

**KEY OF HITCHCOCK'S
NEW
METHOD OF TEACHING
BOOK-KEEPING**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649305643

Key of Hitchcock's New Method of Teaching Book-keeping by Ira Irvine Hitchcock

Except for use in any review, the reproduction or utilisation of this work in whole or in part in any form by any electronic, mechanical or other means, now known or hereafter invented, including xerography, photocopying and recording, or in any information storage or retrieval system, is forbidden without the permission of the publisher, Trieste Publishing Pty Ltd, PO Box 1576 Collingwood, Victoria 3066 Australia.

All rights reserved.

Edited by Trieste Publishing Pty Ltd.
Cover @ 2017

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out, or otherwise circulated without the publisher's prior consent in any form or binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser.

www.triestepublishing.com

IRA IRVINE HITCHCOCK

**KEY OF HITCHCOCK'S
NEW
METHOD OF TEACHING
BOOK-KEEPING**

KEY

OF

HITCHCOCK'S NEW METHOD

OF

TEACHING

Book-Keeping.

A. S. C. S.

Philadelphia :

PUBLISHED BY THE AUTHOR,

**AND SOLD, WHOLESALE AND RETAIL, BY JOHN GRIGG, PHILADELPHIA,
AND BY BOOKSELLERS GENERALLY IN THE U. STATES.**

Stereotyped by L. Johnson, Philadelphia.

1826.

ANSWERS

TO THE

INTERROGATORY EXERCISES IN JOURNALIZING.

EXPLANATION OF THE REFERENCES.

In the following Answers and Journal Expressions, the numbers which precede them upon the margin, and those which are interspersed, refer, if not above 400, to corresponding numbers in the Journal; but if above 400, to the Leger. When reference is made to *this Book*, K is added.

86.	Cash Dr. to (89) Stock	45000 00
	Because Cash (47) is mine (72), and may be said to owe me (Stock, 64, 79,) for its value.	
87.	Sundries (88) Drs. (72) to Stock (83) \$45000.	
	The Drs. are (83)	
	Cash, for the money	\$10000
	Merchandise, for the goods (48)	10000
	Real Estate, for the farm (56)	10000
	Bills Receivable (58), for the Notes, Bonds, &c.	10000
	B. (60, 61, 74,) for balance due from him	5000
		45000 00
91.	Stock Dr. (79, 84,) to Sundries \$6000.	
	The Crs. are	
	Bills Payable (59), for the Notes, &c.	\$5000
	C. for balance due him (75)	500
	D. for balance due him	500
		6000 00
92.	One entry only.— <i>Property</i> (under proper titles) Dr. (72) to Stock (83) for the worth of it.	
93.	One only, viz. <i>Stock Dr.</i> (79) to the Persons whom I owe (84), for the amount of said debts.	
94.	<i>A.'s Entry.</i> —Merchandise to Cash*	1000 00
	Because Merchandise became mine (72), and Cash ceased to be mine (73).	
	<i>B.'s Entry.</i> —Cash to Merchandise	1000 00
	Because Cash became his, and Merchandise ceased to be his (72, 73.).	
	* It is unnecessary to repeat the abbreviation "Dr." because it is understood in every entry (23, 89.).	

95.	A.—Merchandise to Bills Payable	1000 00
	Same rule as above.	
	<i>Note.</i> —It is unnecessary to repeat the references in every instance, for the rule 78 is invariable.	
	B.—Bills Receivable to Merchandise	1000 00
	<i>Reflection for a moment will convince you that what is a bill payable with the drawer or acceptor, as in the above instance and all similar ones, must be a bill receivable with the holder or payee (58, 59).</i>	
96.	A.—Bills Payable to Cash	1000 00
	Because you <i>received</i> the Bill and <i>gave</i> Cash (78).	
	B.—Cash to Bills Receivable	1000 00
	Per same rule.	
97.	A.—Merchandise to Sundries \$1000.	
	To Cash, for the money paid \$500	
	To Bills Payable, for the Note given 500	
	—————	1000 00
	B.—Sundries to Merchandise \$1000.	
	Cash, for the money received \$500	
	Bills Receivable, for the Note received 500	
	—————	1000 00
98.	A.—Merchandise to Sundries \$1000.	
	To Cash, for the money \$500	
	To Bills Receivable for the Note 500	
	—————	1000 00
	B.—Sundries to Merchandise \$1000.	
	Cash for the money \$500	
	Bills Receivable for the Note 500	
	—————	1000 00
99.	A.—Merchandise to B.	1000 00
	Because I became indebted to B. (75).	
	B.—A. to Merchandise	1000 00
	Because A. became indebted to him (74).	
100.	A.—B. to Cash	1000 00
	Because when you purchased the goods you debited Merchandise and credited B. (75). Therefore, now when you pay B., debit him, which closes his account (74).	
	B.—Cash to A.	1000 00
	For same rule B. credits A., because he now gets out of B.'s debt.	
101.	A.—B. To Bills Payable, for my Note for	1000 00
	B.—Bills Receivable to A., for his Note received in full of account	1000 00

102.	A.—Bills Payable to Sundries \$1000. To Cash, for the money paid \$500 To Bills Payable, for new Note given 500 <hr/>	1000 00
	B.—Sundries to Bills Receivable \$1000. Cash, for the money received \$500 Bills Receivable, for the new Note received 500 <hr/>	1000 00
103.	A.—Bills Payable to Merchandise Because you received, i. e. took up, your Note, and gave goods (78).	500 00
	B.—Merchandise to Bills Receivable For same rule.	500 00
104.	A.—Cash to Merchandise (78)	1000 00
	B.—Merchandise to Cash (78)	1000 00
105.	A.—Bills Receivable to Merchandise	1000 00
	B.—Merchandise to Bills Payable (95, K.)	1000 00
106.	A.—Cash to Bills Receivable	1000 00
	B.—Bills Payable to Cash	1000 00
107.	A.—Sundries to Bills Receivable \$1000. Cash, for the money \$500 Bills Receivable, for the new Note 500 <hr/>	1000 00
	B.—Bills Payable to Sundries \$1000. To Cash, for the sum paid \$500 To Bills Receivable, for C.'s Note due me, transferred (See 98, above.) 500 <hr/>	1000 00
108.	A.—Merchandise to Bills Receivable, for (250 gallons) Brandy in full of C.'s Note due me	500 00
	B.—Nothing— Because B., on receiving the Note from C., discharged him upon all other claims than the Note, and when he transferred that, he had no more to do with C. in this business. Likewise you, when you received the Note from B., gave him a full discharge (unless B. indorsed the Note), and undertook to get your pay from C. Therefore, when C. pays you for the Note, B. has nothing to do with it.	
109.	A.—Profit and Loss (63, 65, 76, 80,) to Bills Receivable, for amount of C.'s note, lost	500 00
	B.—Nothing—for reasons expressed under last entry (108 above).	

110.	A.—B. (74) to Merchandise (73) for the goods sold him	1000 00
	B.—Merchandise to A. (75) for do. bought	1000 00
111.	A.—Cash to B. (100, K.)	1000 00
	B.—A. to Cash (100, K.)	1000 00
112.	A.—Profit and Loss (76) to B., for his debt lost (80)	1000 00
	B.—A. to Profit and Loss to close his account (77)	1000 00
	These entries are both made for the purpose of closing the personal accounts; and A.'s for showing his loss. Although B. does not gain <i>directly</i> by this transaction, yet <i>indirectly</i> he does; for he has this amount less than before, standing on his books <i>against</i> him. Therefore the rule 80 holds good.	
113.	A.—Sundries to B. \$1000. Cash, for half received in money \$500 Profit and Loss (80), for that lost 500	1000 00
	B.—A. to Sundries \$1000. To Cash, paid one half my debt \$500 To Profit and Loss, for the other half forgiven 500	1000 00
114.	A.—Sundries to B. \$1000. Moveables, for the Furniture \$500 Profit and Loss, for the loss 500	1000 00
	B.—A. to Sundries \$1000. To Moveables, for the Furniture \$500 To Profit and Loss, for the gain (112) 500	1000 00
115.	Ship Electra (72) to Sundries (78) \$20000. To Cash, for the money paid (73) \$10000 To Bills Payable (59), for the Bond, &c. 10000	20000 00
116.	Interest (76) to Cash	300 00
117.	Ship Electra (72) to Cash	150 00
118.	Bills Receivable to Ship Electra (73)	2000 00
119.	Ship Electra to Bills Payable	250 00
120.	Sundries to Ship Electra (73) \$25000. Real Estate (<i>in Arch street</i>) (72), for the house . . . \$20000 Bills Receivable, for the Bill of Exchange . . . 5000	25000 00
121.	Bills Payable, (your Note) to Bills Receivable (the Bill of Exchange) for the transfer (78)	5000 00

122.	Bills Receivable (the Bill of Exchange) to Bills Receivable (the Note) for the transfer . . .	5000 00
123.	Real Estate (72) to Bills Receivable	500 00
124.	Real Estate to Cash	200 00
125.	Cash (78) to Real Estate (73)	500 00
126.	Real Estate (72) to Cash	50 00
127.	American Insurance Co. (123) to Real Estate	18000 00
128.	Sundries to American Insurance Co. \$18000. Bills Payable for my Note received \$5000 Bills Receivable, for B.'s do. do. 5000 Cash, for balance in money received 8000	18000 00
129.	Union Bank Stock (53) to Real Estate (78) .	12000 00
130.	Cash to Union Bank Stock (73)	600 00
131.	Cash to Union Bank Stock (73)	12600 00
132.	Bills Receivable (58) to Cash, for Bond received	10000 00
133.	Cash to Bills Payable, for money received on my Bond (78)	10000 00
134.	Cash to Interest	300 00
135.	Interest to Cash	300 00
136.	Cash to Sundries \$11800. To Bills Receivable, for the Bond \$10000 To Interest, for the Interest due thereon 1800	11800 00
NOTE.—You are not to Journalize for the money which you returned to B., because it was not yours.		
137.	Sundries to Real Estate \$12300. Bills Payable, for my Bond redeemed \$10000 Interest, for the amount of interest paid 1800 Cash, for the overplus money received from A. 500	12300

138.	Bills Receivable to Insurance (77)	200 00
139.	Ship Rover (72) to Bills Payable (95, K.)	200 00
140.	Insurance (76) to B., for value of Ship Rover which I had insured	20000 00
141.	A. to Ship Rover(73), for her value insured by him	20000 00
142.	B. to Sundries, in full for Ship Rover \$20000. (140 above) To Bills Receivable, for B.'s Note (138) given up for \$200 and for a Bill of Exchange transferred, which was due me, for 5000 — \$5200 To Bills Payable, for my own Note 5000 To Merchandise, for the goods from store for balance 9800 —	20000 00
143.	Bills Receivable (B.'s Note) to Bills Payable (my Note) (78)	600 00
144.	Bills Receivable (A.'s Note) to Bills Payable (my Note)	600 00
145.	Sundries to Bills Receivable \$600. Cash, for the money received at Bank \$593.70 Interest, for the discount allowed thereon (76) 6.30 —	600 00
146.	Cash to Profit and Loss, gained by the trans- action	200 00
	NOTE.—Had you not sold the carpet immediately, you would, on its arrival at the store, have charged it as usual to Merchandise account. This might still have been done in the present instance, but the method above pursued is preferable, because we have now made but one entry for the whole transaction, but should have been obliged to make two, i. e. one for the purchase and one for the sale, if we had used Merchandise account.	
147.	Cash to Profit and Loss (77, 80,)	10000 00
148.	Profit and Loss to Cash (76, 80,)	100 00
149.	Moveables (57) to Cash	400 00
150.	Sundries to Cash \$300. Expense, for the Clothes (66) \$100 Moveables, for the Watch (57) 200 —	300 00