

MEANING OF KEY TERMS USED IN THE CHAPTER

1. Source Documents or Source Voucher	It is a written document evidencing the transaction and contains details of the transaction. Examples are: Cash Memo, Invoice, Bill, etc.
2. Cash Memo	Cash Memo is a document of sale of goods against cash. It is issued by seller to the buyer. It has details of goods sold such as quantity, rate of each item and total amount received.
3. Invoice or Bill	Invoice is a document of sale of goods on credit. It has the details of goods sold and also the name of the buyer.
4. Receipt	Receipt is an acknowledgment of amount received. It has the details for date, amount and the name of the payee of the amount.
5. Pay-in-Slip	This is a form provided by the bank to deposit amount into the bank.
6. Cheque	Cheque is an order to the bank, in writing, to pay specified amount to the bearer or to the person named in it.
7. Debit Note	Debit Note is issued by a firm to its supplier/creditor for debiting his account say, for goods returned to supplier or any other reason.
8. Credit Note	Credit Note is issued by a firm to its customer for crediting his account say, for goods returned by the customer or any other reason.
9. Accounting Voucher	It is a written document prepared on the basis of Source Document or Source Voucher showing the account debited or credited.
10. Cash Voucher	Cash Voucher is used for cash transactions.
11. Debit Voucher	Debit Voucher is prepared when payment is made.
12. Credit Voucher	Credit Voucher is prepared when cash is received.
13. Transfer Voucher	Transfer Vouchers are used for recording non-cash transactions like, goods returned (both returns inward and returns outward) adjustment entries, etc.

CHAPTER SUMMARY

- Financial accounting records contain factual financial information and, therefore, all business transactions should be evidenced by documentary evidence. For example, a cash memo showing cash sales, an invoice showing sale of goods on credit, the receipt made out by the payee against cash payment, are all examples of source documents.
- A voucher is a document providing evidence of a business transaction.
- Types of Vouchers:** 1. Supporting Vouchers and 2. Accounting Vouchers.
 - Supporting Vouchers:** These vouchers are generated following a business transaction. These vouchers are the documentary evidence of business transactions having taken place.
 - Accounting Vouchers:** These are secondary vouchers prepared on the basis of supporting vouchers by an Accountant and countersigned by an authorised person of the organisation for the purpose of recording in the books of account.

These vouchers may be classified into the following categories:

(i) Cash Vouchers and (ii) Non-Cash Vouchers or Transfer Vouchers.