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Bank Accounts and Cash Funds

DEMONSTRATION PROBLEM

The Reading Company made the following transactions during June of this year involving its Petty Cash Fund, its Change Fund, its Cash Short and Over, and its Income from Services accounts:

- June 1 Established a Change Fund, \$200.
- 3 Established a Petty Cash Fund, \$100.
- 14 Recorded cash revenue for period June 1 through 14: cash register tape, \$4,980.21; cash count, \$5,175.39.
- 30 Reimbursed the Petty Cash Fund, \$94. The petty cash payments record indicated the following expenditures: Supplies Expense, \$32; Delivery Expense, \$16; Advertising Expense, \$35; Miscellaneous Expense, \$11.
- 30 Recorded cash revenue for period June 15 through 30: cash register tape, \$5,239.16; cash count, \$5,441.09.
- 30 Recorded an NSF check received from J. Blakely listed on the bank reconciliation, \$157.

Instructions

Record the transactions in general journal form.

SOLUTION

GENERAL JOURNAL

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	DATE	DESCRIPTION	POST. REF.	DEBIT	CREDIT	
1	20—					1
2	June	1 Change Fund		200.00		2
3		Cash			200.00	3
4		Established a Change Fund.				4
5						5
6		3 Petty Cash Fund		100.00		6
7		Cash			100.00	7
8		Established a Petty Cash Fund.				8
9						9
10		14 Cash		4,975.39		10
11		Cash Short and Over		4.82		11
12		Income from Services			4,980.21	12
13		To record cash revenue for period				13
14		June 1 through 14 involving a				14
15		cash shortage of \$4.82.				15
16						16
17		30 Supplies Expense		32.00		17
18		Delivery Expense		16.00		18
19		Advertising Expense		35.00		19
20		Miscellaneous Expense		11.00		20
21		Cash			94.00	21
22		Reimbursed the Petty Cash Fund.				22
23						23
24		30 Cash		5,241.09		24
25		Income from Services			5,239.16	25
26		Cash Short and Over			1.93	26
27		To record cash revenue for period				27
28		June 15 through 30 involving a				28
29		cash overage of \$1.93.				29
30						30
31		30 Accounts Receivable		157.00		31
32		Cash			157.00	32
33		To record an NSF check received				33
34		from J. Blakely.				34
35						35