

JAIIB



Accounting & Financial Management for Bankers

Module A : Chapter 3 **Cash Book & Imprest System**



www.courses.edutap.co.in



hello@edutap.co.in



+91 8146207241

WHAT IS CASH BOOK?

Record of transactions concerning cash receipts and cash payments.

Cash receipts are recorded on Debit side.

Cash payments are recorded on Credit side.

All transactions are recorded in chronological manner.

Book of Original Entry as well as of a Ledger Account.



TYPES OF CASH BOOK

SINGLE COLUMN CASH BOOK

Dr.					Cr.				
Receipts					Payment				
Date	Particulars	V No.	L. F.	Amount (Rs)	Date	Particulars	V. No.	L. F.	Amount (Rs)
2017					2017				
01/04	To Capital A/c			50,000	04/04	By Purchase A/c			10,000
11/04	To Sale A/c			5,000	07/04	By Rent A/c			1,000
					09/04	By Wages A/c			2,500
					14/04	By Commission A/c			100
					16/04	By Labour charges A/c			250
					18/04	By Furniture A/c			2,500
					25/04	By Freight A/c			300
					29/04	By Drawing A/c			1,000
					30/04	By Balance C/d			37,350
	Total			55,000		Total			55,000

TYPES OF CASH BOOK

DOUBLE COLUMN CASH BOOK

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Dr. (Receipts)						Cr. (Payments)					
CASH BOOK											
Date	Description	V.No.	PR	Disc.	Cash	Date	Description	V.No.	PR	Disc.	Cash
2016						2016					
Jan. 01	Balance b/d				4,500	Jan. 05	H & Co.		116	10	3,590
Jan. 03	R & Co.		120	20	3,880	Jan. 07	Purchases		108		940
Jan. 09	Interest income		104		365	Jan. 12	Machinery		110		4,100
Jan. 15	Sales		106		6,500	Jan. 17	Stationary exp.		112		635
Jan. 28	R & Co.		120	30	670	Jan. 20	Office furniture		114		710
Jan. 31	Sales		106		7,600	Jan. 23	H & Co.		116	30	970
						Jan. 31	Salaries exp.		118		1,250
						Jan. 31	Balance c/d				11,320
				50	23,515					40	23,515
Feb. 01	Balance b/d				11,320						

Dr					Cr				
Date	Particulars	LF	Cash ₹	Bank ₹	Date	Particulars	LF	Cash ₹	Bank ₹
2005					2005				
Dec. 01	Capital		1,20,000	-	Dec. 03	Bank	C	50,000	-
Dec. 03	Cash	C	-	50,000	Dec. 10	Sushmita		20,000	-
Dec. 06	Dinker		20,000	-	Dec. 14	Bank	C	20,000	-
Dec. 14	Cash	C	-	20,000	Dec. 20	Cartage		500	-
Dec. 22	Rani		12,000	-	Dec. 30	Drawings		2000	-
Dec. 27	Commission		5,000	-	Dec. 31	Balance c/d		64,500	70,000
			1,57,000	70,000				1,57,000	70,000
2006									
Jan 1	To Balance b/d		64,500	70,000					



TYPES OF CASH BOOK

TRIPLE COLUMN CASH BOOK

Page No. ___

Dr. (Receipts)						CASH BOOK						Cr. (Payments)	
Date	Description	V.No.	PR	Disc.	Cash	Bank	Date	Description	V.No.	PR	Disc.	Cash	Bank
<u>2016</u>						<u>2016</u>							
May 01	Balance b/d				2,200		May 01	Balance b/d					365
May 05	A & Co.		96	20	980		May 03	J & Co.		105	15		1,200
May 07	Cash		C			980	May 07	Bank		C		980	
May 15	Sales		94		2,350		May 10	Stationery		98		150	
May 16	Cash		C			1,600	May 15	Purchases		100		1,300	
May 21	Bank		C		650		May 16	Bank		C		1,600	
May 24	S & Sons		97			1,560	May 18	Drawings		101		150	
May 30	Sales		4		4,300		May 19	Purchases		100			1,650
May 31	Bank		C		1,470		May 21	Cash		C			650
May 31	Balance c/d					3,805	May 25	Ali Inc.		106	15		400
							May 27	Furniture		102		390	
							May 29	Rent exp.		103			450
							May 31	Salaries exp.		104			1,760
							May 31	Cash		C			1,470
							May 31	Balance c/d				7,380	
				20	11,950	7,945					30	11,950	7,945
Jun. 01	Balance b/d				7,380		Jun. 01	Balance b/d					3,805



LET'S SOLVE

Post the following transactions into three columnar cash book:

Dec 2022	1	Opening Balance	Cash ₹3000; Bank ₹1200
	1	Received from Ajay	Cash ₹500; Cheque ₹1500
	4	Ajay's cheque deposited in bank	
	4	Paid to Navjot by cheque ₹450 in full settlement of ₹470	
	6	Cash sales	₹6000
	8	Purchased goods from Anil	Cash ₹2000
	10	Cash deposited into bank	₹5000
	10	Cheque received from Ajay was dishonoured	
	15	Bank debited ₹30 towards bank charges.	

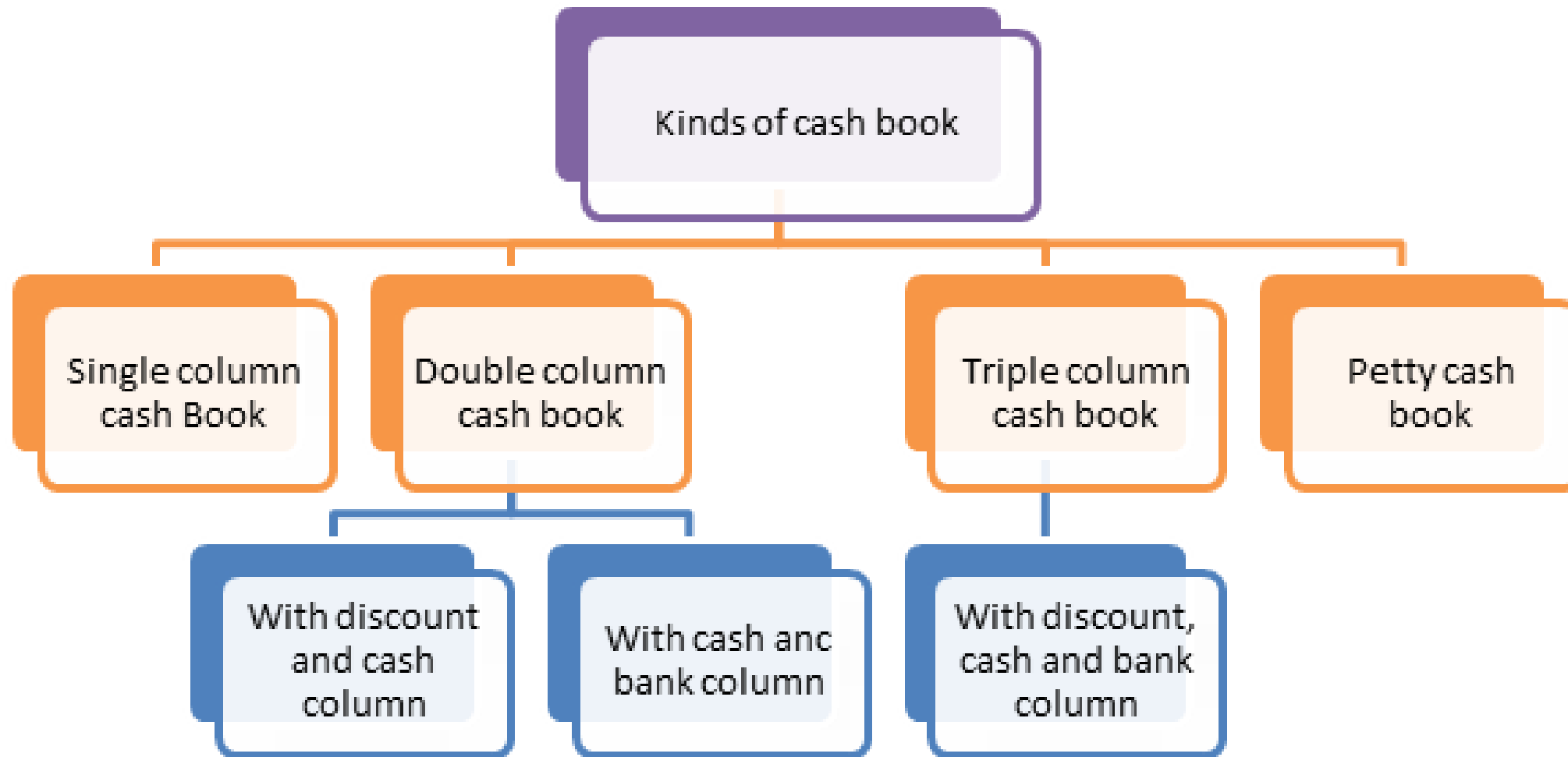
Post the following transactions into three columnar cash book:

- Dec 2022
- 1 Opening Balance Cash ₹3000; Bank ₹1200
 - 2 Received from Ajay Cash ₹500; Cheque ₹1500
 - 4 Ajay's cheque deposited in bank
 - 4 Paid to Navjot by cheque ₹450 in full settlement of ₹470
 - 6 Cash sales ₹6000
 - 8 Purchased goods from Anil Cash ₹2000
 - 10 Cash deposited into bank ₹5000
 - 10 Cheque received from Ajay was dishonoured
 - 15 Bank debited ₹30 towards bank charges.

Dr.

Cr.

Date	Particulars	R.N.	L.F.	Cash	Bank	Discount	Date	Particulars	R.N.	L.F.	Cash	Bank	Discount
Dec 1	To Opening Balance			3000	12000		Dec 4	By Navjot (Payment in full settlement of ₹470)				450	20
Dec 2	To Ajay (Received a cheque ₹1500 and cash ₹500)			2000			Dec 4	By Bank (Cheque from Ajay deposited in Bank)		C	1500		
Dec 4	To Cash (Cheque from Ajay deposited in Bank)				1500		Dec 8	By Purchases (Purchase of goods on credit)			2000		
Dec 6	To Cash (Cash sales made)			6000			Dec 10	By Bank (Cash deposited in Bank)		C	5000		
Dec 10	To Cash (cash deposited in bank)		C		5000		Dec 10	By Ajay (Cheque received was dishonoured)				1500	
							Dec 15	By Bank (Bank charges)				20	



PETTY CASH BOOK

It is a subsidiary book to record small (petty) expenses such as postage, stationery, and telegrams etc.

A separate petty cashier is appointed to manage this book.

Petty cashier periodically receives cash from Chief cashier and manages expenses from that.

Cash received recorded on Debit side and expenses on credit side.

Difference between the sum of the debit items and the sum of the credit items represents the balance of the petty cash in hand.



PETTY CASH BOOK

Petty Cash Book						
Receipts	Date	Particulars	Total	Cartage Expenses	Telephone Charges	Sundry Expenses
5,000	1st Aug	To Cash a/c				
	4th Aug	By Cartage expenses a/c	300	300		
	8th Aug	By Telephone Charges a/c	200		200	
	10th Aug	By Sundry Expenses a/c	500			500
		Total Expenses	1,000	300	200	500
	30th Aug	By Balance c/d	4,000			
5,000			5,000			
4,000	1st Sept	To Balance b/d				

IMPREST SYSTEM

Chief cashier pays certain sum of money (known as Imprest amount) to Petty Cashier for a particular period.

At the end of period, all expenses are verified, and Chief cashier pays the amount of expenses to the Petty Cashier so that Imprest amount is again restored with Petty Cashier

Advantages

- Helps to efficiently manage small and immediate expenses while maintaining accountability and control over the cash.
- Chances of defalcation are minimized.
- Up to date accounts have to be maintained.



LET'S SOLVE

Consider the following statements and choose the correct ones:

- I. The imprest system of cashbook is used to manage petty expenses.
- II. The imprest amount refers to the total amount of cash available for all expenses.
- III. Replenishing the petty cash fund in the imprest system is done on a daily basis.
- IV. Chances of embezzlement and misappropriation are high in imprest system.

- a) I, II, IV only
- b) I only
- c) II, III, IV only
- d) II and IV only



Thank You

For More Info Contact us:



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