Chapter 5 Name: ANSWER DOC

Section 5.1 Notes: Fill in the blanks after reviewing Section 5.1 PowerPoint.

1. An Accounting System includes procedures for:
2. recording and reporting accurate and up-to-date financial information
3. assisting management in controlling a company’s daily operations
4. Why is “Cash” the asset that is most likely to be misused?
   1. Ownership easily transferred
5. Where do you think the safest place to store / keep cash may be?
   1. bank
6. In a voucher system, a check cannot be written without a properly authorized voucher.

True

False

1. List the 3 steps for approving an invoice.
   1. Receive Invoice
   2. Verification form is stamped on the invoice
   3. Check marks by each person showing responsibility for each part
2. What are the 5 sections of a voucher form?
   1. Payee information
   2. Accounts affected
   3. Voucher approval
   4. Where the voucher is recorded
   5. Payment of the voucher
3. Voucher payable will have a normal \_\_\_\_\_\_ balance.

Debit

Credit

1. With a voucher system, an accounts payable ledger is NOT kept.

True

False

1. Vouchers needing to be paid are kept in an unpaid voucher file.
2. August 1. Purchased merchandise on account from O’Riley Company, $3500. Voucher No. 647.

The account that will be debited is Miscellaneous Expense or Vouchers Payable.

The account that will be credited is Miscellaneous Expense or Vouchers Payable.

1. What is the purpose of using prenumbered voucher forms?

To serve as an additional control: all vouchers can be accounted for

1. A voucher system is similar to and replaces what journal?

Purchases Journal

Sales Journal

Cash Payment Journal