Petty cash example:

**Established a P.C $2000**

Petty cash 2000

Cash 2000

Replenishing the P.C

Postage exp 300

Freight out 600

Miscellaneous 500

Stationary exp 200

Cash 1600

1- Insufficient amount:

Petty cash 1000

Cash 1000 **To increase the P.C fund**

2- Over amount:

Cash 500

Petty cash 500 **To reduce the petty cash fund**

**1- Equal**

Book amount 2000

Fund 2000

No Problem.

2- **Cash over**

Book amount 2000

Fund amount 2200

Cash over = 200

**3- Cash deficit**

Book amount 2000

Fund amount 1700

Cash deficit 300