

CBSE Test Paper 02
Ch-5 Bank Reconciliation Statement

1. With which balance, is the bank reconciliation prepared?
2. When bank column of a cash book shows a debit balance, what does it mean?
3. State whether bank reconciliation statement is a statement or an account.
4. Prepare Bank Reconciliation Statement from the following particulars on 31st July 2017
 - i. Balance as per the Passbook Rs.50,000
 - ii. Three cheques for Rs.6,000, Rs.3,937 and Rs.1,525 issued in last week July 2017 were presented for payment to the bank in August 2017.
 - iii. Two cheques of Rs,500 and Rs,650 sent to the bank for collection were not entered in the Pass Book by July 31, 2017.
 - iv. The bank charged Rs.460 for its commission and allowed interest Rs.100 which were not mentioned in the Bank Column of the Cash Book.
5. From the following information, prepare a bank Reconciliation statement as on 31st March 2018 :

	Rs.
Bank overdraft as per pass book	36,000
Cheques issued but not presented for payment	19,700
Cheques deposited with bank but not collected	25,000
Cheques entered in cash book but not banked	9,000
Directly deposited to bank by a customer	11,000

6. On examining the Bank statement of Green Ltd., it is found that the balance shown on 31st March 2018, differs from the bank balance of Rs.23,650 shown by the Cash Book on that date. From a detailed comparison of the entries, it is found that-

- i. Rs.2,860 is entered in the Cash Book as paid into Bank on 31st March 2018, but not credited by the Bank until the following day.
- ii. Bank charges of Rs.70 on 31st March 2018, are not entered in the Cash Book.
- iii. A bill for Rs.5,500 discounted with the Bank is entered in the Cash Book without recording the discount charge of Rs.270.
- iv. Cheques totalling Rs.16,720 were issued by the company and duly recorded in the Cash Book before 31st March 2018, but had not been presented at the Bank for payment until after that date
- v. On 25th March 2018, a debtor paid Rs.1,000 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.
- vi. No entry has been made in the Cash Book to record the dishonour on 15th March 2017, of a cheque for Rs.550 received from Ram Babu.

Prepare a Bank Reconciliation Statement as on 31st March 2018.

7. The credit balance as per cash book is Rs 1,500. Cheques for Rs 400 were deposited but were not collected. The cheques issued but not presented were Rs 100, Rs 125 and Rs 50. Balance as per pass book will be.
8. Kumar find that the bank balance shown by his cash book on 31st December, 2014 is Rs 90,600 (Credit) but the pass book shows a difference due to the following reason: A cheque (post dated) for Rs 1,000 has been debited in the bank column of the cash book but not presented for payment. Also, a cheque for Rs 8,000 drawn in favour of Manohar has not yet been presented for payment. Cheques totalling Rs 1,500 deposited in the bank have not yet been collected and cheque for Rs 5,000 has been dishonoured.
9. Prepare a bank reconciliation statement from the following particulars on 31st March, 2013.

S.no.		Amt(Rs)
(i)	Debit balance as per bank column of the cash book	3,72,000
(ii)	Cheques issued to creditors but not yet presented to the bank for payment	72,000

(iii)	Dividend received by the bank but not entered in the cash book	5,000
(iv)	Interest allowed by the bank	1,250
(v)	Cheques deposited into bank for collection but not collected by bank upto this date	15,400
(vi)	Bank charges	200
(vii)	A cheque deposited into bank was dishonoured but no intimation received	320
(viii)	Bank paid house tax on our behalf but no information received from bank in this connection	350

10. The cash Book of Mr. Sharma showed a balance, of 3,560 as on 31st Dec. 2013 at the bank whereas Pass Book showed a balance of Rs. 4,230. Comparison of the Cash Book and Pass Book revealed the following:

- i. The Bank has debited Mr. Sharma With Rs. 460, the annual premium of his life Policy according to his standing instructions and Rs. 20 as Bank charges.
- ii. Mr. Sharma paid into the Bank cheques totalling Rs. 3,100 on Dec. 26, 2013 of which those for Rs. 2,500 were collected in December. One cheque for Rs. 200 was returned dishonoured on 2nd Jan. 2014.
- iii. The Bank has credited Mr. Sharma by Rs. 1,600, the proceeds of a bill.
- iv. Cash collected, on 31st Dec. 2013 totalling Rs. 850 was entered in the Cash Book in the Bank column on the same date but banked on 2.1.2014.
- v. Mr. Sharma issued cheques totalling Rs. 2,300 in the month of Dec. out of which cheques for Rs. 1,000 have not been presented for payment for payment till 31st Dec.

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Answer

1. A bank reconciliation statement is a document that matches the cash balance to the corresponding amount on its bank statement. It is prepared either by cash book or pass book balance.
2. Balance as per Cash Book means the balance as per the Bank column of the Cash Book that is the balance lying with the bank or the deposits made by the firm are more than its withdrawals.
3. It is a **statement** which tally the balance as per pass book with the balance as per cash book, by showing all the reasons of difference between the two books.

4. **Bank Reconciliation Statement**

Particulars	Plus	Minus
Balance as per Pass Book (Cr.)	50,000	
Cheques not presented (6,000 + 3,937 + 1,525)		11,462
Cheques not collected (500+650)	1,150	
Interest credited		100
Bank charges	460	
Balance as per Cash Book (Dr.) (Balancing figure)		40,048
	51,610	51,610

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

Particulars	(+)	(-)
overdraft as per pass book (Dr.)	-	36,000
Cheque not yet presented	-	19,700
Cheques not yet collected	25,000	-
Cheques not yet banked	9,000	-
Directly deposited by customer	-	11,000
overdraft as per cash book (Cr.) (Balance figure)	32,700	-
	66,700	66,700

6. **Bank Reconciliation Statement as on 31st March, 2018**

Particulars	(+)	(-)
Favourable Balance as per Cash Book (Dr.)	23,650	
Cheque not yet presented	16,720	
Cheque Dishonour		550
Discounting Charges debited by bank		270
Directly deposited by a customer	1,000	
Paid into Bank		2,860
Bank charges		70
Favourable Balance as per Pass Book (Cr.) (B/f)		37,620
	41,370	41,370

7. **BANK RECONCILIATION STATEMENT**

Particulars	Debit (Rs.)	Credit (Rs.)

Overdraft balance as per Cash Book		1,500
Add: Cheques issued but not yet presented (100 + 125 + 50)	275	
Less: Cheques deposited but not yet cleared		400
Overdraft balance as per Pass Book	1,625	
TOTAL	<u>1,900</u>	<u>1,900</u>

8.

Bank Reconciliation Statement

as on 31st March, 2014

Particulars	Amount (Rs)	Amount (Rs)
Overdraft/Credit/Unfavourable Balance as per Cash Book		90,600
Add: A cheque posted in debit column of cash book but not presented for payment.	1,000	
Cheque deposit in bank for collection but not collected	1,500	
Cheque dishonoured	5,000	7,500
Less: Cheque issued to Manohar not presented for payment	8,000	8,000
Overdraft/Debit/Unfavourable Balance as per Pass Book		90,100 =====

A bank reconciliation statement is a method used by individuals and entities to check the accuracy of their own transaction register against the records of their bank.

9.

BANK RECONCILIATION STATEMENT

Particulars	Plus (Rs.)	Minus (Rs.)
Balance as per Cash Book	3,72,000	
Add: Cheques issued but not presented	72,000	

Dividend received by the bank	5,000	
Interest allowed by the bank	1,250	
Less: Cheques deposited into bank but not yet collected		15,400
Bank charges not entered in the cash book		200
Cheque deposited into bank but dishonoured		320
Payment of house tax by bank on our behalf not entered in the cash book		350
Balance as per Pass Book		4,33,980
	<u>4,50,250</u>	<u>4,50,250</u>

10. **Amended Cash Book (Bank Column only) as on 31st Dec. 2013**

Receipt side Receipt side

Particulars	Rs.	Particulars	Rs.
Top Balance b/d	3,560	By Drawings	460
To B/R (Proceeds of a Bill)	1,600	By Bank Charges	20
		By Balance c/d/	4,680
	5,160		5,160

Bank reconciliation statement is a report which compares the bank balance as per company's accounting records with the balance stated in the bank statement.

It is normal for a company's bank balance as per accounting records to differ from the balance as per bank statement due to timing differences. Certain transactions are recorded by the entity that are updated in the bank's system after a certain time lag. Likewise, some transactions are accounted for in the bank's financial system before the company incorporates them into its own accounting system. Such timing differences appear as reconciling items in the Bank Reconciliation Statement.

The purpose of preparing a Bank Reconciliation Statement is to detect any discrepancies between the accounting records of the entity and the bank besides

those due to normal timing differences. Such discrepancies might exist due to an error on the part of the company or the bank.

Bank Reconciliation Statement

PARTICULARS	+ ITEM	- ITEM
(1) Balance as per Adjusted Cash Book (Dr.)	4,680	-
(2) Cheques paid into the Bank but not Credited by Dec. 31, 2013 (3,100-2,500)	-	600
(3) Cash collected entered in the Cash Book but not banked	-	850
(4) Cheques issued but not presented till date	1,000	-
TOTAL	5,680	1,450
Balance as per pass Book (5,680-1,450)	4,230	-