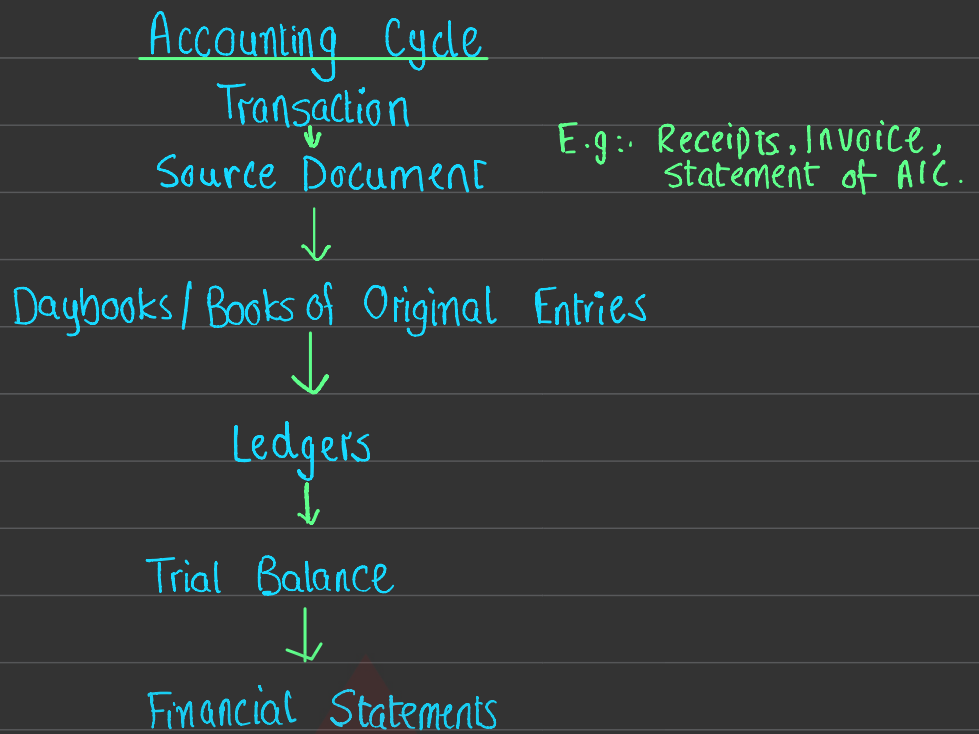


Topic 2



**Books of original
entries**



Books of Original Entries / Books of Prime entries / Daybooks / Journals ::

Daybooks are used for initial listing of transactions or recording of transaction but are not part of double entry system. Source Documents are used to record transactions in books of original entries.

Transaction

Buying and selling of goods and services.

Types of Daybooks	Source Document	Transaction
1. Sales Daybook	Sales Invoice	Credit Sales
2. Purchases Daybook	Purchase Invoice	Credit Purchases
3. Sales Returns Daybook	Credit Note Issued	Credit Sales Returns
4. Purchases Returns Daybook	Credit Note Rec/Debit Note Issued	Credit Purchases Returns
5. Cashbook Note: Follows double entry system	Cheque counterfoil Pay in slips Payment vouchers Receipts	<ul style="list-style-type: none"> Asset { inflows - debit • Cash { outflows - credit Asset { deposits - debit • Bank { withdrawals - credit • Cash discount { Allowed - Dr <li style="padding-left: 150px;">Received - Cr
6. General Journal	-	<ul style="list-style-type: none"> • Sale/purchase of NCA on credit. • bad debt • prov. on doubtful debt • depreciation • gain/loss on disposal • correction of errors

Specimen Sales Invoice

Paperwala Ltd
Shop # 204 Saddar, Karachi

<u>Date</u>	<u>Invoice #</u>
10.10.20	0020
<u>Description :</u>	<u>Value (\$)</u>
Sold 100 units of Product X @ \$20/unit	2000
Sold 50 units of Product Z @ \$50/unit	<u>2500</u>
Gross Invoice value / Tag price / list price	4500
(-) Trade Discount [4500 x 20%]	<u>(900)</u>
Net invoice value	3600

Note : If paid within 30 days, discount of 5% will be allowed

Receipt : It is a document used for cash transactions such as cash sales or collection from credit customers.

Invoice : It is a document used for credit transactions issued by the seller to show the value of goods sold and the amount payable on invoice

Note : Cashbook is the only book of original entry which is a part of double entry system because cashbook is also a ledger.

Specimen Sales Daybook

General Store

Date	Particulars	Invoice #	Amount (\$)
1 st Oct	Adeel	0010	100
10 th Oct	Bilal	0011	200
15 th Oct	Cherry	0012	300
30 th Oct	Danny	0013	400
Total for the month			1000

Purchases Daybook

Received

Date	Particulars	Invoice #	Amount (\$)
1 st Oct	K electric	20215	7000
10 th Oct	PTCL	412	500
15 th Oct	Water Service	813	200
30 th Oct	Internet	1034	1500
Total for the month			9200

INTRODUCTION TO COST AND MANAGEMENT ACCOUNTING

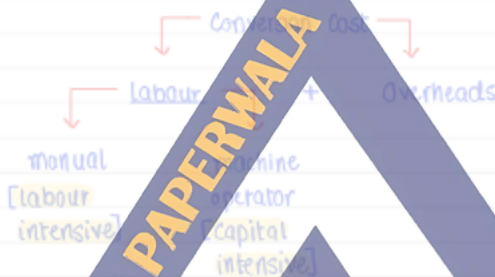
Cost/Expense: Outflow of resources.



For full content

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Stages of Manufacturing



ADEEL PAPERWALA

Labour intensive business: Business organisations dependant on manual labour rather than technology or machinery.

Capital intensive business: Business organisations which are more dependant on machines rather than manual labour.