

Practice Test-2 (Subjective)

Sampurna June 2024

Accounting

BRS , Rectification of Errors

Q1 On 30th June, 2021, Cash Book of Ms. Suman (Bank Column of Account No. 1) shows a Bank Overdraft of *Rs.1,97,400*. On going through the Bank Pass book for reconciling the Balance, she found the following:

1. Out of cheques drawn on 26th June, those for *Rs.14,800* were cashed by the bankers on 2nd July.
2. A crossed cheque for *Rs.3,000* given to Abdul was returned by him and a bearer cheque was issued to him in lieu on 1st July.
3. Cash and cheques amounting to *Rs.13,600* were deposited in the Bank on 29th June., but cheques worth *Rs.5,200* were cleared by the Bank on 1st July., and one cheque for *Rs.1,000* was returned by them as dishonored on the latter date.
4. According to Suman's standing instructions, the bankers have on 30th June, paid *Rs.1,280* as interest to her creditors, paid quarterly premium on her policy amounting to *Rs.640* and have paid a second call of *Rs.2,400* on shares held by her and lodged with the bankers for safe custody. They have also received *Rs.600* as dividend on her shares and recovered an Insurance Claim of *Rs.3,200*, as their charges and commission charged on the above being *Rs.400*. On receipt of information of the above transaction, she has passed necessary entries in her Cash Book on 1st July.
5. Bankers seem to have given a wrong credit for *Rs.2,000* paid in by her in No. 2 account and wrong debit in respect of a cheque for *Rs.1,200* drawn against her No. 2 account.

Prepare a Bank Reconciliation Statement as on 30th June, 2021.

Q2 From the following particulars of M/s Swapnil enterprises, prepare a Bank reconciliation statement:

1. Bank overdraft as per Pass Book as on 31st March, 2021 was *Rs.8,800*.
2. Cheques deposited in Bank for *Rs.5,800* but only *Rs.2,000* were cleared till 31st March.
3. Cheques issued were *Rs.2,500*, *Rs.3,800* and *Rs.2,000* during the month. The cheque of *Rs.5,800* is still with the supplier .
4. Dividend collected by Bank *Rs.1.250* was wrongly entered as *Rs.1,520* in the Cash Book.
5. Amount transferred from fixed deposit A/c into the current A/c *Rs.2,000* appeared only in Pass Book .
6. Interest on overdraft *Rs.930* was debited by the Bank in the Pass Book and the information was received only on 3rd April 2021.
7. Direct deposit by M/s Rajesh Trader *Rs.400* not entered in the Cash Book.
8. Corporation tax *Rs.1,200* paid by the Bank as per standing instruction appears in PassBook only.

Q3 Mr.Naman was unable to agree the Trial Balance last year and wrote off the difference to the Profit and Loss Account of that year. Next Year, he appointed a Chartered Accountant who examined the old books and



found the following mistakes:

- (1) Purchase of Bike was debited to conveyance account Rs.6,000.
 - (2) Purchase account was over-cast by Rs.20,000.
 - (3) A credit purchase of goods from Mr.Gaurav for Rs.4,000 was entered as a sale.
 - (4) Receipt of cash from Mr.Ashish was posted to the account of Mr.Kapil Rs.2,000.
 - (5) Receipt of cash from Mr.Dhruv was posted to the debit of his account, Rs.1000.
 - (6) Rs.1000 due by Mr.Komal was omitted to be taken to the trial balance.
 - (7) Sale of goods to Mr.Sanjay for Rs.4,000 was omitted to be recorded.
 - (8) Amount of Rs.4,395 of purchase was wrongly posted as Rs.4,593.
- Mr.Naman used 10% depreciation on vehicles. Suggest the necessary rectification entries.

Q4 Give journal entries to rectify the following:

- (1) A purchase of goods from Manmeet amounting to Rs.300 has been wrongly entered through the Sales Book.
- (2) A Credit sale of goods amounting Rs.240 to Riya has been wrongly passed through the Purchase Book.
- (3) On 31st December, 2022 goods of the value of Rs.600 were returned by Hitesh and were taken into inventory on the same date but no entry was passed in the books.
- (4) An amount of Rs.400 due from Kartik , which had been written off as a Bad Debt in a previous year, was unexpectedly recovered, and had been posted to the personal account of Kartik.
- (5) A Cheque for Rs.200 received from Suraj was dishonoured and had been posted to the debit of Sales Returns Account.

