

**THE CANADIAN ACCOUNTANT, A PRACTICAL  
SYSTEM OF BOOK-KEEPING: CONTAINING A  
COMPLETE ELUCIDATION OF THE SCIENCE OF  
ACCOUNTS BY THE LATEST AND MOST APPROVED  
METHODS, BUSINESS CORRESPONDENCE,  
MERCANTILE FORMS, AND OTHER VALUABLE  
INFORMATION; EIGHTH EDITION**

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The Canadian Accountant, a Practical System of Book-Keeping: Containing a Complete Elucidation of the Science of Accounts by the Latest and Most Approved Methods, Business Correspondence, Mercantile Forms, and Other Valuable Information; Eighth Edition by S. G. Beatty & J. W. Johnson

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**S. G. BEATTY & J. W. JOHNSON**

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OTHER VALUABLE INFORMATION.

DESIGNED FOR THE USE OF

COUNTING HOUSES, BUSINESS COLLEGES, ACADEMIES  
AND HIGH SCHOOLS.

BY

S. G. BEATTY AND J. W. JOHNSON, F. C. A.

THE FORMER FOUNDER, AND THE LATTER ONE OF THE PRINCIPALS OF ONTARIO BUSINESS COLLEGE,  
BELLEVILLE, ONT.; A MEMBER OF THE COUNCIL OF THE INSTITUTE OF CHARTERED  
ACCOUNTANTS OF ONTARIO, AND AUTHOR OF "JOHNSON'S JOINT STOCK CO. BOOK-KEEPING."

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## PREFACE.

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The study and practice of Book-keeping are now recognized not only as a Science but equally so as an Art, and, while the *science* remains permanent, the *art* is almost as variable as the different methods of conducting business. They are intimately connected with the principles upon which most men have to depend for success in the business of life, and appeal strongly to the judgment of all as essentially necessary in the education of the people.

No sensible man now disputes their paramount importance. The time has long since gone by when a hap-hazard system of recording business transactions will answer the requirements of men engaged in trade and commerce. The magnitude and variety of these engagements are such that no dependence upon mere memoranda, or an unsystematic method of keeping accounts, will enable an individual to calculate with accuracy his gains and losses, and so order his affairs that he may know at any time how he stands with his debtors and creditors. There must be a system, and that system must be reduced to an exact science, as invariable in its results as the problems of Euclid. Is such a thing possible in the theory and practice of Book-keeping? It is possible, and its possibility is not only thoroughly established in the commercial world, but it is made imperative in the qualification of those who expect to compete in the great struggle of business life. This view is now so universally acknowledged and acted upon, that attention is being called to the necessity that exists for a more thorough and practical course of business training even in our public schools.

In the present work the authors have aimed at a combination of the most practical modes of keeping accounts, adapted to various departments of business, and have brought to bear upon it the experience gained as practical accountants, in connection with some of the most extensive business houses, joint stock companies, and manufacturing concerns in Canada, and as teachers of the subject for many years in the largest and most successful Business College in the Dominion.

The arrangement is such that the divisions of the subject are presented in a naturally progressive order, and the student is led by easy transitions from simple transactions to the most intricate exercises to be met with in business, and is able without difficulty to trace the connecting links that make the whole science one harmonious system of definite and accurate business record. The work is, as the name implies, something more than a mere treatise on Book-keeping. It deals not only with the *science* as applied to accounts, but explains and elucidates the *art* by which these accounts and all other forms of dealing and communication are applied to every-day transactions.

It is divided into three parts, each distinct in its own special design, but so arranged that the student can trace the mutual dependence of one upon the other, and follow the progressive steps that lead to the final result.

Part I. Contains a complete and comprehensive course of Book-keeping, illustrated by means of examples of sufficient variety to make it easy of comprehension.

Part II. is intended as a business course for advanced pupils, and comprehends the most practical forms of keeping accounts, according to the methods adopted by the best business houses. It includes Wholesale and Retail Merchandising, Manufacturing, Settlement of Estates, Steamboating, Municipal Book-keeping, Warehousing, Banking, Farm Accounts, Church Accounts, Practical office work, Joint Stock Companies, &c.

Part III. contains a comprehensive summary of Ontario Law, forms of business papers in general use, and the principal laws which govern them, full instructions on Commercial Correspondence, with a great variety of Model Business Letters, short practical methods of computing Interest, Percentage, Partial Payments, Partnership Settlements, &c., besides valuable rules for Lumbermen, Mechanics and Farmers, illustrated by examples.

Many thanks are here tendered business men and mechanics, who most courteously responded to questions presented to them, and furnished valuable and reliable information respecting particular departments of business.

## PREFACE TO FOURTH EDITION.

To the present edition has been added a set of Farm Accounts, originally prepared by J. W. Johnson, at the suggestion of the Honorable the Provincial Treasurer of Ontario, for the Royal Commission appointed to take evidence on Agricultural matters in the year 1880, and which is recommended by the Commissioners, and printed by them, along with the author's evidence, in their report.

The present edition is thoroughly revised, and the work is again enlarged, much valuable and practical matter being added.

The authors are determined that the "CANADIAN ACCOUNTANT" shall always be in the front rank as a text book, and they will continue to add, as they have in this and former editions, whatever in their own experience, or the experience of others, they may find valuable in accounts, and worthy of a place in such a work.

## PREFACE TO FIFTH EDITION.

The last edition of this book was published in 1881, and in 1882 another is called for.

We have in this, as in all former editions, added a large amount of original and valuable matter, and notably a set of accounts illustrating a double entry method of keeping the books of a church or other public institution. Other subjects, pertaining to practical accounting and office work, which had already a place in the book, have been enlarged upon, and more fully illustrated and explained.

Since the fourth edition was published, the law imposing duties upon Promissory Notes and Bills of Exchange has been repealed, and the necessary changes, consequent on this, have been made throughout the various portions of the work.

## PREFACE TO EIGHTH EDITION.

A large amount of new and valuable matter has been added to the last two editions; notably the chapter on Law, prepared by Mr. W. N. Ponton, M. A., barrister, of Belleville, and lecturer on Commercial Law at Ontario Business College. High Schools and Business Colleges, with which the "Canadian Accountant" is so popular as a text book, will find this new feature of the work most valuable to their pupils.

The chapters on Banking and Joint Stock Companies that we have added will also, we venture to say, be found worthy of a place in the book.

The demand for the "Accountant," for use in High Schools, Business Colleges and offices, now extends throughout all the provinces of Canada, and many orders are received from the United States and the West Indies.

S. G. BEATTY.  
J. W. JOHNSON.

Ontario Business College,  
Belleville, 1889.

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## TO THE STUDENT.

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The course of study comprehended in this work is of the most useful and practical nature. It is not designed simply for the merchant, but so arranged as to be of incalculable advantage to all classes of the community—the farmer as well as the merchant, the mechanic as well as the professional man.

As you commence these studies, remember they are worthy of your best energies, and require persevering application to thoroughly master them. You enter upon them for the purpose of acquiring an education that will fit you to transact business systematically. You bring to bear in connection with your labors such heart and brain as it pleased the Almighty to give you. You should let it be a settled rule with you never to proceed onward while anything remains unconquered behind.

The implied compact between you and your teachers pledges both parties to a faithful performance of duty. It is, therefore, of the first importance that you should enter upon your labors with a thorough appreciation of your privileges and obligations.

In the first place you require to apply yourself systematically and faithfully or the best instruction will avail you but little. Your teacher is merely your guide. He can locate your difficulty, and point out the path you are to pursue, but learning is the result of thinking, and no teacher can either think for you or endow you with thought.

Do not be ashamed to confess your ignorance, or pretend to understand that which you do not, for assumption of knowledge is the greatest stumbling-block to progress; it becomes a perpetual rock of offence to those who would gladly aid you, if the way were clear.

Do not ask for aid until you need it, which will be when, after faithful trial, you have failed in the attainment of the desired result. A teacher who will aid you sooner than this may mean to be kind, but is unthinking, and in fact doing you an injury.

This book contains the work assigned for the Theoretical Course in Ontario Business College, and is calculated to impress upon your mind the principles of the science of accounts, and to prepare you for work of a more difficult and varied nature which will be presented hereafter. Your success in the more advanced departments will depend to a great extent upon the thoroughness of your understanding of the work you are about to commence; therefore, do not measure your attainment from time to time by the number of pages over which you pass, but by the perfectness of your mastery over them. Do not under any consideration pass from one set to another without fully understanding the subject both in its general and special application.

Your labor will not be purely and only intellectual. The accountant requires a neat, legible, rapid style of penmanship. The intrinsic value of this accomplishment is beyond computation, and should receive the attention its importance demands. A good, expeditious hand-writing is one of the strongest elements of promotion and success, and carries with it an indisputable reference.

The collateral studies of Arithmetic, Correspondence, etc., which you will pursue in connection herewith, are essential to a fair understanding of your duties, as well as to the symmetry of your course of training, and should not be underrated.

Make every arithmetical calculation yourself, as you proceed. Rely upon no result stated in the book, until you have first made the computation on which it depends; otherwise you will gain little from its perusal. What is worth doing at all is worth doing well.

In solving the Examples for practice, exercise your *own common sense* in determining how each transaction is to be entered.

Make yourself familiar with the most concise and business-like form of expression, in recording your transactions, and in your correspondence.

Spell all words correctly. Pay the strictest attention to punctuality, neatness, accuracy and order.

Accuracy in accounts is a cardinal virtue. It is less difficult to fall into errors than to *correct* them. Therefore,

Exercise all diligence to keep your Account Books neat, legible, promptly written up, and free from errors.