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Calkins, S.S. An Accountant's Assistant or Instruction for Commercial Students, Oberlin, Ohio, 1865

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S. S. Calkins

Calkins, S. S. *An Accountant's Assistant or Instruction for Commercial Students*, Oberlin, Ohio 1865

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This book was intended for business students as part of a course of study. The author encourages readers to memorize and understand its contents - definitions, rules, and procedures to expedite completion of the course. The author, S. S. Calkins, is listed as the proprietor of a commercial institute in Oberlin, Ohio. The book consists of only 8 pages. Particular emphasis is placed on double-entry bookkeeping rules along with explanations to aid the students in their studies.

The terms analyzed in the book includes the following:

account	journalizing
capital stock	ledger
consignor	partner
credit	posting
daybook	premium
debit	promissory note
discount	receivables
double entry	transactions
interest	trial balance
journal	

The book also includes business abbreviations such as:

bal. – balance	ins. – insurance
cr. – credit	pd. – paid
dr. – debit	mdse. – merchandise

Finally, the book contains "characters," including +, -, =, #. Contents of two pages from the book are as follows:

One Person engaged in trade is called a "Sole Trader", and his capital invested is usually represented in the Ledger under the title of "Capital Stock." When the capital of the concern is represented thus, the books are called a "Stock Set."

The *Sole Trader* may commence business in *three ways*, and close with *thirteen* different results, as follows:

Commence *Solvent with Capital*, or above 0, and close with

Gain; then G. + C. = P. W.

Loss less than amount invested; then C.- L. = P. W.

Loss equal to amount invested; then C.- L. = 0.

Loss greater than amount invested; then L. - C. = Insolvency.

"Loss and Gain" equal; then Capital invested is the P. W.

Commence Solvent without Capital, (or at 0,) and close with

L. = G, with condition as at commencing;

L. and be insolvent the amount of Loss;

G. and have Capital to the amount of Gain.

Commence *Insolvent*, (or below 0,) and close with

L.= G. and be Insolvent as at commencing;

L. then In. + L. = In. at closing;

G. < In. "In. - G. = In. at closing;

G.= In." G.- In. = 0.

G.> In. "G.- In.= C. at closing.

A "Commission Merchant" is one who buys and sells Merchandise for others, receiving for his services as Agent, a Compensation equal to a specified per centage of the total sales, or purchases. Therefore "Commission" is labor compensated by an allowance of a per cent. of the amount of sales, purchases, or productions.

The Merchandise which the Commission Merchant receives, is called a "Consignment," and he is the "Consignee," the party who consigned it is the "Consignor." The Consignee opens an account with the "Consignment," when he receives it, and Debits it for charges he may have against it for freight, drayage, etc; also it is charged for any part of the value of the property which he may advance to the Consignor before it is sold.

When the property is sold, "Consignment" account is credited for the sales. When all is sold, the account with the "Consignment" is closed, and "Account sales" rendered to the Principal. The process of closing a Consignment is as follows:

Compute Commission on the total sales at the established rate, and Debit the Consignment for Commission, and also all charges for Storage, Labor, Advertising, Drayage, etc., as may be necessary, and Credit "Commission" and "Charges" accounts for the same.

Then deduct all these charges (including freight, etc.) from the total sales, and the balance will be the "Net Proceeds" of the Principal. Debit the Consignment account for this balance, and Credit the Principal for the same. If the proceeds are remitted to the Principal, then he is not credited, but credited instead the account of the thing sent.

The Consignor Debits "Shipment" account for the value of the Merchandise he ships to be sold on his own account, and Credits the same account for the proceeds when he receives the "Account Sales."

The books required specially by the Commission Merchant, are the Receiving Book, and Commission Sales Book; and these may be combined.

Compound Company Business– When the Consignment is to be sold for the joint account of the Consignor and Consignee, a temporary partnership is formed, and both parties share in the Gain or Loss. The Consignor Debits "Shipment Company," or "Adventure Company" for his share of the cost or value of the Merchandise, and Debits the Consignee for this share.

The Consignee Debits "Merchandise Company, or "Sales Company" for his interest in the joint property, and Credits the Consignor, from whom he receives that interest. He also charges the same account for any expenses he may pay for freight, etc. The "Merchandise Company" account is Credited for the total sales, and when the property is all sold, the account is closed, and "Account Sales" is rendered to the other interested parties.

If a third party has an interest in the property to be thus sold, he debits "Adventure Company," and credits the party who furnished his share.

The process of CLOSING is as follows: Compute Commission on the total sales, and make out all other charges against the Company, and Debit the account (Merchandise Company) for the same. Then deduct all the *Company Expense* from the total sales, to find the *Net Proceeds* of the Company; which you will then divide between the interested parties. Credit the partner (or partners, for the Company may be composed of several firms,) for this Net Proceeds, and for your Gain, and Debit the "Merchandise Company" for the same amounts. If you have LOST, "Loss and Gain" account must be Debited for the Loss, and the "Merchandise Company" be Credited for the same.

Your Gain or Loss is found by getting the difference between YOUR NET PROCEEDS and YOUR SHARE of the first cost of the Company Merchandise.

The entries as above are made when the accounts are kept on the *"half system."* The *"whole system"* will be illustrated to students.

[In all examples of Commission and Compound Company Business, the Student should make out all Bills, Invoices, Commercial Paper, and Account Sales, which the transactions involve. If proficiency or graduation is desired, this direction must invariably be complied with.]