**Question 1**

Sheng Li Company keeps the Petty Cash Book on the imprest system. The imprest figure was set at RM400. On 1 November 2017, the balance of petty cash brought forward was RM 180. The following transactions took place during November 2017:

|  |  |  |
| --- | --- | --- |
|  |  | RM |
| Nov 1 | Drew cash from the bank to restore the imprest | ? |
| 4 | Donated to charity | 20 |
| 7 | Paid taxi fare | 35 |
| 12 | Purchased photocopy papers and files | 32 |
| 15 | Refunded to a debtor because of his overpayment | 20 |
| 18 | Paid for hotel accommodation | 70 |
| 20 | Paid for computer service | 55 |
| 22 | Paid for travelling allowance | 40 |
| 23 | Paid to a creditor | 24 |
| 24 | Paid for posting parcel | 13 |
| 25 | Paid for food and drink | 18 |
| 28 | Paid for courier service | 42 |

On 1 December 2017, Sheng Li Company decided to increase the imprest to RM 500.

The company has a numbering system for all payment vouchers. It keeps the following accounts in its General Ledger:

|  |  |
| --- | --- |
| **Name of account** | **Page no.** |
| Postage And Stationery | 1 |
| Travelling Expenses | 2 |
| General Expenses | 3 |
| Accounts Receivable Control | 4 |
| Accounts Payable Control | 5 |

**You are required to :**

1. Draw up a Petty Cash Book up to 1 December 2017, using the following analysis columns:

**Postage And Stationary, travelling Expenses, General Expenses , and Sundries;**

(Note: Balance the Petty Cash Book on 30 November 2017 and show the reimbursement on 1 December 2017.)

1. Post the entries to the Cash Book (Bank Column) and the appropriate accounts in the General Ledger at the end of the month of November 2017;
2. Briefly describe two advantages of keeping Petty Cash Book.