



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	6
	To Tobacco & other goods	3		By Soap for Feb, 20	1/2
	To Cash on hand	2		By Soap for March, 12	1/2
1817	To Sundries	14	Feb 28	By potatoes	1/2
18	To Cash on hand	12	March 21	By potatoes	1/2
28	To Cash on hand	15	April 11	By James Stewart	
	To Cash on hand	3		By potatoes	2/3
26	To Cash on hand	5	June 3	By Neal	1/6
5	To Cash on hand	2		By Neal	3/8
19	To Cash on hand	2	Sept 12	By Soap	
14	To Sundries	16	Nov 17	By Cheese 1/8	2/6
6	To Cash on hand	2		By Cheese 1/2	
12	To Cash on hand	1		By Cheese 2/6	
18	To Cash on hand	4	Dec 5	By Beef	
29	To Cash on hand	9	Jan 25	By Beef	1/2
5	To Cash on hand	7	June 3	By Soap	1/2

Ledger page from Research Library Collection, Cooperstown, NY 13326

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?