Chapter 5 Name: ANSWER DOC

Section 5.3 Notes: Fill in the blanks after reviewing Section 5.3 PowerPoint.

True and False

1. Purchases Returns and Allowances INCREASE the amount owed for an invoice.

[ ] True

[x] False

1. When a business has a purchase return or allowance, they must cancel the original voucher and prepare a new voucher.

[x] True

[ ] False

1. The first step in canceling a voucher is to remove it from the unpaid voucher file and write “cancel” across section #5.

[x] True

[ ] False

Fill in the blanks

1. List two situations where transactions will be handled differently when using the voucher system:
	1. Purchases returns and allowances
	2. Payroll transactions
2. What accounts are affected, and how, when a debit memorandum is issued for the return of merchandise purchased and the original voucher is canceled?
	1. Vouchers Payable is debited
	2. Purchases Returns & Allowances is credited
	3. Vouchers Payable is credited
3. Information to prepare the voucher for payroll is obtained from the payroll register.
4. Unpaid vouchers are filed by their payment due dates. This ensures payment of vouchers within discount periods.
5. An unpaid voucher file and a paid voucher file eliminate the need of posting to an accounts payable file.
6. A paid vouchers file provides three different and easy ways to find information about a paid voucher:
	1. If only the voucher number is known, look in the voucher register
	2. If only the check number used to pay the voucher is known, look in the check register
	3. If only the name of the payee is known, looked in the paid vouchers File.