



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 had to learn the basics for bookkeeping in school and on the job. 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. The shopkeeper would write down what a customer bought, how much is cost, and if the customer paid for it that day or if it went on account.

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. This is how much a person owed the shopkeeper. 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 or did some labor and was given credit for it. This is how debts were paid off. Credit is indicated when an entry reads “by.” Abbreviated “Cr” for Creditor.

1816		1816				
Dec 2	To Cash on hand	10	Jan 27	By Apples		
	To Tobacco & other goods	3		By Soap for Feb, 20 Mar 27		
	To Cash on hand	2		By Soap for March 12		
1817	To Sundries 7/8 20	14	8	March 27	By potatoes 20	
18	To Cash on hand 20	12	20	April 11	By James Stewart	
	To Cash on hand 10	15		19	By potatoes 20	
26	To Cash on hand 10	3	9	June 3	By Neal 10/6	
5	To Cash on hand 10	5	2	11	By Neal 10/6	
19	To Cash on hand 10	2	3	Sept 12	By Soap	
14	To Sundries 5 2/5	16	2	Nov 17	By Cheese 1/8 Goose 2/6	
6	To Cash on hand 10	2	8	19	By Cheese 1/2	
12	To Cash on hand 10	1	8	29	By Soap 2/6	
18	To Cash on hand 10	4	1	Dec 5	By Soap	
29	To Cash on hand 10	9	9	1815	Jan 25	By Soap 4
5	To Cash on hand 10	7	3	June 3	By Soap 6/24	

Ledger page from Research Library Collection, Cooperstown, NY 13326

Reading a Daybook

Use the daybook page below to answer the questions.

	Unit price of an item	Debit column	
5 Lyons, Wednesday, Jan. 19th, 1848.			
To indicates a debit	George C. Youngs To ½ lb. Tea	Dr. .88	Amount of debt 44
	" 1 Gall. Molasses	44	44
	" 1 lb. Pepper	13	13
	" 1 " Spice	13	13
By indicates a credit	By 2 Bush. Dried Plums	Cr. 2.50	Amount of credit 5 00
Thursday, Jan. 20th.			
Credit column	Horatio N. Taft To 1 Set F. Blue Tea Ware	Dr. 3 50	Amount of credit 3 50
	Lovi S. Fulton/ To 1 lb. Tea	Dr. 88	88
	" 5 lbs. Rice	.05	25
	" 1 oz. Nutmegs	13	13
Friday, Jan. 21st.			
	Abram L. Beaumont To 1 P. Rubbers	Dr. 1 00	1 00
	Rev. Ira Ingraham/ To 1 P. Kid Gloves	Dr. 1 00	1 00
	Moses Austin/ By 5 lbs. Butter	Cr. .13	65
	To 10 lbs. Sugar	.10	1 00
	" 5 " Rice	.05	25
	Nathan Britton/ To 6 Yds. Merino	Dr. 1.25	7 50

Page from an 1854 textbook showing a daybook entry.

1. List at least three kinds of information that you can get from this daybook page.

Dates of transactions, names of individuals who purchased goods and whether they went into debt or received credit for payments, unit prices of items, cost of items purchased

2. How many days are recorded on this page?

3 days, January 19, 20, 21 1848

3. What do Dr. and Cr. Stand for?

Dr. stands for debtor. Cr. Stands for creditor

4. What did Abram Beaumont purchase on January 21st? How much did it cost? Did he pay for his purchase at the time? Explain.

He purchased 1 pair of rubbers on Jan 21st. The cost was \$1.00. He did not pay for his purchase at the time. His purchase was placed in the Dr.(debit) column indicating that he had not yet paid for it.

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?

He purchased $\frac{1}{2}$ pound of tea. He paid \$.44 for the tea. A pound of tea would cost \$.88.

6. Why did George Youngs receive a credit of \$5.00?

George Youngs received a credit of \$5.00 for giving the shopkeeper 2 bushels of plums worth \$2.50 per bushel.

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?

He received a credit of \$.13 for each 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?

Levi Fulton purchased 5 pounds of rice. He paid \$.25 for the rice. The cost of rice was \$.05 per pound.

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

Answers will vary but may include statements about 19th century pricing, types of items that could be purchased, bookkeeping methods, and customers.

Reading a Ledger

Use the ledger page below to answer the questions.

Debit column		Indicates page in daybook where transaction is found.		Credit column			
<i>Dr.</i>		<i>Samuel 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.	" 10 1/2 " 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.

Names of individuals, the year and month in which certain transactions took place, the amount of credit/debit for each individual listed, the balance owed, the page number in the daybook where the transaction can be found (example: Sundries bought by Lemuel Potter in February 1851 would be listed in the daybook on page 6.)

2. How is this ledger page different from the daybook entry?

The ledger page would be different from the daybook page in that it provides a summary of each person's account for a given period of time. The daybook provides a day-by-day record of each transaction made in the store.

3. What year is covered by this ledger page? What months are included?

1851 January, February, March, April

4. Which column shows each person's debits? Which column shows each person's credits?

The Dr. column on the left shows each person's debts. The Cr. Column on the right shows each person's credits.

5. How did Lemuel Potter pay off some of his debt in February?

Lemuel Potter paid off some of his debt in February by giving the shopkeeper 5 pounds of butter.

6. How did Berkley Gillett pay off some of his debt in March?

He paid off some of his debt in March with cash.

7. What was the balance of Lemuel Potter's account in April? Of Berkley Gillett's?

The balance of Lemuel Potter's account in April was \$36.98. Berkley Gillett's balance was \$52.35.

8. Identify one thing you learned from this ledger page about bookkeeping or about life in the mid-1800s?

Answers will vary.

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