

## PETTY CASH BOOK

1. **Petty Cash Fund:** Cash set aside for petty cash payments.
2. **Petty Cashier:** A person who is responsible for petty cash matters under imprest system.
3. **Petty Cash Vouchers:** Documents that are the evidence of petty cash payments.
4. **Petty Cash Book:** A journal maintained by petty cashier for recording all the transactions relating to petty cash matters under imprest system.
5. **Imprest System:** Imprest system is the system of petty cash fund involving the following steps:
  - 1) Establishment of petty cash fund
  - 2) Disbursement/Payment out of petty cash fund
  - 3) Replenishment of petty cash fund

### Qno.1:

From the following transactions prepare an analytical Petty Cash Book under the Imprest System. Balance the Petty Cash Book on August 31, 1997:

August

- 01: A cheque received from the accountant for petty cash payment Rs.1,800.
- 02: Paid for rickshaw fare Rs.77.
- 05: Paid for bus fare Rs.12.
- 08: Paid for entertainment Rs.63.
- 10: Paid for postage stamps Rs.32.
- 15: Paid for transporting Rs.90.
- 18: Paid for telegram Rs.35.
- 20: Paid for paper, ink etc. Rs.80.
- 22: Paid for V.P.P. Rs.75.
- 24: Paid for repair of typewriter Rs.95.
- 26: Paid for repair of furniture Rs.80.
- 28: Paid for rubber stamp Rs.40.
- 30: Paid for taxi fare Rs.60.

### Required:

Pass the journal entries:

- (i) For establishment of Petty Cash fund
- (ii) For expenditure of Petty Cash fund
- (iii) For replenishment of Petty Cash fund

**Qno.2:** Zeeshan Traders established Petty Cash Fund under Imprest System by issuing a cheque of Rs.1,800 on January 1, 2006. The following payments were made during the month from the fund:

January 02, 2006: Paid for bus fare Rs.12.  
January 03, 2006: Paid for entertainment Rs.75.  
January 04, 2006: Paid for rickshaw fare Rs.50.  
January 06, 2006: Paid for postage stamps Rs.45.  
January 08, 2006: Paid for transportation Rs.100.  
January 10, 2006: Paid for telegram Rs.40.  
January 12, 2006: Paid for paper, ink etc. Rs.90.  
January 15, 2006: Paid for repair of typewriter Rs.120.  
January 20, 2006: Paid for entertainment Rs.80.  
January 22, 2006: Paid for rubber stamp Rs.50.  
January 24, 2006: Paid for taxi fare Rs.100.  
January 25, 2006: Paid for transportation Rs.125.  
January 26, 2006: Paid advance to chowkidar Rs.300.  
January 29, 2006: Paid for V.P.P., received Rs.175.  
January 30, 2006: Paid for gum, paper etc. Rs.95.

**Required:**

- a) Prepare an analytical Petty Cash Book under Imprest System. Balance the Petty Cash Book on January 31, 2006.
- b) Pass the journal entries:
  - i) For establishment of Petty Cash Fund.
  - ii) For expenditure of Petty Cash Fund.
  - iii) For replenishment of Petty Cash Fund.

**Qno.3:** A firm completed the following petty cash transactions during December of the current year:

Dec. 01: Drew a Rs.1,500 cheque, cashed it, and gave it to the petty cashier.  
Dec. 03: Purchased computer paper for Rs.288.  
Dec. 06: Paid Rs.56 delivery expenses and Rs.30 wages on merchandise purchased.  
Dec. 09: Paid Rs.75 parcel post charges.  
Dec. 10: Paid Rs.200 to the son of the proprietor from petty cash for personal use.  
Dec. 18: Paid Rs.95 delivery charges on merchandise purchased.  
Dec. 22: Paid a service station for servicing the personal car of the proprietor Rs.75.  
Dec. 25: Paid delivery expenses Rs.155.  
Dec. 30: Paid Rs.445 for the repairs of typewriter.  
Dec. 31: Paid for entertainment Rs.55

**Required:**

- a) Prepare an analytical Petty Cash Book under Imprest System having the categories of accounts: Office Supplies, Delivery Expense, Postage, Withdrawal, and Miscellaneous Expense. Balance the Petty Cash Book on December 31.

b) Pass the journal entries:

- i) For establishment of Petty Cash Fund.
- ii) For expenditure of Petty Cash Fund.
- iii) For replenishment of Petty Cash Fund.

**Qno.4: Mr. Umair maintains a petty cash book under the imprest system for recording petty payments.**

March 1: Amount received from cashier to establish petty cash fund Rs. 5,000.

Following are the selected transactions during March 2015:

- March 01, 2015: Paid for postage stamps Rs. 80
- March 02, 2015: Paid for stationary Rs. 100
- March 03, 2015: Paid for cartage Rs. 40
- March 05, 2015: Paid for postage stamps Rs. 60
- March 08, 2015: Paid for paper Rs. 10
- March 12, 2015: Paid for cartage Rs. 60
- March 18, 2015: Paid for trips to office peons Rs. 20
- March 23, 2015: Paid for ink and nibs Rs. 40
- March 25, 2015: Paid for tiffin to office peons Rs. 60
- March 26, 2015: Paid for train fare Rs. 50
- March 28, 2015: Paid for bus fare Rs. 40
- March 29, 2015: Envelops and letterheads Rs. 60
- March 30, 2015: Printing address on above Rs. 40
- March 31, 2015: Taxi fare for manager Rs. 100

**Required:**

- (a) Record the above transactions in a petty cash book.
- (b) Make balancing on March 31, 2015 and transfer it on April 1, 2015.