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Module 1

Chapter 4

BUSINESS TRANSACTIONS—VOUCHER PREPARATION

CHAPTER AT GLANCE (Chapter 4)

4.01 Voucher

4.01.01 Meaning of Voucher

4.01.02 Types of Vouchers

4.02 Preparation of a Voucher

CHAPTER AT GLANCE (Chapter 4)

4.03 Source Documents

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4.03.03 Receipt

4.03.04 Pay-In-slip

4.03.05 Cheque

4.03.05 Debit Note

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4.02

VOUCHER

4.01.01 Meaning of a Voucher

- A Voucher is a document evidencing a business transaction.

Thus,

- whenever a transaction takes place,
- an evidence to that effect is also established.
- such evidences are known as Source Documents.

4.01

VOUCHER

4.01.02 Types of Vouchers

- Vouchers may be categorised into:
 - (i) *Source Vouchers or Source Documents or Supporting Vouchers and*
 - (ii) *Accounting Vouchers.*

4.01

VOUCHER

4.01.02 Types of Vouchers

(i) Source Vouchers or Source Documents or Supporting Vouchers:

They are the vouchers or documents

- which come into existence at the time of transaction

Examples

- cash memo for cash sale,
- Invoice for credit sale,
- agreement for rent, and so on.

4.02

VOUCHER

(ii) Accounting Vouchers:

- An accountant has supporting vouchers such as cash payments, cash receipts, invoices, etc.
- Source vouchers are analysed to determine accounts to be debited and credited.
- The decision is recorded on a document termed **Accounting Voucher**.

4.02

VOUCHER

- **Types of Accounting Vouchers:**

1. Cash Vouchers and
2. Non - Cash Vouchers or Transfer Vouchers.

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VOUCHER

1. Cash Vouchers and

- Cash Vouchers refer to the voucher prepared
- at the time of receipt or payment of cash and
- includes receipt and payment through cheques.
- Cash Vouchers can be of the following two types
 - (i) Credit Voucher
 - (ii) Debit Voucher

Credit Voucher

www.afzalur.com	
24, Darya Ganj, New Delhi 100 002 → (1)	
Voucher No. 101	Date 13.2.2010 → (2)
	Amount
Credit: Sales A/c	Rs. 20,000 → (5)
(Being goods sold for → (4)
cash vide → (6)
Bill No. 500) → (9)
Total	20,000
Sd/- Manager	Sd/- Accountant
↓ (8)	↓ (7)

4.02

VOUCHER

2. *Non-Cash Vouchers or Transfer Vouchers*

- *Non-Cash Vouchers refer to vouchers prepared for transactions not involving cash.*

Examples

- Invoice or Bills, Debit and Credit Notes, etc.

[A specimen of Non Cash Voucher.](#)

Non Cash Voucher.

(3)
↑

TRANSFER VOUCHER

Voucher No. 501	Sultan Chand & Sons (P) Ltd. 24, Darya Ganj, New Delhi 100 002 → (1)	Date 13.2.2010 → (2)
		Amount (Rs.)
Debit: Machinery A/c	52,000	→ (4a)
	52,000	
Credit: Ram	52,000	→ (4b)
(Being the machinery purchased		→ (6)
vide Cash Memo No. 70)		→ (9)
	52,000	→ (5)
Sd/- Manager		Sd/- Accountant
↓ (8)		↓ (7)

Transaction

- It is a financial happening entered into by two or more willing parties.
- It effects a change in the asset, liability, or net worth account.

Transactions

- Transactions are recorded in the books of accounts
- on the basis of an source documents such as
 - cash memo
 - bills of purchases,
 - invoices for sales,
 - debit and credit notes,
 - contracts , agreements etc.

Transactions

- Accounting voucher is prepared
- on the basis of Source Documents and
- recorded in
 - *Journal and special purpose* books
 - in a chronological order
- The recorded entries are transferred to the specific Ledger Accounts

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SOURCE DOCUMENTS

Let us now discuss the most common source documents.

4.03

SOURCE DOCUMENTS

4.03.01 Cash Memo

- Cash Memo is prepared by the seller when he sells goods against cash.
- It has details with respect to description of goods sold,
- quantity,
- rate of each item and
- the total amount received,
- besides the date of transaction
- and other terms and conditions, if any.

4.03

SOURCE DOCUMENTS

4.03.01 Cash Memo

- It is an evidence for the purchaser
- for goods purchased against cash and
- for the enterprise,
- it is an evidence of sale for cash.

[Picture of the Cash Memo](#)

Cash Memo

CASH MEMO
CHABBRA SILK & SAREES
 Wedding Saree Specialists
CTC Plaza, Ring Road, Maharani Bagh, New Delhi

No.

Dated: 3.2.2010

Quantity	Description	Rate Rs.	Amount	
			Rs.	P.
10	Sarees	1,000	10,000	...
4	Shawls	1,040	4,160	...
	<i>Add: VAT @ 12.5%</i>		14,160	...
			1,770	...
			15,930	...

No. 340
 Debit Purchases
 Credit Cash

4.03

SOURCE DOCUMENTS

4.03.02 Invoice or Bill

- An Invoice or Bill is prepared by the seller
- when he sells goods on credit.
- It has details with respect to the name of the party
- to whom goods are sold,
- the description of goods sold and
- the total sale amount.

Invoice or Bill

MODERN ELECTRIC SUPPLIERS LTD.
 Dealers in Everything Electrical
 131, Nowhere Street, Utopian City 110 001

No. 3978

Date: 3.2.2010

Ideal Customer
 Everywhere Road, Fine City.....Dr.

Quantity	Particulars	Rate Rs.	Amount	
			Rs.	P.
2	Refrigerators (167 Lts.)	8,000	16,000	...
10	Automatic Irons	1,100	11,000	...
	VAT @ 12.5%		27,000 3,375	...
	Forwarding and Delivery Charges		30,375 585	...
	Total		30,960	...

Rupees thirty thousand nine hundred and sixty only

E.&O.E.

Sales Manager

4.03

SOURCE DOCUMENTS

4.03.03 Receipt

- When cash or cheque is received
- a receipt is prepared and issued
- It is an acknowledgment of receipt
- The receipt is prepared in duplicate.
- Original copy is for the party tendering the payment
- Duplicate copy is kept for record.
- It is a Source Document

Receipt

MODERN ELECTRIC SUPPLIERS LTD.
Dealers in Everything Electrical
131, Nowhere Street, Utopian City 110 001

No. 15137

Date: 5.2.2010

Received with thanks from M/S Ideal Customer, Fine City a sum of

Rupees Thirty Thousand Nine Hundred and Sixty only in Cash/

Cheque No. 559891 dated 5.2.2010 drawn on Canara Bank, Vivek Vihar, Delhi on account of Invoice

No. 3978 dated 3.2.2010.

Authorised Signatory

Note: Cheques are subject to realisation.

4.03

SOURCE DOCUMENTS

4.03.04 Pay-in-Slip

- It relates to Bank Transactions
- A Pay-in-Slip is a form supplied by the bank
- To deposit cash, cheques, etc., in the Bank Account.
- It has a counterfoil
- Returned to the depositor
- With cashier's signature, as receipt.

Pay-in-Slip

PAY-IN-SLIP
AXIS BANK LTD.
 B-6, LAJPAT NAGAR II
 NEW DELHI-110 024

DATE: _____

FOR CREDIT OF CURRENT A/C

ACCOUNT NO.

NAME

DETAILS OF CASH/CHEQUE	Rs.	P.
TOTAL		

Rupees (in words) _____

PAY-IN-SLIP
AXIS BANK LTD.
 B-6, Lajpat Nagar II
 New Delhi-110 024

TRAN. ID NO. _____ (for office use)

ACCOUNT NO.

FOR CREDIT OF CURRENT A/C

NOTE: PLEASE USE SEPARATE SLIPS FOR LOCAL, OUTSTATION CHEQUES, AND CASH

DATE: _____

NAME _____

CHEQUE DETAILS				CASH DEPOSITS		Rs.	P.
BANK	BRANCH	CHEQUE NO.	DENO.	PIECES			
			1000 x				
			500 x				
			100 x				
			50 x				
			20 x				
			10 x				
			5 x				
			2 x				
Rupees (in words) _____			1 x				
			TOTAL				

SIGNATURE OF DEPOSITOR _____ ENTERED _____ VERIFIED _____

4.03

SOURCE DOCUMENTS

4.03.05 Cheque

- A Cheque is a document in writing
- drawn on a specified banker and
- payable on demand
- The bank supplies cheque forms
- The name of the party to whom payment is to be made
- is written after the words 'Pay To'
- Then the amount is written—both in words and figures

Cheque

SPECIMEN OF A CHEQUE

_____ 20 _____

PAY TO

या धारक को OR BEARER

रुपये RUPEES.....

रु. Rs. _____

अदा करें

खा. स. A/c No.		ब. प. L. F.		ल. ह. INTLS.	
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केनरा बैंक

CANARA BANK

MSCCD, VIVEK VIHAR, DELHI-110 032

⑈⑈⑈559880⑈⑈⑈ 110015034⑈⑈⑈

10

4.03

SOURCE DOCUMENTS

4.03.06 Debit Note

- A Debit Note is made out evidencing that
- a debit has been made to the account of the party
- named in the debit note.

A specimen of a Debit note.

Debit note

SPECIMEN OF A DEBIT NOTE

M/S Provogue
117, Kalkaji
New Delhi 110 019

20th April, 2010

No. 215

DEBIT NOTE

Against: M/S High & Low, New Delhi
Goods returned as per delivery
Challan No. 93
Rupees five thousand five hundred only

Rs. 5,500
Ranjit Kumar
Manager

4.03

SOURCE DOCUMENTS

4.03.06 Debit Note

The effect of a debit note is that

- the indebtedness to the supplier is reduced or,
- if the account is already settled,
- goods can be purchased further without payment.

4.03

SOURCE DOCUMENTS

4.03.07 Credit Note

- A Credit Note is made out evidencing that
- credit has been granted to a debtor.

Example,

- if a customer returns goods previously invoiced,
- a credit noted is issued or
- the customer is allowed further discount.

4.03

SOURCE DOCUMENTS

4.03.07 Credit Note

- The effect of a credit note is that
- the amount of the customer's indebtedness
- is reduced or,
- if it is already settled,
- the credit lies in his account.

[A specimen of a Credit Note](#)

Credit Note

SPECIMEN OF A CREDIT NOTE

ASAHI GLASS CO.
24, Darya Ganj, Delhi 110 006

No. 212

Date: 15.2.2010

CREDIT NOTE

To
M/S Prabhat Electric Co.
Bhagirath Place, Chandni Chowk
Delhi

Goods received as per delivery Challan
No. 2173 dated 14.2.2010 valued
at Rupees fifteen thousand only

Rs. 15,000

Manager

<http://crescent.education/university/schools/school-of-social-sciences-and-humanities/department-of-commerce/overview/#>

Thank you