

GENERAL INFORMATION

Banking and Business Methods.

RELATIONS BETWEEN A BANK AND ITS CUSTOMERS.

IN business life there is no more complex or important relation than that which exists between the business men generally and the banks, and it should be guarded with jealous care, so that both may retain the full confidence of the other.

OPENING AN ACCOUNT.

THE FIRST STEP in the matter of becoming a depositor and customer of a bank is the interview with the banker, either the President, or Cashier, as the case may be.

DEPOSITS.

DEPOSITS are made in the following manner: A "Deposit Ticket" or "Deposit Blank" is furnished the customer, and he enters upon this a full description of all the items which he desires entered to his credit.

DISCOUNTS, LOANS, ETC.

THE word "Discount" is applied to interest when it is deducted from the amount at the time a loan is made—in other words, interest that is paid in advance.

COLLECTIONS.

IN leaving notes or other items for collection the customer writes on the back of each of the words: "For Collection for Account of" and places his signature below it.

to give the bank time to give an abundant notice to the parties, if the customer desires to make a "sight" or "time draft" upon a debtor, upon application the bank will furnish him with blank drafts.

STATEMENTS AND BALANCES.

A FEW words concerning statements and balances will not be inappropriate in this connection. Every customer of a bank should always and without fail, once in each month, have his "Pass Book" balanced by the banker.

NEGOTIABLE PAPER.

PROBABLY the greatest factor in the business world of to-day is "Negotiable Paper," without which it is not probable that business development could have assumed the vast proportions that it has reached in America.

PROMISSORY NOTES.

ACCORDING to the general "law merchant," unaffected by statute, a promissory note is the written promise of a person, called the "maker" to pay a certain sum of money at a certain time to a designated person termed the "payee" or to his order or bearer.

CHECKS.

A CHECK on a bank is one form of an "Inland Bill of Exchange," but there is some slight difference in the liability of the parties to it. A check requires no acceptance, as a bank is bound to pay the checks of its depositors while still in possession of their funds.

DRAFTS.

A DRAFT is a form of an "inland bill of exchange." The two forms of bills of exchange usually called "drafts" are the bank draft (or exchange) and the "sight or time draft."

ENDORSEMENTS.

THE signature of any payee or holder on the back of any check, draft, note, bill of exchange or other negotiable instrument is termed his "endorsement." It simply means the placing of the name of the holder, or payee, on the back of the instrument, thus indicating that, for a consideration, he has relinquished his title to it, and in the absence of any condition or qualification expressed in the endorsement, it implies that the endorser will see that the instrument is paid in case it is not taken up by the maker or payor.

BILLS OF EXCHANGE.

THE "bill of exchange" is an open letter or order whereby one person requests another to pay a third party (or order or bearer) a certain fixed sum of money. They are of two kinds, the Inland and Foreign bills, the names of which imply the difference between them.

At sight (or so many days after sight as the case may be) pay to the order of Bank One Thousand Dollars and charge to my account. To GEO. SIMS, NEW YORK, N. Y. JOHN SIMS.

THE endorsement may be restricted or qualified in a number of ways. One, which is called a "full endorsement," is very common in the business world. It is simply the act of the payee named making it payable to some other party "or order."