

Practice Set

ACCOUNTING FOR CASH

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I. ACCOUNTING FOR PETTY CASH

On January 2, a petty cash system was set up by Video Showcase to handle incidental expenses. A \$200 check was cashed, petty cash slips and a petty cash box purchased, and the fund was locked in Linda's desk. A review of the fund on February 1, revealed a balance of \$6 and the following petty cash slips.

Miscellaneous	\$10
Office Supplies Purchased	25
Contributions	20
Stamps Purchased	80
Transportation-In	60

Instructions: Make the Journal Entries necessary to open a petty cash fund on January 2, and to replenish and increase the fund to \$250 on February 1.

	DR.	CR.
Jan. 2		
Feb. 1		

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Hint: Cash was credited on February 1 for \$244.