

Single Cash Book

Key Points for Maintaining a Single Cash Book

1. Debit and Credit Principles

○ Debit (What Comes In):

▪ **Cash Receipts:** Record all inflows of cash. This includes cash sales, collections from debtors, and any other forms of cash receipts.

▪ **Examples:** Receipt of cash from customers, bank interest received, or cash received from a loan.

○ Credit (What Goes Out):

▪ **Cash Payments:** Record all outflows of cash. This includes payments for expenses, purchases, and any other forms of cash payments.

▪ **Examples:** Payment of rent, wages, or cash payments to suppliers.

2. Format and Structure

○ Columns:

▪ **Date:** The date of the transaction.

▪ **Particulars:** Description or details of the transaction.

▪ **Voucher Number:** Reference number for verification.

▪ **Cash Receipts:** Amount of cash received (debit side).

▪ **Cash Payments:** Amount of cash paid (credit side).

▪ **Balance:** Running total of cash balance after each transaction.

3. Balancing the Cash Book

○ **Calculate Balance:** After recording all transactions for a period, calculate the closing balance by adding total receipts and subtracting total payments.

○ **Carry Forward:** The closing balance of the cash book for one period becomes the opening balance for the next period.

4. Reconciliation

○ **Cash Count:** Regularly reconcile the cash book with the actual physical cash on hand to ensure accuracy.

○ **Bank Reconciliation:** If applicable, reconcile the cash book with bank statements to match the recorded cash balance with the bank's records.



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5. Recording Transactions

- **Accurate Entries:** Ensure that each transaction is recorded accurately, with the correct amounts and details.
- **Documentation:** Attach supporting documents like receipts or invoices for each entry to provide proof and facilitate verification.

6. Error Correction

- **Correction of Errors:** If errors are found, make corrections clearly and promptly, noting the nature of the correction in the cash book.

Solved Question on Single Cash Flow

On January 1, 2024, XYZ Ltd. started its business with a cash balance of ₹10,000. During the month of January, the following transactions occurred:

1. January 2: Received ₹5,000 from a customer for cash sales.
2. January 5: Paid ₹1,500 for office rent.
3. January 7: Purchased office supplies for ₹2,000 in cash.
4. January 10: Received ₹3,000 from a debtor.
5. January 15: Paid ₹500 for stationery.
6. January 20: Received ₹2,500 from a new customer.
7. January 25: Paid ₹1,200 for utilities.
8. January 28: Received ₹1,000 from an investment return.



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| Date | Particulars (Debit) | Vno | Lf | Amount (₹) | Date | Particulars (Credit) | Vno | Lf | Amount (₹) |
|---------------|----------------------------------|-----|----|---------------|--------------|------------------------------|-----|----|---------------|
| January 1 | To Opening Balance (Cash) | 001 | | 10,000 | | | | | |
| January 2 | To Cash Sales | 002 | | 5,000 | | By Office Rent | 003 | | 1,500 |
| January 10 | To Collection from Debtor (A) | 003 | | 3,000 | | By Office Supplies | 004 | | 2,000 |
| January 20 | To Cash Sales | 004 | | 2,500 | | By Stationery | 005 | | 500 |
| January 28 | To Investment Income | 005 | | 1,000 | | By Utilities | 006 | | 1,200 |
| | Total Receipts | | | 21,500 | | Total Payments | | | 5,200 |
| | | | | | | By Closing Balance (Cash) | | | 16,300 |
| Total | | | | 21,500 | Total | | | | 21,500 |
| February 1 | To Balance b/d | | | 16,300 | | | | | |

Explanation:

- **Date (Debit/Credit Side):** Date of the transaction.
- **Particulars (Debit/Credit Side):** Description of the transaction.
- **V. No. (Debit/Credit Side):** Voucher Number for reference.
- **L.F. (Debit/Credit Side):** Ledger Folio for reference.
- **Amount (₹) (Debit Side):** Amount received.
- **Amount (₹) (Credit Side):** Amount paid out.
- **Balance c/d:** Closing balance carried down after all transactions.
- **Balance b/d:** Opening balance brought down for the next period.

Assignment on Single Cash Book

Question 1: Company X operates its business through a Single Cash Book. During the month of April, the following transactions occurred:

1. Received cash from sales: ₹25,000.
2. Paid rent: ₹3,000.
3. Paid salaries: ₹7,500.



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4. Purchased office equipment for cash: ₹10,000.
5. Received cash from debtors: ₹8,000.
6. Paid for utilities: ₹1,500.
7. Received an interest income: ₹2,000.
8. Paid insurance premium: ₹2,000.
9. Withdrawn cash for personal use: ₹4,000.

The opening balance on April 1st was ₹15,000. Prepare a Single Cash Book for April.



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Question 2: Business Y keeps a Single Cash Book. For the month of June, the transactions are:



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1. Cash received from sales: ₹40,000.
2. Cash received from a loan: ₹20,000.
3. Paid for inventory: ₹15,000.
4. Paid for office rent: ₹5,000.
5. Received a refund from suppliers: ₹1,500.
6. Paid wages: ₹6,000.
7. Purchased stationery: ₹500.
8. Paid for maintenance: ₹2,000.
9. Cash withdrawn for business expansion: ₹10,000.

The opening balance on June 1st was ₹8,000. Prepare the Single Cash Book for June.



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Question 3: Firm Z maintains a Single Cash Book. In July, the transactions included:



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1. Received cash from sales: ₹30,000.
2. Paid for transportation: ₹2,500.
3. Paid for office supplies: ₹1,000.
4. Received cash from a debtor: ₹5,000.
5. Paid salary: ₹6,000.
6. Paid for repairs: ₹3,000.
7. Received cash from investments: ₹12,000.
8. Paid utility bills: ₹1,200.
9. Cash withdrawn for personal use: ₹4,500.

The opening balance on July 1st was ₹10,000. Prepare the Single Cash Book for July.



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Question 4: Company A uses a Single Cash Book for transactions. For the month of August, the transactions were:

1. Cash sales: ₹35,000.
2. Paid for inventory: ₹10,000.
3. Paid for rent: ₹4,000.
4. Received cash from a customer: ₹15,000.
5. Paid for advertising: ₹2,000.
6. Paid salaries: ₹7,000.
7. Received interest on investment: ₹3,000.
8. Paid for insurance: ₹1,500.
9. Withdrawn cash for office improvements: ₹5,000.

The opening balance on August 1st was ₹12,000. Prepare the Single Cash Book for August.

Question 5: Enterprise B maintains a Single Cash Book. In September, the following transactions occurred:

1. Cash received from sales: ₹50,000.
2. Paid for utilities: ₹3,000.
3. Paid for office equipment: ₹8,000.
4. Received cash from investment returns: ₹10,000.
5. Paid wages: ₹4,500.
6. Paid for transportation: ₹2,500.
7. Received a loan: ₹20,000.
8. Paid for miscellaneous expenses: ₹1,000.
9. Withdrawn cash for personal use: ₹6,000.

The opening balance on September 1st was ₹20,000. Prepare the Single Cash Book for September.

