CASH BOOK
MEANING

Cash book is a book of account where all cash transactions are recorded before they are recorded/posted to other books of accounts.

All cash book is divided into two equal sides-debited (Dr) side and credit (cr) side. All cash received is recorded on the debit side that the left hand side while all cash payment is recorded on the credit side that is the right hand side of the cash book. At the end of the month, cash book is balanced to determine the difference between cash received and cash paid.

Cash book is a ledger because it has debit and credit sides and also is balances at the end of the month.

Cash book is also a subsidiary book as far as the items in the particulars" columns of the cash book are concerned.

TYPES OF CASH BOOK

There are three types of Cash book

1. Single column cash book
2. Two or double column cash book
3. Three column cash book

The rules for keeping these types of cash books are the same, the difference lies in the number of columns.

FORMATS FOR CASH BOOKS

Dr.   Single Column Cash Book   Cr.

Date	Particulars	Folio	Amount		Date	Particulars	Folio	Amount

Dr.   Two or Double Column Cash Book   Cr.

Date	Particulars	F	Cash	Bank		Date	Particulars	F	Cash	Bank

Dr.   Three Column Cash Book   Cr.

Date	Particulars	Folio	Discount Allowed	Cash	Bank	Date	Particulars	Folio	Discounting received	Cash	Bank

RULES FOR KEEPING THE CASH BOOK

1. Debit all cash received (all monies that comes into the business).
2. Credit all cash payments (all the monies that goes out of the business.
- At the aid of every month, you find out the different between debit side and credit side of the cash book to know whether the business is growing (make profit) or making sustaining loss.

CONTRA ENTRY

Contra entry arises when the corresponding credit of a debt entry is found in the same account. The letter "C" is written on the folio column of a cash book as a short form of contra entry. The contra entry in the cash book can only be found in the cash book with bank column.

Contra entry exist when a particular transaction involves cash and bank (cheuqe) at the same time.

ILLUSTRATION OF CONTRA ENTRY

1, Paid cash into a bank N5,000

3. Withdrawal cash from bank for office use   N6,000

The first transaction arose when cash was taken from the cashier and paid into the bank. The bank being the receiver of the money will be debited while the cash being the giver of the sum will be credited.

The second transaction arose when cash was withdrawn from bank for office use. The cash column will be debited for being the receiver while the bank column will be credited for being the giver.

The letter "c" will be written on the folio column to indicate that the entry is a contra entry, meaning that the same transaction appears on both debit & credit sides of the same cash book.

Dr.   Cash Book   Cr.

Date	Particulars	Folio	Cash	Bank		Date	Particulars	Folio	Cash	Bank

PETTY CASH BOOK

MEANING

Petty cash book is a book of account where minor expenses that cannot be conveniently entered into the cash book are recorded. Companies usually employ a junior staff they trust to do this recording of minor expenses the person who keeps the petty cash book is called petty cashier.

The amount set aside for minor expense is called float or imprest.

IMPORTANCE OF PETTY CASH BOOK

1. It helps the senior accounts officer or the chief cashier to concentrate on more important work by leaving the keeping of petty cash to the petty cashier.
2. The imprest system checks extravagant expending by the company.
3. It for effective, keeping of petty expenses, which could have otherwise been forgotten.
4. It gives clue to the company spends on each of the items such as transport, carriage, postage stamps, etc.
5. Keeping of petty, cash book prevents clustering of the cash book with minor expenses.

ITEMS OF PETTY CASH BOOK

There items are follows:

Receipt

Cash book folio

Date

Particulars

Voucher number

Total payment

Stationery

Postage

Transport

Carriage

Sundry expenses

PETTY CASH BOOK

RECIEPT	CASH BOOK FOLIO	DATE	PARTICULARS	VOUCHER NO.	TOTAL PAYMENT	STATIONERY	POSTAGE	TRANSPORT	CARRIAGE	SUNDRY EXPENSES

PETTY EXPENSES

The types of expenses usually recorded in the petty cash book include: Office tea, transport, stationery, postage stamp, telegraphs, cleaners='s wage etc.

IMPREST SYSTEM

By the method a specified amount called float or imprest is left with the petty cashier for minor expenses. At the end of the period, say a month, an amount equal to the amount he has spent is given back to the petty cashier to restore his cash at hand to the original amount held, Eg. If the amount held by the petty cashier is N1,000 (One thousand naira) out of which he spent N800 (Eight hundred naira) during the period. It means that N800 would be given back to him so as to restore the cash he has at hand to the original amount which is N1,000.

The source document for the petty cash book is the petty cash voucher.

ILLUSTRATION OF PETTY CASH BOOK

Makas Nigeria limited keeps his petty cash book in the imprest system. At beginning of the period, N1,000 is given to the petty cashier for minor expenses.Record the transactions below in the petty cash book of the company.

N

Nov. 2	Stationery	100.00	Voucher	No.	02
Nov. 5	Postage stamp	50.00	Voucher	No.	07
Nov. 9	Taxi fare	150.00	Voucher	No.	09
Nov. 12	Bus fare	200.00	Voucher	No.	14
Nov. 15	Carriage	120.00	Voucher	No.	16
Nov. 17	Telegram	80.00	Voucher	No.	18
Nov. 20	Office Tea	100.00	Voucher	No.	19

PETTY CASH BOOK

RECIEPT	CASH BOOK FOLIO	DATE	PARTICULARS	VOUCHER NUMBER	TOTAL PAYMENT	STATIONERY	POSTAGE	TRANSPORT	CARRIAGE	SUNDRY EXPENSES
					₦	₦	₦	₦	₦	₦
1,000.00		NOV. 2	STATIONERY	02	100.00	100.00				
		Nov. 5	POSTAGE STAMP	07	50.00		50.00			
		Nov. 9	Taxi fare	09	150.00			150.00		
		Nov. 12	Bus fare	14	200.00			200.00		
		Nov. 15	Carriage	16	120.00				120.00	
		Nov. 17	Telegram	18	80.00					80.00
		Nov. 20	Office tea	19	100.00					100.00
					800.00 200.00	100.00	50.00	350.00	120.00	180.00
					1,000.00					
	200.00	DEC 1	Balance b/d							
	800.00	DEC 1	Main Cashier							

The total amount spent is usually posted to the cash book as well as the ledger. In the above example, the total amount of N800.00 is recorded in the

credit side of the cash book as a petty expenses. The same amount is posted to the debit side of ledger.

The transaction would appear thus:

Dr   Cash Book   Cr.

	₦
	Nov. 30 Petty cash book 800

Dr   **PETTY EXPENSES ACCOUNT**   Cr.

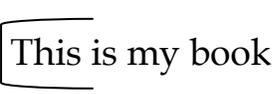| ₦	
Nov. 30 Petty cash book 800	

BUSINESS STUDIES
J. S 2

Printer's Correction Signs

Meaning: Printer's Correction Signs also referred to as proof readers' marks and signs are those marks and signs which the writer or proof reader of a document makes by the materials being proof-read or the document already prepared for keyboarding for the attention of the keyboarder which indicates areas of corrections or adjustments.

Importance of Proofreading
It helps the typist to correct eh errors / mistakes on a document before it is sent out so as to protect the image of the company.

Printers' correction signs

Signs as they may be found in the margin	Meaning	How the signs may appear inside the passage.
N.P or Para	Begin with a new paragraph	N.P
	Begin with a new paragraph	This is my book
Stet	Let the cancelled word stand or ignore the cancellation and type.	Eg. My name is Adaeze.
Trans or Trs	Alter the order or position of the word i.e transpose	Office Post
Caps or U.C	Type in capital letters or upper case letters	U . C
L. C	Type the marked words or letters in small letters or capital lower case	MarkeT
	Close up the gap or the space	Con____vent

⊙ ⋏	Insert full stop where it is indicated by the carret	⊙
⑦ ⋏	Insert comma where it is indicated by the carret	⑦
Spaced Caps	Changed the underlined words or letters to spaced capitals	e.g Spaced caps <u>Carol</u>
ÿ ÿ	Insert double quotation marks	" " ⋏
ẙ ẙ	Insert single quotation mark	' ' ⋏
Run on	Go on typing, no new paragraph is required	This sign is found where the change is needed
Delet	Omit the cancelled word or words or letter	Carol stands conveant.
≠	Allow space	Come inside ≠ themarket.
⌐	Switch to the left	⌐
¬	Switch to the right	¬
Caps & under score	Type in capital letter & under line it	Caps & <u>under</u> score (Goodnews)

Paragraphing

Meaning

This is the act of presenting a written passage in sections in such a way that each section begins on a new line.

Paragraph helps the writer to stress different points in different sections of a passage while the reader is helped to understand the passages as he reads through the passage.

Methods of Paragraphing

The three major methods of paragraphing in typewriting are:
1.   Blocked Paragraphing
2.   Indented Paragraphing
3.   Hanging Paragraphing

1.   **Blocked Style or Method:** In this method, all the lines of the passage starts at the left margin. Two line spaces are given between paragraphs to separate one paragraph from the other. If you type in single – line spacing and two and half line spacing if you type in double – line spacing.

Blocked Method

Blocked Style or Method: In this method, all the lines of the passage start at the left margin ___ 1st Paragraph ___ are given between paragraphs to separate one paragra___ her. If you type in single – line spacing and two and half line spacing if you type in double – line spacing.

Hanging Method/Style: This is a type where the first line in a paragraph begins at the left hand ma___ 2nd Paragraph ___ sequent lines begin after two (2) spaces from the left ha___ ___ples of hanging method

Indented Method/Style: Indented method is the one in which the first line of each paragraph begin ___ 3rd Paragraph ___ e (5) character spaces for pica and six (6) character spaces types of manual typewriter.

Left Hand Margin   **Right Hand Margin**

2. **Indented Method/Style:** Indented method is the one in which the first line of each paragraph begins after given five (5) character spaces for pica and six (6) character spaces types of manual typewriter.

The difference between the two is the size of characters that is alphabet they produced.

Pica produces small character while elite produces bigger one.

Blocked Style or Method: In this method, all the lines of the passage start at the l[1st Paragraph] line spaces are given between paragraphs to separa[...]h from the other. If you type in single – line spacing and two and half line spacing if you type in double – line spacing.

Hanging Method/Style: This is a type where the first line in a paragraph begins at the lef[2nd Paragraph]nd the subsequent lines begin after two (2) spaces from [...]argin. Examples of hanging method

Indented Method/Style: Indented method is the one in which the first line of each paragraph b[3rd Paragraph] five (5) character spaces for pica and six (6) character spaces types of manual typewriter.

Left Hand Margin   **Right Hand Margin**

3. **Hanging Method/Style:** This is a type where the first line in a paragraph begins at the left hand margin and the subsequent lines begin after two (2) spaces from the left hand margin.

Examples of hanging method

Blocked Style or Method: In this method, all the lines of the passage start at the left ███ 1ˢᵗ Paragraph ███ line spaces are given between paragraphs to s█ ████ graph from the other. If you type in single – line spacing and two and half line spacing if you type in double – line spacing.

Hanging Method/Style: This is a type where the first line in a paragraph begins at the left han ███ 2ⁿᵈ Paragraph ███ subsequent lines begin after two (2) spaces from █████ argin. Examples of hanging method

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Left Hand Margin   **Right Hand Margin**

Memorandum
A memorandum usually known as memo is used as a means of communication within an organisation. Instead of writing the official formal letter, a memo is used.

Features of Memorandum
1. No salutation
2. It has no complimentary close
3. No inside address (address of the addresses)
4. The signature of the sender is omitted.
5. Date
6. From
7. To
8. Reference number

Designs of Memorandum
There is no accepted lay-out but layout depends upon the style adopted by the organisation. It can be typed in blocked or in indented styles. A memo may also be written by hand.

Some firms print their names on top of the memo while others just make a simple design of a memo without having the names of the company printed on top of it.

Example

MEMORANDUM

From: --------------------   To: -------------------------

Ref: -------------------------   Date: -----------------------------

Subject: --

DANCO INVESTMENT LTD.

MEMORANDUM

To: ----------------------------   From: ----------------------------

Ref: ----------------------------   Date: ----------------------------

Subject: --