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Module 1

Chapter 4

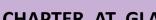
BUSINESS TRANSACTIONS—VOUCHER PREPARATION



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

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CHAPTER AT GLANCE (Chapter 4)

- 4.03 Source Documents
 - 4.03.01 Cash Memo
 - 4.03.02 Invoice or Bill
 - . .
 - 4.03.03 Receipt
 - 4.03.04 Pay-In-slip
 - 4.03.05 Cheque
 - 4.03.05 Cheque 4.03.05 Debit Note
 - 4.03.06 Credit Note



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.



VOUCHER

4.01.02 Types of Vouchers

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





4.01.02 Types of Vouchers

VOUCHER

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

They are the vouchers or documents

- They are the voderiers of 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.



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.



VOUCHER

- Types of Accounting Vouchers:
 - 1. Cash Vouchers and
 - 2. Non Cash Vouchers or Transfer Vouchers.



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) <u>Credit Voucher</u>
 - (ii) <u>Debit Voucher</u>

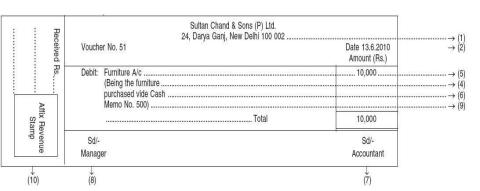


Credit Voucher

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24, Da	rya Ganj, New Delhi 100 002		→ (1)
Voucher No. 101		Date 13.2.2010 Amount	→ (2)
Credit: Sales A/c(Being goods sold for		Rs. 20,000	→ (5) → (4)
(Being goods sold for			→ (6)
БIII NO. 300 <i>)</i>	Total	20,000	→ (9)
Sd/-		Sd/-	T.
Manager		Accountant	
(8)		(7)	



Debit Voucher



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VOUCHER

2. Non-Cash Vouchers or Transfer Vouchers

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

Examples

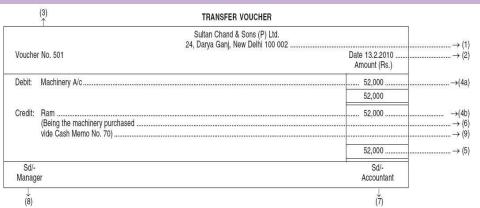
Invoice or Bills, Debit and Credit Notes, etc.

..

A specimen of Non Cash Voucher.



Non Cash Voucher.



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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



SOURCE DOCUMENTS

Let us now discuss the most common source documents.



SOURCE DOCUMENTS 4.03.01 Cash Memo

- Cash Memo is prepared by the seller when he sells
- 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.
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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



Dated: 3.2.2010

Cash Memo

CASH MEMO CHABBRA SILK & SAREES

Wedding Saree Specialists

CTC Plaza, Ring Road, Maharani Bagh, New Delhi

Quantity	Description			Amount	
			Rs.	Rs.	P.
10	Sarees		1,000	10,000	
4	Shawls		1,040	4,160	
Add: VAT @ 12.5%			14,160	100	
	No. 340		1,770		
	Debit Purchases		15,930	***	
	Credit Cash				

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SOURCE DOCUMENTS 4.03.02 Invoice or Bill

- An Invoice or Bill is prepared by the seller
- All livoice of 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.



Date: 3.2.2010

Amount

Rs.

16,000

11.000

Invoice or Bill

MODERN ELECTRIC SUPPLIERS LTD.

Dealers in Everything Electrical 131, Nowhere Street, Utopian City 110 001

No. 3978

Quantity

Everywhere Road, Fine City......Dr.

Particulars

Ideal Customer

Refrigerators (167 Lts.)

10 Automatic Irons

VAT @ 12.5%

Forwarding and Delivery Charges

Total Rupees thirty thousand nine hundred and sixty only

E.&.O.E.

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1.100

Rate

Rs.

8.000

27.000 3.375 30.375

585 30,960

Sales Manager

P.

4.03.03 Receipt



SOURCE DOCUMENTS

- 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



Authorised Signatory

Receipt

	Dealers in E	TRIC SUPPLIERS LTD. verything Electrical	
	131, Nowhere Str	eet, Utopian City 110 001	
No. 15137			Date: 5.2.2010
Received with thanks from	M/S Idea	al Customer, Fine City	a sum of
Rupees Thirty Th	iousand Nine Hur	ndred and Sixty only	in Cash/
Cheque No. <u>559891</u> dated <u>5.2.2010</u>	drawn on	Canara Bank, Vivek Vihar, Delhi	on account of Invoice
No. 3978 dated	3.2.2010		

Note: Cheques are subject to realisation.



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.

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Pay-in-Slip

PAY-IN-SUP DATE:			PAY-IN-SLIP AXIS BANK LTD. —	B-6, I New	B-6, Lajpat Nagar II New Delhi-110 024		TRAN. ID NO. (for office use)			se)
			AXIO DAINK ETD.		ACCOUNT NO.					
		$\square \mid$	FOR CREDIT OF CURRENT A/C NOTE: PLEASE USE SEPARATE SUPE FOR LOCAL, OUTSTATION CHECUES, AND CASH DATE:							
NAME		— I	NAME				CASH DEPO	DITO	Rs.	P.
NAME			CHEQUE		T	DENO.		3113	110.	100
DETAILS OF CASH/CHEQUE	Rs.	TP.	BANK	BRANCH	CHEQUE NO.		PIECES			_
DETAILS OF CASH/CHEQUE	ns.	P.			_	1000 x				_
						500 x 100 x				+-
						50 ×				+-
										_
		+ $+$ $+$				20 ×				
	- 8					10 ×				+
		— 1				5 ×				-
TOTAL		+ $+$ $+$	Rupees (in words)			1 x				+
NO. 100 W.O. 100			nupees (iii words)			1.0	TOTAL			+
Rupees (in words)					and control of the co			200000000		
			SIGNATURE OF DEPOSITOR		ENTERED			VERIF	IFD	

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made

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
- is written after the words 'Pay To'
- Then the amount is written—both in words and figures



Cheque

SPECIMEN OF A CHEQUE

PAY TO				या धारक को OR BEAREI
रुपये RUPEES				 अदा करें
खा. स. A/c No.	а. प. L. F.	ल. ह. INTLS.		ગયા જાર
केनरा बैंक			_	
CANARA BANK MSCCD, VIVEK	VIHAR, DELHI-110 0	32 110015034':	10	



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 Provoque 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

Rs. 5,500 Ranjit Kumar

Manager

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Rupees five thousand five hundred only



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.



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.



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

To

M/S Prabhat Flectric Co.

Bhagirath Place, Chandni Chowk

Delhi

Goods received as per delivery Challan No. 2173 dated 14.2.2010 valued

at Rupees fifteen thousand only

CREDIT NOTE

Date: 15.2.2010

Rs. 15,000

Manager



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Thank you