



Acceptance. An agreement by the drawee of a draft or bill of exchange to pay it according to its terms. This agreement is usually made by the drawee's writing "Accepted" across the face of the draft or bill and signing his name. An Acceptance is also the draft or bill of exchange when accepted.

Acceptance for Honor. An acceptance made for the honor of the drawer after the draft has been dishonored by the drawee. **Accommodation Account.** An account with certain charges, deductions, etc., such as expense, interest, and discount.

Accommodation Paper. Notes and acceptances drawn for the purpose of being discounted, and not based upon an actual sale of goods. Notes and acceptances signed without consideration. Notes and acceptances exchanged by merchants for mutual accommodation.

Account Current. An open account. A detailed statement of the transactions between two persons or firms.

Account Sales. An itemized statement of the expenses and sales of goods sent to be sold on commission. The statement shows the prices for which the goods sent were sold, the commission and other charges, and the difference between the amount of sales and the amount of charges or the net proceeds.

Account. A condensed record of one or more business transactions arranged under some appropriate title with the debits separated from the credits so that their difference may be easily ascertained.

Advice. Due notice given concerning any monetary transaction. Notice of a draft drawn.

Appraise. To set a value upon goods.

Articles of Copartnership. The agreement between partners as to the conduct of the partnership.

Assets (Resources). Available property belonging to a person and amounts owed him.

Assignee. A person to whom the property of a bankrupt is transferred for the purpose of adjusting his affairs.

Balance. The difference between two sides of an account. That which remains.

Balance Sheet. A condensed statement of the condition of the business which contains the trial balance, statement of resources and liabilities, and losses and gains of a business.

Bank. Primarily an institution for the safe keeping of money. A commercial bank is an institution organized for the purpose of receiving deposits of money, making loans of money, discounting commercial paper, making collections, and effecting the transmission of money from place to place.

Bank Book. A pass book carried by the depositor in which are recorded by an officer of the bank the deposits made and also the checks paid by the bank.

Bankrupt. One who fails in business as a result of being unable to pay his debts.

Bill. A written statement containing a list of items bought or sold or a statement of services rendered. Another name for a promissory note or draft.

Bill Book or Note Ledger. A specially ruled book in which the particulars of a note or draft are recorded.

Bill Head. A printed form on which a bill or invoice is listed. **Bill of Exchange.** A written order for the payment of money usually drawn on a person living in a foreign country, the term draft being used to designate orders payable in the same country in which they are drawn.

Bill of Lading. A freight receipt or a written account of goods shipped and the conditions of shipment, containing the signature of the carrier or his agent and given as a receipt to the shipper.

Bills Payable (Notes Payable). Promissory notes given to others.

Bills Receivable (Notes Receivable). Promissory notes received from others.

Board of Trade. An association of business men joined together for the purpose of regulating and advancing business interests.

Bond. A written obligation under seal to fulfil the conditions of a contract.

Debit. Value received. Responsibility for value.

Debtor. A person who receives value.

Deed. An instrument under seal containing a transfer of real estate.

Discount. To deduct from an account, debt, or charge. Deduction made for interest in advancing money upon a draft or note not due. Payment in advance of interest upon money. Dishonor. Non-payment of commercial paper by the person on whom it is drawn.

Dividend. A sum of money to be divided and distributed. It is applied to profits apportioned among shareholders and to assets apportioned among creditors.

Double Entry Bookkeeping. A method of recording business transactions in which personal, property, and accommodation accounts are employed.

Express Money Order. A written order issued by an express company ordering another to pay a specified sum of money to a designated person.

Face. The original amount of a note, check, or draft.

Firm. A copartnership.

F. O. B. Free on Board. The seller must pay all shipping charges when merchandise is sold on this condition.

Folio. A page.

Footing. The sum of a column of figures. Adding a column of figures.

Gain (Profit). Excess of cost over proceeds.

Good-will. The good opinion of customers concerning the business, and the probability that they will continue to patronize it. It is a valuable asset and may be sold with a business.

Grace, Days of. Three additional days allowed after a debt becomes due. Most states have done away with days of grace. Honor. To accept and pay when due.

Indorse (Endorse). To write one's name on the back of a negotiable paper in order to transfer it, or to secure the payment of a note, draft, etc.

Indorsement. That which is written on the back of a negotiable paper, transferring it, etc.

Indorser. One who writes his name on the back.

Insolvent. (See Bankrupt.)

Insurance. Indemnity against loss.

Inventory. A list of unsold merchandise. Stock on hand. Invoice. A bill.

Invoice Book. A book in which is kept a record of merchandise bought.

Jobber. One who buys goods from importers and manufacturers and sells to retailers. A middleman.

Journal. A book of debits and credits in which the original records of business transactions are prepared for posting.

Journal Day Book. A book of original entry containing a record of each business transaction, at the time, under the date, and in the order of its occurrence, with the names of the accounts affected by the transactions, showing which accounts are debited and which are credited.

Journalizing. Recording business transactions in the journal or journal day book.

Lease. The renting of property. The contract for such renting.

Ledger. A book of accounts in which debits and credits are arranged under their proper titles.

Legal Tender. Such money as the Government declares shall be accepted in payment of debts.

Letter of Credit. A draft, in the form of a circular letter, addressed to several persons or banks, as drawees, each one of whom is directed to pay a part or the whole amount of the draft, to the payee, when presented for payment, until the whole amount is paid.

Liabilities. All kinds of debts and legal claims payable from the business.

Loss. Excess of cost over proceeds.

Maker. One who signs a check, note, or draft. **Maturity.** The day that a note or draft falls due.

Merchandise. Such movable goods as are bought and sold for profit.

Mortgage. Conveyance of property as security for the payment of a debt to become void upon payment or performance. **Negotiable.** Transferable by assignment or indorsement to another person.

Negotiable Paper. Paper such as notes, drafts, checks, etc., that is transferred by indorsement or assignment.

Net. The clear amount free from charges, deductions, etc.

Net Proceeds. The amount or sum which goods produce after every charge is paid.

Notary Public. An officer appointed to protest notes, and attest deeds and other instruments.

Note. A written promise to pay a certain sum of money to a certain specified person at a certain specified time.

Order. Another name for a draft. A request from one dealer to supply certain goods or money.

Outstanding Accounts. Accounts uncollected and unpaid. Overcharge. To charge more than agreed upon or more than the usual price.

Overdrawn. To make drafts upon or against one's capital or credit beyond the limit.

Par. The original price or full value of a security or money. Equal value.

Partner. A member of a business firm.

Partnership. The association of two or more individuals for carrying on business.

Pass Book. See Bank Book.

Payee. The person to whom a note or draft is made payable. Personal Accounts. An account with a person.

Postal Money Order. An order drawn on one post-office by another for money to be paid to a designated payee.

Posting. Transferring debits and credits from the auxiliary books to the ledger.

Present Worth. The amount the proprietor is worth at the time the books are closed. The difference between the total investment, including gains, and the total withdrawals. Profit. Gain.

Promissory Note. See note.

Property Accounts. Accounts with certain kinds of property, such as cash, merchandise, real estate, etc.

Protest. An official notice or remonstrance from a notary public.