

**UNIT A — Accounting Terms**

*DIRECTIONS:* Select the one term in Column I that best fits each definition in Column II. Print the letter identifying your choice in the Answers column.

*Column I*

*Column II*

- |  |  |
|--|--|
| <p><b>A.</b> cash over<br/><b>B.</b> cash short<br/><b>C.</b> petty cash<br/><b>D.</b> petty cash record<br/><b>E.</b> petty cash voucher<br/><b>F.</b> voucher cheque</p> | <p><b>0.</b> A cheque with space for writing the purpose of the payment<br/><b>1.</b> An amount of cash kept on hand and used for making small payments.....<br/><b>2.</b> A petty cash on hand amount more than a recorded amount.....<br/><b>3.</b> A form on which petty cash receipts and payments are recorded.....<br/><b>4.</b> A petty cash on hand amount less than a recorded amount.<br/><b>5.</b> A form showing proof of petty cash payments.....</p> |
|--|--|

Answers	For Scoring
F	0. ✓
	1.
	2.
	3.
	4.
	5.

**UNIT B — Examining a Petty Cash System**

*DIRECTIONS:* Place a check mark (✓) in the proper Answers column to show whether each of the following statements is true or false.

- 0.** Good cash control requires that businesses deposit all cash receipts in a bank account.....
- 6.** Using a petty cash fund generally increases the number of cheques that must be written.....
- 7.** Petty cash should be available to all employees to make small expenditures.....
- 8.** The amount in a petty cash fund should be sufficient to last for a period of time, usually a month.....
- 9.** The account Cash is placed immediately after the account Petty Cash in a general ledger.....
- 10.** A petty cash fund should be kept in a bank account.....
- 11.** Petty cash should be kept separate from all other cash.....
- 12.** Each time a petty cash payment is made, a petty cash voucher is prepared.....
- 13.** The petty cash vouchers plus cash in the petty cash box should equal the original amount of the petty cash fund.....
- 14.** Petty cash is always replenished at the end of each fiscal period.....
- 15.** Petty cash vouchers in a petty cash box represent transactions that must be journalized and posted.....
- 16.** If a petty cash fund is not replenished at the end of each fiscal period, the balance sheet is not an accurate statement of assets.....
- 17.** The steps taken to replenish a petty cash fund at the end of a fiscal period are the same as those followed to replenish it when the fund is low.....
- 18.** Credit entries on a voucher prepared to replenish a petty cash fund include each account in the petty cash record's Distribution of Payments columns.....
- 19.** An error in making change generally is the reason cash in the petty cash box is more than the cash balance shown in the petty cash record.....
- 20.** Any balance in a cash short and over account is closed to Income Summary at the end of a fiscal period.....
- 21.** To make payments from petty cash, businesses using a cash payments journal must follow different procedures than businesses using a voucher system.....

Answers		For Scoring
True	False	
✓		0. ✓
		6.
		7.
		8.
		9.
		10.
		11.
		12.
		13.
		14.
		15.
		16.
		17.
		18.
		19.
		20.
		21.

# UNIT C — Analysing a Petty Cash System

*DIRECTIONS:* For each item below, select the choice that best completes the sentence. Print the letter identifying your choice in the Answers column.

0. The petty cash account is classified as  
(A) an asset (B) a liability (C) an expense.....
22. An entry to establish a petty cash fund includes a debit to  
(A) Cash (B) Miscellaneous Expense (C) Petty Cash (D) Vouchers Payable.
23. An entry to establish a petty cash fund includes a credit to (A) Income Summary  
(B) Petty Cash (C) Vouchers Payable (D) Miscellaneous Expense .....
24. An entry to establish a petty cash fund is recorded in a (A) cash receipts journal  
(B) general journal (C) purchases journal (D) voucher register.....
25. When using a voucher system, an entry to record a cheque for establishing a petty cash fund includes a debit to  
(A) Cash (B) Petty Cash (C) Miscellaneous Expense (D) Vouchers Payable.
26. An entry to record a cheque for establishing a petty cash fund includes a credit to  
(A) Cash (B) Petty Cash (C) Miscellaneous Expense (D) Vouchers Payable.
27. An entry to record a cheque for establishing a petty cash fund is recorded in a  
(A) cheque register (B) general journal (C) petty cash record .....
- (D) voucher register.....
28. A petty cash voucher shows (A) an account number  
(B) the balance of the petty cash account  
(C) the signature of the person to whom payment is made  
(D) the name of the journal to which the amount is posted .....
29. A petty cash record is usually a (A) journal (B) general ledger  
(C) subsidiary ledger (D) supplementary record.....
30. When a payment is made from petty cash for supplies, the amount is entered in the petty cash record  
(A) Supplies and Payments columns (B) Supplies and Receipts columns  
(C) Supplies and Other Payments columns (D) Supplies and Explanation columns .
31. The sum of the Distribution of Payments columns of a petty cash record must be equal to the (A) Receipts column total (B) Payments column total  
(C) Vouchers Payable column total (D) Cash column total .....
32. An entry to replenish a petty cash fund includes a debit to  
(A) Cash (B) Petty Cash (C) Equipment (D) Miscellaneous Expense .....
33. A voucher register entry to replenish a petty cash fund includes a credit to  
(A) Cash (B) Petty Cash (C) Vouchers Payable (D) Miscellaneous Expense.
34. When a petty cash fund is replenished, the balance of the petty cash account  
(A) is increased (B) remains the same (C) is decreased .....
35. When a petty cash fund is replenished a voucher is prepared for the amount paid out  
(A) plus cash short (B) less cash short (C) without regard for cash short .....
36. When an amount is paid from a petty cash fund, the petty cash account balance  
(A) is increased (B) remains the same (C) is decreased .....
37. A cash short and over account is classified as  
(A) an asset (B) a liability (C) other revenue or expense .....
38. A debit balance in Cash Short and Over indicates that cash overages have been  
(A) more than cash shortages (B) about the same as cash shortages  
(C) less than cash shortages .....
39. A credit balance in Cash Short and Over indicates that cash overages have been  
(A) more than cash shortages (B) about the same as cash shortages  
(C) less than cash shortages .....
40. A Cash Short and Over debit balance is reported on an income statement as  
(A) Sales (B) Cost of Merchandise Sold (C) Other Revenue  
(D) Other Expenses .....
41. A Cash Short and Over credit balance is reported on an income statement as  
(A) Sales (B) Cost of Merchandise Sold (C) Other Revenue  
(D) Other Expenses .....

Answers	For Scoring
A	0. ✓
	22.
	23.
	24.
	25.
	26.
	27.
	28.
	29.
	30.
	31.
	32.
	33.
	34.
	35.
	36.
	37.
	38.
	39.
	40.
	41.

Replenishing a petty cash fund

*March 31 entry*

<b>Supplies</b>
<b>Delivery Expense</b>
<b>Miscellaneous Expense</b>
<b>Advertising Expense</b>
<b>Vouchers Payable</b>

*May 31 entry*

<b>Supplies</b>
<b>Delivery Expense</b>
<b>Miscellaneous Expense</b>
<b>Advertising Expense</b>
<b>Vouchers Payable</b>

*April 30 entry*

<b>Supplies</b>
<b>Delivery Expense</b>
<b>Miscellaneous Expense</b>
<b>Advertising Expense</b>
<b>Vouchers Payable</b>

*June 30 entry*

<b>Supplies</b>
<b>Delivery Expense</b>
<b>Miscellaneous Expense</b>
<b>Advertising Expense</b>
<b>Vouchers Payable</b>

