true that all such errors are the result of carelessness, the adoption of means to detect them, will tend, in the greatest degree to perfect his mind in those practical questions and labor necessary to the full development of his powers. It is the duty of the teacher to open up to the pupil's mind the bearings of the various principles of the science he would inculcate, as well as to aid him in the application of those principles; but *practical results* should be the student's own work. For these he should be held responsible; and should never be allowed to fall into the loose habit of making errors that his teacher may find them.

RESOURCES AND LIABILITIES.

The student has been taught that certain Ledger accounts are used to show resources, and certain others to show liabilities, and that the correspondence between the resources and liabilities thus shown must agree, in a certain sense, with the accounts showing gains and losses. He must be aware, however, that all resources are not equally valuable; that, in the course of trade, persons may become indebted to us, both on note and on account, who will *never* pay; the resource thus represented being absolutely valueless. In estimating the condition of a concern, therefore, it is well to know whether the books are *truthful;* that is, whether the *resources* exhibited on their pages are absolute or fictitious. The importance of this precaution will be apparent when we consider that all gains in business, as shown by *business* accounts, are predicated upon the integrity of the resources. For instance, suppose we sell A. $500 worth of merchandise, and take his note for it. In recording the transaction, we credit Merchandise and debit Bills Receivable. In estimating our gains and losses, we, of course, include among the proceeds of merchandise this amount, which adds $500 to our gains. But suppose the note to be worthless. In this case Merchandise account is made to show a gain which does not exist. The error may be corrected by debiting Merchandise and crediting Bills Receivable, thus disposing of the matter at once. But suppose the real value to remain in doubt. The account may be worth its face, or 50% of its face, or nothing. In this case—and particularly if there were other accounts of the same character—it would be well to open a "Suspense" account, and credit it with an amount equal to the supposed deficiency, debiting Loss and Gain with the same. This would leave the doubtful accounts standing as *resources*, but being offset by Suspense as a *liability*, the question of value would be left to be determined by the final results. In either case, the account showing resource should be credited and Suspense debited. If payments of value are made, they will appear to the debit of some resource account and credited to Loss and Gain.

This method will be found preferable to that of closing doubtful accounts into Suspense; as it is equally effective in guarding against fictitious gains, and leaves the doubtful accounts undisturbed for a more satisfactory adjustment.

BUSINESS FORMS.

BILLS.

1. Produce.

NEW YORK, *Sept. 1, 1879.*

THOS. MAY PEIRCE,

Bo't of HALLIDAY & SMITH.

100 brls. Flour, "State Superfine" - - - @ $6.30	630	
50 do. do. "St. Louis XX." - - - - " 9.50	475	
110 do. do. "Western Extra," - - - " 6.40	704	
	1809	
Rec'd Payment,		
HALLIDAY & SMITH.		

2. Groceries.

NEW YORK, *Dec. 13, 1879.*

C. E. CADY,

Bo't of H. K. THURBER & Co.

60 lbs. Granulated Sugar, - - - - - - @ 10½¢	6	30
100 do. Crushed do. - - - - - - " 12¢	12	
50 boxes Adamantine Candles, 143 lbs., - " 15¢	21	45
5 bags Porto Rico Coffee, 150 lbs., - - - " 16½¢	24	75
	64	50

3. Dry Goods.

SYRACUSE, *June 10, 1879.*

J. F. MOOAR & Co.,

Bo't of C. P. MEADS.

5 pcs. N. Y. Mills Sheetings, 72 in., 185 yds., @ 27½¢	50	88
3 do. Red Cross Cambrics, 96½ " " 8¢	7	72
10 do. Victoria Ginghams, 143 " " 28¢	40	04
1 do. Franconia Denims, 36½ " " 15¢	5	48
	104	12