII.

Dr. PROFIT AND LOSS. Cr.

	£	s.	d.		£	s.	d.
Mobile Ry. Bonds (decrease in value) .....	62	10	0	Interest and Discount...	2	7	7
Bad Debts .....	308	8	6	Iron .....	693	7	6
Consignment .....	21	7	6				
Salaries .....	33	8	0				
Trade Charges .....	11	13	0				
John Guy (part profits) .....	129	4	1				
T. Sterne (part profits) .....	129	4	0				
	<u>695</u>	<u>15</u>	<u>1</u>		<u>695</u>	<u>15</u>	<u>1</u>

Dr. BALANCE SHEET. Cr.

LIABILITIES.				ASSETS.			
	£	s.	d.		£	s.	d.
<i>Sundry Creditors</i> :—				<i>Sundry Debtors</i> :—			
Bills Payable .....	2375	0	0	Bills Receivable .....	250	0	0
W. Crookes .....	2833	6	8	C. Pym .....	3802	4	6
<i>Capital</i> :—				<i>Stock on hand</i> :—			
John Guy .....	1886	12	0	Iron .....	3300	0	0
Thos. Sterne .....	1334	4	0	<i>Investment</i> :—			
				Mobile Ry. Bonds...	617	10	0
				<i>Cash on hand</i> :—			
				At Bank .....	453	11	2
				Petty Cash .....	5	17	0
	<u>8429</u>	<u>2</u>	<u>8</u>		<u>8429</u>	<u>2</u>	<u>8</u>

## XIV.

Dr.	PROFIT AND LOSS.			Cr.			
Interest and Discount...	£	s.	d.	Wine.....	£	s.	d.
Bad Debts .....	25	8	6	Tea .....	195	0	0
Premises (wear and tear)	39	11	10	Commission .....	129	10	0
Insurance .....	7	10	0		4	8	5
Salaries .....	12	3	9				
Trade Charges .....	45	16	8				
Jas. Sharpe (part profits)	11	16	3				
Geo. Mills (part profits)	124	7	7				
	62	3	10				
	<u>328</u>	<u>18</u>	<u>5</u>		<u>328</u>	<u>18</u>	<u>5</u>

Dr.	BALANCE SHEET.			Cr.			
LIABILITIES.			ASSETS.				
Sundry Creditors:—	£	s.	d.	Cash:—	£	s.	d.
Bills Payable .....	612	17	6	At Bank .....	2017	16	6
R. Bruce .....	185	0	0	Petty Cash.....	0	12	3
G. Mills.....	20	16	8	On Deposit .....	1000	0	0
Consignment to N. Brook*:—				Stock on hand:—			
Unadjusted Balance	76	9	6	Wine .....	2850	0	0
Capital:—				Tea .....	35	0	0
J. Sharpe .....	2038	14	7	Premises:—			
Geo. Mills .....	3637	0	6	Valued at .....	667	10	0
	<u>6570</u>	<u>18</u>	<u>9</u>		<u>6570</u>	<u>18</u>	<u>9</u>

\* This balance is introduced into the Balance Sheet as the Commission and Expenses are not yet brought to account.

## XV.

Dr.	PROFIT AND LOSS.			Cr.			
	£	s.	d.				
Interest and Discount...	113	18	6	Ohio Raily. Bonds (in- crease in value).....	25	0	0
Bad Debts .....	343	0	2	Iron .....	531	0	0
Rent and Depreciation of Lease.....	15	0	0	Commission .....	43	4	6
Trade Charges .....	7	2	9				
J. Fox (part profits) ...	60	1	7				
W. Jackson (part pro- fits) .....	60	1	6				
	<u>599</u>	<u>4</u>	<u>6</u>		<u>599</u>	<u>4</u>	<u>6</u>

Dr.	BALANCE SHEET.			Cr.			
	£	s.	d.				
<b>LIABILITIES.</b>				<b>ASSETS.</b>			
<i>Sundry Creditors</i> :—	£	s.	d.	<i>Personal Security</i> :—	£	s.	d.
Bills Payable .....	1738	14	1	Bills Receivable ...	2746	14	3
B. Jones .....	2060	0	0	<i>Stock on hand</i> :—			
Small Outstanding Accounts * .....	10	0	0	Iron .....	3039	6	10
<i>Capital</i> :—				<i>Investment</i> :—			
Joseph Fox .....	6793	9	8	Ohio Raily. Bonds	1500	0	0
W. Jackson .....	562	3	2	<i>Premises</i> :—			
				Value of Lease.....	1495	0	0
				<i>Cash on hand</i> :—			
				At Bank .....	2375	10	1
				Petty Cash .....	7	15	9
	<u>11164</u>	<u>6</u>	<u>11</u>		<u>11164</u>	<u>6</u>	<u>11</u>

\* In practice an aggregate account, under this or a similar title, is frequently opened for small debts of a miscellaneous character to save the useless multiplication of headings in the Ledger.

## XVI.

## Dr. PROFIT AND LOSS. Cr.

	£	s.	d.		£	s.	d.
Interest and Discount ...	17	10	3	Copper .....	300	0	0
Rent .....	50	0	0	Cotton Goods .....	50	0	0
Salaries .....	30	0	0	Shipment ex "Lady Elizabeth" .....	93	17	3
Trade Charges .....	7	12	0	Commission .....	15	0	0
H. Duke (part profits)	176	17	6				
W. French (part profits)	176	17	6				
	<u>458</u>	<u>17</u>	<u>3</u>		<u>458</u>	<u>17</u>	<u>3</u>

## Dr. BALANCE SHEET. Cr.

LIABILITIES.				ASSETS.			
	£	s.	d.		£	s.	d.
<i>Sundry Creditors</i> :—				<i>Sundry Debtors</i> :—			
Bills Payable .....	413	5	8	Bill Receivable .....	1250	0	0
J. Dyson .....	400	0	0	Ingram & Co. ....	1076	5	3
<i>Capital</i> :—				Leach & Son .....	250	0	0
H. Duke .....	1645	12	6	<i>Cash on hand</i> :—			
W. French .....	1139	7	6	At Bank .....	1005	1	11
				Petty Cash .....	16	18	6
	<u>3598</u>	<u>5</u>	<u>8</u>		<u>3598</u>	<u>5</u>	<u>8</u>

## XVII.

Dr.	PROFIT AND LOSS.			Cr.			
	£	s.	d.		£	s.	d.
Loss at Mill .....	8	11	6	Interest and Discount...	10	0	0
Premises, &c. (wear and tear) .....	5	0	0	Profit as Corn Merchant	39	15	0
Horses, &c. (depreciation) .....	2	10	0				
Trade Charges .....	1	17	6				
W. Johnson (net profit)	31	16	0				
	<u>49</u>	<u>15</u>	<u>0</u>		<u>49</u>	<u>15</u>	<u>0</u>

Dr.	BALANCE SHEET.			Cr.			
	£	s.	d.		£	s.	d.
<b>LIABILITIES.</b>				<b>ASSETS.</b>			
<i>Sundry Creditors</i> :—				<i>Cash on hand</i> :—			
Bill Payable .....	226	10	0	At Bank .....	106	19	6
W. Smith .....	37	0	0	Petty Cash .....	9	7	0
<i>Capital</i> :—				<i>Sundry Debtors</i> :—			
W. Johnson .....	1736	16	6	Bill Receivable .....	100	0	0
				R. Young .....	136	10	0
				J. Reeve .....	40	0	0
				<i>Stock on hand</i> :—			
				Wheat .....	97	15	0
				Flour .....	36	5	0
				<i>Premises, Plant, &amp;c.</i> :—			
				Premises...£1395 0			
				Less Mortg. 752 10			
					642	10	0
				Plant, Horses, &c....	297	10	0
				Steam Engine .....	533	10	0
	<u>2000</u>	<u>6</u>	<u>6</u>		<u>2000</u>	<u>6</u>	<u>6</u>



## XVIII.

Dr.	PROFIT AND LOSS.			Cr.			
Premises (wear and tear)	£	s.	d.	Interest and Discount...	£	s.	d.
Horses, &c. (depreciation)	5	0	0	Profit on Timber .....	8	0	10
Trade Charges .....	47	0	0	Profit on Slates .....	206	2	3
John Carfax (net profit)	19	10	0		27	7	0
	170	0	1				
	<u>241</u>	<u>10</u>	<u>1</u>		<u>241</u>	<u>10</u>	<u>1</u>

Dr.	BALANCE SHEET.			Cr.			
LIABILITIES.			ASSETS.				
<i>Sundry Creditors</i> :—	£	s.	d.	<i>Cash on hand</i> :—	£	s.	d.
Bill Payable .....	189	0	0	At Bank .....	881	5	6
Price & Co. ....	184	9	6	Petty Cash .....	5	13	9
<i>Capital</i> :—				<i>Sundry Debtors</i> :—			
J. Carfax .....	5428	14	11	Bill Receivable .....	400	0	0
				W. Illingworth .....	375	0	0
				B. Seddon .....	0	0	2
				<i>Premises, Plant, &amp;c.</i> :—			
				Premises...£1280	0		
				Less Adv.			
				Account 1001	15		
					278	5	0
				Horses, &c. ....	653	0	0
				Machinery .....	189	0	0
				<i>Stock on hand</i> :—			
				Timber .....	2850	0	0
				Slates .....	170	0	0
	<u>5802</u>	<u>4</u>	<u>5</u>		<u>5802</u>	<u>4</u>	<u>5</u>

## XIX.

## Dr. PROFIT AND LOSS. Cr.

	£	s.	d.		£	s.	d.
Sugar.....	80	0	0	Brandy .....	20	0	0
Interest and Discount...	32	0	0	Rum .....	20	0	0
Premises and Plant (depreciation and repairs)	80	0	0	Commission .....	20	0	0
Trade Charges .....	8	0	0	J. Willes (part loss) ...	110	0	0
Salaries .....	25	0	0	A. Shaw (part loss) ...	55	0	0
	225	0	0		225	0	0

## Dr. BALANCE SHEET. Cr.

LIABILITIES.				ASSETS.			
	£	s.	d.		£	s.	d.
<i>Sundry Creditors</i> :—				<i>Cash on hand</i> :—			
Bills Payable .....	360	0	0	At Bank .....	1572	0	0
J. Smith .....	90	0	0	Petty Cash.....	10	0	0
<i>Capital</i> :—				<i>Personal Debt</i> :—			
J. Willes .....	1148	15	0	H. Jameson .....	30	0	0
A. Shaw .....	1413	5	0	<i>Stock on hand</i> :—			
				Brandy .....	80	0	0
				Sugar.....	90	0	0
				Rum .....	60	0	0
				<i>Premises and Plant</i> :—			
				Valued at .....	1170	0	0
	3012	0	0		3012	0	0

146 PROFIT AND LOSS—FINAL BALANCE SHEET.

XX.

Dr.	PROFIT AND LOSS.			Cr.			
Salaries .....	£	s.	d.	Cotton .....	£	s.	d.
T. Reynolds (part profits) .....	110	0	0	Brandy .....	90	0	0
J. Blyth (part profits) .....	81	10	10	Consignment to Dawson .....	85	0	0
	54	7	2	Commission .....	50	0	0
	245	18	0		20	18	0
	<u>245</u>	<u>18</u>	<u>0</u>		<u>245</u>	<u>18</u>	<u>0</u>

Dr.	BALANCE SHEET.			Cr.			
LIABILITIES.			ASSETS.				
<i>Sundry Creditors:—</i>	£	s.	d.	<i>Cash:—</i>	£	s.	d.
Bills Payable .....	2125	0	0	On hand .....	4255	0	0
T. Kelly .....	200	0	0	<i>Sundry Debtors:—</i>			
<i>Capital:—</i>				Bills Receivable .....	300	0	0
T. Reynolds .....	2681	10	10	P. Elliott .....	405	18	0
J. Blyth .....	1854	7	2	J. Watson .....	350	0	0
				W. Dawson .....	550	0	0
				<i>Stock on hand:—</i>			
				Wine .....	400	0	0
				Brandy .....	200	0	0
				<i>Barges:—</i>			
				Valued at .....	400	0	0
	<u>6860</u>	<u>18</u>	<u>0</u>		<u>6860</u>	<u>18</u>	<u>0</u>

*N.B.*—£50 of the amount of Bills Receivable and the whole of the amount at which the Barges are valued remain guaranteed by T. Reynolds.

There is a portion of the Consignment to Dawson remaining to be sold, the value of which is included in the amount of the Stock on hand.

