

1. Details of Module and its structure

Module Detail	
Subject Name	Accountancy
Course Name	Accountancy 01 (Class XI, Semester - 1)
Module Name/Title	Accounting Vouchers – Part 1
Module Id	keac_10301
Pre-requisites	Basic knowledge of accounting process, basic accounting terms and GAAP & accounting concepts
Objectives	After going through this module learners will be able to understand: <ul style="list-style-type: none">• Meaning of Source documents• Types of Source documents• Concept of Accounting vouchers• Types of Accounting vouchers• Process of preparing accounting vouchers
Keywords	Source Documents, Accounting Vouchers

2. Development Team

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Introduction

Every business unit performs various financial transactions every day. Business Transaction is an event involving monetary value between two or more entities. It can be a purchases, receipt of money, payments made to creditor etc. A business transaction can be a cash transaction or a credit transaction.

The main objective of accounting is to keep complete record of business transactions in accordance to accounting concepts and principles. By keeping the complete record of business transactions, the possibility of omissions and frauds are minimized to a great extent.

According to dual aspect concept of accounting, every transaction has two-sided effect to the extent of same amount. In other words, every transaction involves two aspects, i.e. *give and take*.

Significance of source documents

Accounting process commences with the origin and identification of business transaction and is followed by recording, classifying and summarizing of business transactions and resulting in preparation of trial balance and financial statements.

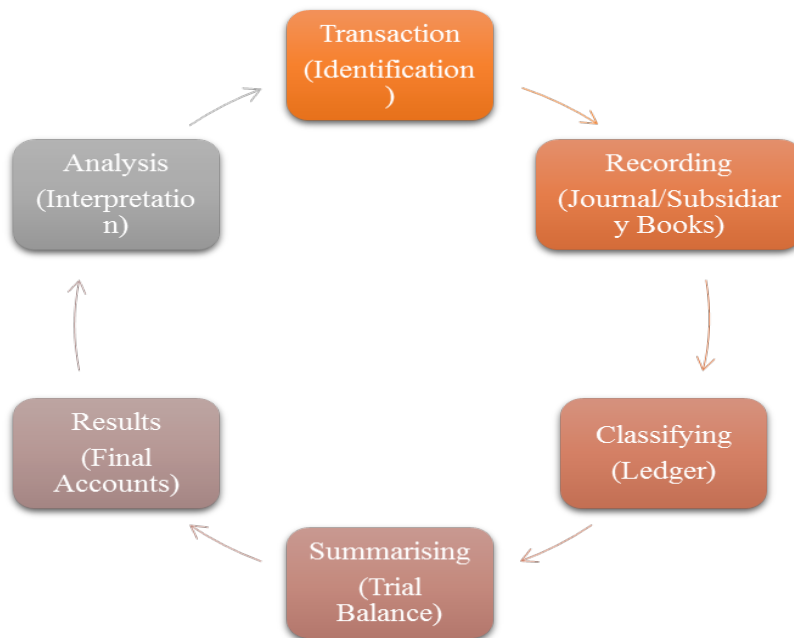
Accounting Process

The first and foremost function of accounting process is identification of business transaction. Only those business transactions, which can be measured in terms of money, are recorded in the books of accounts.

According to verifiable objective concept of accounting, only those transactions are recorded in the books of accounts, which are supported by necessary documentary evidence. Business transactions are usually evidenced by an appropriate document such as Cash memo, Invoice, sales bill, pay-in-slip, cheque, Salary slip etc. (Insert Images of different vouchers) the document, which provides evidence of the transaction, is called the source document.

The source documents are the written and authentic proof of the origin and correctness of the transactions on the basis of which recording is made into account books of accounts.

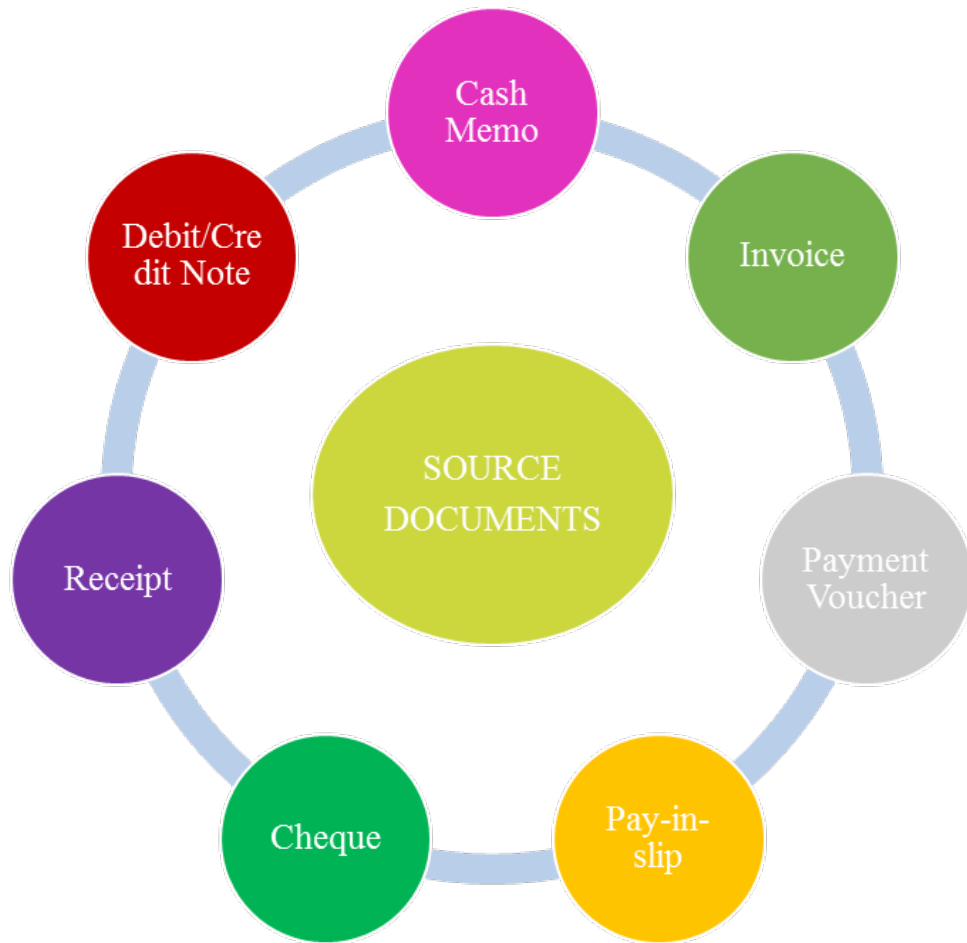
These documents also serve as the legal evidence in case of any dispute between parties and also serve the audit and tax assessment.



Types of Source documents

The most common source documents are discussed as under:

- 1) **Cash Memo:** This is issued/received on the occasion of cash sales/cash purchases of goods and services. It includes the information regarding the items, quantity, rate and the total amount of the transaction. On the basis of cash memos, accountant records the cash transactions in the books of account.



CASH MEMO

UBIQUE BIOCEUTICALS

(deals in medicines – Allopathic and Ayurvedic)

Rohini, Delhi

No.- 23645

Phone No. : 124-55627180

To,

AGGARWAL MEDICAL AGENCY,

New Medicine Market, Hanuman Garh

Quantity	Particulars	Rate (Rs.)	Amount (Rs.)
10 Box	Paracetamol 500 mg	300	3,000
5 Box	Azithromycin 250 mg	1,400	7,000
			10,000

Goods once sold will not be taken back.

Sd/-

For UBIQUE BIOCEUTICALS

In Cash memo, information related to date, Party from which goods have been bought or to whom goods sold, details about quantity, rate per unit, trade discount allowed and net amount payable/Receivable is given.

- 2) **Invoice/Bill:** when a businessperson sells goods on credit, he/she issues an invoice that includes the name of the party to whom goods are being sold, the rate, quantity being sold and the total amount of sale. The original invoice is issued to the purchaser and the duplicate (carbon) copy is kept in the business and on the basis of the duplicate copy, records are maintained in books of accounts.

SUNSHINE PUBLISHERS (Deals in Career oriented competitive Books) 134, Rohini, Delhi INVOICE Phone No. : 124-55627180 No. : 1234 Dated : 28/06/17 Name & Address of Customer : Shiv Book Centre Chaura Rasta, Jaipur			
Quantity	Particulars	Rate (Rs.)	Amount (Rs.)
10 Books	Competition Crack		900
5 Books	How to score more in Civil Services	90	2,000
	Total	400	2,900
			2,900
<i>Rupees two thousand nine hundred only</i> E & O E PUBLISHERS			Sd/- For SUNSHINE

Through Invoice, one can fetch the information about Date of transaction, Party involved in Credit sale or purchase of goods, quantity, rate per unit and net amount of transaction.

- 3) **Receipt:** when a businessperson receives cash/cheque from a customer, he issues a receipt containing the date, amount and the name of the customer. In the same way, businessperson also pays the cash or issues cheque to the supplier of goods and suppliers. Receipt is also prepared in duplicate, original copy is issued to person making payment and duplicate copy is kept by the person receiving payment for his record.

SUNSHINE PUBLISHERS			
(Deals in Career oriented competitive Books)			
134, Rohini, Delhi		Phone No. : 124-55627180	
RECEIPT			
No.- 555			Date: 04/07/17
Received with thanks from Shiv Book Centre, Chaura Rasta, Jaipur a sum of Rs.3025 (Rupees Three thousand twenty five only) in Cash/Cheque No. 078965 date 04-07-2017 drawn on State Bank of India, Jaipur on account of Invoice No. 1234 dated 28-06-2107			
Note: Payment of cheque is subject to realization			Sd/- SUNSHINE PUBLISHERS

Receipt provides the information about date, party paying the money, payment made in cash or through cheque etc.

- 4) **Debit note:** sometimes a trader returns the goods bought earlier due to any reasons e.g. not according to sample, breakage or faulty goods etc. Trader prepares debit note mentioning the date of transaction, the name of account being debited, amount involved and reason of return of goods. Debit note is prepared in duplicate. Original copy is sent to supplier and the trader keeps counterfoil for recording purposes. Debt note may also be prepared for allowance re concession received for inferior quality of goods supplied to us by the supplier and for any amount over charged in the bill received from the supplier.

SHIV BOOK CENTRE			
(deals in all types of competitive Books)			
Chaura Rasta, Jaipur			
No. : 121			
Phone No. : 124-55627284			
			Dated : 18/07/2017
To,		Debit Note	
SUNSHINE PUBLISHERS			
134, Rohini, Delhi			
Goods returned as per delivery challan no. 111 out of goods purchased vide invoice no. 1234 date-28/06/17			
Quantity	Particular	Rate (Rs.)	Amount (Rs.)
1 Book	Competition Crack	90	90
1 Book	How to score more in Civil	400	400

	Services Total		490
Rupees Four Hundred Ninety only		Sd/-	
E & O E		For Shiv Book Centre	

- 5) **Credit note:** when goods are received back from the customer, trader issues him a credit note indicating that his account has been credited. It is also prepared in duplicate, original copy is sent to the customer and counterfoil is kept by the trader for maintaining records. Credits note may also be prepared for allowance concessions given for the inferior quality of goods supplied for any amount overcharged earlier invoice issued.

SUNSHINE PUBLISHERS			
(Deals in Career oriented competitive Books)			
134, Rohini, Delhi			
Credit Note			
Phone No. : 124-55627180			
No. : 341			Dated : 18/06/17
To, SHIV BOOK CENTRE			
Chaura Rasta, Jaipur			
Goods received back out of goods sold vide invoice 1234 date - 28/08/17			
Quantity	Particulars	Rate (Rs.)	Amount (Rs.)
1 Book	Competition Crack		90
1 Book	How to score more in Civil Services	90	2,000
	Total	400	400
			490
<i>Rupees Four Hundred Ninety only</i>			Sd/-
E & O E			For SUNSHINE
PUBLISHERS			

- 6) **Pay-in-slip:** While depositing cash/cheque in the bank, a form is filled. This form is called pay-in-slip. Each pay-in-slip has a counterfoil, which is returned by the cashier of the bank to the depositor after stamping and signing duly.

Concept of Accounting Vouchers

Accounting vouchers are prepared for recording purpose, on the basis of above-mentioned source documents. Sometimes, there may be no documentary evidence for certain items as in case of petty expenses e.g., payment to construction workers, Plumber etc. In such cases, voucher may be prepared showing the necessary details and are approved by appropriate authority from within the firm.

All such documents/Vouchers are arranged in chronological order and are serially numbered and kept in a separate file.

The accounting voucher are the first record about the details of business transaction. Through these documents, one can know the date, the amount, parties involved and the nature of transaction. All recording in the books of account is done on the basis of vouchers.

Essential Elements of Accounting Vouchers

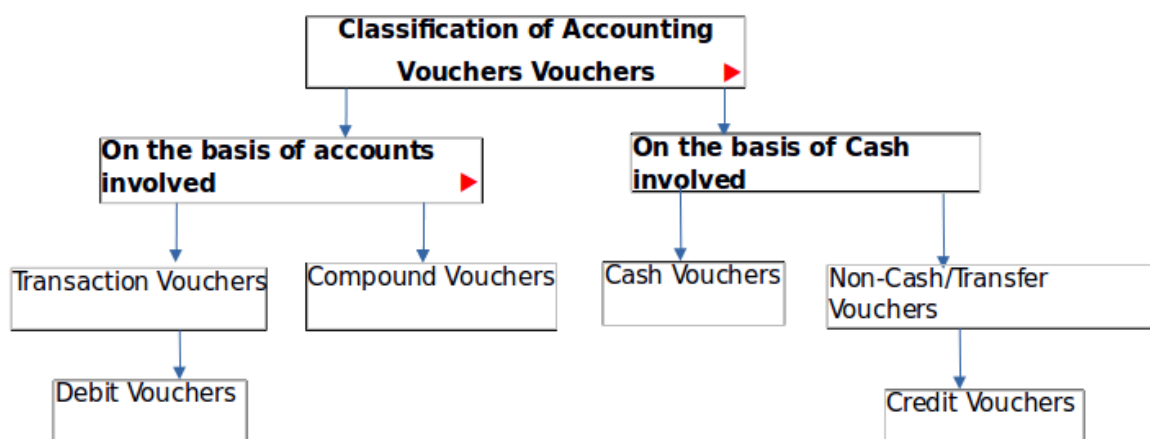
The design of the Accounting vouchers may vary depending upon the nature, requirement and convenience of the business. There is no prescribed set format. A business may use different colours, different design and different fonts to distinguish among various types of accounting vouchers.

An Accounting Voucher must contain the following essential elements:

- It is written on a good quality paper as these must be preserved for specific period of time.
- Firm's name must be printed on the top.
- Date of transaction is filled up against the space provided for date irrespective of the date of recording.
- The vouchers must be in a serial order.
- Name of the account to be debited or credited is mentioned.

Classification of Accounting Vouchers

The Accounting vouchers may be classified into the following categories on different basis:



1. **Transaction Voucher:** A Transaction with one debit and one credit is a simple transaction and the Accounting voucher prepared for such transaction is known as Transaction Voucher. Format of truncation voucher.

Transaction Voucher	
Name of the Firm	
Address of the firm	
Voucher No.-	
Date	
Debit account :	
Credit account :	
Amount :	
Narration :	
Authorised by	Prepared by:

2. **Compound Voucher:** Voucher which records a transaction that entails multiple debits/credits and one Credit/Debit is called Compound Voucher. Compound Voucher may be (a) Debit Voucher, (b) Credit Voucher, (c) Complex voucher (Image of Debit Voucher, Credit Voucher and Complex Voucher)

The accounting vouchers may also be classified on the basis of cash involved in the transaction. In that case, accounting voucher can be classified into following categories:

Compound Debit Voucher				
Name of Firm				
Voucher No. :		Date:		
Credit Account :				
Amount :				
Debit Accounts				
S.No.	Code	Account Name	Amount (Rs.)	Narration (i.e. Explanation)
Authorised By:			Prepared By:	

Journal/Complex Voucher				
Name of Firm				
Voucher No. :			Date:	
Debit Accounts				
S.No.	Code	Account Name	Amount (Rs.)	Narration (i.e. Explanation)
Credit Accounts				
S.No.	Code	Account Name	Amount (Rs.)	Narration (i.e. Explanation)
Authorised By:			Prepared By:	

Compound Credit Voucher				
Name of Firm				
Voucher No. :			Date:	
Debit Account :				
Amount :				
Credit Accounts				
S.No.	Code	Account Name	Amount (Rs.)	Narration (i.e. Explanation)

A. Cash Vouchers: Cash vouchers are those vouchers which are prepared at the time of receipt of cash/cheque or while making payment in cash/cheque. Thus, they are of two types, namely-

(a) **Debit Vouchers:** Debit vouchers are prepared at the time of making payment either in cash or through cheque. Payments are generally made in the following transactions:

- Payment of expenses e.g. salary, commission, interest etc.
- Purchase of goods for cash
- Purchase of assets for cash

- Sale of goods on Credit
- Credit purchase or sales of fixed assets
- Purchase/Sales returns
- Bad debts

TRANSFER VOUCHER M/s Lakshika Fashion Store 41, Sector 11, Rohini, Delhi Voucher No. Date.....	
Debit..... <div style="text-align: right; margin-top: 10px;">Total</div>	Amount (in Rs.) <hr/>
Credit..... <div style="text-align: right; margin-top: 10px;">Total</div>	Amount (in Rs.) <hr/>
Signature Manager	Signature Accountant

Let us take few source documents and learn how to prepare accounting vouchers for a business house dealing in mobile phones :

2017

April 01 : Anannya commenced business with a capital of Rs. 4,00,000

April 04 : Bought Mobile phones for Cash Rs. 2,50,000

April 05 : Bought Laptop for business use Rs. 35,000

April 07 : Sold mobiles for cash Rs. 1,40,000

April 10 : Bought mobiles from Mobo-world Rs. 50,000

April 15 : Paid Rs. 50,000 to Mobo-world

April 22 : Sold Mobile to Jyoti for Rs. 22,000

April 30 : Paid for electricity bill Rs. 2145

April 30 : Salary paid Rs. 6,500 for the month of April, 2017.

CREDIT VOUCHER Anannya Communications 41, Sector 11, Rohini, Delhi Voucher No. 01		Date 01-04-2017
Credit:CAPITAL		Amount (in Rs.)
Total		4,00,000
		4,00,000
Signature Manager		Signature Accountant

..... Received with thanks Sign.	DEBIT VOUCHER Anannya Communications 41, Sector 11, Rohini, Delhi Voucher No.		Date: 04-04-2017
	Debit: PURCHASES (Paid Rs.2,50,000 against Cash Memo No. 678 dated 04-04-2016)		Amount (in Rs.)
	Total		2,50,000
			2,50,000
Signature Manager		Signature Accountant	

..... Received with thanks Sign.	DEBIT VOUCHER Anannya Communications 41, Sector 11, Rohini, Delhi Voucher No.		Date: 05-04-2017
	Debit: LAPTOP (Paid Rs. 35,000 for purchase of Laptop against Cash Memo No. 1432 dated 05-04-2016)		Amount (in Rs.)
	Total		35,000
			35,000
Signature Manager		Signature Accountant	

CREDIT VOUCHER Anannya Communications 41, Sector 11, Rohini, Delhi Voucher No.		Date: 07-04-2017
Credit:SALES (recived Rs 1,40,000 for sales of mobiles vide cash memo no.....date.....)	Amount (in Rs.)	
	1,40,000	
	1,40,000	
Total		
Signature Manager	Signature Accountant	

TRANSFER VOUCHER Anannya Communications 41, Sector 11, Rohini, Delhi Voucher No. :		Date: 10-04-2017
Debit: PURCHASES	Amount (in Rs.)	
	50,000	
Total	50,000	
Credit: MOBO-WORLD (Purchase mobile from Mobo-world vide bill no 545)	Amount (in Rs.)	
Total	50,000	
	50,000	
Signature Manager	Signature Accountant	

thanks..... Received Sign. with	DEBIT VOUCHER Anannya Communications 41, Sector 11, Rohini, Delhi	
	Voucher No.	Date: 15-04-2017
	Debit Mobo-World (Paid Rs. 50,000 against Invoice No. 545 dated 10-04- 2016)	Amount (in Rs.)
	Total	50,000
		50,000
Signature Manager	Signature Accountant	

TRANSFER VOUCHER Anannya Communications s41, Sector 11, Rohini, Delhi Voucher No. :		Date: 22-04-2017
Debit: JYOTI		Amount (in Rs.)
	Total	22,000/-
		22,000/-
Credit: SALES (Sales of mobile vide invoice no,.....)		Amount (in Rs.)
	Total	22,000
		22,000
Signature Manager		Signature Accountant

Received with thanks Sign.	DEBIT VOUCHER Anannya Communications 41, Sector 11, Rohini, Delhi Voucher No.		Date: 30-04-2017
	Debit ELECRTICITY EXPENSES (Paid with electricity vide bill no.....dated.....)		Amount (in Rs.)
		Total	2145
			2145
	Signature Manager Accountant		Signature

Received with thanks.....	DEBIT VOUCHER Anannya Communications 41, Sector 11, Rohini, Delhi Voucher No.		Date: 30-04-2017
	Debit: SALARY (Paid Salary to Rajesh for the month of April,16)		Amount (in Rs.)
		Total	6500
			6500

..... Sign.	Signature Manager	Signature Accountant
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Note: - For transaction on April 01 and April 30 (salaries paid) accounting vouchers prepared are the source documents /original vouchers.

Summary

Voucher Every business unit performs various monetary transactions in its day-to-day activities. These transactions are not recorded in books of accounts until these are supported by some documentary evidence. The documents, which provide the evidence and details of business transaction, are called source documents. On the basis of source documents, accounting vouchers are prepared and recording is made in the books of account. These vouchers are prepared by the accountant and verified by the manager.

Types of Vouchers Vouchers can be classified as (a) Transaction vouchers and (b) Compound vouchers, on the basis of number of accounts involved.

On the basis of involvement of cash, vouchers may be classified as (a) Cash Vouchers which may further be divided as Debit vouchers or Credit vouchers (b) Non-cash or Transfer Vouchers.