

CBSE Test Paper 01
Ch-5 Bank Reconciliation Statement

1. What does favourable balance in passbook indicate?
2. What is meant by debit balance in pass book?
3. What does unfavourable balance in pass book indicate?
4. Briefly explain the statement 'wrongly debited by the bank' with the help of an example.
5. Bank Statement of a customer shows a bank balance of Rs.62,000 on 31 March 2018. On comparing it with the cash book, the following discrepancies were noted
 - i. Cheques were paid into the Bank in March but were credited in April.
P - Rs.3,500, Q - Rs.2,500. R - Rs.2,000
 - ii. Cheques issued in March were Presented in April
X - Rs.4,000, Q - Rs.4,500
 - iii. Cheque for Rs.1,000 received from a customer entered in the cash book but was not banked
 - iv. Passbook shows a debt of Rs.1,000 for bank charges and credit of Rs.2,000 as interest
 - v. Interest on investment Rs.2,500 collected by the bank appeared in the passbook.Prepare Bank Reconciliation Statement the balance as per cash book on 31 March 2018.
6. Prepare Bank Reconciliation statement on 31st March 2018 from the following particulars:
 - i. R's overdraft as per the Pass Book Rs.12,000 as on 31st March
 - ii. On 30th March, Cheques had been issued for Rs.70,000 of which cheques worth Rs.3,000 only had been encashed up to 31st March.
 - iii. Cheques amounting to Rs.3,500 had been paid into the bank for collection but of this only Rs.500 had been credited in the Pass Book.

- iv. Bank has charged Rs.500 as interest on overdraft and the intimation of which has been received on 2nd April 2018.
 - v. Bank Pass Book shows credit for Rs.1,000 representing Rs.400 Paid by debtor of R direct into the Bank and Rs.600 collected directly by Bank in respect of interest on R's investment. R had no knowledge of these items.
 - vi. A cheque for Rs.200 has been debited in bank column of Cash Book by R, but it was not sent to Bank at all.
7. Prepare Bank Reconciliation Statement as on 30th September 2016 from the following particulars

| | |
|--|-----------|
| (i) Bank Balance as per Pass Book | Rs.10,000 |
| (ii) Cheque deposited into bank but no entry was passed in Cash Book | Rs.500 |
| (iii) Cheque received and entered in Cash book but not sent to Bank | Rs.1,200 |
| (iv) Insurance premium paid directly by the Bank | Rs.800 |
| (v) Bank charges entered twice in the Cash Book | Rs.20 |
| (vi) Cheque received entered twice in Cash Book | Rs.1,000 |
| (vii) Bill discounted dishonoured not recorded in the Cash Book | Rs.5,000 |

8. The following facts relate to the business of Roshan who requires you to reconcile his cash book with the pass book balance.

| | Amt(Rs) |
|-----------------------------------|---------|
| Balance as per cash book (Credit) | 2,800 |
| Unpresented cheques | 3,440 |
| Uncredited cheques | 2,260 |

Additional Information

- i. The debit side of the cash book (bank column) has been undercast by Rs 500.
- ii. A cheque of Rs 200 paid to a creditor has been entered by mistake in the cash column.

iii. Bank charges Rs 80 have not been entered in the cash book.

9. On 30th June, 2013, the cash book of Galaxy Ltd, showed a balance of Rs 400 at bank. They had sent cheques amounting to Rs 2,000 to the bank before 30th June but it appears from the pass book that cheques worth only Rs 800 had been credited before that date. Similarly, out of cheques of Rs 1,000 issued during the month of June, cheques for Rs 50 were presented and paid in July. The passbook also showed the following payments

- i. Rs 64 as premium on the life policy according to standing instructions.
- ii. Rs 400 against a pro-note, as per instructions.

The pass book showed that the bank had collected Rs 120 as interest on government securities.

The bank had charged interest Rs 10 and bank charges Rs.4.

There was no entry in the cash book for the payments, interest, etc.

Prepare the bank reconciliation statement as on 30th June, 2013.

10. From the following particulars, ascertain the Bank Balance as per Pass Book as on 31st March 2018 (a) without correcting the Cash Book balance and (b) after correcting the Cash Book balance

- i. The bank Balance as per Cash Book on 31st March 2018 Rs.40,000
- ii. Cheques issued but not encashed up to 31st March 2018 amounted to Rs.10,000
- iii. Cheques paid into the bank but not cleared up to 31st March 2018 amounted to Rs.15,000
- iv. Interest on Investments collected by the bank but not entered in the Cash Book Rs.500
- v. Cheques deposited in the bank but not entered in Cash Book Rs.12,500
- vi. Bank charges debited in Pass book but not entered in Cash Book Rs.100

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Answer

1. Favourable balance in the passbook indicates the actual amount customer has in its account i.e. the Credit balance.
2. Debit balance in pass book indicates the overdraft i.e. the amount customer has withdrawn over the excess of amount deposited.
3. Unfavourable balance as per pass book means the Debit balance as per passbook.
4. Wrongly debited by the bank is an error done by the bank which means that bank has deducted wrong amount from the account which can be better understood with the following example:-

When a firm issued a cheque of Rs 1,500 to any of its creditor and it is presented for payment and paid by the bank but in place of Rs 1,500 bank debited it wrongly by Rs 15,000. The above error may be opposite too but in every situation, the balance of cash book and pass book will not tally. The term will be used for it will be wrongly debited by the bank, it generally happens at the time of posting the transaction.

5. **BANK RECONCILIATION STATEMENT**
as on March 31, 2018

| Particulars | (Cr.) | (Dr.) |
|-----------------------------------|--------|-------|
| Balance as per Pass Book (Cr.) | 62,000 | |
| Cheques not yet collected | 8,000 | |
| Cheques not yet presented | | 8,500 |
| Cheque omitted to be banked | 1,000 | |
| Bank Interest | | 2,000 |

| | | |
|---|--------|--------|
| Bank charges | 1,000 | |
| Interest on investment | | 2,500 |
| Balance as per Cash Book (Dr.) (Balancing figure) | | 59,000 |
| | 72,000 | 72,000 |

6.

BANK RECONCILIATION STATEMENT

as on 31st March, 2018

| Particulars | (+) | (-) |
|--|------------|------------|
| Unfavourable balance as per Pass Book (Dr.) | | 12,000 |
| Cheques not yet presented | | 67,000 |
| Cheques not yet collected | 3,000 | |
| Interest on Investments | | 600 |
| Directly deposited by a customer | | 400 |
| Cheques omitted to be Banked | 200 | |
| Bank charges | 500 | |
| Unfavourable balance as per Cash Book (Cr.) (Balancing figure) | 76,300 | |
| | 80,000 | 80,000 |

7.

Bank Reconciliation Statement

as on 30th Sep., 2016

| Particulars | (+) | (-) |
|--------------------------|------------|------------|
| Balance as per Pass Book | 10,000 | |

| | | |
|---|--------|---------------|
| (Cr.) | | |
| Cheque deposited but no entry passed in Cash Book | | 500 |
| Cheque omitted to be Bank | 1,200 | |
| Insurance premium paid | 800 | |
| Bank charges entered twice in the Cash Book | | 20 |
| Cheque received entered twice in the Cash Book | 1,000 | |
| Bill dishonoured | 5,000 | |
| Balance as per Cash Book (Dr.) (Balancing figure) | | 17,480 |
| | 18,000 | 18,000 |

8.

BANK RECONCILIATION STATEMENT

| Particulars | Plus (Rs.) | Minus (Rs.) |
|---|---------------------|---------------------|
| Overdraft as per Cash Book | | 2,800 |
| Add: Cheques issued but not yet presented | 3,440 | |
| Debit side of the cash book has been undercast | 500 | |
| Less: Cheques deposited but not yet credited | | 2,260 |
| Wrongly credited in cash column | | 200 |
| Bank charges not recorded in cash book | | 80 |
| Overdraft as per Pass Book | 1,400 | |
| | <u>5,340</u> | <u>5,340</u> |

9.

Bank Reconciliation Statement

as on 30th June, 2013

| | | |
|--|--|--|
| | | |
|--|--|--|

| Particulars | Amount (Rs.) | Amount (Rs.) |
|--|-----------------|-----------------|
| Balance as per Cash Book | | 400 |
| Add: Cheques issued but not presented for payment | 50 | |
| Interest collected by bank directly | 120 | 170 |
| Less: Charges directly paid by the bank: | | |
| Life insurance premium | 64 | |
| Pro-note | 400 | |
| Bank charges and interest charged by bank directly | 14 | |
| Cheques deposited but not collected by the bank | 1,200 | 1,678 |
| Balance(Overdraft) as per Pass Book | | 1,108 |

10. **(a) BANK RECONCILIATION STATEMENT as on March 31, 2018**
WITHOUT ADJUSTING CASH BOOK

| Particulars | Plus (Dr.) | Minus (Cr.) |
|--|------------|---------------|
| Balance as per Cash Book (Dr.) | 40,000 | |
| Cheques not encashed | 10,000 | |
| Cheques not cleared | | 15,000 |
| Interest on Investments | 500 | |
| Cheques deposited, not recorded in Cash Book | 12,500 | |
| Bank charges | | 100 |
| Balance as per Pass Book (Cr.) | | 47,900 |
| | | |

| | | |
|--|--------|--------|
| | 63,000 | 63,000 |
|--|--------|--------|

**(b) BANK RECONCILIATION STATEMENT ADJUSTING CASH BOOK
as on March 31, 2018**

| Particulars | Plus (Dr.) | Minus (Cr.) |
|---|-------------------|--------------------|
| Balance as per Cash Book (see Amended cash book) | 52,900 | |
| Cheques not encashed | 10,000 | |
| Cheques not cleared | | 15,000 |
| Balance as per Pass Book | | 47,900 |
| | 62,900 | 62,900 |

AMENDED CASH BOOK (BANK COLUMN ONLY)

| Particulars | Rs. | Particulars | Rs. |
|----------------------|---------------|--------------------|---------------|
| To Balance b/d | 40,000 | By Bank charges | 100 |
| To Inter. on Invest. | 500 | By Balance c/d | 52,000 |
| To Cheque deposited | 12,500 | | |
| | 53,000 | | 53,000 |