Accounting Procedure

Petty cash book is prepared just like a simple cash book having the debit and credit sides. Amount received from the head cashier is recorded on the debit side, whereas the payments are recorded on the credit side.

On the payment (Credit) side, a separate column is provided for each class of most common expenses. Number of columns depends upon the nature and need of the particular business. A business of small size needs lesser number of columns whereas a business of large size will need more columns. Those expenses that are not entered in any separate column are entered in a column designated as 'Miscellaneous Expenses'. A specimen of a petty cash book is given below :

Form of Petty Cash Book

Dr.					Cr.	Analysis of Payments					
Amount Received	Cash Book Folio	Date	Particulars	Voucher No.	Total Payments	Postage & Courier	Wages	Conveyance	Cartage	Stationery	Miscellaneous Expenses
₹					₹	₹	₹	₹	₹	₹	₹

ILLUSTRATION 15.

Prepare a Petty Cash Book on the Imprest System from the following particulars:—

2024	
July 1	Received ₹10,000 from the Cashier.
3	Purchased Stationery ₹800.
6	Paid for wages ₹500, for charity ₹300
7	Purchased soap ₹200, Paid for Newspaper bill ₹700.
9	Paid taxi fare ₹800, Cartage ₹200.
12	Paid postal expenses ₹600.
14	Paid auto fare ₹380, Paid for courier services ₹70.
25	Speed Post Charges ₹400, Wages ₹600.
26	Paid cartage ₹450.
27	Refreshment Expenses ₹800, Photostating charges ₹400.
28	Pen/Pencils ₹750.
29	Wages ₹300.
31	Loading charges ₹150.

(See solution on next page)

SOLUTION (15) :

PETTY CASH BOOK

Dr.					Cr.	*Analysis of Payments*					
Amount Received	*Cash Book Folio*	*Date*	*Particulars*	*V. No.*	*Total Payments*	*Postage & Courier*	*Wages*	*Conveyance*	*Cartage*	*Stationery*	*Miscellaneous Expenses*
₹		2024			₹	₹	₹	₹	₹	₹	₹
10,000		July 1	To Cash A/c								
		3	By Stationery		800					800	
		6	By Wages		500		500				
		6	By Charity		300						300
		7	By Soap		200						200
		7	By Newspapers		700						700
		9	By Taxi fare		800			800			
		9	By Cartage		200				200		
		12	By Postal Exp.		600	600					
		14	By Auto Fare		380			380			
		14	By Courier services		70	70					
		25	By Speed Post char.		400	400					
		25	By Wages		600		600				
		26	By Cartage		450				450		
		27	By Refreshment		800						800
		27	By Photostating ch.		400						400
		28	By Pen/pencils		750					750	
		29	By Wages		300		300				
		31	By Loading char.		150				150		
			Total Payments		8,400	1,070	1,400	1,180	800	1,550	2,400
		31	By Balance c/d		1,600						
10,000					10,000						
1,600		Aug. 1	To Balance b/d								
8,400		Aug. 1	To Cash A/c								

ILLUSTRATION 16.

Enter the following transactions in the petty cash book of Sh. Prem Sagar with appropriate analysis columns. Balance it on 15th May 2024 and show the amount which should be received from the cashier to make up the amount of the 'imprest' ₹5,000.

2024		₹
May 1	Received from cashier ₹4,720, the amount required to make up the amount of the 'imprest' viz.,	5,000
	Purchased stamps	400
	Paid for carriage	300
May 3	Paid for office cleaning	200
	Paid for wages	250
	Paid railway fare	350
	Paid bus fare	400
May 8	Paid for wages	240
	Tea to office staff	220
May 10	Paid reward to servants	150
	Bought shorthand note books for office	580
	Paid wages to casual labour	400
May 12	Purchased Pens and Pencils	520
	Paid for envelopes	250
May 15	Paid for repairs to typewriter	200

SOLUTION (16) :

PETTY CASH BOOK

Dr.					Cr.	Analysis of Payments					
Amount Received	*Cash Book Folio*	*Date*	*Particulars*	*V. No.*	*Total Payments*	*Postage & Courier*	*Wages*	*Conveyance*	*Cartage*	*Stationery*	*Miscellaneous Expenses*
₹		2024			₹	₹	₹	₹		₹	₹
280		May 1	To Bal. b/d								
4,720		1	To Cash A/c								
		1	By Stamps		400	400					
		1	By Carriage		300				300		
		3	By Office cleaning		200						200
		3	By Wages		250		250				
		3	By Railway Fare		350			350			
		3	By Bus Fare		400			400			
		8	By Wages		240		240				
		8	By Tea to Office Staff		220						220
		10	By Reward to Servants		150						150
		10	By Note Books		580					580	
		10	By Wages		400		400				
		12	By Pens & Pencils		520					520	
		12	By Envelopes		250					250	
		12	By Repairs		200						200
			Total Payments		4,460	400	890	750	300	1,350	770
		15	By Bal. c/d		540						
5,000					5,000						
540		May 16	To Bal. b/d								
4,460		May 16	To Cash A/c								

Q. 16. Record the following transactions in a Petty Cash Book with suitable columns. The book is kept on imprest system, amount of imprest being ₹4,000.

2025	
April 1	Petty cash in hand ₹540. Received cash to make-up the imprest.
	Paid for office cleaning ₹100.
April 4	Paid railway fare ₹320, bus fare ₹280, wages ₹150.
April 5	Bought shorthand note books for office ₹370.
April 7	Paid carriage on parcels ₹150, paid for wages ₹220.
April 10	Bought stamps for ₹300, envelopes for ₹450 and an accounts register for ₹400.
April 12	Paid for repairs ₹200, gave tips to office peon ₹150.
April 13	Gave charity ₹100, served tea to customers ₹250.
April 15	Paid for wages ₹160, rewards to servant ₹100.

[**Ans.** Petty cash balance ₹300. Postage & Courier ₹300; Wages ₹530; Conveyance ₹600; Cartage ₹150; Stationery ₹1,220; Miscellaneous Expenses ₹900.]

Q. 17. Mr. Yadav, the petty cashier of M/s Triputi Traders received ₹10,000 on April 1, 2024 from the Head Cashier. Following were the petty expenses :—

		₹
April 2	Taxi fare	750
3	Refreshments	450
5	Registered postal charges	200
5	Wages	700
8	Auto fare	200
9	Courier charges	150
12	Postal Stamps	600
14	Eraser/Sharpeners/Pencils	400
17	Speed Post charges	200
20	Cartage	600
20	Computer Stationery	500
22	Wages	300

24	Bus fare	600
25	Office Sanitation	800
26	Refreshments	750
28	Loading Charges	300
30	Photostatting Charges	200
30	Wages	800

You are required to prepare a Petty Cash Book.

[Ans. Petty cash balance ₹1,500; Postage & Courier ₹1,150; Wages ₹1,800;

Q. 28. Record the following transactions in a Petty Cash Book drawn with suitable columns and then balance the same :

2025		₹
Jan. 1	Petty cashier is given a monthly imprest amount of ₹10,000. He spent last month ₹9,200 and got the balance from the head cashier today.	
Jan. 2	Paid for Wages	600
Jan. 3	Paid for sundry expenses	100
Jan. 5	Paid for stationery	700
Jan. 9	Paid for courier charges	200
Jan. 12	Stamps purchased	750

Jan. 14	Paid wages to casual labour	500
Jan. 16	Stationery purchased	400
Jan. 19	Paid for general expenses	610
Jan. 20	Paid for cartage	800
Jan. 22	Paid for advertising	900
Jan. 24	Paid for postage	400
Jan. 25	Paid for Taxi Fare	840
Jan. 27	Paid for entertainment	600
Jan. 29	Paid for carriage	500
Jan. 31	Paid for petty repairs	700

[**Ans.** Petty cash balance ₹1,400; Postage & Courier ₹1,350; Wages ₹1,100; Conveyance ₹840; Cartage ₹1,300; Stationery ₹1,100; Miscellaneous Expenses ₹2,910.]

Q. 29. Enter the following transactions in the petty cash book with appropriate analysis columns :

2025		₹
Feb. 1	Received from cashier ₹9,250, the amount required to make up the amount of the 'imprest' *viz.*,	10,000
Feb. 3	Chowkidar's Wages	500
	Pencils, Pens etc.	250
Feb. 5	Bus fare to workmen sent to customer's premises	600
Feb. 7	Paid for wages	200
Feb. 10	Postage	800
Feb. 12	Three Wheeler's charges for manager's trip to the city	100
Feb. 12	Wages to casual labourer	850
Feb. 14	Repair of furniture	300
Feb. 14	Repair of scooter	400
Feb. 18	Taxi fare to assistant manager	750
Feb. 20	Refreshment to Customers	450
Feb. 22	Paid for cartage	1,500
Feb. 25	Locks purchased	1,200
Feb. 25	Conveyance	250
Feb. 26	Paid for writing pads and registers	900
Feb. 28	Courier Charges	550

[**Ans.** Petty Cash balance ₹400. Postage & Courier ₹1,350; Wages ₹1,550; Conveyance ₹2,100; Cartage ₹1,500; Stationery ₹1,150; Miscellaneous Expenses ₹1,950.]

Hint : Repair to Scooter (Conveyance Expenses)