

Uxbridge College

Basic Accounting I (BAI)

Level 2 Certificate in Accounting

AAT – Group B

Lesson 8

PETTY CASH

LEARNING OUTCOMES

 **Students should be able to:**

- Purpose of Petty Cash Book (PCB) and Petty cash vouchers;
- Construct Petty Cash Book (PCB);
- Analyse the petty cash transactions in the Petty Cash Book (PCB);
- Show the Receipts and Payment entries of petty cash expenses and post to ledger accounts;

Purpose of Petty Cash Book

- ✦ To maintain records of petty business transactions such as purchase of stamps, tea & coffee, milk, postage etc.
- ✦ For these types of transaction normally we don't issue cheques instead pay cash.
- ✦ Some times customers pay cash and we use those cash to make payments for petty expenses

Petty cash voucher

PETTY CASH VOUCHER			Sequential voucher number	
<i>Signature of person authorising voucher</i> Authorised by FR Clarke	<i>Signature of claimant</i> Received by L Kent	No	4173	
Date	Description	Amount		
4 April 20X1	Train Fare	12	50	
<i>Total</i>		12	50	

Signature of person authorising voucher →

Signature of claimant →

Sequential voucher number →

Details of expenditure →

Total paid to employee →

Posting to ledger accounts

Postage account		
20X1		
30-Apr	PCB	16.35

Travel account		
20X1		
30-Apr	PCB	30.2

Tea & Coffee account		
20X1		
30-Apr	PCB	8.58

Sundry account		
20X1		
30-Apr	PCB	4

VAT account		
20X1		
30-Apr	PCB	0.80



Lesson activities

1. Refer to question 57 and complete the task (a) to (d)
2. Refer to question 9.5 and complete the task