

CASH BOOK (II)

15.1 Triple Column Cash Book (Cash Bank and Discount Columns)

- A triple column cash book or three column cash book is one which consists of three separate columns on the debit side as well as credit side for recording cash, bank and discount.
- The discount column on the debit side of the cash book will record discounts allowed and that on the credit side discounts received
- Discount columns in both side are not balanced only totaled

Hafsa Noor Ayub

Cash Book (Triple Column)

For the month ended

Receipts						Payments					
Date	Description	Ref	Cash	Bank	Discount	Date	Description	Ref	Cash	Bank	Discount

Example # 15.1: From the following transactions write up a three column cash book for Zakir Khan & Co 2016

- June 1 Cash in hand Rs. 2,000 and Bank Overdraft Rs. 1,500
- " 7 Received cash from Riaz & Co. Rs. 190; discount allowed Rs.10
- " 12 Sales by check Rs. 1,000
- " 15 Deposited cash Rs. 1,200 to bank account
- " 20 Paid to Waqas Shahzad Rs. 485; discount received Rs. 15
- " 25 Received check from Salman of Rs. 500 and deposited
- " 27 Paid to Hassan by bank Rs. 300
- " 28 Mr. Salman check of dated 25th has been dishonored due to technical reasons

Zakir Khan & Co

Cash Book (Triple Column)

For the month ended June, 2016

Receipts						Payments					
Date	Description	Ref	Cash	Bank	Dis	Date	Description	Ref	Cash	Bank	Dis
	Total						Total				

15.2 Petty Cash Book

- It is most common to find with large commercial businesses that all receipts and payments are made through bank
- Since expenses like conveyance, carriage, postage, telegrams, traveling etc, cannot be made by means of checks
- The maintenance of a small cash balance to meet these petty payments
- The Imprest System is used for petty cash maintenance
- For example, On June 1, 2012, Rs. 1,000 was given to the petty cashier. He had spent Rs.940 during the month. He will be paid Rs. 940 on 30th June by the cashier so that he may again have Rs. 1,000 for the next month of July

Example # 15.2: Enter the following transactions in the Petty cash book of Sonia Manzoor; Rs. 100 was given to cashier on 1st March, 2017 on the imprest system:

March	2	Paid for postage stamps	Rs. 8	March	23	Paid for ink and nibs	4
"	2	Paid for stationary	10	"	26	Paid for train fair	5
"	3	Paid for cartage	4	"	28	Paid for bus fair	4
"	3	Paid for postage stamps	6	"	29	Envelops and letter heads	6
"	8	Paid for paper	1	"	30	Printing address on above	4
"	12	Paid for cartage	6	"	31	Taxi fare to manager	10

Sonia Manzoor

Petty Cash Book

For the month ended March, 2017

Amount Received	Date	Description	VN	Total Payments	Postage	Printing & Stationery	Carriage	Travelling Expenses	Miscellaneous Expenses
	2017								
100	Mar	2	Cash						
		2	Postage	8	8				
		2	Stationery	10		10			
		3	Cartage	4			4		
		3	Postage	6	6				
		8	Paper	1		1			
		12	Cartage	6			6		
		23	Ink	4		4			
		26	Train Fair	5				5	
		28	Bus Fair	4				4	
		29	Envelops	6		6			
		30	Printing	4		4			
		31	Taxi Fair	10				10	
	Total			68	14	25	10	19	
42			Balance c/d	32					
58			Balance b/d						

Example # 15.3: For the following transactions, you are required to describe side of cash book (Debit or Credit) and the column in which amount is entered (Cash, Bank or Discount)

<i>S. No</i>	<i>Transactions</i>	<i>Side of Cash Book (Debit or Credit)</i>	<i>The column in which amount is entered (Cash, Bank or Discount)</i>
1	Cash received from customer		
2	Cash paid to vendor		
3	Discount allowed		
4	Check received		
5	Cash deposited in the bank		
6	Discount received		
7	Cash withdrawn for office use		
8	Check received and deposited immediately		
9	Salary paid by check		
10	Cash sales		
11	Customer directly paid into bank		
12	Deposited check dishonored		
13	Issued check dishonored		
14	Favorable balance of cash in cash book		
15	Bank charges		
16	Interest received from bank by company		
17	Interest on overdraft		
18	Unfavorable balance of bank in cash book		
19	Amount directly received by bank as per standing instruction		
21	Rent received by check		
22	Discount on purchases		
23	Payment directly made by the bank as per standing instruction		
24	Discount on sales		
25	Credit sales		
26	Sales by check and check is retained in business		
28	Bank balance overdraft in cash book		
29	Cash balance overdraft in cash book		
30	Commission earned but not received		

