

CBSE Test Paper 04
Ch-5 Bank Reconciliation Statement

1. State any two causes of difference occurred due to the transactions recorded by the bank.
2. By whom is the bank statement prepared?
3. Find out bank balance as per cash book from the following particulars.
 - i. Overdraft as per pass book Rs 5,000
 - ii. Cheques deposited into bank but not credited Rs 2,000
4. Tiwari and Sons find that the bank balance shown by their Cash Book on 31st March 2018 is Rs.40,500 (credit) but the Pass Book shows a difference due to the following reasons :
 - i. A cheque for Rs.5,000 drawn in favour of Manohar has not yet been presented for payment.
 - ii. A post-dated cheque for Rs.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 Rs.10,200 deposited with the Bank have not yet been collected and a cheque for Rs.4,000 has been dishonoured.
 - iv. A bill for Rs.10,000 was retired by the Bank under a rebate of Rs.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.
5. On 31st March 2018, Pass Book of Shri Bhama Shah shows debit balance of Rs.10,000. From the following particulars, prepare Bank Reconciliation Statement:
 - i. Cheque amounting to Rs.8,000 drawn on 25th March of which cheque of Rs.5,000 cashed in April 2018
 - ii. Cheques paid into Bank for collection of Rs.5,000 but cheques of Rs.2,200 could only be collected in March 2018.
 - iii. Bank charges Rs.25 and dividend of Rs.350 on investment collected by bank could not be shown in the Cash Book.
 - iv. A cheque of Rs.600 debited in the cash book omitted to be banked.

- v. Bill of Rs.5,000 discounted with Bank but was not recorded in the Cash Book.
6. From the following particulars of a trader prepare a Bank Reconciliation Statement as on 31st March, 2018 :
- Bank overdraft as per the Cash Book Rs.52,100.
 - During the month, the total amount of cheques for Rs.94,400 were deposited into the bank but of these, one cheque for Rs.11,160 has been entered into the Pass Book on 5th April.
 - During the month, cheques for Rs.89,580 were drawn in favour of creditors, Of them, one creditor for Rs.38,580 encashed his cheque on 7th April whereas another for Rs.4,320 has not yet been encashed.
 - As per instructions, the bank on 28th March paid out Rs.10,500 to a creditor but by mistake, the same has not been entered in the Cash Book.
 - According to agreement, on 25th March, a debtor deposited directly into the bank Rs.9,000 but the same has not been recorded in the Cash Book.
 - In the month of March, the bank without any intimation debited his account for Rs.120 as bank charges and credited the same for Rs.180 as interest.
 - Cash deposited of Rs.5,780 in bank was recorded as Rs.7,580. The error was rectified by the bank before 31st March 2018.
7. Prepare Bank Reconciliation Statement as on 31st March, 2018 from the following particulars :

(i) Bank balance as per Pass Book	Rs.10,000
(ii) Cheque deposited into the Bank, but no entry was passed in the Cash Book	Rs.500
(iii) Cheque received and entered in the Cash Book but not sent to bank	Rs.1,200
(iv) Credit side of the Cash Book bank column cast short	Rs.200
(v) Insurance premium paid directly by the bank under the standing advice	Rs.600
(vi) Bank charges entered twice in the Cash Book	Rs.20
(vii) Cheque issued, but not presented to the bank for payment	Rs.500
(viii) Cheque received entered twice in the Cash Book	Rs.1,000

(ix) Bill discounted dishonoured not recorded in the Cash Book	Rs.5,000
(x) Bank had wrongly allowed interest of Rs.5,000, which was reversed by it on 5th April, 2018.	

8. From the following particulars, prepare a bank reconciliation statement showing the balance as per cash book on 31st December 2014.
 - i. Two cheques of Rs 2,000 and Rs 5,000 were paid into bank in October 2014 but were not credited by the bank in the month of December.
 - ii. A cheque of Rs 800 which was received from a customer was entered in the bank column of the cash book in December 2014 but was omitted to be banked in December 2014.
 - iii. Cheques for Rs 10,000 were issued in November 2014 but not credited the bank on 31st December 2014.
 - iv. Interest on investment Rs 1,000 collected by bank appeared in the pass book. Balance as per pass book was Rs 50,000.
9. The pass book of Mr Mohit current account showed a credit balance of Rs 20,000 on 31st December 2014. Prepare a bank reconciliation statement with the following information:
 - i. A cheque of Rs 400 drawn on his saving account has been shown on current account
 - ii. He issued two cheques of Rs 300 and Rs 500 on 25th December but only the 1st cheque was presented for payment.
 - iii. One cheque issued by Mr Mohit of Rs 500 on 25th December but it was not presented for payment whereas it was recorded twice in the cash book.
10. The cash book of Sharma showed a balance of Rs 26,900 on 31st December 2012 at the bank. The figure did not agree with the bank pass book. A comparison of the two revealed the following
 - i. The bank has debited Sharma with Rs 4,800 the annual premium on his life policy according to his standing instructions and with Rs 150 bank charges.
 - ii. The bank has credited Sharma by Rs 7,000 the proceeds of a bill.
 - iii. Sharma paid in cheques totalling Rs 10,500 on 26th December, of which those for Rs 7,800 were collected in December and one for Rs 750 was returned as dishonoured, the information of which was received by Sharma on 2nd January 2013. The rest were collected and credited in January 2013.

- iv. The cash collection on 31st December 2010 totalling Rs 3,050 entered in the cash book in the bank column on the same day but it was banked on the 2nd January 2013.
- v. In December 2012 Sharma issued cheques totalling Rs 14,350 of which those of Rs 4,250 have not been presented by 31st December 2012.

Show the corrections to be made in the cash book so as to ascertain the balance to be shown in the balance sheet and then prepare the bank reconciliation statement.

Bank Reconciliation Statement Test Paper 04
Class 11 - Accountancy

Solution

Section A

1. i. Direct debits made by the bank on behalf of the customer as per the standing instructions given by the customer.
ii. Amount directly deposited in the bank account by the debtor or the customer.
2. It is prepared by the bank. It is a printed record of the balance in a bank account and the amounts that have been paid into it and withdrawn from it, issued periodically to the holder of the account.

3.

Particulars	Plus(Rs)	Minus(Rs)
Overdraft as per Pass Book(Debit balance as per Passbook)		5,000
Add:- Cheques deposited into the bank account but not yet credited into the Bank account	2,000	
Overdraft as per Cash Book(Credit Balance as per Cash Book)		3,000

4.

BANK RECONCILIATION STATEMENT
as on March, 31, 2018

Particulars	(+)	(-)
Unfavourable balance as per Cash Book (Cr.)		40,500
Cheques issued not yet presented	5,000	
Post dated Cheque received but it could not have been presented in any case		900
Cheques not yet credited		10,200

Cheques dishonoured		4,000
Bill retiring charges	150	
Unfavourable balance as per Pass Book (Dr.) (Balancing figure)	50,450	
	55,600	55,600

5. **BANK RECONCILIATION STATEMENT**

as on 31-03-2018

Particulars	(+)	(-)
Overdraft as per Pass Book (Dr.)		10,000
Cheques not yet presented	-	5,000
Cheques not yet collected	2,800	-
Bank charges	25	-
Dividend on Investments	-	350
Cheque not yet banked	600	-
Bill discounted	-	5,000
	3,425	20,350
Overdraft as per Cash Book (Cr.)	16,925	-
	20,350	20,350

6. **BANK RECONCILIATION STATEMENT**

as on March 31 2018

Particulars	(+)	(-)
Overdraft as per Cash book (Cr.)		52,100

Cheque not yet credited		11,160
Cheque not yet presented	42,900	
Payment made by the bank		10,500
Directly deposited by customer	9,000	
Bank charges		120
Bank Interest	180	
Overdraft as per Pass Book (Dr.)	21,880	
Total	73,880	73,880

7.

Bank Reconciliation Statement

as on 31st March, 2018

Particulars	(+)	(-)
Balance as per Pass book (Cr.)	10,000	
Cheque deposited but no entry passed in Cash Book		500
Cheque received but omitted to be banked	1,200	
Cr. side of bank column of cash book undercast	200	
Insurance Premium paid as per standard instruction	600	
Bank charges entered twice in Cash Book		20
Cheque not yet presented		500
Cheque receive entered twice in the Cash Book	1,000	

Bill discounted dish, not recorded in Cash Book	5,000	
Bank wrongly allowed Interest		5,000
Balance as per Cash book (Dr.)		11,980
	18,000	18,000

8.

Bank Reconciliation Statement

as on 31st December, 2010

Particulars	Amount (Rs)	Amount (Rs)
Credit/Favourable/Balance as per Pass Book		50,000
Add Cheque sent to bank but not credited (2,000 + 5,000)	7,000	
Cheque entered in cash book but not sent to bank	800	7,800
Less Cheque issued but not presented for payment	10,000	
Interest on investment collected by the bank	1,000	11,000
Debit/Favourable Balance as per Cash Book		46,800

A Bank Reconciliation Statement may be defined as a statement showing the items of differences between the cash Book balance and the pass book balance, prepared on any day for reconciling the two balances.

9.

Bank Reconciliation Statement as on 31st December, 2010

Particulars	Amount (Rs)	Amount (Rs)
Credit/Favourable/Balance as per Pass Book		20,000
Add: A cheque drawn on saving account wrongly shown in current account	400	400

Less: Cheque issued but not presented for payment	500	
Cheque issued but not presented for payment and wrongly entered twice in cash book	1,000	1,500
Debit/Favourable Balance as per Cash Book		18,900

companies have to carry out bank reconciliation process which prepares a statement accounting for the difference between the cash balance in company's cash account and the cash balance according to its bank statement.

10.

ADJUSTED CASH BOOK

Receipt	Amt. (Rs.)	Payments	Amt. (Rs.)
To Balance b/d	26,900	By Drawings	4,800
To Bill Receivable	7,000	(Life insurance)	
(Proceeds of a bill)		by Bank Charges	150
		To Balance c/d	28,950
	<u>33,900</u>		<u>33,900</u>

BANK RECONCILIATION STATEMENT as on 31st December, 2012

Particulars	Debit (Rs.)	Credit (Rs.)
Balance as per Adjusted Cash Book	28,950	
Add: Cheques issued but not yet presented for payment	4,250	
Less: Cheques paid into bank but not yet cleared (10,500 - 7,800)		2,700
Cash collection entered in the cash book in the bank column but banked on 2nd January, 2011		3,050
Balance as per Pass Book		27,450
	<u>30,200</u>	<u>30,200</u>