

Chapter 8 Outline

Internal Control of Cash
Voucher System
 Preparation of a Voucher
Petty Cash
Bank Reconciliation
 Preparing a Bank Reconciliation
 Illustration of a Bank Reconciliation
Gross Method of Recording Purchases
Net Method of Recording Purchases
Credit Card Sales
Integrated Cash Management for Multi-
Unit Operations

Competencies

1. Describe assets that accountants represent as Cash or Cash Equivalents, and describe procedures that help ensure internal control of a firm's cash. (pp. 295–297)
2. Explain the purpose of a voucher system and how it works. (pp. 297–299)
3. Describe the petty cash fund and the accounting procedures related to it. (pp. 299–301)
4. Explain the purpose of performing bank reconciliations, and demonstrate how to prepare a bank reconciliation. (pp. 301–305)
5. Compare and demonstrate the gross and net methods of recording purchases. (pp. 305–307)
6. Distinguish between the two types of credit cards, and demonstrate how to account for sales that involve each type. (pp. 307–308)
7. Describe an integrated cash management system. (p. 308)