

What are Subsidiary Books

What are Subsidiary Books? Subsidiary Books are books of Original Entry. They are also known as Day Book or special journals. We record transactions of similar nature are in Subsidiary Books. They are helpful in overcoming the limitations of journal book or journal entries. In this article, we will see different types of Subsidiary Books.

Different Types of Subsidiary Books

We can divide the subsidiary books into the following types:

1. Cash book
2. Purchases book
3. Sales book
4. Purchases return or return outwards book

5. Sales return or return inwards book
6. Bills receivable book
7. Bills payable book
8. Journal proper

[Click here to know the meaning of Subsidiary Books in detail](#)

Cash Book

It records all the cash and bank receipts and payments. It is a book of original **entry** as we record transactions in it for the first time from the source documents such as vouchers, invoices, etc.

A **cash book** has a debit and a credit side both. Thus, it is similar to a ledger account. Hence, it acts as a subsidiary book as well as a ledger account.

An organization can maintain a single column, double column or triple column cash book as per its requirements. A single column cash book consists of only cash column.

A double column cash book consists of cash and bank column. While the triple column cash book consists of cash, **bank**, and discount column. Usually, the firms use triple column cash book.

Some organizations also maintain a petty cash book which records the petty or small cash expenses of the firm.

Format of Cash Book

Date	Particulars	L.F.	Cash	Bank	Discount Allowed	Date	Particulars	L.F.	Cash	Bank	Discount Received
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- [Purchase Day Book](#)
- [Sales Day Book](#)
- [Ledger Accounts](#)
- [Sub Division of Ledger](#)

Purchases book

A firm records all its credit purchases of goods in [Purchase](#) Book or Purchase Day Book. While it records all the cash purchases of goods in the Cash Book.

We do not record Purchases of assets in Purchase Book. Thus, they are recorded in the Journal Proper.

Purchase Book Format

Date	Name of the Supplier and details of purchases	Invoice ref.	L.F.	Amount (₹)	Remarks

Sales Book

A firm records all credit sales of goods in the Sales Book or Sales Day [Book](#). It records cash sales of goods in the Cash Book. We do not record the sale of assets in the Sales Book.

Thus, we shall record them in the Journal Proper. In this case, also we record entries from the source documents. Also, we record entries with the net amount of the invoice.

Sales Book Format

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Date	Particulars	Invoice ref.	L.F.	Amount (₹)	Remarks

Purchase Return or Return Outward Book

We record the return of goods purchased in the **Purchase** Return Book. A **Debit** Note is prepared for every return of goods in duplicate.

It contains the name of the supplier, details of goods returned and reason thereof. It needs to be dated and serially numbered.

Purchase Return Book

Date	Particulars	Debit Note No.	L.F.	Details	Totals	Remarks

Sales Return or Return Inwards Book

We record the return of goods sold in the **Sales** Return Book. A **Credit** Note is prepared for every return of goods in duplicate.

The **Credit** Note contains the name of the customer, details of goods returned and reason thereof. It also needs to be dated and serially numbered.

Sales Return Book

Date	Particulars	Outward invoice	L.F.	Details	Totals	Remarks

Bills Receivable Book

We record all the acceptance of the bills in our favor in the **Bills** receivable book. We need to post the total of bills receivable book to the Bills receivable A/c. Also, we need to post the individual accounts of the customers.

Bills Receivable Book Format

No. of bills	Daye of receipt	From whom	Name of the receiver	Name of the drawer	Name of acceptor	Date of bill	Due date	L.F.	Amount of bill	How disposed off

Bills Payable Book

We record all the acceptance of the bills that we issue in favor of others in the Bills payable book. We need to post the total of bills payable book to the Bills payable A/c. Also, we need to post the individual accounts of the suppliers.

Bills payable Book Format

No. of bills	Daye of acceptance	To whom	Name of drawer	Name of the payee	Where payable	Date of bill	Term	Due date	L.F.	Amount of bill how disposed of

Journal Proper

It includes transactions relating to credit purchase and sale of assets, depreciation, outstanding and pre-paid expenses, accrued and unearned income, opening and closing entries, adjustment entries and rectification entries.

Solved Example on Types of Subsidiary Books

State the appropriate subsidiary book to record the following transactions:

1. Purchase of goods from Ram

2. Purchase of furniture in cash
3. Depreciation on plant and machinery
4. Sale of goods for cash
5. Bad debts from Dolly

Ans.

1. Purchases Book
2. Cash Book
3. Journal proper
4. Cash book
5. Journal proper