

Double Cash Book

A Double Cash Book, used in accounting, records both cash and bank transactions in separate columns within a single book. This helps businesses track their cash and bank balances more effectively and manage cash flows. Here are the key points for maintaining a Double Cash Book:

1. Understanding the Structure

- **Cash Book:** Contains two main sections—one for cash transactions and one for bank transactions.
- **Columns:** Typically includes columns for Date, Particulars, V.No (Voucher Number), LF (Ledger Folio), and Amount, with separate columns for Cash and Bank transactions.

2. Recording Transactions

- **Cash Transactions:**
 - **Debit Side:** Cash receipts (e.g., cash sales, received from debtors).
 - **Credit Side:** Cash payments (e.g., payments to creditors, expenses paid in cash).
- **Bank Transactions:**
 - **Debit Side:** Bank receipts (e.g., deposits into the bank, loans received).
 - **Credit Side:** Bank payments (e.g., payments made from the bank, bank charges).

3. Key Points for Cash Transactions

- **Cash Receipts:**
 - Record all inflows of cash.
 - Include transactions such as cash sales, receipts from debtors, and any other cash inflows.
 - Update the Cash Debit column accordingly.
- **Cash Payments:**
 - Record all outflows of cash.
 - Include payments such as rent, salaries, and purchases made in cash.
 - Update the Cash Credit column accordingly.

4. Key Points for Bank Transactions

- **Bank Receipts:**
 - Record all deposits and inflows into the bank account.
 - Include transactions such as collections from debtors deposited into the bank or loans received.



...many more

abhyasonline.in



Course
&
Test Series

Manual Accounting - Module 16



CBSE



ICSE



NTSE



Banking &
Insurance



Central Govt.
Service



State Govt.
Services



LAW
Entrance



MBA
Entrance



Railways & Metro
Services

...many more

abhyasonline.in

- Update the Bank Debit column accordingly.
- **Bank Payments:**
 - Record all outflows and payments made from the bank account.
 - Include transactions such as payments to creditors, bank charges, or other expenses paid via bank transfer.
 - Update the Bank Credit column accordingly.

5. Balancing the Cash Book

- **Cash Column Balancing:**
 - At the end of the period, calculate the total of the Cash Debit and Cash Credit columns.
 - Determine the closing balance by subtracting the total credits from the total debits.
 - Record the closing balance as a carried forward amount to the next period.
- **Bank Column Balancing:**
 - At the end of the period, calculate the total of the Bank Debit and Bank Credit columns.
 - Determine the closing balance by subtracting the total credits from the total debits.
 - Record the closing balance as a carried forward amount to the next period.

Solved Question on Double Cash Book

Question: On April 1, 2023, ABC Ltd. maintained a Double Cash Book to record its transactions. The following transactions occurred during April 2023:

1. April 1: Opening balance: Cash ₹10,000; Bank ₹15,000
2. April 5: Cash sales ₹5,000
3. April 7: Paid rent ₹2,000 in cash
4. April 10: Received bank loan ₹10,000
5. April 12: Paid supplier ₹1,500 by bank transfer
6. April 15: Sold goods and deposited ₹4,000 into the bank
7. April 20: Paid salaries ₹3,000 in cash
8. April 25: Purchased office equipment ₹8,000, paid ₹4,000 in cash and the balance through bank transfer
9. April 30: Received a payment from a debtor ₹2,500 in cash and ₹1,500 in the bank

Prepare the Double Cash Book for ABC Ltd. for April 2023.



**Course
&
Test Series**

Manual Accounting - Module 16

CBSE

ICSE

NTSE

Banking & Insurance

Central Govt. Service

State Govt. Services

LAW Entrance

MBA Entrance

Railways & Metro Services

...many more

abhyasonline.in

<u>Dr.</u>						<u>Cr.</u>					
Date	Particulars (Receipts)	Vno	LF	Cash (₹)	Bank (₹)	Date	Particulars (Payments)	Vno	LF	Cash (₹)	Bank (₹)
Apr 1	To Opening Balance			10,000	15,000	Apr 7	By Rent			2,000	
Apr 5	To Cash Sales			5,000		Apr 12	By Payment to Supplier				1,500
Apr 10	To Bank Loan				10,000	Apr 20	By Salaries			3,000	
Apr 15	To Sale of Goods Deposited				4,000	Apr 25	By Payment for Equipment			4,000	4,000
Apr 25	To Payment from Debtor			2,500	1,500						
	Total Receipts			17,500	30,500		Total Payments			9,000	5,500
	Total			26,500	40,500		Balance c/d			8,500	25,000
May 1	To Balance b/d			8,500	25,000						

Explanation:

- **Debit Side:**
 - **Date:** When the transaction occurred.
 - **Particulars (Debit):** Description of the transaction related to cash receipts or bank deposits.
 - **V.R. No:** Voucher or receipt number.
 - **L.F:** Ledger Folio number.
 - **Cash (Dr):** Amount received in cash.
 - **Bank (Dr):** Amount deposited into the bank account.
- **Credit Side:**
 - **Particulars (Credit):** Description of the transaction related to cash payments or bank withdrawals.

- V.R. No: Voucher or receipt number.
- L.F: Ledger Folio number.
- Cash (Cr): Amount paid out in cash.
- Bank (Cr): Amount withdrawn from the bank account or paid from the bank account.

Assignment on Double Cash Book

Question 1: On June 1, 2023, Company ABC started with a cash balance of ₹15,000 and a bank balance of ₹50,000. During June, the following transactions occurred:

- June 5: Sold goods for ₹20,000 in cash.
- June 10: Paid ₹12,000 for office supplies in cash.
- June 15: Received ₹18,000 from a debtor, deposited ₹10,000 in the bank, and kept ₹8,000 in cash.
- June 20: Paid ₹15,000 for rent by cheque.
- June 25: Purchased equipment for ₹25,000, paid ₹10,000 in cash and the rest by cheque.
- June 30: Withdrew ₹5,000 from the bank for petty cash.

Prepare the double cash book for Company ABC for June 2023.

Question 2: XYZ Ltd. has the following transactions for July 2023:

- July 2: Deposited ₹25,000 into the bank.
- July 5: Paid ₹7,000 for utilities from the bank.
- July 10: Sold goods worth ₹30,000, receiving ₹20,000 in cash and depositing ₹10,000 in the bank.
- July 15: Purchased raw materials worth ₹15,000, paying ₹5,000 in cash and the rest by cheque.
- July 20: Paid salaries amounting to ₹12,000 by cheque.
- July 25: Received ₹5,000 from a debtor in cash.

Record these transactions in the double cash book.

Question 3: The transactions for November 2023 are as follows:

- November 1: Cash balance ₹8,000; Bank balance ₹30,000.
- November 3: Paid ₹6,000 for repairs in cash.
- November 7: Received ₹25,000 from sales, depositing ₹15,000 in the bank and keeping ₹10,000 in cash.
- November 12: Purchased inventory for ₹40,000, paying ₹20,000 in cash and the balance through the bank.

Banking & Insurance

Central Govt. Service

State Govt. Services

LAW Entrance

MBA Entrance

Railways & Metro Services

...many more

abhyasonline.in

Course
&
Test Series

Manual Accounting - Module 16

- November 18: Paid ₹5,000 for advertisement from the bank.
- November 25: Paid ₹8,000 for office rent in cash.

Show the double cash book for November 2023.

Question 4: Company PQR had the following transactions during the month of March 2024:

1. March 1: Opening cash balance ₹25,000; Bank balance ₹70,000.
2. March 4: Purchased goods worth ₹18,000, paying ₹8,000 in cash and the rest by cheque.
3. March 8: Received ₹40,000 from a customer, depositing ₹25,000 in the bank and keeping ₹15,000 in cash.
4. March 12: Paid ₹12,000 for rent, ₹6,000 in cash and the rest by cheque.
5. March 16: Sold goods worth ₹35,000, receiving ₹20,000 in cash and depositing ₹15,000 in the bank.
6. March 20: Paid ₹7,000 for office supplies by cheque.
7. March 25: Received ₹10,000 from a debtor in cash.
8. March 30: Paid ₹5,000 for utilities, ₹2,000 in cash and ₹3,000 from the bank.

Prepare the double cash book for Company PQR for March 2024.

Question 5: For the month of July 2024, the following transactions were recorded for ABC Enterprises:

1. July 1: Cash balance ₹18,000; Bank balance ₹90,000.
2. July 4: Purchased office furniture for ₹45,000, paying ₹15,000 in cash and the balance by cheque.
3. July 10: Received ₹25,000 from sales, depositing ₹15,000 in the bank and keeping ₹10,000 in cash.
4. July 15: Paid ₹10,000 for insurance, ₹5,000 in cash and the rest by cheque.
5. July 20: Sold goods worth ₹60,000, receiving ₹30,000 in cash and depositing ₹30,000 in the bank.
6. July 22: Paid ₹8,000 for repairs from the bank.
7. July 28: Received ₹7,000 from a debtor in cash.
8. July 30: Withdrew ₹6,000 from the bank for petty cash.

Record these transactions in the double cash book for ABC Enterprises for July 2024.



...many more

abhyasonline.in

