



Making Sense of Dollars and Sense

Bookkeeping in mid-1800s

Bookkeeping, or keeping of accounts, is an important part of any business. This was also true in the mid-1800s when businessmen were responsible for keeping accounts. There were no computers or accounting software to help them. Shopkeepers kept two kinds of account books: **daybooks** and **ledgers**.

Daybooks: Kept in the selling room and was used to keep track of day to day transactions (credits and debits). The shopkeeper would track items as they were sold and brought in each day in this book. The pages were dates, and each date represents the transactions on that day.

Ledgers: Book that shows the accounts of all debtors and creditors. Entries in the book are transferred from the daybook. Ledgers recorded the entire sum that any individual owed or was owed. Ledgers were organized by the name of the individual or property.

Debit: recorded when a person receives an item for which he did not pay at the time of the transaction. Debits are indicated by "to". The person is then in debt to the shopkeeper. Abbreviated "Dr" for Debtor.

Credit: recorded when a person sold property or goods to the shopkeeper and was given credit for it. Credit is indicated when an entry reads "by." Abbreviated "Cr" for Creditor.

Date	Description	Amount	Date	Description	Amount
Dec 2	To Amt due on Bond	15	Jan 27	By Apples	6
	To to brass & lead	3	July 28	By Bank	12
	To pd to W.C. May	2	March 21	By potatoes	14
18	To Sundries	14	April 11	By James Storch	
28	To hat	12	June 3	By Neal	14
28	To hat	15	Sept 12	By Beef	
24	To Tea	3	Nov 17	By Cheese	2/6
5	To Tea	5	Nov 19	By Cheese	2/6
19	To Tea	2	Dec 5	By Beef	
14	To Sundries	16	Jan 28	By Beef	4
6	To May	2	June 3	By Cheese	1/4
12	To To	1			
18	To To	4			
20	To To	9			
	To To	7			

Reading a Daybook

Use the daybook page below to answer the questions.

5 Lyons, Wednesday, Jan. 19th, 1848.		
George C. Youngs	Dr.	
To ½ lb. Tea	.88	44
" 1 Gall. Molasses		44
" 1 lb. Pepper		13
" 1 " Spice		13
	Cr.	
By 2 Bush. Dried Plums	2.50	5 00
----- Thursday, Jan. 20th. -----		
Horatio N. Taft	Dr.	
To 1 Set F. Blue Tea Ware		3 50
Levi S. Fulton	Dr.	
To 1 lb. Tea		88
" 5 lbs. Rice	.05	25
" 1 oz. Nutmegs		13
----- Friday, Jan. 21st. -----		
Abram L. Beaumont	Dr.	
To 1 Pr. Rubbers		1 00
Rev. Ira Ingraham	Dr.	
To 1 Pr. Kid Gloves		1 00
Moses Austin	Cr.	
By 5 lbs. Butter	.13	65
	Dr.	
To 10 lbs. Sugar	.10	1 00
" 5 " Rice	.05	25
Nathan Brittan	Dr.	
To 6 Yds. Merino	1.25	7 50

1. List at least three kinds of information that you can get from this daybook page.
2. How many days are recorded on this page?
3. What do Dr. and Cr. Stand for?
4. What did Abram Beaumont purchase on January 21st? How much did it cost? Did he pay for his purchase at the time? Explain.
5. How much tea did George Youngs purchase on January 19th? How much did he pay for the tea? How much would a pound of tea cost?
6. Why did George Youngs receive a credit of \$5.00?
7. What did Moses Austin purchase on January 21st?
8. If Moses Austin received a credit of \$.65 for 5 pounds of butter, how much credit did he receive per pound of butter?

9. How much rice did Levi Fulton purchase? How much did he pay for the rice? What was the cost of the rice per pound?

10. Identify one thing you learned from this daybook page about bookkeeping or life in the mid-1800s.

Reading a Ledger

Use the ledger page below to answer the questions.

<i>Dr.</i>		<i>Lemuel Potter</i>		<i>Cr.</i>			
1851				1851			
Jan.	To Sundries	1	9 98	Feb.	By 5 lbs. Butter	6	88
Feb.	" do.	6	24 09	Mar.	" 10½ " do.	13	1 58
Mar.	" do.	12	5 37	"	" Balance	11	36 98
			39 44				39 44
Apr.	To Balance Brought Down		36 98				

<i>Dr.</i>		<i>Berkley Gillett</i>		<i>Cr.</i>			
1851				1851			
Jan.	To Sundries	2	42 25	Mar.	By Cash	12	20 00
Feb.	" do.	5	10 23	"	" Balance	11	52 35
Mar.	" do.	12	19 87				
			72 35				72 35
Apr.	To Balance Brought Down		52 35				

Page from an 1854 textbook showing a ledger entry.

1. List at least two kinds of information that you can get from this ledger page.
2. How is this ledger page different from the daybook entry?
3. What year is covered by this ledger page? What months are included?
4. Which column shows each person's debits? Which column shows each person's credits?
5. How did Lemuel Potter pay off some of his debt in February?
6. How did Berkley Gillett pay off some of his debt in March?
7. What was the balance of Lemuel Potter's account in April? Of Berkley Gillett's?
8. Identify one thing you learned from this ledger page about bookkeeping or about life in the mid-1800s?