

## Glencoe Accounting

### Chapter 22: Cash Funds

#### I-Summary

Managing cash is a big part of keeping a business rolling each day. Imagine what might happen if a retail store failed to keep cash on hand to make change for their customers' purchases.

In this chapter, you learned how a business sets up a *change fund* and balances its cash register drawers each day. You also learned how a business uses a petty cash fund to make small payments for items like stamps or supplies and how it should account for such a fund.

## **Glencoe Accounting**

### **Chapter 22: Cash Funds**

#### **I-Quiz**

1. What journal entry is made to establish a petty cash fund?
  - A. Debit Cash in Bank; Credit Petty Cash Fund
  - B. Debit Petty Cash Fund; Credit Cash in Bank
  - C. Debit Miscellaneous Expense; Credit Petty Cash Fund
  
2. What do you call a fund that is used to make change for cash transactions?
  - A. cash fund
  - B. change fund
  - C. register fund
  
3. What source document is used to record total cash sales for a day's receipts?
  - A. cash register tape attached to the cash proof
  - B. sales invoices attached to the cash register tape
  - C. cash proof
  
4. Whenever a cash payment is made from the petty cash fund, what form must be completed?
  - A. disbursement form
  - B. petty cash requisition
  - C. petty cash voucher

#### **Answer Key**

1. **B**
2. **B**
3. **A**
4. **C**