

## Lesson 8 – Use an Analysed Cash Book

### Question 8.1

Which **one** of the following is the source document from which a business's cash sales are recorded in its cash book?

	✓
<b>Cheque book counterfoil</b>	
<b>Bank statement</b>	
<b>Cash register summary of sales</b>	✓

### Question 8.2

Which **one** of the following is the source document from which a contra entry of cash paid into the business bank account is recorded in the cash book of the business?

	✓
<b>Paying-in slip</b>	✓
<b>Statement of account</b>	
<b>Cheque book counterfoil</b>	

### Question 8.3

A business has made payments by BACS to a supplier. Which one of the following is the source document from which the payment is likely to be recorded in the cash book of the business?

	✓
<b>Paying-in slip</b>	
<b>Remittance advice</b>	✓
<b>Cheque book counterfoil</b>	

### Question 8.4

Clarkson (Motor Spares) supplies vehicle parts to a number of local garages and vehicle repair workshops. The business also makes sales over-the-counter to cash customers directly from a sales counter. The business is registered for VAT all goods it supplies are subject to VAT at standard rate.

The bookkeeper of Clarkson (Motor Spares) maintains a sub-divided bookkeeping system which includes an analysed cash book with separate pages used for the purpose of recording and analysing receipts and payments. The accounts of credit customers and suppliers are kept as memorandum accounts in the subsidiary sales and purchase ledgers respectively. Sales ledger and purchase ledger control accounts are kept within the general ledger.

The cash book is written-up on a daily basis, you are provided below with the **receipts page** of the analysed cash book.

#### Clarkson (Motor Spares) - Cash Book DR (Receipts page)

Date 201X	Details	Cash £	Bank £	Sales £	VAT £	SL Control £	Contra £
1 June	Balances b/d	1,225	2,980				
1 June	Green Tree Garage		1,800			1,800	
1 June	Sales	960		800	160		
1 June	Auto-Tech		1,440			1,440	
1 June	Cash		1,985				1,985

- 1 Record, as at 1 June 201X, the following opening balances as balances b/d on the balances b/d line in the cash book provided.
  - Cash £1,225, bank £2,980 (debit balance)
  
- 2 Record, as at 1 June 201X, the following four receipt transactions in the cash book provided.
  - Received an automated payment of £1,800 by BACS from the Green Tree Garage to settle the balance on their account in the sales ledger
  - Received £960 (inclusive of VAT at 20%) in cash from sales to cash customers

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- Received an automated payment of £1,440 by BACS from the Auto-tech
- Received £1,985 into the bank account paid in over-the-counter of the bank from the cash account

**Note:** You are **not** required to total or balance off any of the columns in the cash book

### Question 8.5

The bookkeeper of Morton Engineering Ltd maintains a sub-divided bookkeeping system, which includes an analysed cash book with separate pages used for the purpose of recording and analysing receipts and payments. The accounts of individual credit customers and suppliers are kept as memorandum accounts in the subsidiary sales and purchase ledgers respectively. Sales Ledger and purchase ledger control accounts are kept within the general ledger.

Provided below is the payments page of the analysed cash book of Morton Engineering. The business is registered for VAT.

Today's date is 1 March 201X and you are provided with the following information relating to four payments made today:

#### Payments by cash and cheque:

<b>Transaction</b>	<b>Amount Paid £</b>
Paid casual wages in cash	250
Purchased goods for resale, paying the supplier immediately by cheque (payment is inclusive of VAT at 20%)	180
Paid Forge Master the balance on their account in the purchase ledger by cheque	3,600

#### Payment by debit card:

<b>Transaction</b>	<b>Amount £</b>
Paid operating expenses (inclusive of VAT at 20%), using the company debit card.	60

Record the five payments made on 1 March 201X in the payments side of the Cash Book. Provided below.

**Note:** You are **not** required to total or balance off any of the columns in the Cash Book.

**Morton Engineering Ltd - Cash Book  
CR (Payments page)**

Date 201X	Details	Cash £	Bank £	VAT £	Wages £	Purchase Ledger Control £	Purchases £	Operating Expenses £
1 March	Wages	250			250			
1 March	Purchases		180	30			150	
1 March	Forge Master		3,600			3,600		
1 March	Operating expenses		60	10				50

**Question 8.6**

The bookkeeper of Print Shop maintains a sub-divided bookkeeping system which includes an analysed cash book. The book has separate pages which are used for the purpose of recording and analysing receipts and payments.

You are presented below with the receipts page of the analysed cash book. The cash book is totalled and balanced off at the end of each day, following which information is recorded in appropriate accounts in the general and subsidiary ledgers.

The receipts page of Print Shop's cash book at 5 May 201X is provided below, all receipt transactions taking place on 5 May 201X have been recorded in the book and the book has been totalled and balanced off at that date.

**Print Shop - Cash Book  
DR (receipts page)**

Date 201X	Details	Cash £	Bank £	VAT £	Sales Ledger Control £	Sales £
5 May	Balances b/d	200	2,215			
5 May	Art World		1,500		1,500	
5 May	Box Office		600		600	
5 May	Sales	720		120		600
	<b>Totals</b>	920	4,315	120	2,100	600
5 May	Balances b/d	100	1,980			

You are provided below with an extract from the general ledger of Print Shop.

- Record the transfers from the receipts page of the cash book in the general ledger accounts at 5 May 201X using the accounts provided.

**Print Shop – General Ledger (extract)**

DR		VAT Control		CR	
201X	Details	£	201X	Details	£
			5 May	Cash book	120

DR		Sales Ledger Control		CR	
201X	Details	£	201X	Details	£
			5 May	Cash book	2,100

DR		Sales		CR	
201X	Details	£	201X	Details	£
			5 May	Cash book	600

2. Using information from the receipts page of the cash book of Print Shop complete the table below. You are required to:

- A) Identify the title of each of the two accounts in the subsidiary sales ledger of Print Shop to which amounts in respect of receipts from credit customers on 5 May 201X would be recorded.
- B) Identify the amounts to be recorded in each of the two accounts you have identified in part A above.
- C) Indicate whether the amounts received would be posted to the debit side or credit side of each of the two accounts you have identified in part A above.

<b>Sales ledger accounts</b>	<b>Amount £</b>	<b>Debit ✓</b>	<b>Credit ✓</b>
<b>Art World</b>	<b>1,500</b>		<b>✓</b>
<b>Box Office</b>	<b>600</b>		<b>✓</b>

### Question 8.7

Cater Well keep an analysed cash book which is used for the purpose of recording and analysing receipts and payments. At the end of each day's trading the cash book is balanced off and totalled.

You are provided below with the cash book of Cater Well at 1 May 201X. The opening balance on the cash and bank accounts have been brought forward at 1 May 201X, and all receipt and payment transactions taking place on 1 May 201X have been recorded in the book.

You are required to complete the cash book by balancing off the cash and bank account columns and totalling the analysis columns of the book at 1 May 201X.

**Cater Well - Cash Book  
DR - Receipts**

201X	Details	Cash £	Bank £	Sales £	VAT £	Sales Ledger Control £	Contra £
1 May	Balances b/d	200	2,150				
1 May	Sales	1,260		1,050	210		
1 May	Continental Cafe		990			990	
1 May	Station Hotel		1,440			1,440	
1 May	Cash		1,000				1,000
	<b>Totals</b>	<b>1,460</b>	<b>5,580</b>	<b>1,050</b>	<b>210</b>	<b>2,430</b>	<b>1,000</b>
1 May	Balances b/d	<b>100</b>	<b>1,235</b>				

**Cater Well - Cash Book  
CR - Payments**

201X	Details	Cash £	Bank £	Purchases £	Operating Expenses £	VAT £	Purchase Ledger Control £	Contra £
1 May	Wages	360			360			
1 May	Vehicle repairs		240		200	40		
1 May	Bakery Supplies		1,280				1,280	
1 May	Farm Fresh Ltd		1,985				1,985	
1 May	Business rates		480		480			
1 May	Purchases		360	300		60		
1 May	Bank	1,000						1,000
1 May	Balances c/d	<b>100</b>	<b>1,235</b>					
	<b>Totals</b>	<b>1,460</b>	<b>5,580</b>	<b>300</b>	<b>1,040</b>	<b>100</b>	<b>3,265</b>	<b>1,000</b>

### Question 8.8

A business keeps an analysed cash book in which receipts into and payments are recorded and analysed. At the end of each day's trading the cash book is balanced off and totalled.

You are provided below with the cash book receipts and payments pages of the business, which has been balanced off and totalled at 7 June 201X

#### DR Cash Book – Receipts

201X	Details	Cash £	Bank £	SL Control £	Sales £	VAT £	Contra £
7 June	Balance b/f	250	1,480				
7 June	Sales (Till 1)	960			800	160	
7 June	Sales (Till 2)	720			600	120	
7 June	The Garden Centre		1,500	1,500			
7 June	Flower People		1,260	1,260			
7 June	Cash		1,330				1,330
	<b>Totals</b>	<b>1,930</b>	<b>5,570</b>	<b>2,760</b>	<b>1,400</b>	<b>280</b>	<b>1,330</b>
7 June	Balance b/d	200	1,720				

#### CR Cash Book – Payments

201X	Details	Cash £	Bank £	PL Control £	Purchases £	Operating Expenses £	VAT £	Contra £
7 June	Purchases		240		200		40	
7 June	Plant Pot Ltd		1,840	1,840				
7 June	Vehicle repairs		420			350	70	
7 June	Peat Supply Co		1,350	1,350				
7 June	Wages	400				400		
7 June	Bank	1,330						1,330
7 June	Balances c/d	200	1,720					
	<b>Totals</b>	<b>1,930</b>	<b>5,570</b>	<b>3,190</b>	<b>200</b>	<b>750</b>	<b>110</b>	<b>1,330</b>

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You are provided below with an extract from the general ledger of the business. Make transfers at 7 June 210X to appropriate accounts in the general ledger.

DR			Operating Expenses			CR		
201X	Details	£	201X	Details	£			
7 June	Cash book	750						

DR			Purchases			CR		
201X	Details	£	201X	Details	£			
7 June	Cash book	200						

DR			Purchase Ledger Control			CR		
201X	Details	£	201X	Details	£			
7 June	Cash book	3,190						

DR			Sales			CR		
201X	Details	£	201X	Details	£			
			7 June	Cash book	1,400			

DR			Sales Ledger Control			CR		
201X	Details	£	201X	Details	£			
			7 June	Cash book	2,760			

DR			VAT Control			CR		
201X	Details	£	201X	Details	£			
7 June	Cash book	110	7 June	Cash book	280			