

# 10

## VOUCHERS AND THEIR PREPARATION

### 10.1 INTRODUCTION

As the business expands, the number of transactions also increase. It is very difficult to remember these transactions. Every transaction must have a documentary evidence which will prove beyond doubt that the transaction actually took place. These documents will be properly filed for future reference in chronological order. These documents are called **Vouchers**. In this lesson, you will study about meaning, types of vouchers and preparation of accounting vouchers.

### 10.2 OBJECTIVES

After studying this lesson, you will be able to :

- explain the meaning of vouchers;
  - identify the types of vouchers, viz supporting vouchers and accounting vouchers;
  - differentiate between supporting and Accounting Vouchers;
  - recognize the three types of accounting vouchers viz. credit vouchers, debit vouchers and transfer vouchers;
  - state the purpose of preparing each type of vouchers;
  - draw the format of accounting vouchers;
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- analyse the supporting vouchers;
- identify the two accounts affected by each transaction;
- prepare accounting vouchers from the given supporting vouchers.

### **10.3 VOUCHER : MEANING AND ITS TYPES**

Whenever we buy an article from a big shop, we are generally given a cash-memo or a credit-memo or Bill or Invoice. These memos may not be of much use to us but they hold great importance for the businessman. He gets such memos from the suppliers of goods and services and similarly issues memos to those whom goods and services have been provided. The memos received from outsiders and duplicate copies of the memos issued retained in the business are the only documentary proof of the transaction having taken place.

It is through these documents that the accountant is able to record the transactions in the books of accounts. His physical presence at the time of the transaction is not required. Thus the flow of information about business transactions is maintained through the system of vouchers.

Vouchers can be defined as :

<p><b>The documents supporting business transaction are called VOUCHERS.</b></p>
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The entire process of recording the transactions is dependent on these vouchers. Vouchers are nothing but the written proof of occurrence of business transactions.

Many a time, the outside parties may not be in a position to provide any document. For example, when travelling by taxi or scooter for business purpose, it is not always possible to get the receipt from the driver for payment made. In such a case the payer makes a written statement and gets it certified by some senior officer of the business organisation. Such certified statement becomes the voucher for the accounting purpose.

#### **Types of Vouchers**

We know that Vouchers are the documentary proof of the transactions

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that have taken place. These vouchers are of two types:

- (A) Supporting Vouchers
- (B) Accounting Vouchers.

Let us explain them :

### A. Supporting Vouchers

The vouchers which support the business transactions are **supporting vouchers**. Rent receipt obtained from the landlord, cash-memo or credit memo obtained from the seller, counterfoils of pay-in-slips etc. are all examples of supporting vouchers. Thus, these vouchers provide primary evidence of a transaction having taken place.

### Features of Supporting Vouchers

These are as follows:

- i. These are written documents.
- ii. They relate to a business transaction.
- iii. They contain all details about business transactions.
- v. They can be used as legal evidence of a transaction having taken place.
- v. They are signed by the maker.
- vi. They are countersigned by the responsible or authorised person before making it a basis of accounting record.

Specimen of some of the supporting vouchers are given below:

#### Rent Receipt

Dated 15-2-96

Received Rupees Thirteen hundred only from M/s. A.B.C. Associates on account of rent of shop No. 13/B, Okhla Industrial Area, for month of January, 1996.

Rs. 1300/-

Sd/-

Signature of Landlord

(Cash Memo/Invoice)			
M/s EVENTS			
J-48, Rajouri Garden New Delhi			
No. <u>1555</u>			Dated <u>23-9-96</u>
M/s <u>Taj Rhine Ltd</u>			
P/o - <u>13, Noida, U.P.</u>			
Qty	Particulars	Rate	Amount Rs.
2	Easel Boards	150/-	300
12	Red Pencils	25/-	300
6	Inkpots	30/-	180
	Rupees Seven hundred eighty only		
			780
E.&O.E			Manager

### B. Accounting Vouchers

An accountant receives supporting vouchers in variety of forms, shapes and sizes, relating to cash payments, cash receipts or to credit sales and credit purchases.

Although, these vouchers support certain transactions, yet it is essential that these transactions are analysed for accounting and recording purposes by the authorised persons. This is done by preparing another set of documents known as accounting vouchers.

Accounting vouchers are the written documents, containing the analysis of business transactions for accounting and recording purposes, prepared by the accountants on the basis of supporting vouchers. These are countersigned by another responsible or authorised person.

#### Features of Accounting Vouchers

These are as follows:

- i. These are written documents.
- ii. They contain an analysis of business transactions.
- iii. They are made by the accountants on the basis of supporting vouchers.
- iv. They are signed by the maker and are countersigned by a responsible or authorised person in the organisation.

## Types of Accounting Vouchers

Accounting vouchers may be :

- (i) Cash vouchers (ii) Non-cash vouchers

Cash vouchers are for cash receipts or cash payments. They can be further classified as :

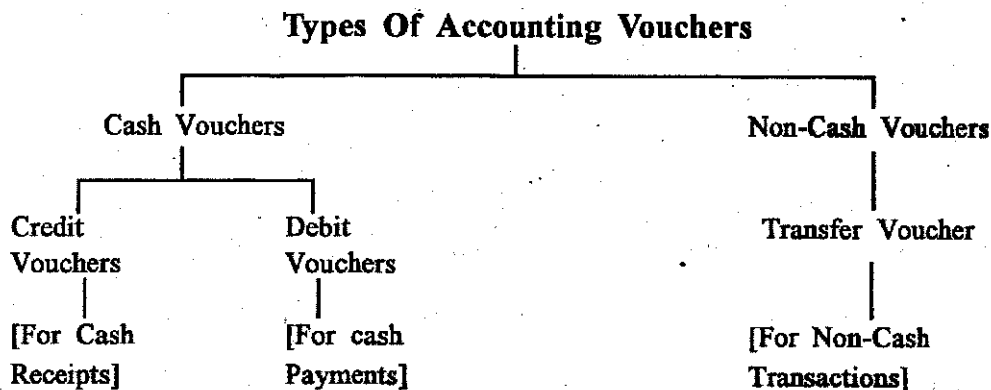
- (a) Credit Vouchers and (b) Debit Vouchers

Non-Cash vouchers are for non-cash transactions and are known as "Transfer Vouchers".

Accounting vouchers can be classified as –

- (i) Credit Vouchers;
- (ii) Debit Vouchers and
- (iii) Transfer Vouchers

The various types of Accounting Vouchers have been shown in the chart given below:



### Credit Vouchers

These vouchers are prepared for recording of transactions involving cash-receipts only. Cash receipts in the business may be on account of:

- (i) Cash sales of goods;
- (ii) Cash sales of assets;
- (iii) revenue income like interest, rent, etc. received in cash;
- (iv) Cash receipts from debtors;

- (v) loans taken;
- (vi) withdrawals from bank;
- (vii) Introduction of capital into business and
- (viii) Receipts of advances, etc.

In all cash receipts, one aspect is cash and the other is either person or party from whom cash is received or revenue on account of which cash is received or the property on sale of which cash is received.

In this voucher, we credit the account other than cash [debiting of cash is implied]. A format of Credit voucher is as follows:

### CREDIT VOUCHER

Firm's Name or Name of Company	
Voucher No .....	Date .....
Amount	Rs.
Credit : ..... .....	
Sd Manager	Sd Accountant

### Debit Vouchers

These vouchers are prepared for recording of transactions involving cash payments only. Cash payments in the business may be on account of :

- (i) expenses;
- (ii) purchases of goods;
- (iii) purchase of assets;
- (iv) payment to creditors;
- (v) repayment of loans
- (vi) personal drawings ;  
and advances;
- (vii) Cash deposits, etc.

In all cash payments, one aspect is cash and the other is either the party to whom the payment is made or an expense or an item of property for which the payment is made.

In this voucher, we debit the account other than cash, [crediting of cash is implied]. A format of Debit Voucher is as follows:

**DEBIT VOUCHER**

Received Rs. .... * (A) Stamp	Firm's Name	
	Voucher No.....	Date .....
	Amount Rs.	
Debit : ..... ..... .....		
Sd/- Manager	Sd/- Accountant	

(A) This part of the debit voucher acts as a supporting voucher in case of transactions where supporting voucher does not follow e.g. payment to cycle rickshaw, traveller or a taxi driver.

**Transfer Vouchers**

With the growing size of business, the role of credit transactions is increasing at a fast pace. For recording these credit transactions, a third type of voucher is prepared known as transfer-voucher.

These transfer-vouchers are prepared to record non-cash transactions of the business, involving:

- (i) Credit purchases;                      (ii) Credit sales;
- (iii) Returns of goods sold;              (iv) Returns of goods purchased;
- (v) Depreciation on assets;              (vi) Bad Debts etc.

As these vouchers are prepared for non-cash transactions; there is neither any receipt nor any payment of cash. These Vouchers are prepared both in debit and credit forms simultaneously. There is a column for Debit account and another for Credit Account to record both the aspects of transactions.

The format of the transfer voucher is as follows:

### TRANSFER VOUCHER

Voucher No .....	Firm's Name	Date .....
Debit : .....		Amount Rs.
Credit : .....		
Sd Manager		Sd Accountant

### Difference Between Supporting Voucher and Accounting Voucher

The two types of vouchers have been differentiated on the following basis:

**1. Preparation**

A Supporting voucher is prepared by a seller or a person who receives or gives cash; whereas Accounting voucher is prepared by an accountant and countersigned by a responsible person.

**2. Timing**

Supporting voucher follows a transaction and accounting voucher follows a supporting voucher.

**3. Evidence**

Supporting voucher is an evidence of the transaction having taken place. Accounting voucher is an evidence of correct analysis and record of information contained in the supporting voucher.

**4. Content**

Supporting voucher contains details of the transaction. Accounting voucher contains analysis of the transaction and indicates as to which account is to be debited or credited.

**5. Use**

Accounting Vouchers are the basis of preparing Day Book, while supporting vouchers are the basis of preparing accounting vouchers.

## Points to Remember

- Voucher is a documentary evidence of transactions that have taken place
- Vouchers are of two types :
  - (i) Supporting vouchers and
  - (ii) Accounting vouchers.
- Accounting vouchers are of three types:
  - (i) Credit Vouchers
  - (ii) Debit Vouchers
  - (iii) Transfer Vouchers
- Credit Voucher is prepared for all cash receipts.
- Debit Voucher is prepared for all cash payments.
- Debit and credit vouchers are also known as cash vouchers.
- Transfer voucher is prepared for all non-cash transactions of the business and is also known as non-cash-voucher.

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## INTEXT QUESTIONS 10.1

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A. Match the following by writing the number of correct choice:

- | A  | B                                 |
|--|-----------------------------------|
| (i) Debit and Credit Voucher are also called | (a) Non-Cash transactions         |
| (ii) Credit vouchers are prepared for        | (b) Cash payments of the business |
| (iii) Transfer Vouchers are prepared for     | (c) Cash Vouchers                 |
| (iv) Debit Vouchers are prepared for         | (d) Cash receipts of the business |

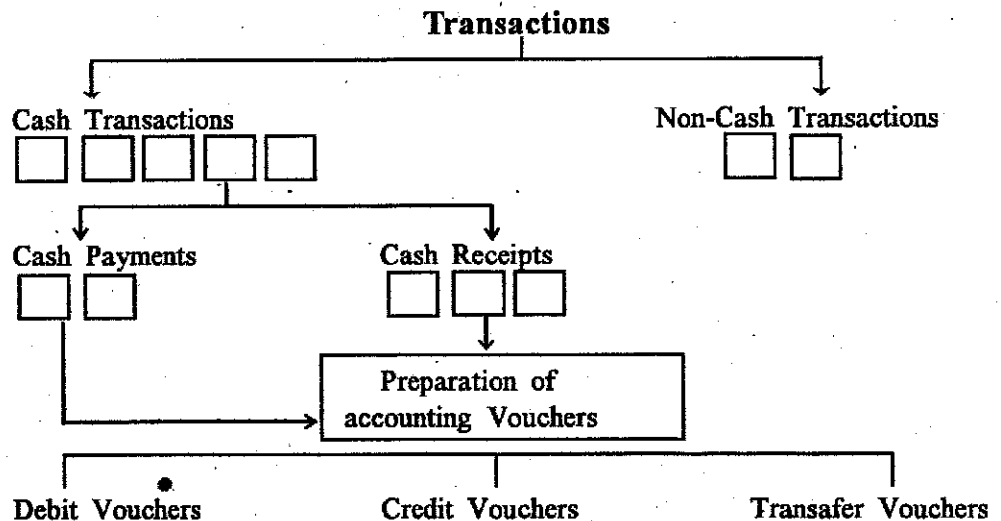
B. Fill in the blanks with appropriate word or words:

- (i) The accounting vouchers are based on \_\_\_\_\_ vouchers.

- (ii) Invoice/bill is a \_\_\_\_\_ voucher.
- (iii) \_\_\_\_\_ and \_\_\_\_\_ vouchers are also called cash vouchers.
- (iv) Both Debit and credit aspects of a transaction are shown by \_\_\_\_\_ vouchers.

C. Classify the following transactions according to the given heads and write the appropriate No. of transactions in the given boxes:

- i) Goods purchased in cash      ii) Goods sold in cash
- iii) Machinery purchased from Aman on Credit.      iv) Paid rent.
- v) Received Commission.      vi) taken loan from B.
- vii) Goods sold on credit to C.



## 10.4 PROCESS OF PREPARATION OF ACCOUNTING VOUCHERS

Accounting vouchers are prepared on the basis of supporting vouchers to record the business transactions in the books of accounts. Following steps are involved in the process of preparation of Accounting vouchers:

- I Analysis of supporting vouchers
- II Identification of accounts
- III Preparation of accounting vouchers

## I Analysis of Supporting Vouchers

To analyse the supporting vouchers we identify the transactions as cash or non-cash transactions.

Cash transactions mainly include:-

- (a) Cash payments. (b) Cash receipts.

The supporting vouchers of cash payments may be:

- (i) Cash-memo of other party (original copy) received on account of purchases made.
- (ii) Original copies of Receipts on account of rent, commission, interest received, etc. (received on account of payments made)
- (iii) Receipts of Bills such as telephone bill, electricity bill, water bill, etc.
- (iv) Counterfoils of pay-in-slips.

The supporting vouchers of cash receipts may be:-

- (i) Duplicate copy of cash-memo of own firm (the original copy being issued to the payer or purchaser.)
- (ii) Duplicate copies of Cash Receipts on account of rent, commission, interest, etc. (the original being issued to the payer)

Non-Cash transactions mainly include-

- (a) Credit purchases, (b) Credit Sales, (c) Returns of goods sold, (d) Returns of goods purchased, (e) Depreciation on assets, (f) Bad Debts, etc.

The Supporting vouchers of Credit purchases may be:

- Original copy of invoice received from the supplier

The Supporting voucher of Credit Sales may be:

- Duplicate copy of invoice or bill of own firm (original being issued to the buyer firm)

The Supporting Voucher of returns of goods may be Debit Note and Credit Note (Note issued by the seller to the purchaser).

Let us analyse a few supporting vouchers of M/s N. Sinha & Co.

**Voucher 1.**

(Duplicate)	
M/s N. Sinha & Co. 55, Jodhpur Road Delhi - 110072	
No. 23	<b>RENT RECEIPT</b>
Date 25.12.96	
Received with thanks Rupees Five hundred only from Mr. Anoop Kumar on account of rent of Shop No. 51, Wazirpur Industrial Area for the month of November-1996.	
Rs.500	Sd/- Landlord

This receipt shows that M/s N. Sinha & Co. has received cash on account of rent from Mr. Anoop Kumar.

**Voucher 2**

MAYO IMPEX LTD				→ a
ASHOK VIHAR, DELHI				
NO. 52			Date 8.1.97	
<b>CASH MEMO</b>				
Sold to M/s N. Sinha & Co.				
55, Jodhpur Road				→ d
Delhi - 110072				
Qty.	Particulars	Rate Rs.	Amount Rs.	
6	Chairs Size No. 4	150/-	900	
1	Table Size No. 10	500/-	500	
3	Stools Size No. 5	100/-	300	
			1,700	
Less 10% Discount			170	→ e
			1,530	
Sales Tax			100	
Rupees One thousand Six hundred & thirty			1630	→ b
E.&O.E			Sd/ Manager	← c

This supporting Voucher represents Cash received from M/s N. Sinha & Co. on account of furniture sold.

In the above supporting voucher; a, b, c, d, and e represent as under:

- a → Seller firm.
- b → Net amount of transaction.
- c → Error and Omission Excepting.
- d → Name of purchaser.
- e → Discount.

**Voucher 3**

M/s N.Sinha & Co. 55, Jodhpur Road Delhi - 110072			
NO. 49/88			Date 10.1.97
<b>INVOICE</b>			
Sold to M/s ANANT KUMAR & CO. Ajmal Khan Road, New Delhi			
Qty.	Particulars	Rate per Piece Rs.	Amount Rs.
120	Pencil box : Ganesh	5/-	600
100	Lunch box : Peeyush	3.50/-	350
			950
	Sales Tax		45
			995
E.&O.E			Sd/ Manager

\* Net amount of Credit Sale

(The above invoice is the carbon copy of the original invoice)

This supporting voucher represents the credit sale made by M/s N. Sinha & Co.

**II Identification of Accounts**

In the first step, we have learnt that the supporting vouchers are analysed

into three heads:

- (a) Cash payments made by the firm
- (b) Cash receipts of the firm
- (c) Non-cash transactions i.e. transactions that do not involve receipts or payments of cash.

After analysing the supporting vouchers, the titles of the accounts affected are identified.

Suppose we get a cash-memo for goods purchased for cash. This supporting voucher affects the two accounts viz. 'cash' account and 'Purchases' account.

If you get a Bill or Invoice for buying goods on credit from Reba & Sons; you can easily make out that the two affected accounts are 'Purchases' account and 'Reba & Sons' Account.

Let us identify the accounts from the following supporting vouchers.

i. **A Cash memo for goods sold for cash**

This is a supporting voucher for a cash receipt. Two accounts involved in this supporting voucher are - Sales Account and Cash Account.

ii. **Pay-roll for the Salaries paid to employee**

This is a supporting voucher for a cash payment. Two accounts involved are Salaries Account and Cash Account.

iii. **A Bill or Invoice for goods sold on credit to M/s Birla Textiles**

This is a supporting voucher for a non-cash transaction. Two accounts involved are 'Sales' Account and 'M/s Birla Textiles' Account.

### III Preparation of Accounting Vouchers

After analysing the supporting vouchers and identification of accounts, the accounting vouchers are prepared. In the preparation of vouchers, first we learn about the structure of an accounting voucher. It has three parts namely-

- (a) Upper most part : which specifies the name of the firm, the

date and the voucher number.

- (b) Middle part : which gives the description of the transaction.
- (c) Lower part : which contains the signatures of accountant and authorised responsible persons.

The upper most and lower part in all the vouchers remain the same. The middle part is different as per the type of vouchers. Usually, these vouchers are available in printed form in which the captions like 'Firm's name', Date . . . . . Voucher No. . . . . Debit/Credit 'Amount' etc. are already printed and the accountant has to fill in the details only.

As you know the accounting vouchers are of three types i.e. - Credit Vouchers, Debit Vouchers and Transfer Vouchers. We will study about the preparation of these vouchers in the next part of this lesson. Let us now see the format of these vouchers:

**DEBIT VOUCHER**

Received Rs. .... * (A) Revenue Stamp	Firm's Name	
	Voucher No	Date .....
	Amount Rs.	
Debit :		
..... .....		
Sd/- Manager	Sd/- Accountant	

**CREDIT VOUCHER**

Firm's Name	
Voucher No.	Date.....
Amount Rs.	
Credit:	
..... .....	
Sd. Manager	Sd. Accountant

## TRANSFER VOUCHER

Voucher No.	Firm's Name	Date.....
		Amount Rs
Debit:	..... ..... .....	
Credit:	..... ..... .....	
Sd. Manager	Sd. Accountant	

### Points to Remember

- There are three steps involved in the process of preparation of accounting vouchers:
  - I Analysis of supporting Vouchers;
  - II Identification of accounts;
  - III Preparation of accounting vouchers.
- Supporting vouchers are analysed in terms of :
  - (i) Cash payments
  - (ii) Cash Receipts and
  - (iii) Non-cash transactions
- Supporting vouchers for cash transactions are:  
Cash memos, counterfoils of pay in slip, receipts, etc.
- Supporting vouchers for non-cash transactions are:  
Invoices/Bills, Debit/Credit Note, etc.
- After the analysis of supporting vouchers, the titles of the accounts affected are identified.
- After identification of accounts, the accounting vouchers are prepared, which may be a Debit Voucher, a Credit Voucher or a transfer voucher.

**INTEXT QUESTIONS 10.2**

A. The three steps in the process of preparation of accounting vouchers are:

I .....

II .....

III .....

B. Given below is a supporting voucher for M/s Ram & Sham. Analyse the supporting voucher and find out

(a) Name of Supplier .....

(b) Name of Purchaser .....

(c) Net amount of transaction .....

Also identify the accounts affected ..... and .....

**INVOICE**

NO. 28/96		Date 14.1.96	
M/s Ram & Sham 36, M.G. Road, Nyasarai, Delhi To Mr. Lal Nath			
Qty.	Particulars	Rate Rs.	Amount Rs.
150	Pens	5/-	750
200	Pencils	1/-	200
150	Copies	5/-	750
			1,700
10% Sales Tax (Rupees One Thousand eight hundred and seventy only)			170
			1,870
E.&O.E		Sd/ Manager	

C. Identify the titles of the accounts involved and types of accounting vouchers prepared from the transactions based on the following supporting vouchers.

	Accounts	Types of vouchers
(i) A Cash memo for purchase of goods for cash	(a) (b)	
(ii) A Rent receipt for rent paid Rs.600	(a) (b)	
(iii) Paid Cash to M/s ABC Rs.400, as per cash receipt No.200	(a) (b)	
(iv) Sold goods to Mohan on credit Rs.800 as per Bill No.101	(a) (b)	
(v) Charged depreciation on machinery Rs.100 as per resolution No. 5	(a) (b)	

### 10.5 PREPARATION OF CREDIT VOUCHERS

As stated earlier, credit voucher are prepared for all cash receipts.

Format of a credit voucher is as follows:

#### CREDIT VOUCHER

MEEOW TAILORING SHOP 60, MG Road, Bombay		_____	A
H — Voucher No. 13		Date 3.1.96	B
		Amount Rs.	
Credit: Sales A/c _____		1,500	C
(Being goods sold for cash vide Bill No. 105)			E
		1,500	D
G — Sd. Manager		Sd. Accountant	F

Letters A to H indicate, as under :

- A — Name of the Firm.
- B — Date of Preparation of accounting Voucher.
- C — Title of the account Credited.
- D — Net amount of transaction.
- E — Narration (a brief description of the transaction)
- F — Signature of the person preparing it.
- G — Signature of the Competent authority.
- H — Accounting Voucher Number.

Credit voucher may carry full information of the supporting voucher or if the matter on it is lengthy, credit voucher may only have cash Memo or Bill No. and date with net amount paid. Supporting vouchers should be attached to their respective Credit Vouchers.

Let us prepare a Credit Voucher of Seller Firm Summersdale on the basis of cash memo given below:

Cash Memo			
SUMMERSDALE			
(All types of Tailoring Material manufacturer and traders)			
37, Kamla Nagar, Delhi			
Voucher No. 3360		Date: 1.2.1996	
M/s. DOLLY BOUTIQUE			
Rajouri Garden, New Delhi			
Qty.	Particulars	Rate Rs.	Amount Rs.
5 Doz.	Chairs Size No. 4	80/- p.doz.	400
50 mt.	Table Size No. 10	15/- p.mt.	750
60 mt.	Stools Size No. 5	20/- p.mt.	1,200
			2,350
	Less Trade discount @ 10%		235
			2,115
	(Rupees Two thousand one hundred & fifteen)		
E.&O.E Goods once sold will not be returned Legal jurisdiction Delhi			Sd/ Manager

The credit Voucher from the above supporting voucher will be prepared in the following manner:

SUMMERDALE Kamla Nagar	
Voucher No. 5	Date 1.2.1996
	Amount Rs.
Credit: Sales A/c (Being goods sold for M/s Dolly Boutique vide Cash memo No.3360 dt. 1.2.96)	2,115
	2,115
Sd/- Manager	Sd/- Accountant

### Illustration 1:

Prepare Credit Vouchers from the following information, gathered from Supporting Vouchers of Mewa Leather Stores, Agra :

1996		Amount Rs.
(1) January 3	Received Cash from Mohan & Co. on account Vide cash receipt No. 345	2,000/-
(2) January 10	Commission received vide cash receipt No. 201	500/-
(3) January 15	Sold leather purses for cash vide cash memo No. 317 - 320	600/-
(4) January 24	Sold two old sewing machines vide sale memo No. 1230	800/-

olution

<b>Mewa Leather Stores : Agra</b>	
Voucher No. 1	Date 3.1.1996
	Amount Rs.
Credit: M/s Mohan & Co. Being the amount of cash received from Mohan & Co. vide cash receipt No. 345	2,000
	2,000
Sd/- Manager	Sd/- Accountant

<b>Mewa Leather Stores : Agra</b>	
Voucher No. 2	Date 10.1.1996
	Amount Rs.
Credit: Sales A/c Being the amount of commission received vide cash receipt No. 201	500
	500
Sd/- Manager	Sd/- Accountant

<b>Mewa Leather Stores : Agra</b>	
Voucher No. 3	Date 15.1.1996
	Amount Rs.
Credit: Sales A/c Being the amount of Cash sales vide cash memo No. 317-320	600
	600
Sd/- Manager	Sd/- Accountant

4.

<b>Mewa Leather Stores : Agra</b>	
Voucher No. 4	Date 24.1.1996
	Amount Rs.
Credit: Sewing Machinery A/c Being two old sewing machines sold for cash vide cash memo No. 1230	800
	800
Sd/- Manager	Sd/- Accountant

**Points to Remember**

- Supporting vouchers help in preparing credit vouchers.
- Credit vouchers are prepared for cash receipts.
- The name of the firm is written at the place provided for 'Firm Name'.
- The title of the relevant account is written against the word 'Credit'.
- A brief reference of the transaction, which is called 'Narration' is written in the body of the voucher.
- It is prepared by the accountant and is countersigned by the manager or any other competent person.

**INTEXT QUESTIONS 10.3**

- A. Fill in the blanks with suitable word or words :
- (i) Credit vouchers are prepared for ..... receipts.
  - (ii) Credit Vouchers are prepared on the basis of ..... vouchers. -
  - (iii) The title of a particular account is written in the credit voucher against the word .....
  - (iv) In credit vouchers debiting of ..... account is implied.
- B. For which of the following transactions, would you prepare credit voucher:

- (i) Rent received from Ashish Rs.1,000
- (ii) Goods sold to Ramesh Rs.2,000 for cash.
- (iii) Goods purchased on credit from Sunil Rs.500
- (iv) Income Tax paid Rs.3,549.

C. Prepare a Credit Voucher from the transaction based on a supporting voucher.

Received Cash from Atul & Co. Rs. 2,000 vide our Cash Receipt No. 50.

**Credit Voucher**

<b>Firm's Name</b>	
Voucher No. ....	Date.....
Credit ..... .....	Amount Rs.
Sd. Manager	Sd. Accountant

**10.6 PREPARATION OF DEBIT VOUCHERS**

Debit vouchers are prepared for all cash payments. An example of a debit voucher is given below:

<b>DEBIT VOUCHER</b>															
Received Rs.....	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;"><b>New Tailoring House</b></td> </tr> <tr> <td colspan="2" style="text-align: center;">18, G.T.Road, Delhi</td> </tr> <tr> <td style="width: 50%;">Voucher No 49</td> <td style="width: 50%;">Date 5-5-1997</td> </tr> <tr> <td colspan="2" style="text-align: center;">Amount Rs.</td> </tr> <tr> <td style="width: 50%;">Debit : Machinery A/c (Being the machinery purchased vide cash memo No. 117)</td> <td style="width: 50%; text-align: center;">2,000</td> </tr> <tr> <td colspan="2" style="text-align: center;">2,000</td> </tr> <tr> <td style="text-align: center;">Sd/- Manager</td> <td style="text-align: center;">Sd/- Accountant</td> </tr> </table>	<b>New Tailoring House</b>		18, G.T.Road, Delhi		Voucher No 49	Date 5-5-1997	Amount Rs.		Debit : Machinery A/c (Being the machinery purchased vide cash memo No. 117)	2,000	2,000		Sd/- Manager	Sd/- Accountant
<b>New Tailoring House</b>															
18, G.T.Road, Delhi															
Voucher No 49	Date 5-5-1997														
Amount Rs.															
Debit : Machinery A/c (Being the machinery purchased vide cash memo No. 117)	2,000														
2,000															
Sd/- Manager	Sd/- Accountant														
I	F														
I	G														

The letters A to J indicate the following:

- A = Firm's Name
- B = Date of preparation of accounting voucher
- C = Title of the account debited
- D = Net amount of the transaction
- E = narration (brief description of the transaction)
- F = Signature of competent authority
- G = signature of person preparing it
- H = supporting voucher number
- I = a document in lieu of supporting voucher
- J = accounting voucher number

\* This is used for obtaining receipts whenever the other party has not issued proper receipt for the cash received.

(Supporting vouchers should be attached to their respective debit vouchers.)  
Debit vouchers may carry full information of the supporting vouchers or if the matter on it is lengthy, debit voucher may only have cash memo or Bill number and date with net amount paid. If the supporting voucher is not available, then the receipt portion (indicated as I in the specimen) of the debit voucher may be used as supporting voucher.

Let us prepare a Debit Voucher of purchasing firm M/s Dolly boutique on the basis of cash-memo given below:

Cash Memo			
SUMMERSDALE			
(All types of Tailoring Material manufacturer and traders)			
37, Kamla Nagar, Delhi			
Voucher No. 3360		Date: 1.2.1996	
M/s. DOLLY BOUTIQUE			
Rajouri Garden, New Delhi			
Qty.	Particulars	Rate Rs.	Amount Rs.
5 Doz.	Thread balls (Coats)	80/- p.doz.	400
50 mt.	Suit lining	15/- p.mt.	750
60 mt.	Stiff Bukram	20/- p.mt.	1,200
			2,350
	Less Trade discount @ 10%		235
			2,115
	(Rupees Two thousand one hundred & fifteen)		
E.&O.E Goods once sold will not be returned Legal Jurisdiction Delhi			Manager Proprietor

Received Rs. ....  Revenue Stamp	M/s Dolly Boutique Rajouri Garden, New Delhi Voucher No. 13		Date 5-5-1997 Amount Rs.
	Debit : Purchases A/c (Being the goods purchased from M/s Summerdale on 1.2.96 vide cash memo No. 3360).		2,115
			2,115
	Sd/- Manager		Sd/- Accountant

(Since the supporting voucher is available, the receipt column of this voucher will be left blank). The supporting voucher will be attached with accounting voucher.

**Illustration - 2**

The following transactions took place in M/s Goodluck Tailoring shop. Prepare debit vouchers :

1996	Rs.
(i) Jan 1 Bought Tailoring materials for cash memo No.338	720
(ii) Jan 8 Wages paid for the month of December 1995 vide wage sheet No.39.	1,313
(iii) Jan 12 Two singer sewing machines Purchased for cash vide cash memo No.170	2,200
(iv) Jan 25 Paid cash to Hari & Sons A/c vide receipt No.10	800
(v) Jan 27 Paid Rickshaw Hire	15

i)

Received Rs..... Revenue Stamp	<b>M/s Goodluck Tailoring Shop</b>	
	Voucher No.1	Date 1-1-1996
	Amount Rs.	
	Debit : Purchases A/c (Being the tailoring materials purchased vide cash memo No.338)	720
		720
	Sd/- Manager	Sd/- Accountant

ii)

Received Rs..... Revenue Stamp	<b>M/s Goodluck Tailoring Shop</b>	
	Voucher No.2	Date 8-1-1996
	Amount Rs.	
	Debit : Wages A/c (Being wages paid for Dec. 95 vide wage sheet No.39)	1,313
		1,313
	Sd/- Manager	Sd/- Accountant

iii)

Received Rs..... Revenue Stamp	<b>M/s Goodluck Tailoring Shop</b>	
	Voucher No.3	Date 12-1-1996
	Amount Rs.	
	Debit : M/s Hari & Sons A/c (Being two sewing machines purchased for cash vide cash memo No. 170)	2,200
		2,200
	Sd/- Manager	Sd/- Accountant

iv)

Received Rs. .... Revenue Stamp	<b>M/s Goodluck Tailoring Shop</b>	
	Voucher No.4	Date 25-1-1996
	Amount Rs.	
	Debit : M/s Hari & Sons A/c (Being cash paid to M/s Hari & Sons on account vide cash receipt No.10)	800
		800
Sd/- Manager		Sd/- Accountant

v)

Received Rs. 15 on account of Rickshaw Hire Revenue Stamp	<b>M/s Goodluck Tailoring Shop</b>	
	Voucher No.5	Date 27-1-1996
	Amount Rs.	
	Debit : Conveyance A/c (Being the amount paid for Rickshaw Hire)	15
		15
Sd/- Manager		Sd/- Accountant

### POINTS TO REMEMBER

- A Debit voucher is prepared from a supporting voucher.
- A Debit voucher is prepared for cash payments.
- The name of the firm is written at the place provided for 'Firm's Name'.
- The title of the relevant account is written against the word 'Debit'.
- A brief reference of the transaction, which is called 'Narration', is written in the body of the Voucher.

## INTEXT QUESTIONS 10.4

- A. Fill in the blanks with appropriate word or words:
- (i) When cash payments are made ..... vouchers are prepared.
  - (ii) Debit vouchers are prepared from ..... vouchers.
  - (iii) Debit Voucher must carry significant information of the ..... vouchers.
  - (iv) Receipt portion of a Debit voucher is used in lieu of a .....
- B. For which of the following transactions would you prepare a debit voucher?
- (i) Goods purchased from Ganesha for Rs.5,000.
  - (ii) Furniture sold worth Rs.3000.
  - (iii) Rent paid Rs.1000.
  - (iv) Payment given to a creditor Rs.500.
  - (v) Payment of a loan Rs.5000
- C. Prepare a Debit voucher from the following transaction based on a supporting voucher:
- Purchased Machinery for cash Rs.15,000 vide cash memo No.200.

### DEBIT VOUCHER

Received Rs. .... Revenue Stamp	Firm's Name	
	Voucher No.....	Date .....
	Amount Rs.	
Debit :		
..... ..... .....		
Sd/- Manager		Sd/- Accountant

## 10.7 PREPARATION OF TRANSFER VOUCHERS

Transfer Vouchers are prepared for all non-cash transactions. These vouchers are prepared by debiting one account and crediting the other. The account to be debited is written in the debit portion against the word 'Debit' and the account to be credited is written in the credit portion against the word 'Credit'.

Format of a Transfer Voucher is as follows:

Meeow Tailoring Shop 60, M.G. Road, Bombay		→ A
B — Voucher No. 15	Date 11-1-1996	→ C
		Amount Rs.
Debit : Machinery A/c	2,000.	
	2,000	
Credit: Ruby's A/c	2,000	
Being the machinery		→ D
purchased vide cash		→ E
memo No. 117		
	2,000	→ H
F — Sd/- Manager	Sd/- Accountant	→ G

The main parts of a transfer voucher have been indicated below through letters A to H:

- A — Firm's Name
- B — Accounting Voucher Number
- C — Date of preparing accounting voucher
- D — Titles of accounts
- E — Narration (Description of Transaction)
- F — signature of manager
- G — Signature. of accountant
- H — net amount of transaction.

Transfer voucher may carry full information of the supporting voucher

or if the matter on it is lengthy, transfer voucher may only have Bill No. or Invoice No. Debit and Credit note No. etc., and date with net amount. Supporting Vouchers should be attached to their respective transfer voucher.

Let us prepare a Transfer voucher from the supporting voucher given below:

Invoice or Bill			
M/s Events J-48, Rajouri Garden New Delhi			
No. 1555		Date: 23.9.96	
M/s Taj Rhine Ltd			
P/O - 13, Noida			
Qty.	Particulars	Rate	Amount Rs.
2	Bulletin Boards	150/-	300
12	Red Pencils	25/-	300
6	Ink Pots	30/-	180
Rupees seven hundred eighty only.			780
E.&O.E			Sd/ Manager

Firm's Name		
Voucher No. 20		Date 23.9.96
		Amount Rs
Debit :	M/s Taj Rahine Ltd A/c	780
		780
Credit :	Sales A/c (Being goods sold to M/s Taj Rahine Ltd. vide invoice No. 1555)	780
		780
Sd/- Manager		Sd/- Accountant

**Illustration 3**

Prepare Transfer Vouchers of Gupta Bros.

1996		Rs.
(1)	Dec. 1 Bought goods from M/s Sohan Lal and Sons vide Bill No. 313	4,050
(2)	Dec. 6 Sold goods to M/s Ram Rattan vide bill No. 650	5,350
(3)	Dec. 25 Discount allowed by M/s Sohan Lal & Sons	50
(4)	Dec. 31 Depreciation charged on Motor Van @ 10% of book value of Rs. 40,000	4,000

**Solution**

Since all these transactions are non-cash transactions, transfer vouchers will be prepared for all these transactions as follows:-

Gupta Bros.		Date : 1.12.96
Voucher No. 1		Amount Rs
Debit : Purchases A/C		4,050
		4,050
Credit : M/s Sohan Lal & Sons (Being goods purchased on credit vide Bill No. 313)		4,050
		4,050
Sd/- Manager		Sd/- Accountant

Gupta Bros.		Date : 6-12-96
Voucher No. 2		Amount Rs
Debit :	Ram Rattan	5,350
		5,350
Credit :	Sales A/c (Being the amount of Credit Sales vide bill No. 680 to M/s Ram Rattan)	5,350
		5,350
Sd/- Manager		Sd/- Accountant

Gupta Bros.		Date : 25-12-96
Voucher No. 3		Amount Rs
Debit :	M/s Sohan Lal & Sons	50
		50
Credit :	Discount A/c (Being the amount of discount allowed)	50
		50
Sd/- Manager		Sd/- Accountant

Gupta Bros.		Date : 31-12-96
Voucher No. 4		Amount Rs
Debit :	Depreciation A/c	4,000
		4,000
Credit :	Motor Van A/c (Being the amount of deprecia- tion charged @ 10% on 40,000)	4,000
		4,000
Sd/- Manager		Sd/- Accountant

### Points to Remember

- A transfer voucher is prepared for all non-cash transactions.
- A transfer voucher has two parts - Debit and Credit.
- The name of relevant accounts are written against the word 'Debit' and 'Credit'.

**INTEXT QUESTIONS 10.5**

A Fill in the blanks with suitable word or words:

- (i) All credit transactions are recorded through .....
- (ii) Depreciation of Assets are recorded through .....
- (iii) ..... vouchers help in preparing transfer vouchers.
- (iv) Transfer vouchers have two parts ..... and .....

B. Prepare a Transfer Voucher from the following supporting voucher.

<b>Ram Rattan &amp; Sons</b>			
BILL No. 713		Date: 10-9-96	
To			
M/s Murari Lal & Sons			
Qty.	Particulars	Rate	Amount Rs.
20 Nos.	Cricket Ball	15/-	300
10 Nos.	Full Size Bat	50/-	500
			800
			Sd/-
			<b>RAM RATTAN &amp; SONS</b>

Voucher No.		Date:
	Firm's Name	Amount Rs.
Debit :		
Credit :		
Sd/- Manager		Sd/- Accountant

## 10.8 WHAT YOU HAVE LEARNT

1. Voucher is a documentary evidence of transactions that have taken place.
  2. Vouchers are of two types:
    - (i) Supporting vouchers and (ii) Accounting Vouchers
  3. Accounting Vouchers are of three types:
    - (i) Credit vouchers (ii) Debit vouchers (iii) Transfer vouchers
  4. Credit vouchers are prepared for all cash receipts.
  5. Debit vouchers are prepared for all cash payments.
  6. Debit and Credit vouchers are also known as cash vouchers.
  7. Transfer vouchers are prepared for all non-cash transactions of the business and also known as non-cash vouchers.
  8. There are three steps in the process of preparation of accounting vouchers:
    - (i) Analysis of supporting vouchers
    - (ii) Identification of accounts
    - (iii) Preparation of accounting vouchers.
  9. Supporting vouchers are analysed in terms of:
    - Cash Receipts and cash Payments [Cash transactions]
    - Non-Cash transactions
  10. Supporting Vouchers for cash transactions are:  
Cash-memos, Counterfoils of pay-in-slip, receipts, etc.
  11. Supporting Vouchers for non-cash transactions are:  
Invoices/Bills, Debit/Credit Note, etc.
  12. After the analysis of supporting vouchers, the titles of the accounts affected are identified.
  13. After identification of accounts, the accounting vouchers are
-

prepared which may be Debit Voucher, Credit Voucher or transfer voucher.

- a) The name of the firm is written at the place provided for 'Firms Name'.
- b) The title of the relevant account is written against the word 'Credit' and/or 'Debit'.
- c) A brief reference of the transactions, which is called 'Narration' is written in the body of the voucher.
- d) It is prepared by the accountant and is countersigned by the manager or any other competent person.

### 10.9 TERMINAL QUESTIONS

1. Define the following:
  - (a) Voucher
  - (b) Supporting Voucher
  - (c) Accounting Voucher
2. Enumerate the types of accounting vouchers and draw a format of each.
3. Distinguish between –
  - (i) Supporting Vouchers and Accounting Vouches
  - (ii) Debit Vouchers and Credit Vouchers
4. Prepare debit Vouchers from the supporting vouchers based on the following transactions:

1996

December	3.	Sold goods for Cash vide Cash Memo No.8890	Rs.3,000
	6	Wages paid vide wage-sheet No. 24	Rs.800
	9.	Rent paid vide rent receipt No. 1265	Rs.500

5. Prepare Credit Vouchers from the supporting Vouchers based on the following transactions:

1996

December	5	Sold goods for cash vide cash memo No.64	Rs.12,000
	25	Sold old typewriter for cash vide cash receipt No.344	Rs.3,000
	30	Withdraw Cash from bank for office use vide cheque No.12349	Rs.1,700

6. Prepare Transfer vouchers from the supporting vouchers based on the following transactions :

1996

June	3	Purchased goods form M/s Jones & Sons vide bill No.889	Rs.4,700
	8	Sold goods to M/s Sita Chand vide Bill No.37542	Rs.3,980
	30	Depreciation charged on building @ 10% on 1,00,000	Rs.10,000
	30	Goodwill written off	Rs.1,000

7. As an accountant of M/s Ram Rattan & Sons, prepare Accounting vouchers from the following Supporting Vouchers

New Delhi Sports Co.			
Cash Memo No. 313		Date: 1-9-96	
Ram Rattan & Sons			
Qty.	- Particulars	Rate	Amount Rs.
Nos.20	Football	30/-	600
Nos.40	Cricket Ball	10/-	400
			1,000
Sd/-			
Ram Rattan & Sons			

Mahila Sports Ltd.

BILL No. 430

Date: 6-9-96

Qty.	Item	Rate Rs.	Amount Rs.
Nos.6	Badminton Racket	400/-	2,400
			2,400

Sd/-  
Ram Rattan & Sons

Ram Rattan & Sons

Cash Memo No. 713

Date: 7-9-96

To

Sh. Surajmal & Co.

Qty.	Particulars/Items	Rate Rs.	Amount Rs.
20 Pcs.	Basket Ball Net	12/-	240
			240

Sd/-  
Ram Rattan & Sons

New Delhi Furniture Co.

Cash Memo No. 77

Date: 12-9-96

To

Ram Rattan & Sons

Qty.	Particulars/Items	Rate Rs.	Amount Rs.
Nos.2	Wooden Table with Sun Mica Top Size 6" x 4" x 2 1/2"	600/-	1,200
			1,200

Sd/-  
New Delhi Furniture House

Postage Paid			Date: 15-9-96
Qty.	Particulars/Items	Rate Rs.	Amount Rs.
Nos. 3	Registered Letter	7.50 each	22.50
Nos. 10	Inland Letter	0.75 each	7.50
			30.00
Sd/- Despatcher			

**Receipt**

Ram Rattan & Sons

Receipt No. 110

Dated 21-9-96

Received with thanks from M/s Murari Lal & Sons a sum of Rupees  
Four Hundred Fifty only on account of our Bill No. 713 dated 10.3.96

Rs. 450

Sd/-

Ram Rattan & Sons

New Delhi Sports Co.

Receipt No. 666

Dated 25-9-96

Received with thanks from M/s Ram Rattan & Sons a sum of Rupees  
One thousand only on account of our Bill No.313

Rs. 1000/-

Sd/-

New Delhi Sports Co.

**10.10 ANSWERS TO INTEXT QUESTIONS**

10:1 A. (i) c (ii) d (iii) a (iv) b

B. (i) Supporting (ii) Supporting

(iii) Debit, Credit (iv) Transfer

C. Cash transactions - (i), (ii), (iv), (v), (vi)

Non Cash Transactions - (iii) (vii)

Cash Payments - (i), (iv)

Cash Receipts - (ii), (v), (vi)

Debit Vouchers - (ii), (v), (vi)

Transfer voucher - (iii), (vii)

10.2 A. I. Analysis of Supporting Vouchers

II. Identification of Accounts

III. Preparation of accounting vouchers.

B. (a) M/s Ram & Sham

(b) Mr. Lal Nath

(c) Rs. 1,870.

Accounts affected 'Sales' and 'Mr. Lal Nath'

C.	Accounts	Types of Vouchers
(i)	Purchases Cash	Debit
(ii)	Rent Cash	Debit
(iii)	M/s ABC Cash	Debit
(iv)	Mohan Sales	Transfer
(v)	Depreciation Machinery	Transfer

10.3 A. (i) Cash (ii) Supporting

(iii) Credit (iv) Cash

B. (i), (ii)

C. Credit - Atul & Co. - Rs. 2,000

10.4 A. (i) Debit (ii) Supporting  
(iii) Supporting (iv) Supporting Voucher

B. (iii), (iv) and (v)

C. Debit - Machinery A/c - Rs. 15,000

10.5 A. (i) Transfer Vouchers (ii) Transfer Voucher  
(iii) Supporting (iv) Debit, Credit.

B. Debit M/s Murari Lal and Sons  
Credit Sales A/c