

INTRODUCTION.

3.—Ledger.

1

Dr. Merchandise. Cr.

Month.	Day	For what debited.	Journal Page.	Dollars.	Cents.	Month.	Day.	For what credited.	Journal Page.	Dollars.	Cents.
1879	Jan. 1	To James Monroe	1	5000		1879	Jan. 1	By Cash . . .	1	1050	

2

Dr. James Monroe. Cr.

						1879	Jan. 1	By Merchandise .	1	5000	
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3

Dr. Cash. Cr.

1879	Jan. 1	To Merchandise .	1	1050							
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THE SCIENCE OF ACCOUNTS.

ALTHOUGH the books containing a consecutive history of the business are essential for that purpose, yet the *science* of Accounts pertains exclusively to the *results* of the transactions as shown in the Ledger. Particularly is this true in Double Entry, where the Ledger contains all the results necessary for a complete rendering of the condition of the business, at any time.

Each Ledger account is, properly, a statement of some financial fact, and shows one of the four following results, viz.: a *resource*, a *liability*, a *gain*, or a *loss*. These facts or results are ascertained by taking the difference between the sides of the accounts, thus:

Dr. Cash. Cr.

Cash Received.					Cash Paid out.				
1879	Jan. 1	To Stock (Inv't)	5000		1879	Jan. 1	By Merchandise	2500	
"	15	" Merchandise	1500		"	10	" "	1200	
"	30	" "	5000		"	30	" David Brown	500	
			\$11500		"	"	" Expense	300	
								\$4500	

Total Cash Received, \$11500
 " " Paid out, 4500
 Balance on hand—RESOURCE, \$7000

Dr. Merchandise. Cr.

Outlay for Merchandise.					Returns from Merchandise.				
1879	Jan. 1	To Cash,	2500		1879	Jan. 15	By Cash,	1500	
"	10	" "	1200		"	30	" "	5000	
"	14	" David Brown,	1500					\$6500	
			\$5200						

Total Returns of Merchandise, \$6500
 " Outlay for " 5200
 Net Returns—GAIN, \$1300