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Accounting: Accounting for Business Transactions: Source Documents and Accounting Vouchers

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Selling goods for cash and credit, collecting payments, making payments to suppliers, instructing worker to deliver goods in time, making payments for telephone, carriage, etc. are general business activities. Cash is not involved in all of them at time of making transactions. Activities which are in cash terms are called business transactions. Every transaction, makes use of a document like bills, cash memos, receipts, etc. These are called as vouchers.

Source Documents and Accounting Vouchers

A business transaction involves exchange of values between two parties. Every transaction involves Give and Take aspect. Debit represents Take aspect and credit represents Give aspect in a transaction. Business transactions are exchange of goods or services between two parties, effects of these transactions are recorded in two accounts.

Source Documents or Vouchers

Voucher is a document which provides evidence of the transactions. Voucher is primary evidence in support of a business transaction. Voucher is first record prepared for a business transaction and is basis for entries in books of accounts. All recording in books of accounts is done on basis of accounting vouchers. A Voucher is documentary evidence in support of a transaction. Transaction with one debit and one credit is a simple transaction, voucher prepared for such transaction is known as transaction voucher.

Transaction Voucher	
Firm name	
Voucher No.	
Date:	
Debit account:	
Credit account:	
Amount (Rs) :	
Narration :	
Authorised By :	Prepared By:

Preparation of Accounting Vouchers

Vouchers are prepared by accountant and countersigned by authorized person.

Features of accounting vouchers

- It is a written document.
- It is prepared on basis of evidence of the transaction.

- It contains an analysis of a transaction i.e.. which account is to be credited and which to be debited?
- It is prepared by an accountant and countersigned by authorized signatory.