

National Institute of Open Schooling
Secondary Course: Accountancy
Lesson 7: Cash Book
Worksheet-7

1. Mr. Ritvik is a businessman. He records all the receipts and payments in his notebook. At the end of the month, he wants to calculate the balance of cash in the notebook. His friend suggests him to maintain a separate book to record these items of receipts and payments. In this context, explain the concept of cash book.

2. Record the following transactions in a Simple Cash Book of M/s Deepak & Co.

Date	Amount
2020	Rs.
July. 01 Cash in Hand	25,000
July. 06 Received from Seema (after allowing a discount 350)	3,000
July 08 Purchased goods for cash from Smita	2,500
July. 10 Paid Advertising expense	300
July. 18 Sold Goods	5,500
July. 23 Paid Abhishek	4,500
July. 27 Purchased Machinery	4,000
July. 31 Paid Rent	1,500

3. Simple Cash Book records only cash receipts and cash payments. In the light of this statement enumerate the various steps for preparation of a simple cash book.

4. Why there is a need to have a separate book to record bank transactions. Also, prepare the format of Bank Column Cash Book.

5. How will you deal with the following transaction while preparing Bank Column Cash Book?

(i) Payment in cash or by Cheque.

(ii) Cheques Received but not Sent to Bank.

(iii) Received Cash or Cheque.

(iv) Bank Charges.

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6. Vinay could not understand the balancing of the cash book. Explain to him the technique for balancing the cash book.
7. The petty cash book is generally prepared on an imprest basis. In the light of this statement explain the meaning of petty cash book with the help of a suitable example.
8. On 1.7.2020 an imprest of 1000 was given by the main cashier to the petty cashier. The petty cashier made the following payments:

Date	Amount
July 1 Paid Conveyance	90
July 2 Paid for refreshments	65
July 5 Paid for postage stamps	35
July 12 Paid for courier	25
July 18 Paid for telegram	55
July 22 Paid for cartage	19
July 26 Paid for refreshment	36
July 29 Paid for Courier	21

Prepare a Petty Cash Book.

9. How will you reflect the effect of dishonors of a cheque in preparing the bank pass book?
10. How will you deal the transactions that involve both cash and bank accounts? Explain the concept of contra entry with the help of suitable example.