Subsidiary Books

Subsidiary Books are the books that record the transactions which are similar in nature in an orderly manner. They are also known as special journals or Daybooks. In big business institutions, it is not easy to record all the transactions in one journal and post them into various accounts. So, for the easy and accurate recording of all the transactions, the journal is subdivided into many subsidiary books. For every type of transaction, there is a separate book.

Types of Subsidiary Books8 Types of subsidiary books are used for recording different types of transactions. So, let us know the types. The 8 Subsidiary books are as follows:

Cash Book
Purchase Book
Sales Book
Purchase Return Book
Sales Return Book
Bills Receivable Book
Bills Payable Books
Journal Proper

Purchase Book: Purchase Book is a subsidiary book that is used to record all the transactions related to credit purchases. The purchases of the asset are never recorded in the purchase book.

Format of Purchase Book:

PURCHASE BOOK				
DATE	PARTICULARS	INVOICE NO	LF	AMOUNT

Sales Book: The Sales Book records all the transactions related to credit sales. The sales book cannot record the sale of assets.

The sales book format is given below.

SALES BOOK				
DATE	PARTICULARS	INVOICE NO	LF	AMOUNT

Purchase Return Book: The purchase return book, also known as the return outward book, is used to record transactions of all the returns made to the supplier. A debit note is issued against every return and is recorded in the Purchase Return Book.

PURCHASE RETURN BOOK					
DATE	PARTICULARS	DEBIT NOTE NO	INVOICE NO	LF	AMOUNT

Sales Return Book: The sales return book records all the transactions related to inward returns. It is also known as a return inward book. When the customer returns goods, a credit note is issued to the customer for every return, and it is recorded in the Sales Return Book.

SALES RETURN BOOK					
DATE	PARTICULARS	CREDIT NOTE NO	INVOICE NO	LF	AMOUNT

Bills Receivable Book: The Bills Receivable Book records all the transactions of bills drawn in favour of the business. The total of the bills receivable book is posted on the debit side of the Bills Receivable account. The Format of Bills Receivable Book is as follows.

BILLS RECEIVABLE BOOK						
DATE OF BILL	BILL NO	ACCEPTOR	FROM	TERMS	Due date	Amount

Bills Payable Book: The Bills Payable Book records all the transactions related to bills that are drawn on the business and are payable by the business. The Bills Payable Books Format is as follows.

BILLS PAYABLE BOOK						
DATE OF BILL	BILL NO	ACCEPTOR	FROM	TERMS	Due date	Amount

Journal Proper: Certain transactions cannot be recorded in any of the above-mentioned books; these transactions are termed miscellaneous transactions. So, the Journal Proper is used to record all the miscellaneous transactions. It includes transactions such as credit purchase and sale of assets, depreciation, etc.

Mentioned below is a five-set of transactions of Moksha Ltd. Company, we will determine the type of subsidiary books that will be used in recording each transaction.

Transactions:

- Purchase of goods from MA Ltd.This is to be recorded in the Purchase Book.
- Purchase of stationery in cash. This is recorded in Cash Book.
- Depreciation on buildings-Journal Proper is the book.
- Sale of goods in exchange for cash-Cash Book
- Bad Debts from Banyan Tree Ltd. transaction-Journal Proper