

Chapter 15 Bank Reconciliation Statement

Practical Questions

Question 1

Rim Zim Ltd. maintains a current account with the State Bank of India. On 31st March 2017, the bank column of its cash book showed a debit balance of ₹ 1,54,300. However, the bank statement showed a different balance as on that date. The following were the reasons for the difference.

Particulars	₹
(i) Cheques deposited, but not yet credited by the bank	75,450
(ii) Cheques issued, but not yet presented for payment	80,760
(iii) Bank charges not yet recorded in the cash book	1,135
(iv) Cheques received by the bank directly from trade debtors	1,35,200
(v) An insurance premium paid by the bank as per standing instructions, but not yet recorded in the cash book	15,400
(vi) Dividend collected by the bank, but not yet recorded in the cash book	1,000

Solution:

Bank Reconciliation Statement as on March 31, 2017			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance in Cash Book	1,54,300	
	Add: (ii) Issued cheques but not sent to bank	80,760	
	(iv) Trade debtor sent cheque directly to bank	1,35,200	
	(vi) Dividend was received but not posted in Cash Book	1,000	

	Less: (i) Deposited cheques but bank did not credited		75,450
	(iii) Bank charges was not posted in the Cash Book		1,135
	(v) Bank paid insurance premium as per advice		15,400
	Credit Balance in Pass Book		2,79,275
		3,71,260	3,71,260

Question 2

The balance of cash at bank as shown by the Cash Book of Pan & Co. on 31st December, 2016, was ₹ 7,500. On checking the entries in the Cash Book with the Pass Book, it was ascertained that cheques of ₹ 500 and ₹ 700 respectively paid in on 30th December, were not credited until the 2nd January following and three cheques of ₹ 600, ₹ 800 and ₹ 1,200 issued on the 28th December were not presented until the 3rd of January. There was a credit of ₹ 125 in the Pass Book in respect of interest under date 31st December, which was not entered in the Cash Book. There were also Bank Charges debited in the Pass Book amounting in all to ₹ 10 which were not entered in the Cash Book.

Prepare a Bank Reconciliation Statement as at 31st December, 2016.

Solution:

Bank Reconciliation Statement as on December 31, 2016			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance in Cash Book	7,500	
	Add: Issued cheques but not sent for payment (600 + 800 + 1,200)	2,600	
	Bank credited interest	125	
	Less: Deposited Cheques in the bank but not yet credited (500 + 700)		1,200
	Bank Charges		10
	Credit Balance in Pass Book		9,015

		10,225	10,225

Question 3

On 30th June 2014, the bank column of Mohan Kapoor's Cash Book showed a debit balance of ₹ 12,000. On checking the Cash Book with bank statement you find that:-

1. Cheques paid into Bank ₹ 8,000, but out of these only cheques of ₹ 6,500 were cleared and credited by the Bankers up to 30th June.
2. Cheques of ₹ 9,200 were issued but out of these only cheques of ₹ 7,000 were presented for payment up to 30th June.
3. The receipt column of the Cash Book has been undercast by ₹ 200.
4. The Pass Book shows a credit of ₹ 330 as interest on investments collected by bankers and debit of ₹ 60 for bank charges.
5. On 29th June a Customer deposited ₹ 3,000 direct in the bank account but it was entered only in the Pass Book.

Prepare a Bank Reconciliation Statement.

Solution:

Bank Reconciliation Statement as on June 30, 2014			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance in Cash Book	12,000	
	Add: 2. Cheques issued but not sent for payment (9,200 – 7,000)	2,200	
	3. Cashbook receipt column was undercast	200	
	4. Bank collected interest on investment	330	
	5. Customer deposited the amount directly in the bank account	3,000	
	Less: 1. Deposited cheques, not yet credited (8,000 – 6,500)		1,500
	4. Bank Charges		60

	Credit Balance in Pass Book		16,170
		17,730	17,730

Question 4

On 30th June 2014, the bank balance as per Sanjay Yadav's Cash Book was ₹ 1,500. On comparing with the Pass Book the following information was received:-

1. Cheques amounting to ₹ 7,290 were issued on 28th June, of which one cheque of ₹ 1,300 was presented in the bank for payment on 4th July.
2. Cheques deposited into a bank for ₹ 10,000, but of these cheques for ₹ 4,000 were cleared and credited in July.
3. Interest and Dividend on investments ₹ 580 collected by bank and credited to his account but he did not have any information for this.
4. Life Insurance Premium ₹ 750 paid by the bank according to his standing orders.
5. Bank Charges ₹ 25 not recorded in the Cash Book.

Prepare a Bank Reconciliation Statement.

Solution:

Bank Reconciliation Statement as on June 30, 2014			
Sl. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance in Cash Book	1,500	
	<i>Add:</i> 1. Issued cheques but not sent for payment	1,300	
	3. Bank collected dividend and interest	580	
	<i>Less:</i> 2. Deposited cheques but bank did not credited		4,000
	4. Bank paid premium for Life Insurance		750
	5. Bank charges was not registered in Cash Book		25
	Debit Balance (Overdraft) in Pass Book	1,395	
		4,775	4,775

Question 5

On comparing the Cash Book with Pass Book of Naman it is found that on March 31, 2017, bank balance of ₹ 40,960 showed by the Cash Book differs from the bank balance with regard to the following:

- (a) Bank charges ₹ 100 on March 31 2017, are not entered in the Cash Book.
- (b) On March 21, 2017, a debtor paid ₹ 2,000 into the company's bank in settlement of his account, but no entry was made in the Cash Book of the company in respect of this.
- (c) Cheques totalling ₹ 12,980 were issued by the company and duly recorded in the Cash Book before March 31, 2017, but had not been presented at the bank for payment until after that date.
- (d) A bill for ₹ 6,900 discounted with the bank is entered in the Cash Book without recording the discount charge of ₹ 800.
- (e) ₹ 3,520 is entered in the Cash Book as paid into a bank on March 31st 2017, but not credited by the bank until the following day.
- (f) No entry has been made in the Cash Book to record the dishonour on March 15, 2017, of a cheque for ₹ 650 received from Bhanu.

Prepare a reconciliation Statement as on March 31, 2017.

Solution:

Bank Reconciliation Statement as on March 31, 2017			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance in Cash Book	40,960	
	Add: (b) Debtors paid the amount directly to the company's bank account	2,000	
	(c) Issued cheques but not sent for payment	12,980	
	Less: (a) Bank charges not registered in Cash Book		100
	(d) In cash discounting charges was not recorded		800
	(e) The amount deposited to the bank but not credited		3,520
	(f) Dishonoured cheque entry was not mentioned in Cash Book		650

	Credit Balance in Pass Book		50,870
		55,940	55,940

Question 6

Prepare a Bank Reconciliation Statement from the following particulars as on 30th June, 2016:-

	(₹)
1. Credit balance as per Bank column of Cash Book	3,600
2. Cheque issued to the creditor but not yet present for payment	720
3. Cheques deposited into Bank for collection but not collected by the bank upto this time	1,540
4. Bank charges charged by the bank	20
5. Interest on overdraft charged by the bank	25
6. A customer deposited into our bank account without informing us.	240
7. Bank paid House Tax on our behalf, but no information was received from Bank.	35

Solution:

Bank Reconciliation Statement as on June 30, 2016			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance (Overdraft) in Cash Book		3,600
	Add: 2. Issued cheque to the creditor but not sent to bank	720	
	6. The customer directly deposited into the bank	240	
	Less: 3. Deposited cheque into the bank but not received the amount		1,540

	4. Bank charges		20
	5. Bank charged overdraft interest		25
	7. House tax paid by bank		35
	Debit Balance (Overdraft) in Pass Book	4,260	
		5,220	5,220

Question 7

Tiwari and Sons find that the bank balance shown by their Cash Book on December 31, 2016, is ₹ 40,500 (Credit) but the Pass Book shows a difference due to the following reasons:

- (i) A cheque for ₹ 5,000 drawn in favour of Manohar has not yet been presented for payment.
- (ii) A post-dated cheque for ₹ 900 has been debited in the bank column of the Cash Book but it could not have been presented in any case.
- (iii) Cheques totalling ₹ 10,200 deposited with the bank have not yet been collected and another cheque for ₹ 4,000 deposited in the account has been dishonoured.
- (iv) A Bill Payable for ₹ 10,000 was retired by the Bank under a rebate of ₹ 150 but the full amount of the bill was credited in the bank column of the cash book.

Prepare a Bank Reconciliation Statement and find out the balance as per Pass Book.

Solution:

Bank Reconciliation Statement as on December 31, 2016			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance (Overdraft) in Cash Book		40,500
	<i>Add:</i> (i) Issued cheque but not sent for payment	5,000	
	(iv) Received rebate but not mentioned in Cash Book	150	
	<i>Less:</i> (ii) In cash book, post-dated cheque was posted as deposit		900
	(iii) Deposited cheques but not yet credited		10,200
	(iii) Dishonoured cheque entry was not mentioned in		4,000

	Cash Book		
	Debit Balance (Overdraft) in Pass Book	50,450	
		55,600	55,600

Question 8

On 30th June 2014, the Cash Book of a trader shows a bank overdraft of ₹ 2,500. The following information are available:-

1. Cheques amounting to ₹ 14,600 had been paid to the bank, but of this only ₹ 12,200 were credited in the Pass Book, up to 30th June 2014.
2. He had also issued cheques amounting to ₹ 10,000, out of which only ₹ 3,600 had been presented for payment.
3. A cheque of ₹ 500 which he had debited to the bank account was not sent to the bank for collection by mistake.
4. There is a debit in the Pass Book of ₹ 10 for Bank Charges and ₹ 50 for interest.
5. A customer directly paid into his bank ₹ 1,000, but it was not shown in the Cash Book.
6. Bank has paid an insurance premium of ₹ 400 according to his instructions, but this is not recorded in the Cash Book.

Prepare a Bank Reconciliation Statement.

Solution:

Bank Reconciliation Statement as on June 30, 2014			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance (Overdraft) in Cash Book		2,500
	Add: 2. Issues cheque and presented for payment (10,000 – 3,600)	6,400	
	5. Customer deposited the amount directly into the bank account	1,000	
	Less: 1. Paid cheque but not yet received the amount (14,600 – 12,200)		2,400
	4. Bank charges		10

	4. Bank charged interest		50
	3. A cheque for the collection was not sent to the bank		500
	6. Bank paid insurance premium as per advice		400
	Credit Balance in Pass Book		1,540
		7,400	7,400

Question 9

On 31st December, 2014 the Cash Book of Basu showed an overdraft of ₹ 18,000 with the Bank of India. The balance did not agree with balance as shown by the Bank Pass Book and you find that Basu had paid into the Bank on 26th December four cheques for ₹ 10,000; ₹ 12,000; ₹ 6,000 and ₹ 8,000. Of these the cheque for ₹ 6,000 was credited by the bank in January, 2015. Basu had issued on 24th December three cheques for ₹ 15,000, ₹ 12,000, and ₹ 7,000. The first two cheques were presented to the bank for payment in December and the third in January, 2015.

You also find that on 31st December, 2014, the bank had debited Basu's Account for ₹ 500 for interest and ₹ 20 for charges but Basu has not recorded these amounts in his books.

You are required to prepare a Bank Reconciliation Statement as on 31st December, 2014 and ascertain the balance as per bank Pass Book.

Solution:

Bank Reconciliation Statement as on December 31, 2014			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance (Overdraft) in Cash Book		18,000
	<i>Add:</i> Issued cheque but was not sent to bank	7,000	
	<i>Less:</i> Deposited cheque but bank did not credited yet		6,000
	Interest was charged by the bank		500
	Bank charges		20
	Debit Balance (Overdraft) in Pass Book	17,520	

		24,520	24,520
--	--	---------------	---------------

Question 10

On 31st December, 2014 my Cash Book showed a credit balance of ₹ 8,800. I had paid into Bank three cheques amounting to ₹ 6,000 on 24th December of which I found ₹ 3,200 have been credited in the Pass Book under date 5th January 2015. I had issued cheques amounting to ₹ 8,000 before 31st December of which I found ₹ 2,500 have been debited in the Pass Book after 1st January 2015. I find a debit of ₹ 50 in respect of bank charges in the Pass Book which I have adjusted in the Cash Book on 31st Dec. There is a credit of ₹ 360 for interest on securities in the Pass Book which remains to be adjusted. A cheque of ₹ 1,200 deposited into bank has been dishonoured.

Prepare Bank Reconciliation Statement as on 31st Dec. 2014.

Solution:

Bank Reconciliation Statement as on December 31, 2014			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance (Overdraft) in Cash Book		8,800
	<i>Add:</i> Issued cheque but not sent to bank	2,500	
	Interest on security interest was collected by the bank	360	
	<i>Less:</i> Deposited cheque but bank did not credited yet		3,200
	Cheque deposited into the bank but dishonoured		1,200
	Debit Balance (Overdraft) in Pass Book	10,340	
		13,200	13,200

Question 11

My bank Pass Book showed an overdraft of ₹ 6,500 on 31st March, 2017. This does not agree with the Cash Book balance. From the following particulars ascertain the Cash Book balance:-

Cheques amounting to ₹ 15,000 were paid into the bank in March, out of which, it appears, only cheques amounting to ₹ 4,500 were credited by the bank. Cheques issued during March amounted in all to ₹ 11,000. Out of these cheques for ₹ 3,000 were unpaid on 31st March, 2017. The Pass Book stands debited with ₹ 150 for interest and with ₹ 30 for bank charges. The bank had paid the annual subscription of ₹ 100 to my club according to my instructions. The entries for interest, bank charges and subscription have not yet been made in Cash Book.

Solution:

Bank Reconciliation Statement as on March 31, 2017			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance (Overdraft) in Pass Book		6,500
	<i>Add:</i> Deposited cheques but bank did not credited (15,000 – 4,500)	10,500	
	Interest was charged by the bank	150	
	Bank Charges	30	
	Bank paid club annual Subscription	100	
	<i>Less:</i> Issued cheque but not presented to bank		3,000
	Debit Balance in Cash Book		1,280
		10,780	10,780

Question 12

Prepare the Bank Reconciliation Statement from the following particulars for the period ending 31st December, 2012.

- (a) Overdraft as per Pass Book on 31-12-2012 ₹ 7,600.
- (b) Cheques deposited but not collected by the bank ₹ 8,560.
- (c) Incidental charges not recorded in Cash Book ₹ 80.
- (d) Cheques were issued for ₹ 7,800 but only ₹ 4,400 were presented for payment.
- (e) Insurance premium paid by bank not recorded in the Cash Book ₹ 4,200.
- (f) On 31st December, 2012 cash was deposited in bank ₹ 385 but the cashier debited the bank column with ₹ 485 by mistake.

Solution:

Bank Reconciliation Statement as on December 31, 2012			
Sl.	Particulars	Plus Items	Minus Items

No.		₹	₹
	Debit Balance (Overdraft) in Pass Book		7,600
	<i>Add:</i> (b) Deposited cheque into the bank but not collected	8,560	
	(c) Bank paid incidental charges	80	
	(e) Bank paid insurance premium	4,200	
	(f) Wrong amount posted in Cash Book (485 – 385)	100	
	<i>Less:</i> (d) Issued cheque but not sent to the bank for payment		3,400
	Debit Balance in Cash Book		1,940
		12,940	12,940

Question 13

Prepare a Bank Reconciliation Statement from the following particulars:-

On 31st December 2014, I had an overdraft of ₹ 750 as shown by my Pass Book. I had issued cheques amounting to ₹ 250 of which ₹ 200 worth only seem to have been presented for payment. Cheques amounting to ₹ 100 had been paid in by me on 30th December, but of these only ₹ 75 were credited in the Pass Book. I also find that a cheque for ₹ 10 which I had debited to bank account in my books has been omitted to be banked. There is a debit of ₹ 25 in my Pass Book for interest.

An entry of ₹ 30 of a payment by a customer direct into the bank appears in the Pass Book. My Pass Book also shows a credit of ₹ 60 to my account for interest on investments directly collected by my bankers.

Solution:

Bank Reconciliation Statement as on December 31, 2014			
S. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance (Overdraft) in Pass Book		750
	<i>Add:</i> Deposited cheque but bank did not credited	25	

	Cheque posted in cash book but was not presented to bank	10	
	Bank charged interest	25	
	<i>Less: Issued</i> cheque but was not sent to bank for payment		50
	Customer deposited the amount directly into the bank		30
	Bank collected interest		60
	Credit Balance (Overdraft) in Cash Book	830	
		890	890

Question 14

On 31st January, 2017 the Pass Book of Shri M.L. Gupta shows a debit balance of ₹ 41,000. Prepare a bank reconciliation statement from the following particulars:-

1. Cheques amounting to ₹ 15,600 were drawn on 27th January, 2017. Out of which cheques for ₹ 11,000 were encashed up to 31-1-2017.
2. A wrong debit of ₹ 800 has been given by the bank in the Pass Book.
3. A cheque for ₹ 200 was credited in the Pass Book but was not recorded in the Cash Book.
4. Cheques amounting to ₹ 21,000 were deposited for collection. But out of these, cheques for ₹ 7,400 have been credited in the Pass Book on 5th February, 2017.
5. A cheque for ₹ 1,000 was returned dishonoured by the bank and was debited in the Pass Book only.
6. Interest on overdraft and bank charges amounting to ₹ 100 were not entered in the Cash Book.
7. A cheque of ₹ 500 debited in the Cash Book omitted to be banked.

Solution:

Bank Reconciliation Statement as on January 31, 2017			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance (Overdraft) in Pass Book		41,000
	<i>Add:</i> 2. Bank posted wrong debited amount in the Pass Book	800	

	4. Deposited cheques deposited but not credited	7,400	
	5. Cheque deposited into the bank but dishonoured	1,000	
	6. Bank charged interest on overdraft	100	
	7. Cheque debit posted in cash book was not presented to bank	500	
	Less: 1. Issued cheque issued was not presented (15,600 – 11,000)		4,600
	3. Cheque not recorded in cash book but credited in Pass Book		200
	Credit Balance (Overdraft) in Cash Book	36,000	
		45,800	45,800

Question 15

Prepare a Bank Reconciliation Statement on 31 December, 2014 from the following particulars:-

- (a) A's overdraft as per Pass Book ₹ 20,000 as at 31st Dec.
- (b) On 30th December, cheques had been issued for ₹ 80,000, of which cheques worth ₹ 15,000 only had been encashed up to 31st December.
- (c) Cheques amounting to ₹ 6,500 had been paid into the bank for collection but of these only ₹ 2,500 had been credited in the Pass Book.
- (d) The bank has charged ₹ 700 as interest on overdraft and the intimation of which has been received on 2nd January 2015.
- (e) The Bank Pass Book shows credit for ₹ 2,000 representing ₹ 1,400 paid by debtor of A direct into the bank and ₹ 600 collected direct by bank in respect of interest on A's *investment*. A had no knowledge of these items.
- (f) A cheque for ₹ 3,600 has been debited in bank column of Cash Book by A, but it was not sent to bank at all.

Solution:

Bank Reconciliation Statement as on December 31, 2014			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹

	1. Debit Balance (Overdraft) in Pass Book		20,000
	Add: (c) Deposited cheque but did not receive the amount (6,500 – 2,500)	4,000	
	(d) Bank charged interest on Overdraft	700	
	(f) A cheque was posted in cash book as debited but not presented to the bank	3,600	
	Less: (b) Issued cheque but not sent to bank (80,000 – 15,000)		65,000
	(e) Customer deposited amount directly into the bank		1,400
	(e) Bank collected interest		600
	Credit Balance (Overdraft) in Cash Book	78,700	
		87,000	87,000

Question 16

On 31st March, 2015 the Pass Book shows a credit balance of ₹ 9,000. Prepare a Bank Reconciliation Statement from the following particulars:-

	₹
1. Cheques issued but not yet presented for payment	7,000
2. Cheques issued but omitted to be recorded in the Cash Book	12
3. Cheques paid into bank but not yet collected by the bank	2,600
4. Premium on Life Policy paid by the bank on standing advice	360
5. Payments received from customers direct by the bank	2,000

Solution:

Bank Reconciliation Statement as on March 31, 2015

Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance in Pass Book	9,000	
	Add: 2. Issued cheque but was omitted from the Cash Book	3,800	
	3. Deposited cheque but bank did not collect by the bank	2,600	
	4. Bank paid life insurance premium on advice	360	
	Less: 1. Issued cheque issued but not yet presented for payment		7,000
	5. Customer directly deposited amount into the bank		2,000
	Debit Balance in Cash Book		6,760
		15,760	15,760

Question 17

From the following particulars, prepare a Bank Reconciliation Statement of Sh. Yadav on 31st December 2014:-

Balance as per Pass Book on 31st December, 2014 is ₹ 11,000. Cheques for ₹ 6,200 were issued during the month of December but of these cheques for ₹ 900 were presented in the month of January, 2015 and one cheque for ₹ 500 was not presented for payment. Cheque and cash amounting to ₹ 5,700 were deposited in bank during December but credit was given for ₹ 4,700 only. A customer had deposited ₹ 850 into the bank directly. The bank has credited the merchant for ₹ 150 as interest and has debited him for ₹ 30 as bank charges, for which there are no corresponding entries in Cash Book.

Solution:

Bank Reconciliation Statement as on December 31, 2014			
S. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance in Pass Book	11,000	

	Add: Deposited cheque but bank did not credited (5,700 – 4,700)	1,000	
	Bank charges	30	
	Less: Issued cheque but was not sent for payment (900 + 500)		1,400
	Customer directly deposited money to bank		850
	Bank credited Interest		150
	Debit Balance in Cash Book		9,630
		12,030	12,030

Question 18

Prepare Bank Reconciliation Statement from the following particulars on June 30, 2016:

Bank Statement showed a favourable balance of ₹ 9,214.

- (a) On 29th June, the bank credited the sum of ₹ 1,650 in error.
- (b) Certain cheques, valued at ₹ 4,500 issued before June 30, were not cleared.
- (c) A hire purchase payment of ₹ 950, made by a standing order was not entered in the cash book.
- (d) A cheque of ₹ 600 received, deposited and credited by bank, was accounted as a receipt in the cash column of the cash book.
- (e) Other cheques for ₹ 8,500 were deposited in June but cheques for ₹ 6,000 only were cleared by the bankers.

Solution:

Bank Reconciliation Statement as on June 30, 2016			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance in Pass Book	9,214	
	Add: (c) Bank made hire purchase payment	950	
	(e) Deposited cheque but not yet credited (8,500 – 6,000)	2,500	

	Less: (a) Bank credited wrong amount		1,650
	(b) Issued cheque but not sent to bank for payment		4,500
	(d) Bank credited cheque c		600
	Debit Balance in Cash Book		5,914
		12,664	12,664

Question 19

On 30th June 2014 Pass Book showed a balance of ₹ 5,200. Prepare Bank Reconciliation Statement from the following particulars:-

I. Out of total cheques amounting to ₹ 16,000 deposited, cheques amounting to ₹ 9,000 were credited in June 2014, Cheques amounting to ₹ 3,000 were credited in July 2014, and the rest have not been collected so far.

II. Out of total cheques amounting to ₹ 45,000 drawn, cheques amounting to ₹ 7,500 were presented in June 2014, Cheques amounting to ₹ 18,000 were presented in July 2014, and the rest have not been presented so far.

III. Amount wrongly credited by bank ₹ 3,400.

IV. Payment side of the Cash Book has been undercast by ₹ 200.

V. Cheques recorded in the Cash Book in June 2014 but sent to bank in July 2014 ₹ 2,500.

VI. A cheque of ₹ 20,000 deposited in the bank has been dishonoured but no intimation was received till June 2014.

Solution:

Bank Reconciliation Statement as on June 30, 2014			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance in Pass Book	5,200	
	Add: I. Deposited cheque but not yet credited (16,000 – 9,000)	7,000	
	IV. In cash book, the payment side was undercast	200	
	V. Recorded cheque in cash book but was not presented to	2,500	

	bank		
	VI. Cheque deposited into the bank but dishonoured	20,000	
	Less: II. Issued cheque but not sent to bank for payment (45,000 – 7,500)		37,500
	III. Bank credited wrong amount		3,400
	Credit Balance (Overdraft) in Cash Book	6,000	
		40,900	40,900

Question 20

On 30th June, 2014 the Pass Book of Sh. Mahabir Prashad showed a balance of ₹ 22,000. On comparing the Pass Book with Cash Book the following differences were found:-

1. Mahabir Prashad had paid into the Bank on 26th June four cheques for ₹ 3,000; ₹ 6,000; ₹ 8,000 and ₹ 10,000. Of these, the cheque for ₹ 6,000 was credited by the bank in July 2014.
2. On 23rd June three cheques were drawn for ₹ 12,000; ₹ 13,000 and ₹ 16,000. The first two cheques were presented to the bank for payment in June and the third in July 2014.
3. Cheques amounting to ₹ 3,600 were deposited in the bank but no entry was passed in the Cash Book.
4. Bank charges entered in Cash Book twice ₹ 50.
5. Cheque received entered twice in the Cash Book ₹ 3,200.

Prepare a Bank Reconciliation Statement as on 30th June 2014.

Solution :

Bank Reconciliation Statement as on June 30, 2014			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance in Pass Book	22,000	
	Add: 1. Deposited cheque in bank but not credited	6,000	
	5. Cheque received entered twice in cash book	3,200	
	Less: 2. Issued cheque but not presented for payment		16,000

	3. Deposited cheque was not recorded in Cash Book		3,600
	4. Bank charges entered twice in Cash Book		50
	Debit Balance in Cash Book		11,550
		31,200	31,200

Question 21

On 31st March, 2017, Pass Book showed a balance of ₹ 25,000. Prepare a Bank Reconciliation Statement from the following particulars:

- (i) Cheques of ₹ 20,000 were deposited in Bank on 27th March, 2017, out of which cheques of ₹ 5,000 were cleared on 1st April, 2017. Rest are not cleared.
- (ii) On 28th March, 2017, cheques were issued amounting to ₹ 15,000, out of which cheques of ₹ 3,000 were presented in March, ₹ 4,000 on 2nd April and rest were not presented.
- (iii) Cheques of ₹ 10,000 were deposited in Bank on 28th March, 2017, out of which cheques of ₹ 4,000 were cleared on 2nd April, 2017 and rest are dishonoured.
- (iv) Interest on investment collected by bank does not appear in the Cash Book ₹ 800.
- (v) A B/R of ₹ 9,000 previously discounted from the bank was dishonoured on 30th March, 2017 but no intimation was received from the bank till 31st March.
- (vi) Bank has debited ₹ 1,500 and credited ₹ 1,200 in our account.

Solution

Bank Reconciliation Statement as on March 31, 2017			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance in Pass Book	25,000	
	Add: (i) Deposited cheque into Bank but not credited	20,000	
	(iii) Bank did not collected the cheque deposited	10,000	
	(v) Bills Receivable discounted was dishonoured	9,000	
	(vi) Bank debited the account	1,500	
	Less: (ii) Issued cheque but not presented for payment		12,000

	(15,000 – 3,000)		
	(iv) Bank collected the interest on Investment		800
	(vi) Account was credited by the Bank		1,200
	Debit Balance (Overdraft) in Cash Book		51,500
		65,500	65,500

Question 22

On 31st March, 2015 the Cash Book of Gopal disclosed a balance of ₹ 12,580. On checking entries in the Cash Book with the bank statement, it was ascertained that:

(i) Cheques amounting to ₹ 18,000 were drawn on 25th March, of which cheques of ₹ 4,800 were cashed before 31st March.

(ii) Out of cheques received and entered in the bank column of the Cash Book for ₹ 18,000; ₹ 16,000 sent to bank but Pass Book recorded ₹ 6,200 after the date.

(iii) An amount of ₹ 5,000 paid directly into the merchant's account by a customer was not entered in the Cash Book.

(iv) The bank erroneously debited Gopal's Account for a cheque of ₹ 1,700.

(v) On 31st March, cash was deposited into the bank ₹ 12,720 but the cashier debited the bank account with ₹ 12,270 by mistake.

(vi) Dividend collected by bank on our behalf ₹ 570 does not appear in the Cash Book.

(viii) ₹ 300 is entered in the bank statement as bank charges. This was recorded as ₹ 200 in the cash book.

You are required:

(i) to prepare the Amended Cash Book, and

(ii) then prepare a Bank Reconciliation Statement.

Solution :

Dr.	Adjusted Cash Book (Bank Column only) as on March 31, 2015						Cr.
Sl.no	Particulars	J.F.	Amount ₹	Sl.no	Particulars	J.F.	Amount ₹
	Balance b/d		12,580	(vii)	Bank Charges		100
(v)	Deposited cheques undercasted		450		Balance c/d		18,500

	(12,720 – 12,270)						
(iii)	Customer's A/c (Customer deposited amount Direct)		5,000				
(vi)	Dividend		570				
			18,600				18,600

Bank Reconciliation Statement as on March 31, 2015			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance in Amended Cash Book	18,500	
	Add: (i) Issued cheque but not presented (18,000 – 4,800)	13,200	
	Less: (ii) Deposited cheque but not credited		6,200
	(ii) Recorded cheque in cash book but was not sent to bank		2,000
	(iv) Bank debited wrong amount		1,700
	Credit Balance in Pass Book		21,800
		31,700	31,700

Question 23

The Cash Book of a merchant showed an overdraft balance of ₹ 15,700 on 31st December 2014. On comparing it with the Pass Book, the following differences were noted:

(i) Cheques amounting to ₹ 12,250 were deposited into the bank, out of which cheques for ₹ 7,000 have been credited in the Pass Book on 2nd January, 2015 and one cheque of ₹ 1,200 was returned by the bank on 3rd January as dishonoured.

(ii) Cheques were issued amounting to ₹ 8,300 of which cheques for ₹ 2,000 have been cashed upto 31st Dec.

(iii) A cheque of ₹ 4,250 issued to a creditor, has been entered in the Cash Book as ₹ 4,520.

(iv) Bank charges of ₹ 180 on 30th November 2014 and ₹ 240 on 30th December 2014 have not been entered in the Cash Book.

(v) A B/R for ₹ 6,000 discounted with the bank is entered in the Cash Book without recording the discount charges of ₹ 300.

(vi) A cheque for ₹ 2,000 deposited into the bank appear in the Pass Book, but not recorded in the Cash Book.

(vii) A cheque for ₹ 3,700 deposited into the bank appear in the Pass Book, was recorded in the cash column of the Cash book.

You are required:

(i) to make appropriate adjustments in the cash book, bringing down the correct balance, and

(ii) to prepare a bank reconciliation statement with the adjusted balance.

Solution:

Dr.	Adjusted Cash Book (Bank Column only) as on December 31, 2014						Cr.
Sl.no	Particulars	J.F.	Amount ₹	Sl.no	Particulars	J.F.	Amount ₹
(iii)	Cheque issued overcasted (4,520 – 4,250)		270		Balance b/d		15,700
(vi)	Customer's A/c (direct deposit by customer)		2,000	(iv)	Bank Charges A/c (180 + 240)		420
(viii)	Customer's A/c (cheque not posted in bank column)		3,700	(v)	Discounting charges A/c (not recorded)		300
	Balance c/d		10,450				
			16,420				16,420

Bank Reconciliation Statement as on December 31, 2014			

S. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance (Overdraft) in Amended Cash Book		10,450
	Add: (ii) Issued cheques but not presented (8,300 – 2,000)	6,300	
	Less: (i) Deposited cheques but not credited (7,000 + 1,200)		8,200
	Debit Balance (Overdraft) in Pass Book	12,350	
		18,650	18,650

Question 24

On 31st March, 2015 the bank column of the Cash Book of Mr. Rajesh showed a debit balance of ₹ 5,200. On examining the Pass Book you find that:

(i) Cheques of ₹ 20,000 were sent to bank for collection; Out of these cheques of ₹ 4,000 and of ₹ 5,000 were credited respectively on 5th April and 6th April respectively and the remaining cheques were credited before 31st March.

(ii) A cheque for ₹ 7,500 received from a customer although entered in the bank column of the Cash Book, was omitted to be paid into the bank.

(iii) Cheques drawn for ₹ 25,000 were not presented for payment.

(iv) Credit side of the bank column of the Cash Book was overcast by ₹ 100.

(v) A B/P for ₹3,600 has been paid by the bank, but not yet recorded in the Cash Book.

(vi) No entry has been made in the Cash Book to record the dishonour on 28th March 2015, of a cheque for ₹ 5,400 received from a customer.

(vii) A cheque for ₹ 2,500 issued to a creditor was wrongly entered in the cash column for the Cash Book.

(viii) In the Cash Book, bank charges of ₹ 200 were entered twice while another bank charge of ₹ 500 was not recorded at all.

You are required to show the necessary corrections in the Cash Book and to prepare a statement reconciling the amended cash balance with the shown in bank Pass Book as on 31st March 2015.

Solution:

Dr.	Adjusted Cash Book (Bank Column only) as on March 31, 2015						Cr.
Sl.no	Particulars	J.F.	Amount ₹	Sl.no	Particulars	J.F.	Amount ₹

	Balance b/d		5,200	(v)	Bills Payable A/c		3,600
(iv)	Credit side overcasted		100	(vi)	Customer A/c (Cheque dishonoured)		5,400
(viii)	Bank Charges A/c (entered twice)		200	(vii)	Supplier's A/c (Issued cheque posted in cash column)		2,500
	Balance c/d		6,500	(viii)	Bank Charges A/c		500
			12,000				12,000

Bank Reconciliation Statement as on March 31, 2015			
S. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance (Overdraft) in Amended Cash Book		6,500
	Add: (iii) Issued cheque but not presented for payment	25,000	
	Less: (i) Deposited cheque but not credited (4,000 + 5,000)		9,000
	(ii) Received cheque and recorded in cash book but not sent to bank		7,500
	Debit Balance (Overdraft) in Pass Book		2,000
		25,000	25,000

Question 25

From the following items prepare a Bank Reconciliation Statement on 31st May 2015:

(a) Bank balance as per Cash Book on 31st May 2015 ₹ 17,600.

(b) Cash and cheques totalling ₹ 36,000 were sent to bank during May but one cheque of ₹ 11,800 was shown in the Pass Book on 2nd June.

(c) As per instructions bankers have directly collected ₹ 4,100 from a customer but there is no mention of it in the Cash Book.

(d) Three cheques for ₹ 10,000, ₹ 12,000 and ₹ 4,800 respectively were drawn on 27th May but the cheque for ₹ 4,800 was encashed on 1st June.

(e) On 31st May bankers had debited ₹ 45 as bank charges but had intimated it on 3rd June.

(f) ₹ 16,200 were withdrawn from bank on 25th May but there is no entry for it in the Cash Book.

Solution:

Bank Reconciliation Statement as on May 31, 2015			
S. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance in Cash Book	17,600	
	Add: (c) Customer directly deposited the amount into the bank	4,100	
	(d) Issued cheque but not presented for payment	4,800	
	Less: (b) Cheque deposited but not collected		11,800
	(e) Bank charges		45
	(f) Amount withdrawn from bank was not recorded in Cash Book		16,200
	Debit Balance (Overdraft) in Pass Book	1,545	
		28,045	28,045

Question 26

On 31st December, 2014 the Cash Book of Gopal showed debit balance of ₹ 12,000. On comparing the Cash Book with the Pass Book, the following discrepancies were noted:-

(a) Cheques were issued for ₹ 15,000, but of them cheques for ₹ 7,700 have not yet been presented.

(b) Cheques for ₹ 8,000 were deposited in bank but of these cheques for ₹ 2,000 were not recorded in the Cash Book.

(c) Cheques deposited in bank but not credited ₹ 3,800.

(d) A cheque for ₹ 350 was paid into bank but bank credited the amount with ₹ 530 by mistake.

(e) Bank received interest on debentures on behalf of Gopal amounting to ₹ 300.

(f) It was also found that the total of one page on the payment side of the Cash Book was ₹ 4,520 but it was written on the next page as ₹ 5,420.

Prepare a Bank Reconciliation Statement.

Solution:

Bank Reconciliation Statement as on December 31, 2014			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance in Cash Book	12,000	
	Add: (a) Issued cheque but not presented	7,700	
	(b) Deposited cheque but not posted in Cash Book	2,000	
	(d) Bank credited wrong amount (530 – 350)	180	
	(e) Bank received interest on Debentures	300	
	(f) In cash book overcasting of Payment was posted (5,420 – 4,520)	900	
	Less: (c) Deposited cheque but not credited		3,800
	Credit Balance in Pass Book		19,280
		23,080	23,080

Question 27

On checking the Bank Pass Book it was found that it showed an overdraft of ₹ 5,220 as on 31.12.2014, while as per Ledger it was different to Bank Debit. The following differences were noted:

- (i) Cheques deposited but not yet credited by bank ₹ 6,000.
- (ii) Cheques dishonoured and debited by the bank but not given effect to it in the Ledger ₹ 800.
- (iii) Bank charges debited by bank but Debit Memo not received from bank ₹ 50.
- (iv) Interest on overdraft excess credited in the Ledger ₹ 200.
- (v) Wrongly credited by bank account, deposit of some other party ₹ 900.
- (vi) Cheques issued but not presented for payment ₹ 400.

Solution:

Bank Reconciliation Statement as on December 31, 2014			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance (Overdraft) in Pass Book		5,220
	Add: (i) Deposited cheque but not credited	6,000	
	(ii) Cheque deposited into the bank but dishonoured	800	
	(iii) Bank charges	50	
	Less: (iv) Interest on overdraft excess credited in ledger		200
	(v) Bank credited wrong amount		900
	(vi) Issued cheques but not presented for payment		400
	Debit Balance as per Cash Book		130
		6,850	6,850

Question 28

Following information has been given by Rajendra. Prepare a Bank Reconciliation Statement as on 31st Dec. 2016, showing balance as per cash book:

- (i) Debit balance shown by the pass book ₹ 17,800.
- (ii) Cheques of ₹ 21,600 were issued in the last week of December, but of these ₹ 14,800 only were presented for payment.
- (iii) Cheques of ₹ 10,750 were deposited in bank, out of them a cheque of ₹ 4,200 was credited in the first week of January, 2017.
- (iv) A cheque of ₹ 1,200 was debited in the cash book but was not deposited in bank.
- (v) Insurance premium paid by bank ₹ 1,450.
- (vi) A bill of exchange for ₹ 6,200 which was discounted with bank, returned dishonoured but no entry was made in the cash book.
- (vii) Bank charges and interest charged by bank are ₹ 350.

Solution:

Bank Reconciliation Statement as on December 31, 2016			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance (Overdraft) in Pass Book		17,800
	Add: (iii) Deposited cheque but not credited	4,200	
	(iv) Received cheque received but not deposited to Bank	1,200	
	(v) Bank paid Insurance premium p	1,450	
	(vi) Bills of Exchange was dishonoured	6,200	
	(vii) Bank charges and interest charged	350	
	Less: (ii) Issued cheque but not presented (21,600 – 14,800)		6,800
	Credit Balance (Overdraft) in Cash Book	11,200	
		24,600	24,600

Question 29

From the following particulars prepare a bank reconciliation statement of Govil as on 31st December, 2014.

Balance as per Pass Book on 31st December 2014 is ₹ 8,500. Cheques for ₹ 5,100 were issued during the month of December but of these cheques for ₹ 1,200 were presented in the month of January 2015 and one cheque for ₹ 200 was not presented for payment. Cheques and cash amounting to ₹ 4,800 were deposited in bank during December but credit was given for ₹ 3,800 only. A customer has deposited ₹ 800 into bank directly. The bank credited the merchant for ₹ 200 as interest and has debited him for ₹ 30 as bank charges for which there are no corresponding entries in Cash Book.

Solution:

Bank Reconciliation Statement as on December 31, 2014			
Sl.	Particulars	Plus	Minus

No.		Items ₹	Items ₹
	Credit Balance in Pass Book	8,500	
	<i>Add:</i> Deposited cheque but not credited into the bank (4,800 – 3,800)	1,000	
	Bank charges	30	
	<i>Less: Issued</i> cheque is but not presented into the bank (1,200 + 200)		1,400
	Customer deposited the amount directly into the account		800
	Bank credited interest		200
	Debit Balance in Cash Book		7,130
		9,530	9,530

Question 30

On Checking Ram's Cash Book with the bank statement of his overdraft current account for the month of November 2014, you find the following:

- (a) Cash Book showed an overdraft of ₹ 16,200.
- (b) The payment side of the Cash Book had been undercast by ₹ 500.
- (c) A cheque for ₹ 13,600 drawn on his saving deposit account has been wrongly recorded as drawn on current account in the Cash Book.
- (d) Cheques amounting to ₹ 18,800 drawn and entered in the Cash Book had not been presented.
- (e) Cheques amounting to ₹ 7,500 sent to the bank for collection though entered in the Cash Book, had not been credited by the bank.
- (f) Bank charge of ₹ 150 as per bank statement of account had not been taken in the Cash Book.
- (g) Dividend of the amount of ₹ 420 had been paid direct to the bank and not entered in the Cash Book.

You are requested to arrive at the balance as it would appear in the bank statement as on 30th November 2014.

Solution:

Bank Reconciliation Statement as on November 30, 2014

Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance (Overdraft) in Cash Book		16,200
	Add: (c) Cheque drawn on Saving A/c posted wrongly as drawn on Current A/c	13,600	
	(d) Issued cheque but not presented	18,800	
	(g) Bank collected dividend	420	
	Less: (b) Payment side of the Cash Book has been undercast		500
	(e) Deposited cheque but not credited		7,500
	(f) Bank charges		150
	Credit Balance in Pass Book		8,470
		32,820	32,820

Question 31

On 31st March 2015 your bank Pass Book showed a balance of ₹ 6,000 to your credit. Before that date you had issued cheques amounting to ₹ 1,500 of which cheques worth ₹ 900 only have been presented. You also deposited cheques worth ₹ 2,000 of which cheque of ₹ 800 paid by you into bank on 29th March is not yet credited in Pass Book. You had also received a cheque for ₹ 160 which although entered by you in the bank column of the Cash Book, was omitted to be paid into the bank. On 31st March a cheque of ₹ 250 received by you was paid into the bank but the same was omitted to be entered in the cash book. There was a credit of ₹ 85 for interest on current account and debit of ₹ 10 for bank charges. Draw up a Reconciliation Statement showing adjustment between your Cash Book and pass book.

Solution:

Bank Reconciliation Statement as on March 31, 2015			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance in Pass Book	6,000	
	Add: Deposited cheque but not credited	800	

	Receive cheque but was not present to the bank	160	
	Bank charges	10	
	Less: Issued cheque but was not sent (1,500 – 900)		600
	Cheque was paid to Bank but not posted in Cash Book		250
	Bank credited interest		85
	Debit Balance as per Cash Book		6,035
		6,970	6,970

Question 32

Prepare bank reconciliation statement of Dinesh on 30th June 2014 with following particulars:

- (i) Pass Book showed an overdraft of ₹ 15,000 on 30th June 2014.
- (ii) A cheque of ₹ 200 was deposited in bank but not recorded in Cash Book.
- (iii) Cheques of ₹ 17,000 were issued but cheques worth only ₹ 10,000 were presented for payment up to 30th June 2014.
- (iv) Cheques of ₹ 2,000 were received and recorded in Cash Book but not sent to bank.
- (v) Cheques of ₹ 10,000 were sent to bank for collection; out of these cheques of ₹ 2,000 and of ₹ 1,000 were credited respectively on 8th July and 10th July and the remaining cheques were credited before 30th June 2014.
- (vi) Bank paid ₹ 300 fee of Chamber of Commerce on behalf of Dinesh, which was not recorded in Cash Book.
- (vii) Bank charged interest on overdraft ₹ 800 which was not recorded in Cash Book.
- (viii) ₹ 40 for bank charges were recorded two times in Cash Book and bank expenses of ₹ 35 were not at all recorded in Cash Book.
- (ix) Total of credit side of bank column of Cash Book was undercast by ₹ 1,000 by mistake.

Solution:

Bank Reconciliation Statement as on June 30, 2014			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance (Overdraft) in Pass Book		15,000

	Add: (iv) Received cheque was posted in Cash Book but was not present to the bank	2,000	
	(v) Deposited Cheque but amount not yet received (2,000 + 1,000)	3,000	
	(vi) Bank paid Chamber Fees	300	
	(vii) Bank charged interest on overdraft	800	
	(viii) In cash book, bank charges was not posted	35	
	(ix) Cash book's Payment side was undercasted	1,000	
	Less: (ii) Deposited Cheque was not posted in the Cash Book		200
	(iii) Issued cheque but was not sent to the bank (17,000 – 10,000)		7,000
	(viii) Bank charges posted two times in Cash Book		40
	Credit Balance (Overdraft) in Cash Book	15,105	
		22,240	22,240

Question 33

Prepare a Bank Reconciliation Statement as on 31st March 2015 from the following information:

	₹
(a) Cash Book Balance (Overdraft)	12,500
(b) Cheques deposited but not recorded in Cash Book	2,000
(c) Cheque received but not sent to Bank	1,500
(d) Credit side of the Bank Column has been overcast	60
(e) Bank charges entered in Pass Book twice	75

(f) Bills Receivable directly collected by the Bank	4,000
(g) Deposited cheques returned dishonoured by Bank	1,700
(h) Electricity Bill paid by Bank as per instruction	800
(i) Cheques issued but not presented for payment	5,400
(j) Cheques deposited but not cleared	3,200

Solution:

Bank Reconciliation Statement as on March 31, 2015			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance (Overdraft) in Cash Book		12,500
	<i>Add:</i> (b) Deposited cheque but not posted in the Cash Book	2,000	
	(d) Bank column credit part was overcastted	60	
	(f) Bank collected Bills Receivable	4,000	
	(i) Issued cheque but was not sent to the bank	5,400	
	<i>Less:</i> (c) Received cheque but not presented to the bank for payment		1,500
	(e) In pass book, bank charges posted two times		75
	(g) Cheque deposited into the bank but dishonoured		1,700
	(h) Bank paid electricity bill		800
	(j) Deposited cheque but not cleared		3,200
	Debit Balance (Overdraft) as per Pass Book	8,315	

		19,775	19,775
--	--	--------	--------

Question 34

On 31st March, 2015 the Pass Book of Mr. Janaki Dass showed a credit balance of ₹ 20,600. Prepare a Bank Reconciliation Statement from the following information:

- (i) Cheques amounting to ₹ 15,000 were drawn in March 2015, out of which cheques for ₹ 5,500 were presented for payment on 3rd April.
- (ii) A cheque for ₹ 5,475 was deposited into the bank, but wrongly entered in the Cash Book as ₹ 5,745.
- (iii) A cheque of ₹ 5,000 which was received from a customer was entered in the cash column of the Cash Book in March 2015 but was omitted to be banked in the month of March.
- (iv) A B/P of ₹ 10,000 was retired by the bank under a rebate of ₹ 100 but the full amount of the bill was credited in the Cash Book.
- (v) Bank charges entered in the Cash Book twice ₹ 200.

Solution:

Bank Reconciliation Statement as on March 31, 2015			
S. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance in Pass Book	20,600	
	Add: (ii) Bank entered wrong amount in Cash Book (5,745 – 5,475)	270	
	Less: (i) Issued cheque but not sent to bank		5,500
	(iv) Bills Payable rebate not mentioned in Cash Book		100
	(v) In cash book bank charges was mentioned two times		200
	Debit Balance in Cash Book		15,070
		20,870	20,870

Note: The cheque transaction no. (iii) will not affect the bank balance because it was posted in the cash column and not presented to the bank at the time of preparation.

Question 35

Prepare a Bank Reconciliation Statement from the following particulars as on 31st March 2015:

(i) Cheques were deposited into bank on 25th March for ₹ 20,000. Out of these cheques for ₹ 8,000 were cleared on 4th April, cheques for ₹ 6,000 on 6th April and one cheque for ₹ 1,400 was dishonoured on 7th April.

(ii) Cheques amounting to ₹ 12,000 were issued in March, out of which cheques for ₹ 2,000 were encashed upto 31st March.

(iii) A bill for ₹ 5,000 (discounted with the bank in January) dishonoured on 30th March 2015 and noting charges paid by bank ₹ 50. No information regarding the dishonour was received from the bank in March 2015.

(iv) Cheque issued to a creditor for ₹ 2,000 was through mistake entered in the cash column of the Cash Book. The same has not been presented for payment till today.

(v) Receipt side of the Cash Book (bank column) was undercast by ₹ 100.

(vi) Bank has paid a bill payable amounting to ₹ 2,500 but it has not been entered in the Cash Book.

(vii) A cheque for ₹ 2,000 issued to Mr. X was omitted to be recorded in Cash Book.

(viii) Dr. balance as per Pass Book was ₹ 7,200.

Solution:

Bank Reconciliation Statement as on March 31, 2015			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance (Overdraft) in Pass Book		7,200
	Add: (i) Deposited cheque but was not credited by the bank (8,000 + 6,000 + 1,400)	15,400	
	(iii) A discounted bill was dishonoured along with the charges paid	5,050	
	(vi) Bank paid bills payable but not entered in cash book	2,500	
	(vii) Issued cheque but omitted in Cash Book	2,000	
	Less: (ii) Issued cheque but not sent to the bank (12,000 – 2,000)		10,000
	(v) In cash book, the receipt side was undercasted		100

	Debit Balance in Cash Book		7,650
		24,950	24,950

Note: Since the Transaction no. (iv) was not presented for payment into the bank when preparing Bank Reconciliation Statement. Therefore, it will not affect the bank balance

Question 36

From the following particulars prepare bank reconciliation statement as on 31st March 2015:

- (a) Debit balance as per Cash Book ₹ 1,500.
- (b) A cheque for ₹ 2,000 issued in favour of X has not been presented for payment.
- (c) A bill for ₹ 4,000 retired by bank under a rebate of ₹ 120. The full amount of the bill was credited in Cash Book.
- (d) A cheque for ₹ 750 deposited in bank has been dishonoured.
- (e) A sum of ₹ 3,600 deposited in the bank has been credited as ₹ 360 in the Pass Book.
- (f) Payment side of Cash Book has been undercast by ₹ 100.

Solution:

Bank Reconciliation Statement as on March 31, 2015			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance in Cash Book	1,500	
	Add: (b) Issued cheque but not sent to bank	2,000	
	(c) In cash book, rebate on Bills Payable not mentioned	120	
	Less: (d) Bank dishonoured deposited cheque		750
	(e) In pass book, deposited cheque of ₹ 3,600 was mentioned as ₹ 360		3,240
	(f) In cash book, payment side was undercasted		100
	Debit Balance (Overdraft) in Pass Book	470	
		4,090	4,090

Question 37

Raghav & Co. have two bank accounts, Account No. I and Account No. II. From the following particulars relating to Account No. I, find out the balance on that account on December 31, 2016 according to the Cash Book of the firm.

(i) Cheques paid into bank prior to December 31, 2016, but not credited until after that date for ₹ 10,000.

(ii) Transfer of funds from Account No. II to Account No. I recorded by the bank on December 31, 2016 but entered in the Cash Book after that date for ₹ 8,000.

(iii) Cheques issued prior to December, 31 2016 but not presented until after that date for ₹ 7,429.

(iv) Bank charges debited by bank not entered in the Cash Book for ₹ 200.

(v) Interest debited by the bank not entered in the Cash Book ₹ 580.

(vi) Overdraft as per Pass Book ₹ 18,990.

Solution:

Bank Reconciliation Statement as on December 31, 2016			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance (Overdraft) in Pass Book (Account No. I)		18,990
	Add: (i) Deposited cheque but bank did not credited yet	10,000	
	(iv) Bank charges	200	
	(v) Bank charged overdraft interest	580	
	Less: (ii) Fund was transferred from account no. II to account no. I, but not entered in cash book		8,000
	(iii) Issued cheque but not sent to bank		7,429
	Credit Balance (Overdraft) in Cash Book	23,639	
		34,419	34,419

Question 38

From the following particulars, prepare a Bank Reconciliation Statement of Alpha Electronic Motor. Private Ltd. as on 30th September, 2014:

- (a) Overdraft on 30th September 2014 as per Pass Book ₹ 10,000.
- (b) Cheque deposited in the bank but not recorded in Cash Book ₹ 100.
- (c) Cheque received and recorded in the Cash Book but not sent to the bank for collection ₹ 1,000.
- (d) Several cheques were drawn in the last week of September, totalling ₹ 15,000; of these cheques totalling only ₹ 9,000 were cashed before 30th September.
- (e) Similarly, several cheques, totaling ₹ 9,000 were sent for collection; of these cheques of the value of ₹ 1,500 were credited on 5th October and ₹ 2,000 on 7th October, balance being credited before 30th September.
- (f) Fees of ₹ 250 was paid directly by the bank but was not recorded in the Cash Book.
- (g) In the Cash Book, a bank charge of ₹ 30 was recorded twice while another bank charge of ₹ 50 was not recorded at all.
- (h) Interest of ₹ 1,400 was charged by the bank but was not recorded in the Cash Book.

Solution:

Bank Reconciliation Statement as on September 30, 2014			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance (Overdraft) in Pass Book		10,000
	Add: (c) Received cheque mentioned in cash book but not presented to the bank	1,000	
	(e) Deposited cheques was not credited by the bank (1,500 + 2,000)	3,500	
	(f) Bank paid fees but not recorded in the cash book	250	
	(g) Bank charges	50	
	(h) Bank charged overdraft interest	1,400	
	Less: (b) Deposited cheque was not mentioned in Cash Book		100
	(d) Issued cheque but not sent to bank (15,000 – 9,000)		6,000
	(g) In cash book, bank charges was mentioned twice		30

	Credit Balance (Overdraft) in Cash Book	9,930	
		16,130	16,130

Question 39

The following information relates to the business of Mohit Raina, who requests you to prepare his amended Cash Book and reconcile his Cash Book balance with his Pass Book balance:

	₹
Balance as per Cash Book (Cr.)	40,000
Unpresented cheques	72,000
Uncredited cheques	13,000

You have been given the following additional information:

- (a) The debit side of the Cash Book (Bank Column) has been undercast by ₹ 25,000.
- (b) A cheque for ₹ 10,000 paid to a creditor has been wrongly entered in the Cash Column.
- (c) Bank commission and other charges ₹ 4,000 have not been recorded in the Cash Book.

Solution :

Dr.	Adjusted Cash Book (Bank Column only)						Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
(a)	Debit side undercasted		25,000		Balance b/d		40,000
	Balance c/d		29,000	(b)	Supplier A/c (Cheque issued not recorded)		10,000
				(c)	Commission		4,000
			54,000				54,000

Bank Reconciliation Statement			

Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance (Overdraft) in Amended Cash Book		29,000
	Add: Unpresented Cheques	72,000	
	Less: Uncredited Cheques		13,000
	Credit Balance in Pass Book		30,000
		72,000	72,000

Question 40

The bank statement of Mr. James Flint showed an overdraft to the tune of ₹ 60,400 as on 31-12-2014. Cash Book showed a debit balance of ₹ 2,00,120 as on the same date. The following further facts are available:

		₹
(a)	Cheque issued to Tax Consultants was not cashed till 31-12-2014.	12,000
(b)	Cheque issued to Management Consultancy Services was cashed on 14-1-2015.	20,000
(c)	Cheque received from M/s General Studies and deposited into the bank was credited in the account on 3-1-2015.	2,20,000
(d)	Dividend warrant deposited on 29-12-2014 was not credited by the bank till 31-12-2014.	74,400
(e)	Bank charge not adjusted in books of Mr. Flint till 31-12-2014	680
(f)	Interest credited by the bank and not adjusted in the books till 31-12-2014	2,560

Prepare a Bank Reconciliation Statement of Mr. James Flint as on 31-12-2014.

Solution :

Bank Reconciliation Statement as on December 31, 2014			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹

	Debit Balance (Overdraft) in Pass Book		60,400
	Add: (c) Deposited cheques was not credited by the bank	2,20,000	
	(d) Deposited dividend warrant was not credited by the bank	74,400	
	(e) Bank charges	680	
	Less: (a) Issued cheque to Tax Consultants was not sent to the bank		12,000
	(b) Issued cheque to Management Consultancy Services was not sent to the bank for payment		20,000
	(f) Bank credited interest		2,560
	Debit Balance in Cash Book		2,00,120
		2,95,080	2,95,080

Question 41

The following facts were extracted as at 31st December 2014 from the books of Rajesh Dogra who keeps a double column Cash Book:

	₹
Bank balance as per Cash Book (overdrawn)	32,000
Balance as per bank statement (in favour)	24,000

₹ 200 commission charged by bank on outstation cheques yet to be taken into account.

A cheque for ₹ 11,000 paid to Shashi Bhushan wrongly entered in the cash column.

Debit side of Cash Book (bank column) undercast by ₹ 1,000. Cheques received from customers ₹ 10,400 deposited on 31-12-2014 but credited by the bank on 2-1-2015.

Cheques issued to suppliers ₹ 76,600 during 2014 not yet presented for encashment.

Prepare a Bank Reconciliation Statement as at 31-12-2014.

Solution:

Bank Reconciliation Statement as on December 31, 2014

S. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance (Overdraft) in Cash Book		32,000
	<i>Add:</i> In cash book, the debit side was undercasted	1,000	
	Issued cheque but not sent to bank	76,600	
	<i>Less:</i> Bank charged commission		200
	Issued cheque was wrongly in cash column		11,000
	Deposited cheque deposited but was not credited		10,400
	Credit Balance in Pass Book		24,000
		77,600	77,600

Question 42

Prepare a Bank Reconciliation Statement in the books of Bharti as on 31st January 2017:

- (a) Balance as per Pass Book as on 31st January, 2017 was ₹ 62,500.
- (b) Cheque of ₹ 17,800 was issued by her on 28th January 2017 but this was not presented for payment till 31st January 2017.
- (c) A cheque of ₹ 4,000 issued to Mr. Rahim, was taken in the cash column.
- (d) A cheque of ₹ 15,000 was paid into bank but was omitted to be entered in the cash book.
- (e) The bank has charged ₹ 55 as its commission and has allowed interest ₹ 50.

Solution:

Bank Reconciliation Statement as on January 31, 2017			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Credit Balance in Pass Book	62,500	
	<i>Add:</i> (c) A cheque issued was entered in cash column	4,000	

	(e) Bank charges	55	
	Less: (b) Issued cheque but not sent to bank		17,800
	(d) Deposited cheque, not mentioned in cash book		15,000
	(e) Bank credited interest		50
	Debit Balance in Cash Book		33,705
		66,555	66,555

Question 43

Prepare a Bank Reconciliation Statement as on 31st Dec., 2012 from the following transactions:

- (i) Bank overdraft as per Pass Book ₹ 22,000 as on 31st Dec.
- (ii) On the 28th Dec., cheques had been issued for ₹ 50,000 of which cheques worth ₹ 6,000 only had been encashed upto 31st Dec.
- (iii) Cheques amounted to ₹ 4,500 had been paid into the bank for collection but out of these only ₹ 1,000 had been credited in the Pass Book.
- (iv) The bank has charged ₹ 1,500 as interest on overdraft and the intimation of which has not been received as yet.
- (v) Bank has collected ₹ 1,600 directly in respect of interest on investment.
- (vi) A cheque of ₹ 1,200 has been debited in bank column of Cash Book, but it was not sent to bank at all.

Solution:

Bank Reconciliation Statement as on December 31, 2012			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance (Overdraft) in pass book		22,000
	Add: (iii) Deposited cheque but not yet credited (4,500 – 1,000)	3,500	
	(iv) Bank charged overdraft interest	1,500	
	(vi) Received cheque was posted in cash book but not sent	1,200	

	to bank		
	Less: (ii) Issued cheque but not sent to the bank for payment (50,000 – 6,000)		44,000
	(v) Interest on investments collected by the bank		1,600
	Credit Balance (Overdraft) in Cash Book	61,400	
		67,600	67,600

Question 44

While comparing the cash book of Mayank with the bank pass book on 30th September, 2016 you find the following:

- (i) The bank pass book showed a debit balance of ₹ 15,000.
- (ii) Bank paid insurance premium ₹ 2,000, but it was recorded as ₹ 200 only in cash book.
- (iii) Cheques issued in favour of suppliers in September, 2016 amounted to ₹ 55,000, but cheques for ₹ 50,000 only were presented for payment upto 30th September, 2016.
- (iv) Direct deposit of ₹ 10,000 in Mayank's bank account by a customer on 25th September, 2016 had not been recorded in the cash book.
- (v) Dividend collected by bank, but not recorded in cash book ₹ 1,000.
- (vi) Bank charged ₹ 300 for its services, but they were yet to be recorded in cash book.
- (vii) Cheques amounting to ₹ 78,000 were deposited with bank in the last week of September, 2016 but cheques for ₹ 51,000 only had been cleared before 1st October, 2016.

Prepare the bank reconciliation statement ascertaining bank balance/overdraft as per cash book.

Solution:

Bank Reconciliation Statement as on September 30, 2016			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance (Overdraft) in pass book		15,000
	Add: (ii) Bank paid insurance premium (2,000 – 200)	1,800	
	(vi) Bank charges	300	
	(vii) Deposited cheque but not yet credited by bank	27,000	

	(78,000 – 51,000)		
	Less: (iii) Issued cheque but not sent to bank (55,000 – 50,000)		5,000
	(iv) Customer directly deposited the amount		10,000
	(v) Bank collected dividend		1,000
	Credit Balance (Overdraft) in Cash Book	1,900	
		31,000	31,000

Question 45

On 30th June, 2016, the pass book of Nataraj showed a bank overdraft of ₹ 46,000. The following additional information is available. You are required to prepare a bank reconciliation statement as on the above mentioned date:

- (i) Out of total cheques issued, cheques for ₹ 22,000 have not been presented for payment so far.
- (ii) Cheques paid into bank for collection, but not yet cleared total ₹ 31,000.
- (iii) Bank has charged ₹ 2,300 as interest on overdraft; it does not appear in cash book.
- (iv) A customer has directly deposited ₹ 8,300 with bank in Nataraj's account for which there is no entry in cash book.
- (v) Dividend on shares collected by bank and credited in the pass book amounts to ₹ 2,000 for which no intimation has been given to Nataraj so far.
- (vi) A bill for ₹ 10,000 discounted with the bank was dishonoured on maturity. Bank has debited Nataraj with ₹ 10,100 including ₹ 100 for noting charges, the transaction has not yet been recorded in cash book.

Solution:

Bank Reconciliation Statement as on June 30, 2016			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance (Overdraft) in pass book		46,000
	Add: (ii) Deposited cheque but not cleared	31,000	
	(iii) Bank charges	2,300	

	(vi) A bill was dishonoured, including noting charges	10,100	
	Less: (i) Issued cheque but not sent to the bank		22,000
	(iv) Customer deposited the amount directly		8,300
	(v) Bank collected dividend		2,000
	Credit Balance (Overdraft) Cash Book	34,900	
		78,300	78,300

Question 46

On 31st December, 2014, pass book shows a debit balance of ₹ 7,500. From the following particulars, prepare a Bank Reconciliation Statement:

- (a) Cheques paid in for collection amounted to ₹ 20,600 but cheques of ₹ 7,800 were credited on 3rd January, 2015.
- (b) A cheque of ₹ 1,000 debited in cash book was omitted to be banked.
- (c) Cheques of ₹ 7,800 were drawn on 27th December of which cheques of ₹ 2,400 were cashed upto 31st December.
- (d) A cheque of ₹ 800 was banked and credited, but omitted to be recorded in cash book.
- (e) Bank charged interest on Overdraft ₹ 650.

Solution:

Bank Reconciliation Statement as on December 31, 2014			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	Debit Balance (Overdraft) in Pass Book		7,500
	Add: (a) Deposited cheque but not cleared	7,800	
	(b) Cheque posted in the Cash Book was not sent to bank	1,000	
	(e) Bank collected overdraft interest	650	
	Less: (c) Issued cheque but not sent to the bank(7,800 – 2,400)		5,400

	(d) Deposited cheque but not posted in cash book		800
	Credit Balance (Overdraft) in Cash Book	4,250	
		13,700	13,700

Question 47

From the following particulars make out the Bank Reconciliation Statement as on 31st December 2016.

- (a) Pass book showed a credit balance of ₹ 15,000 on 31st December 2016.
- (b) Cheques of ₹ 17,500 were issued but cheques of ₹ 12,000 only presented for payment till 31st December.
- (c) Cheques of ₹ 10,000 were sent to the bank for Collection. Out of which cheques of ₹ 2,000 were credited in the month of January 2017.
- (d) Bank paid ₹ 300 as per standing instructions but no record made in the cash book.
- (e) Bank charged interest on overdraft ₹ 800 and it was entered twice in pass book by bank.
- (f) ₹ 40 as bank charges not recorded in the cash book.
- (g) Bank receives ₹ 200 as interest on debentures, but no information being sent to the customer.

Solution:

Bank Reconciliation Statement as on Dec 31, 2016			
Sl. No.	Particulars	Plus Items ₹	Minus Items ₹
	1. Balance in the Pass Book	15,000	
	Add: (b) Issued cheques but not sent to bank (17,500-12,000)		5,500
	(c) Bank collected cheques	2,000	
	Less: (d) Bank paid standing order payment, but not recorded in Cash Book	300	
	(e) Bank charged overdraft Interest and mentioned twice in Pass Book	800	

	(f) Bank charges	40	
	(g) Received interest by bank but not recorded in Cash Book		200
		18,140	5,700
	Balance in Cash Book		12,440
		18,140	18,140

Question 48

Prepare a Bank Reconciliation Statement from the following particulars on 31st March 2017:

	₹.
• Debit column as per bank column of the cash book	3,72,000
• Cheques issued to creditors, but not presented yet to the bank for payment	72,000
• Dividend received by the bank, but not entered in the cash book	5,000
• Interest allowed by the bank	1,250
• Cheques deposited into the bank for collection, but not collected by the bank to this date	15,400
• Bank charges	200
• A cheque deposited into the bank was dishonoured, but no intimation received	320
• Bank paid house tax on our behalf, but no information received from the bank in this connection	350

Solution:

Bank Reconciliation Statement

As on 31st March 2017

Particulars	Plus Items ₹	Minus Items ₹
-------------	--------------	---------------

Dr. balance as per cash book	3,72,000	
Add: (i) Cheques issued but not yet presented for payment	72,000	
(ii) Dividend received by the bank, not entered in the cash book	5,000	
(iii) Interest allowed by the bank, not entered in the cash book	1,250	
Less: (i) Cheques deposited into the bank but not collected by the bank up to this date		15,400
(ii) Bank charges, not entered in the cash book		200
(iii) Cheque deposited into the bank but dishonoured		320
(iv) payment of house tax by the bank on our behalf, not entered in the cash book		350
	4,50,250	16,270
Cr. balance as per pass book	4,33,980	

Question 49

From the following particulars, prepare bank reconciliation statement as on Dec 31, 2014

1. Debit balance as per cash book ₹10,000
2. A cheque for ₹500 issued in favour of Karan has not been presented for payment
3. A bill for ₹700 retired by bank on our behalf under a rebate of ₹20, the full amount of the bill was credited in cash book
4. A cheque for ₹295 deposited in bank has been dishonoured
5. A sum of ₹800 deposited in the bank has been credited as ₹80 in the passbook payment side of cash book has been undercast by ₹200
6. A bill receivable for ₹1,000 (discounted with the bank in Nov 2014) dishonoured on 31st Dec 2014, but the dishonoured was not recorded in the cash book.

Solution:

Bank Reconciliation Statement as on 31st Dec. 2014		
Particulars	Plus Item ₹	Minus Item ₹

1. Debit balance as per cash book	10,000	
2. Cheque issued but not presented for payment	500	
3. Rebate on payment of a bill by the bank not recorded in cash book	20	
4. Cheque deposited into the bank but dishonoured		295
5. Deposit credited by the bank with a lesser amount (₹800- ₹80)		720
6. The payment side of cash book undercast		200
7. Bill receivable dishonoured		1,000
	10,520	2,215
Cr. Balance as per pass book	8,305	

Note: Bank has received a rebate of Rs 20 while making payment of the bill payable on our behalf. Hence, the bank has paid only ₹680 whereas the amount recorded on the payment side of the cash book was 4700. Hence, will be recorded in the plus column.