

CBSE Quick Revision Notes and Chapter Summary
Class-11 Accountancy

When payments are made to creditors or cash received from debtors. Since, cash transactions will be numerous, it is better to keep a separate book to record only the cash transactions.

Kinds of Cash Book

Single column
cash book

Double column
cash book

Petty cash
book

With cash and
bank columns

Debit Side		Single Column Cash Book of					Credit Side		
Date	Particulars	R. N.	L. F.	Amount Rs.	Date	Particulars	V. N.	L. F.	Amount Rs.

Double Column Cash Book

(Cash book with Discount and Cash Column)

Debit											Credit	
Date	Parti- culars	R. N.	L. F.	Dis- count Allowed Rs.	Amount Rs.	Date	Parti- -culars	V. N.	L. F.	Dis- count Received Rs.	Amount Rs.		

Receipt Number (R.N): This refers to the serial number of the cash receipt.

Voucher Number (V.N) : This refers to the serial number of the voucher for which payment is made.

Ledger Folio (L.F): This column is used in both the debit and credit side of cash book. The ledger page (folio) of every account in the cash book is recorded against it.

Contra Entry

When an entry affect both cash and bank accounts it is called a contra entry. Contra in Latin means opposite. In contra entries both the debit and credit aspects of a transaction are recorded in the cash book itself.

Example 1: Cash paid into bank

Bank A/c	Dr.	xxx
To Cash A/c		xxx
(Cash paid into bank)		

Points to be remembered while preparing cash book:

S. No.	Transaction	Debit/Credit side of cash book	The column in which the amount to be entered
1.	Cash/ M.O./P.O. - received	Debit	Cash
2.	Cash paid	Credit	Cash
3.	Discount allowed	Debit	Discount allowed
4.	Discount received	Credit	Discount received
5.	Cash deposited in the bank	Debit (C) Credit (C)	Bank Cash
6.	Cash withdrawn for office use	Debit (C) Credit (C)	Cash Bank
7.	Cheque received	Debit	Cash
8.	Cheque deposited into bank	Debit (C) Credit (C)	Bank Cash
9.	Cheque received and deposited into bank for collection immediately	Debit	Bank
10.	Cheque issued	Credit	Bank
11.	Customer directly paid into bank	Debit	Bank
12.	Cheque deposited and dishonoured	Credit	Bank
13.	Cheque issued and dishonoured	Debit	Bank

14.	Bank charges	Credit	Bank
15.	Interest allowed by bank	Debit	Bank
16.	Interest on overdraft	Credit	Bank
17.	Payments directly made by the bank as per standing instructions	Credit	Bank
18.	Amounts directly received by bank as per standing instructions	Debit	Bank

Petty means 'small'. The petty cash book is a book where small recurring payments like carriage, cartage, postage and telegram, printing and stationery etc., are recorded by the petty cashier, a person other than the main cashier.

Explanation of columns in the analytical petty cash book

- 1. Receipts:** This is the first column of the petty cash book. Amount received by the petty cashier for meeting petty expenses and the opening balance of petty cash will be recorded in this column.
- 2. C.B.F.N:** This refers to Cash Book Folio Number. In this column we write the page number of the cash book where cash paid by the cashier is recorded.
- 3. Date:** In this column, the date of receipt / payment of cash is recorded.
- 4. Particulars:** This column records the details of the receipts / payments. Cash received in the beginning is shown as 'To cash' and all the petty expenses are shown as 'By expenses' (name of the expense).
- 5. V.N.:** The serial number of the voucher (cash payment) is written in this column.
- 6. Total Payments:** This column records the amount of every expense. At the end of the week or month expenses are

Analytical Petty Cash Book of.....

Dr.	Receipt	Analysis of Payments		Cr.
		Rs.	P.	
	C.B.F.N			
	Date			
	Particulars			
	V.N.			
	Total	Rs.	P.	
	Payments	Rs.	P.	
	Postage and Telegrams	Rs.	P.	
	Printing and Stationery	Rs.	P.	
	Carriage	Rs.	P.	
	Travelling expenses	Rs.	P.	
	Office Expenses & Repairs	Rs.	P.	
	Sundries	Rs.	P.	