

## PRACTICAL QUESTIONS

1. Messer's Tall & Short, Faiz Bazar, Mumbai-110002 in account with Punjab National Bank, Daryaganj, Mumbai-110002

## PASS-BOOK

Date		Particulars	Withdrawals ₹	Deposits ₹	Dr. or Cr.	Balance ₹
2021						
Jan.	2	By Cash		4,00,000	Cr.	4,00,000
"	4	To Furniture Dealers Ltd.	60,000		Cr.	3,40,000
"	4	To Das & Co.	1,25,000		Cr.	2,15,000
"	10	By J. Johnson & Co.'s cheque		35,000	Cr.	2,50,000
"	12	To Roy & James	1,00,000		Cr.	1,50,000
"	15	By B. Babu & Co's cheque		76,000	Cr.	2,26,000
"	16	By Cash		30,000	Cr.	2,56,000
"	20	To Cash	50,000		Cr.	2,06,000
"	26	By J. Rai & Bros cheque		43,000	Cr.	2,49,000
"	31	To Premium paid as per standing-instructions	25,000		Cr.	2,24,000
	31	To Bank Charges	1,000		Cr.	2,23,000
	31	By Interest collected on Government Securities		20,000	Cr.	2,43,000

## CASH-BOOK (Bank column only)

Date	Particulars	Amount ₹	Date	Particulars	Amount ₹
2021			2021		
Jan. 1	To Cash	4,00,000	Jan. 2	By Furniture Dealers Ltd.	60,000
Jan. 2	To J. Johnson & Co.	35,000			

Date	Particulars	Amount ₹	Date	Particulars	Amount ₹
Jan. 8	To B. Babu & Co.	76,000	Jan. 2	By Roy & James	1,00,000
Jan. 10	To Cash	30,000	Jan. 2	By Das & Co.	1,25,000
Jan. 16	To J. Rai & Bros.	43,000	Jan. 4	By K. Nagpal & Co.	73,000
Jan. 20	To M. Mohan & Co.	1,05,000	Jan. 17	By Cash	50,000
Jan. 22	To N. Nandy & Sons	34,000	Jan. 20	By B. Babu & Co.	78,000
			Jan. 31	By Balance c/d	2,37,000
		7,23,000			7,23,000
Feb. 1	To Balance b/d	2,37,000			

(ICAI Study Material)

Sol. As per Balance Presentation:

Reconciliation Statement (BRS) as on 31st January, 2021

Particulars	Details (₹)	Amount (₹)
Balance as per Pass Book		2,43,000
<b>Add: Cheques deposited but not yet credited :</b>		
M. Mohan & Co.		
N. Nandy & Sons	1,05,000	
	34,000	1,39,000
<b>Add: Premium paid and bank charges recorded in the Pass- Book but not yet recorded in the Cash-Book</b>		26,000
		4,08,000
<b>Less: Cheques issued but not presented for payment by bank</b>		
K. Nagpal & Co.	73,000	
B. Babu & Co.	78,000	1,51,000
<b>Less: Interest credited by bank but not yet recorded in the Cash Book</b>		20,000
Balance as per Cash Book		2,37,000

Particulars	Details (Rs.)	Amount (Rs.)
Balance as per Cash Book		2,37,000
<b>Add : Cheques issued but not yet presented by bank</b>		
K. Nagpal & Co.	73,000	
B. Babu & Co	78,000	1,51,000
<b>Add : Interest credited by bank but not yet recorded in the Cash Book</b>		20,000
		4,08,000

Particulars	Details ( Rs. )	Amount ( Rs. )
Less : Cheques deposited but not credited by the bank:		
M. Mohan & Co.		
N. Nandy & Sons	1,05,000	
	34,000	1,39,000
Less : Premium paid and bank charges recorded in the Pass-Book but not recorded in the Cash-Book		26,000
Balance as per Pass Book		2,43,000

(ICAI Study Material)

As per Plus-Minus Presentation:

Bank Reconciliation Statement (BRS) as on 31st January, 2021

Particulars	Plus Amount (₹)	Minus Amount (₹)
Balance as per Cash Book	2,37,000	
Cheques issued but not yet presented:		
K. Nagpal & Co.	73,000	
B. Babu & Co.	78,000	
Interest recorded in pass-book but not yet entered into cash-book	20,000	
Cheques deposited but not yet credited:		
M. Mohan & Co.		1,05,000
N. Nandy & Sons		34,000
Premium paid and bank charges entered in pass book but not entered in cash-book		26,000
Balance as per pass book		2,43,000
	4,08,000	4,08,000

2. Based on the following extracts from the Cash-book and Pass-book for the month of Jan., 2017, prepare Bank Reconciliation Statements as on 31st Jan., 2017.

**Cash-book (Bank Columns Only)**

Date	Particulars	Rs.	Date	Particulars	Rs.
2017			2017		
Jan 3	To Cash	300	Jan 1	By Balance b/d	5,000
Jan 4	To Ram	1,300	Jan 16	By Cash	300
Jan 5	To Shyam	250	Jan 17	By Bharat	1,350
Jan 6	To Krishna	500	Jan 18	By Charat	500
Jan 10	To Bill of Exchange (Discount of Rs.100)	1,900			
Jan 31	To Balance c/d	2,900			
		7,150			7,150

Bank Reconciliation Statement

### Pass Book

Date	Particulars	Withdrawal	Deposits	Dr./Cr.	Balance
2017		Rs.	Rs.		Rs.
Jan 1	To Balance b/d	--	--	Dr.	5,000
Jan 3	By Cash	--	300	Dr.	4,700
Jan 8	By Shyam	--	250	Dr.	4,450
Jan 9	By Krishna	--	500	Dr.	3,950

Date	Particulars	Withdrawal	Deposits Rs.	Dr./Cr.	Balance Rs.
2017					
Jan 10	To Krishna's Cheque Dishonoured	500	--	Dr.	4,450
	By Bills of Exchange (Discounted)	100	2,000	Dr.	2,550
	To Bills of Exchange (Dishonoured)	2,000	--	Dr.	4,550
	To Cash				
Jan 16	To Bharat	300	--	Dr.	4,850
Jan 18	To Bank-charges	500	--	Dr.	5,350
Jan 31	To Life Insurance premium as per standing-instructions	20	--	Dr.	5,370
Jan 31	By Dividend and interest collected as per instruction	250	--	Dr.	5,620
Jan 31		--	1,050	Dr.	4,570

**Sol. Bank Reconciliation Statement (BRS) as on 31st Jan., 2017**

Particulars	Plus	Minus
(A) Unfavourable Balance as per Cash-book (Cr.)		2,900
Plus : (a) Cheque issued but not yet presented for payment (To Bharat)	1,350	
(b) Dividend and Interest Collected directly by Bank	1,050	
Minus:		
(a) Cheque deposited but not yet realized (From Ram)		1,300
(b) Bank-charges debited		20
(c) Insurance Premium as per instruction		250
(d) Cheque dishonoured not entered in cash book		500
(e) Bill of Exchange dishonoured		2,000
	2,400	6,970
(B) Unfavourable Balance as per Pass-book (Dr.)	4,570	
	6,970	6,970

3. The following are the bank column of the cash book and Pass Book of Shri for the months of March, 2021 and April, 2021:

**Cash Book (Bank Column only)**

Date	Particulars	Amount Dr. ₹	Date	Particulars	Amount Cr. ₹
01/3/2021	To Balance b/d	60,000	03/3/2021	By Cash A/c	2,00,000
06/3/2021	To Sales A/c	3,00,000	07/3/2021	By Modi	60,000
10/3/2021	To Ram	65,000	12/3/2021	By Patil	30,000
18/3/2021	To Singhal	2,70,000	18/3/2021	By Suresh	40,000
25/3/2021	To Goyal	33,000	24/3/2021	By Ramesh	1,50,000
31/3/2021	To Patel	65,000	30/3/2021	By Balance c/d	3,13,000
		7,93,000			7,93,000

**Pass Book**

Date	Particulars	Amount Dr. ₹	Amount Cr. ₹	Dr. or Cr.	Balance ₹
1/4/2021	By Balance b/d		3,65,000	Cr.	3,65,000
3/4/2021	By Goyal		33,000	Cr.	3,98,000
5/4/2021	By Patel		65,000	Cr.	4,63,000
7/4/2021	To Naresh	2,80,000		Cr.	1,83,000
12/4/2021	To Ramesh	1,50,000		Cr.	33,000
15/4/2021	To Bank Charges	200		Cr.	32,800
20/4/2021	By Usha		17,000	Cr.	49,800
25/4/2021	By Kalpana		38,000	Cr.	87,800
30/4/2021	To Sunil	6,200		Cr.	81,600

Reconcile the balance of cash book on 31/3/2021.

(ICAI Study Material)

**Sol.** On scrutiny of the debit side of Cash-Book of March 2021 and receipt side of the Pass Book of April, 2021 reveals that two cheques deposited in the Bank (Goyal Rs 33,000 and Patel Rs 65,000) in March were not credited by the Bank till 31/3/2021.

On scrutiny of credit side of the cash-book and payment side of the pass-book reveals that a cheque issued to Ramesh for Rs 1,50,000 in March 2021, had not been presented for payment in Bank till 31/3/2021. Therefore the Bank Reconciliation statement on 31/3/2021 will appear as follows :

**Bank Reconciliation Statement(BRS) as on 31st March, 2021**

Particulars	Plus ( Rs. )	Minus ( Rs. )
Balance as per the Cash Book	3,13,000	
Cheque issued but not yet presented for payment by bank	1,50,000	
Cheque deposited but not yet credited by bank		98,000
Balance as per the Pass Book		3,65,000
	4,63,000	4,63,000

4. Prepare a Bank Reconciliation Statement (BRS) from the following particulars as on 31st Dec. 2017:

- On 31st Dec.,2017 the Cash-book of a firm showed deposit with bank Dr. Balance of Rs.7, 000.
- Cheque has been issued for Rs.5, 000, out of which Cheque of Rs.4, 000 only were presented for payment.
- Cheque of Rs.1, 500 were deposited in bank on 28th Dec. 2017 but have not been credited by bank. Additionally, a cheque for Rs.500 was entered in the Cash-book on 30th Dec. 2017 but was banked on 3-1-2017.
- A cheque from Ushant for Rs.400 was deposited in the bank on 26th Dec.2017 but was dishonoured and theno information was received on 2-1-2017.  
Pass-book showed bank-charges of Rs.30 debited by bank.
- One of the debtor deposited sum of Rs.500 in bank account of the firm on 20th Dec.,2017 but intimation in this respect was received from bank on 2-1-2017.
- Bank Pass-book showed a favourable balance of Rs.6,070 on 31st Dec.,2017.

Sol.

**Bank Reconciliation Statement (BRS)as on 31st Dec., 2017**

Particulars	Plus	Minus
Unfavourable Balance as per Cash-book	7,000	
Plus:		
(a)Cheque issued but not yet paid	1,000	
(b)Cheque directly deposited in Bank	500	
Minus:		
(a)Cheque deposited but not yet realized		1,500
(b)Cheque received and entered but not yet deposited		500
(c)Cheque deposited and dishonoured		400
(d)Bank-charges charged by Bank		30
	8,500	2,430
favourable Balance as per Pass-book		6,070
	8,500	8,500

5. The cash-book of a firm showed an Unfavourable Balance (Cr) of Rs.40,000 on 31st Mar.,2017. A comparison of entries in cash-book and Pass-book revealed that -

- (i) On 22nd Mar. , 2017 , Cheque totalling Rs.6,000 were sent to bank for collection. Out of these, a cheque for Rs.2,000 was wrongly entered on credit side of cash-book and Cheque amounting to Rs.300 couldn't be collected by bank before 1st Apr. , 2017 .
- (ii) A cheque for Rs.5,000 was issued to a supplier on 28th Mar.,2017. The cheque was presented to bank on 4th Apr. , 2017 .
- (iii) There were debit of Rs.2,700 in the Pass-book for interest on Unfavourable Balance and bank-charges, but the same has not been recorded in cash-book.
- (iv) A cheque for Rs.1,000 was issued to a creditor on 27th Mar.,2017 but by mistake same was not recorded in cash-book. The cheque was, however, duly encashed by 31st Mar.,2017.
- (v) As per standing instruction, the bank collected dividend of Rs.600 on behalf of firm and credited the same to its account by 31st Mar.,2017. The fact was, however, intimated to firm on 3rd Apr.,2017.

You are required to prepare a Bank Reconciliation Statement (BRS) as on 31st Mar.,2017.

Sol.

**Bank Reconciliation Statement (BRS) as on 31.3.16**

Particulars	Plus	Minus
Unfavourable Balance as per Cash-book (Cr.)		40,000
Plus :		
a) Cheque deposited but wrongly credited in cash book	2,000	
b) Cheque issued but not yet paid	5,000	
c) Dividend directly collected by Bank	600	
Minus:		
a) Cheque deposited but not realised		300
b) Bank-charges and interest debited by Bank		2,700
c) Dividend directly collected by Bank		1,000
	7,600	44,000
Unfavourable Balance as per Pass-book (Dr.)	36,400	
	44,000	44,000

**Note:** While converting Bank reconciliation statement in add-less form see that starting balance is Unfavourable Balance hence add all minus items and deduct all plus items.

6. Perfect Pvt. Ltd., has two accounts with Ever Bank Limited the account were known as 'Account-I' and 'Account-II'. As at Dec. , 31, 2016 the balance as per A/c books reflected following:

Account-I Rs.1, 26,000 Regular balance. Account-II Rs.1, 12,250 Unfavourable Balance. The accountant failed to tally the balance with Pass-book and the following information was available:

- (i) The Bank has debited Interest on Account-II, Rs.11, 375 and credited Interest on Account-I, Rs.1, 350. These were not entered by the accountant.
- (ii) Rs.12, 500 drawn on Dec.10, 2016, from Account-I was recorded in the books of Account-II.
- (iii) Bank-charges of Rs.250 and Rs.1, 225 for Account-I and Account-II were not entered in the books.
- (iv) A deposit of Rs.17, 500 in Account-I was wrongly entered in Account-II in the books.
- (v) Two Cheque of Rs.12,500 and Rs.13,750 deposited in Account-I, but entry made in Account-II in books, were dishonoured. The entries for dishonoured Cheque were entered correctly in Account-II.
- (vi) Cheque issued for Rs.1,50,000 and Rs.16,000 from Accounts-I and II respectively, were not presented for payment till 5th Jan. , 2017 .
- (vii) Cheque deposited Rs.1, 26,000 and Rs.1, 17,500 in Account-I and Account- II respectively, were credited by bank only on February 2, 2017.

You are required to prepare Bank Reconciliation Statement (BRS) for Account-I and Account- II.

Sol.

Bank reconciliation statement: Account - I

Particulars	Plus	Minus
Balance as per cash-book (Dr.)	1,26,000	
Plus :		
(a) Interest credited by bank	1,350	
(b) Cheque deposited but not yet entered in our book	17,500	12,500
(c) Cheque issued but not yet paid	1,50,000	250
Minus:		
(a) Withdrawal from bank not yet recorded by us		1,26,000
(b) Bank-charges charged by bank		
(c) Cheque deposited but not yet realised	2,94,850	1,38,750
Balance as per Pass-book (Cr.)		1,56,100
	<b>2,94,850</b>	<b>2,94,850</b>



**Bank reconciliation statement: Account – II**

Particulars	Plus	Minus
Unfavourable Balance as per cash-book (Cr.)		1,12,250
Plus :		
(a)Withdrawal from A/c-I wrongly recorded in A/c-II	12,500	
(b)Cheque issued but not yet paid	16,000	
Minus:		
(a)Interest charged by bank		11,375
(b)Bank-charges charged by bank		1,225
(c)Deposit in A/c-I is wrongly entered in A/c- II		17,500
(d)Cheque deposited but not yet realised		1,17,500
	28,500	2,59,850
Unfavourable Balance as per Pass-book (Dr.)	2,31,350	
	<b>2,59,850</b>	<b>2,59,850</b>

**Note:** In both the Bank Reconciliation Statement(BRS) no effect has come for item (5) because entry for deposit as well as its dishonour both has come in Account -II. That means it had nil effect everywhere.

Entry in our books for items (2) and (4) will be as follows:

Entry for (2) Bank a/c II Dr. 12500 To Bank a/c I 12500	Entry for (4) Bank a/c I Dr. 17500 To Bank a/c II 17500
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7. Prepare a bank reconciliation statement from the following information as on 31st December 2021:

- (i) On 31st December, 2021 the cash-book of a firm showed a bank balance of ₹60,000 (debit balance).
- (ii) Cheques had been issued for ₹ 15,00,000, out of which cheques worth ₹4,00,000 only were presented for payment by bank .
- (iii) Cheques worth ₹11,40,000 were deposited in the bank on 28th December, 2021 but had not been credited by the bank. In addition to this, one cheque for ₹5,00,000 was entered in the cash-book on 30th December, 2021 but was banked on 3rd January, 2022.
- (iv) A cheque from Sushant for ₹4,00,000 was deposited in the bank on 26th December 2021 but was dishonoured and the advice was received on 2nd January, 2022.
- (v) Pass-book showed bank charges of ₹2000 debited by the bank.
- (vi) One of the debtors deposited a sum of ₹5,00,000 in the bank account of the firm on 20th December, 2021 but the intimation in this respect was received from the bank on 2nd January, 2022.

(vii) Bank pass-book showed a unfavourable balance of ₹3,82,000 on 31st December, 2021. (ICAI Study Material)

Sol.

**Bank Reconciliation Statements on 31st December, 2021**

Particulars	Plus ( Rs. )	Minus ( Rs. )
Bank balance as per cash book	60,000	
Cheques issued but not yet presented for payment by bank	11,00,000	
Cheques directly deposited by a customer not yet recorded in cash book	5,00,000	
Cheques deposited but not yet credited by the bank		11,40,000
Cheque received and recorded in cash book but not yet banked		5,00,000
Cheque dishonoured by the bank; the dishonour entry not yet passed in cash book		4,00,000
Bank charges not recorded in Cash book		2,000
Bank balance (Dr.) as per pass book	3,82,000	
	20,42,000	20,42,000

8. Prepare a bank reconciliation statement from the following information as on 30th September, 2021:

Particulars	₹
Bank balance as per pass-book	10,00,000
Cheque deposited in the bank, but no entry was passed in the Cash-Book	5,00,000
Cheque received, but not sent to bank for collection	11,20,000
Credit side of the bank column of cash book cast short	2,000
Payment of Insurance premium made directly by bank under the standing advice	60,000
Bank charges entry made twice in the cash-book	2,000
Cheque issued, but not presented to bank	5,00,000
Cheque received recorded twice in the cash book	10,000
Bills discounted dishonoured not recorded in the cash book.	5,00,000

(ICAI Study Material)

Sol.

**Bank Reconciliation Statement (BRS) as on 30th September, 2021**

Particulars	Plus ( Rs. )	Minus ( Rs. )
Bank balance as per pass book	10,00,000	
Cheque received recorded in cash-book but not sent to bank	11,20,000	

Particulars	Plus ( Rs. )	Minus ( Rs. )
Credit side of the bank column of cash-book undercast	2,000	
Insurance premium paid directly by the bank not recorded in the cash book	60,000	
Cheque received entered twice in the cash book	10,000	
Bills dishonoured not entered in cash-book	5,00,000	
Cheque deposited into bank but no entry was made in cash-book		5,00,000
Bank charges recorded twice in the cash-book		2,000
Cheque issued but not yet presented		5,00,000
Bank balance as per cash book		16,90,000
	26,92,000	26,92,000

9. From the following information prepare a bank reconciliation statement on 31st March, 2021:

Particulars	₹
Favourable balance as per bank column of the cash book	37,20,000
Cheque issued to creditors but not yet presented to bank for payment	7,20,000
Dividend received by bank but not yet recorded in cash-book	5,00,000
Interest allowed by the bank	12,500
Cheques deposited into bank for collection but not collected by bank up to this date.	15,40,000
Bank charges	2,000
A cheque deposited into bank was dishonoured	3,20,000
Bank paid house tax on our behalf, but no information received from bank in this connection.	3,50,000

(ICAI Study Material)

Sol.

**Bank Reconciliation Statement (BRS) as on 31st March, 2021**

Particulars	Plus ( Rs. )	Minus ( Rs. )
Debit balance as per cash book	37,20,000	
Cheque issued but not yet presented to bank for payment	7,20,000	
Dividend received by bank not recorded in cash book	5,00,000	
Interest allowed by bank	12,500	
Cheques deposited into bank but not yet collected by bank		15,40,000

Particulars	Plus ( Rs. )	Minus ( Rs. )
Bank charges		2,000
A cheque deposited into bank was dishonoured , no intimation received		3,20,000
House tax paid by bank		3,50,000
Credit balance as per pass book		27,40,500
	49,52,500	49,52,500

10. From the following particulars , prepare a bank reconciliation statement on 31st March, 2021, and show the balance as per cash book:

- (i) Overdraft as per passbook on March 31, 2021, is Rs 3,00,000.
- (ii) Interest on overdraft debited by bank not entered in the cash book Rs. 36,500
- (iii) Insurance premium of Rs. 17,950 was due and paid by the bank but same has not been entered in the books.
- (iv) Cheques drawn in last week of March,2021, but not cleared till date for ₹13,000 and Rs. 23,500.
- (v) Cheques deposited into bank on February,2021, but yet to be credited on dated March 31, 2021 Rs. 56,000.
- (vi) Amount of Rs. 20,500 is wrongly charged by the bank
- (vii) Interest on Investment Rs. 83,800 collected and credited by bank but the same has not been entered in the Cash Book.

(ICAI Study Material)

Sol.

**Bank Reconciliation Statement(BRS) as on 31st March, 2021**

Particulars	Plus ( Rs. )	Minus ( Rs. )
Balance as per bank statement (Overdraft)		3,00,000
Cheques drawn but not cleared		36,500
Interest collected on investments directly by bank but not entered in cash-book		83,800
Interest on overdraft debited by bank not entered in the cash book	36,500	
Cheques deposited but not yet cleared	56,000	
Insurance premium paid by bank	17,950	
Amount wrongly debited by bank	20,500	
Overdraft as per cash book	2,89,350	
	4,20,300	4,20,300

11. The Bank Pass-book of Account No. 5678 of Miss. Rani showed an Unfavourable Balance of Rs.33, 575 as on 31st Mar., 2019. On going through Pass Book, the accountant found the following:

- (i) A Cheque of Rs.1,080 credited in Pass-book on 28th Mar. 2019 being dishonoured is debited again in the Pass-book on 1st Apr. 2019. There was no entry made in cash-book about the dishonour of the cheque until 15th Apr., 2019.
- (ii) Bank has credited her account with Rs.2,800 for interest collected by them on her behalf, but the same had not been entered in her cash-book.
- (iii) Out of Rs.20,500 paid in by Miss. Rani in cash and by Cheque on 31st Mar., 2019 Cheque amounting to Rs.7,500 were collected on 7th Apr., 2019.
- (iv) Out of Cheque amounting to Rs.7,800 drawn by her on 27th Mar., 2019 a cheque for Rs.2,500 was encashed on 3rd Apr., 2019.
- (v) Banker seems to have given her wrong credit for Rs.500 paid in by her in Account No. 8745 and a wrong debit in respect of a cheque for Rs.300 against her account No. 8745.
- (vi) A cheque for Rs.1,000 recorded in Cash-book but omitted to be banked on 31st Mar., 2019.
- (vii) A Bill Receivable for Rs.5,200 previously discounted (Discount Rs.200) with the Bank has been dishonoured but no information was received on 1st Apr., 2019.
- (viii) A Bill for Rs.10,000 was retired/paid by bank under a rebate of Rs.175 but the full amount of bill was credited in bank column of the Cash-book.
- (ix) A Cheque for Rs.2,400 deposited into bank but not recorded in Cash-book and were collected by bank on 31st Mar., 2019.

Prepare Bank Reconciliation Statement (BRS) as on 31st Mar., 2019.

[May 2018, 10 Marks]

Sol.

**Bank Reconciliation Statement (BRS) as on 31st Mar., 2019**

Particulars	Plus	Minus
(A) Debit Balance as per Pass Book		33,575
Plus :		
a) Amount debited in cash-book for pending Cheque in collection but not credited in Pass Book	7,500	
b) Reversal of wrong debit	300	
c) Cheque of Rs.1,000 entered in cash-book but omitted to be banked	1,000	
d) Discounted bill dishonoured but no entry in Cash book	5,200	
Minus:		
a) No entry in Cash-book for interest collection by Bank		2,800
b) Cheque credited in cash-book but not debited in pass book		2,500
c) Reversal of wrong Credit		500
d) Rebate on bill retired not entered in cash book		175
e) Cheque deposited in bank not yet recorded in cash book		2,400

Particulars	Plus	Minus
	14,000	41,950
(B) Balance (Cr. i.e. Unfavourable Balance ) as per Cash book	27,950	
	41,950	41,950

**Note:** A cheque of Rs.1,080 credited in Pass-book on 28th Mar. , 2019 and later debited in Pass-book on 1st Apr., 2019 has no effect on Bank Reconciliation Statement (BRS) as at 31st Mar., 2019.

12. Prepare a Bank Reconciliation Statement (BRS) from the following particulars as on 31st Mar. 2019: [Nov. 2018, 10 Marks]

Particulars	(Rs.)
Balance as per cash-book	18,60,000
Cheque issued to creditors but not yet presented to Bank for payment	3,60,000
Dividend received by bank but not recorded in Cash book	2,50,000
Interest credited by the Bank	6,250
Cheque deposited into bank but not collected by bank up to this date	7,70,000
Bank-charges not entered in Cash Book	1,000
A cheque deposited into bank was dishonoured, but no intimation received	1,60,000
Bank paid house tax on our behalf, but no intimation received from bank in this connection	1,75,000

Sol.

**Bank Reconciliation Statement (BRS)**  
(As on Mar. 31, 2019)

Particulars	Plus	Minus
Favourable Balance as per cash-book (Dr.)	18,60,000	
Plus:		
(a) Cheque Issued but not yet presented by bank	3,60,000	
(b) Dividend received by the Bank	2,50,000	
(c) Interest Allowed by the Bank	6,250	
Minus:		7,70,000
(a) Cheque deposited but not collected		1,000
(b) Bank-charges debited by bank but not entered in cash book		1,60,000
(c) Cheque deposited into bank but dishonoured		1,75,000
(d) House Tax Paid By Bank		
	24,76,250	11,06,000
		13,70,250
Balance as per Pass-book (Cr.)	24,76,250	24,76,250

13. Prepare Bank Reconciliation Statement (BRS) of M/s. R.K. Brothers on 30th June, 2019 from the particulars given below:

- (i) The Bank Pass-book has a unfavourable balance of Rs.25, 000 on 30th June, 2019.
- (ii) A cheque of Rs.400 was directly deposited into Bank by a customer but no entry was made in the Cash-book.
- (iii) Out of Cheque issued of Rs.34, 000, Cheque amounting to Rs. 20,000 only was presented for payment till 30th June, 2019.
- (iv) A cheque for Rs.4, 000 received and recorded in the Cash-book but it was not sent to the Bank.
- (v) Cheque of Rs.20,000 has been sent to Banker for collection but the collection was reported by the Banker as under:
  - (1) Cheque collected before 30th June, 2019, Rs.14, 000
  - (2) Cheque collected on 10th July, 2019, Rs.4, 000
  - (3) Cheque collected on 12th July, 2019, Rs.2, 000.
- (vi) The Bank made a direct payment of Rs.600 which was not recorded in Cash-book.
- (vii) Interest on debit balance charged by bank Rs.1, 600 was not recorded in the Cash-book.
- (viii) Bank-charges of Rs. 80 have been entered twice in the cash-book whereas Insurance charges for Rs.70 directly paid by Bank were not at all entered in the Cash-book.
- (ix) The credit side of bank column of Cash-book was under cast by Rs.2, 000.

[May 2019, 10 Marks]

Sol.

Bank Reconciliation Statement (BRS) of M/s R.K. Brothers as on 30th June, 2019

Particulars	Plus	Minus
Unfavourable Balance as per Pass-book (Dr.)		25,000
<b>Plus :</b>		
(a) Cheque entered in Cash-book but not sent to the Bank	4,000	
(b) Cheque sent but not collected by Bank (4,000 + 2,000)	6,000	
(c) Direct payment made by Bank, not recorded in Cash Book	600	
(d) Interest on Unfavourable Balance charged by Bank, not recorded in Cash Book	1,600	
(e) Insurance Charges directly paid by Bank	70	
(f) Credit side of bank column of Cash-book under cast	2,000	
<b>Minus:</b>		400
(a) Cheque directly deposited into Bank, but not entered in Cash Book		14,000
(b) Cheque issued but not presented for the payment till 30th June, 2019		80
(c) Bank-charges charged by Bank, recorded twice.	14,270	39,480
	25,210	
Unfavourable Balance as per Cash-book (Cr.)	39,480	39,480

14. On 31-3-2020, Mahesh's Cash-book Unfavourable Balance of Rs.98, 700. On comparison he finds the following rectification :

- (i) Out of the total Cheque of Rs.8, 900 issued on 27th Mar. , one cheque of Rs.7,400 was presented for payment on 4th Apr. And the other cheque of Rs.1, 500 handed over to the customer, was returned by him and in lieu of that a new cheque of the same amount was issued to him on 1st Apr. . . . No entry for the return was passed.
- (ii) Out of total cash and Cheque of Rs.6, 800 deposited in the Bank on 24th. In Mar. , one cheque of Rs.2,600 was realized on 3rd Apr. And the other cheque of Rs.500 was returned dishonoured by bank on 4th Apr. .
- (iii) Bank-charges Rs.35 and Bank interest Rs.2, 860 debited by the bank appearing in the passbook are not yet entered in the cash-book.
- (iv) A cheque deposited in his another account of Rs.1, 550 wrongly credited to this account by the bank.
- (v) A cheque of Rs.800, drawn on this account, was wrongly debited in another account by bank.
- (vi) A debit of Rs.3,500 appearing in the bank statement for an unpaid cheque returned for being 'out of date' has been re-dated and deposited in the bank account again on 5th Apr. 2020.
- (vii) The bank allowed interest on deposit Rs.1, 000 credited by bank.
- (viii) A customer who received a cash discount of 4% on his account of Rs.1, 00,000 paid a cheque on 20th Mar. , 2020. The cashier erroneously recorded the gross amount in the bank column of the Cash-book.

Prepare Bank Reconciliation Statement (BRS) as on 31-3-2020.

[Nov. 2020, 10 Marks]

Sol.

**Bank Reconciliation Statement (BRS) as on 31st Mar., 2020**

Particulars	Plus	Minus
Unfavourable Balance as per Cash-book (Cr.)		98,700
<b>Plus :</b>		
(a) Cheque issued but not presented [Rs.7400 + Rs.1500]	8,900	
(b) Cheque wrongly credited to account by Bank	1,550	
(c) Interest allowed by bank	1,000	
(d). Cheque wrongly debited by bank to another account	800	
<b>Minus:</b>		
(a) Cheque deposited with bank but not credited [Rs.2,600 + Rs.500]		3,100
(b) Bank-charges not entered in the Cash-book		35
(c) Bank interest not entered in the Cash-book		2,860
(d) Cheque returned 'out of date'		3,500
(e) Discount allowed wrongly entered in bank column		4,000



Particulars	Plus	Minus
	12,250	1,12,195
	99,945	
Unfavourable Balance as per Pass-book (Dr.)	1,12,195	1,12,195

15. Prepare a Bank Reconciliation Statement (BRS) from the following particulars as on 31st Dec. , 2020:

Particulars	Rs.
Balance as per Cash-book (Dr.)	1,97,000
Bank-charges charged by the bank not recorded in Cash Book	33,000
Received from debtors vide RTGS on 31st Dec. , 2020 not recorded in Cash Book	1,00,000
Cheque issued but not presented for payment	
Cheque deposited but not realized	46,000
Cheque received and deposited but dishonoured. Entry for dishonour not entered in the Cash Book	25,000
	6,000
Instruction for payment given to the banker on 31st Dec. , 2020 but the same affected by the Banker on 1st Jan. , 2021	4,000

Sol.

**Bank Reconciliation Statement (BRS) as at 31st Dec. , 2020**

Particulars	Plus	Minus
Balance as per Cash-book (Dr.)	1,97,000	
Plus :		
(a) Received from Debtors vide RTGS	1,00,000	
(b) Cheque issued but not presented	46,000	
(c) Instructions given to bank for payment on 31 st but bank made payment on 1st Jan. , 2021	4,000	
Minus:		
(a) Bank-charges debited by bank		33,000
(b) Cheque deposited but not realized		25,000
(c) Dishonour of cheque not recorded in Cash book		6,000
	3,47,000	64,000
		2,83,000
Balance as per Pass-book (Cr.)	3,47,000	3,47,000

16. From the following information, ascertain the Cash-book balance of Mr Bajaj as on 31st Mar., 2021:

- (i) Unfavourable balance as per Bank Pass-book Rs.3, 500.
- (ii) A cheque amounting to Rs.2, 500 deposited on 15th Mar., but the same was returned by the Bank on 24th Mar. for which no entry was entered in the Cash-book.
- (iii) During Mar. two bills amounting to Rs.2, 500 and Rs.500 were collected by the Bank but no entry was entered in the Cash-book.
- (iv) A bill for Rs.5, 000 due from Mr. Balaji previously discounted for Rs.4, 800 was dishonoured. The Bank debited the account, but no entry was made in Cash-book.
- (v) A Cheque for Rs.1, 500 was debited twice in the cash-book. [July 2021, 5 Marks]

Sol.

**Bank Reconciliation Statement (BRS) as on 31st Mar. , 2021**

Particulars	Plus (Rs.)	Minus (Rs.)
Unfavourable Balance as per Pass-book (Dr.)		3,500
Plus:		
a) Cheque deposited but returned, not entered in Cash Book	2,500	
b) Bill discounted earlier but dishonoured, not entered in Cash Book	5,000	
c) A Cheque wrongly debited twice in the Cash Book	1,500	
Minus:		
a) Bills collected by bank but not entered in the Cash Book [Rs.2500 + Rs.500].	3000	
Dr. Balance as per Cash Book	9,000	6,500
	9,000	9,000

17. From the following particulars, prepare a Bank Reconciliation Statement (BRS) on 31st Mar. , 2021:

Particulars	Rs.
Bank balance as per Passbook (Cr.)	25,00,000
Bills discounted dishonoured not recorded in Cash Book	12,50,000
Cheque received recorded twice in Cash Book	25,000
Bank-charges entered twice in Cash Book	5,000
Insurance premium paid directly by Bank understanding instruction	1,50,000
Cheque issued but not presented to Bank for payment	12,50,000
Cheque received, but not sent to Bank	28,00,000
Cheque deposited in Bank, but no entry made in the Cash Book	12,50,000
Credit side of the Bank column cast short	5,000

**Bank Reconciliation Statement (BRS) as on 31st Mar., 2021**

Particulars	Plus (Rs.)	Minus (Rs.)
Favourable balance as per Passbook	25,00,000	
Plus:		
1. Bill discounted, dishonoured not recorded in cash book		
2. Cheque received entered twice in the cash book	12,50,000	
3. Insurance premium paid not recorded in Cash Book	25,000	
4. Cheque received but not sent to Bank	1,50,000	
5. Credit side of bank column cast short	28,00,000	
	5,000	
Minus:		
1. Bank-charges entered twice in cash book		5,000
2. Cheque issued but not presented		12,50,000
3. Cheque deposited but not recorded in cash book		12,50,000
	67,30,000	25,05,000
Dr. Balance as per Cash Book		42,25,000
	67,30,000	67,30,000

18. On 31st March 2021, the Bank Pass-Book of Namrit showed a balance of Rs 1,50,000 to her credit while balance as per cash-book was Rs 1,12,050. On scrutiny of the two books, she ascertained the following causes of difference:

- (i) She has issued cheques amounting to Rs 80,000 out of which only Rs 32,000 were presented for payment.
- (ii) She received a cheque of Rs 5,000 which she recorded in her cash-book but forgot to deposit in bank.
- (iii) A cheque of Rs 22,000 deposited by her has not been cleared yet.
- (iv) Mr. Kumar deposited an amount of Rs 15,700 in her bank which has not been recorded by her in Cash Book yet.
- (v) Bank has credited an interest of Rs 1,500 while charging Rs 250 as bank Charges. Prepare a bank reconciliation statement.

(ICAI Study Material)

Sol.

**Bank Reconciliation Statement (BRS) as on 31st March, 2021**

Particulars	Plus ( Rs. )	Minus ( Rs. )
Balance as per Pass Book (Cr.)	1,50,000	
Cheque deposited but not yet cleared	22,000	
Cheque recorded in Cash Book but not yet deposited into bank	5,000	
Bank Charges debited by bank	250	
Cheque issued but not yet presented		48,000
Amount deposited but not recorded in Cash Book		15,700
Interest allowed by bank		1,500
Balance as per Cash Book		1,12,050
	1,77,250	1,77,250

19. Ascertain the balance that would appear in the Bank Pass Book of B from the following particulars on 31st December, 2021.

- (1) The unfavourable balance as per Cash Book on 31st December, 2021 Rs 6,340.
- (2) Interest on unfavourable balance for 6 months ending 31st December, 2021 Rs 160 is entered in Pass Book.
- (3) Bank charges of Rs 400 are debited in the Pass Book only not recorded in cash book.
- (4) Cheques issued but not cashed prior to 31st December, 2021, amounted to Rs 11,68,000.
- (5) Cheques paid into bank but not cleared before 31st December, 2021 were for Rs 22,17,000.
- (6) Interest on investments collected by bank and credited in the Pass Book Rs 12,00,000 but not recorded in cash-book. (ICAI Study Material)

Sol.

**Bank Reconciliation Statement As on 31st December, 2021**

Particulars	Amount (Rs.)
Overdraft as per Cash Book	6,340
Add: Interest debited in the Pass Book but not yet entered in the Cash Book	160
Add: Bank charges charged by bank but not entered in the Cash Book	400
Add : Cheques deposited but not yet credited in the Pass Book	22,17,000
	22,23,900

Particulars	Amount (Rs.)
Less: Cheques issued but not yet presented for payment by bank	(11,68,000)
Less: Interest collected and credited by bank but not yet recorded in Cash Book	(12,00,000)
Balance as per Pass Book (Cr.)	(1,44,100)

The above illustration can also be presented in "Plus" and "Minus" format.

Particulars	Plus Amount (Rs.)	Minus Amount (Rs.)
Overdraft as per Cash Book		6,340
Interest debited in Pass-Book but not yet recorded in Cash Book		160
Cheque issued but not yet presented	11,68,000	
Cheques paid in but not yet credited by the Bank		22,17,000
Bank charges		400
Interest collected and credited by the Bank in the Pass-Book but not yet recorded in Cash Book		
Balance as per Pass Book	12,00,000	
Total		1,44,100
	23,68,000	23,68,000

20. Prepare a Bank reconciliation statement from the following information, as at 31st December, 2021 for Messrs New Steel Limited :

		₹
(1)	Overdraft as per Cash Book on 31st December, 2021	22,45,900
(2)	Interest charged by Bank on 26th December, 2021 but no advice received	2,78,700
(3)	Cheque issued before 31st December, 2021 but not yet presented to Bank	6,60,000
(4)	Transport subsidy received from the State Government directly by the Bank but not advised to company	14,25,000
(5)	Draft deposited in the Bank, but not credited till 31st December, 2021	13,50,000
(6)	Bills for collection credited by the Bank till 31st December, 2021 but no advice received by the company	8,36,000
(7)	Amount wrongly debited to company account by the Bank, for which no details are available	7,40,000

(ICAI Study Material)

Sol.

M/s. New Steel Ltd.

Bank Reconciliation Statement as on 31st Dec, 2021

Particulars	Plus ( Rs. )	Minus ( Rs. )
Overdraft as per Cash Book		22,45,900
Interest charged by the bank		2,78,700
Draft deposited in bank but not yet credited		13,50,000
Wrong debit by the bank, under verification		7,40,000
Cheque issued but not yet presented	6,60,000	
Transport subsidy not yet recorded in the Cash Book	14,25,000	
Bills for collection credited in the bank not yet entered in the cash book	8,36,000	
Overdraft as per bank statement	16,93,600	
	46,14,600	46,14,600

21. When Nikki & Co. received a Bank Statement showing a credit balance of Rs. 10,39,200 for the period ended on 30th June, 2021, this did not agree with the balance in the cash-book.

An examination of the Cash-Book and Bank Statement disclosed the following :

1. A deposit of Rs 3,09,200 paid on 29th June, 2021 had not been credited by the Bank until 1st July, 2021.
2. On 30th March, 2021 the company had entered into hire purchase agreement to pay by bank order a sum of Rs 3,00,000 on the 10th of each month, commencing from April, 2021. No entries had been made in Cash-Book.
3. A customer of firm, who received a cash discount of 4% on his account of Rs 4,00,000 paid the firm a cheque on 12th June. The cashier erroneously entered the gross amount in the bank column of the Cash Book.
4. Bank charges amounting to Rs 3,000 has not been entered in Cash-Book.
5. On 28th June, a customer of the company directly deposited the amount in the bank Rs 4,00,000, but no entry had been entered in the Cash Book.
6. Rs 11,200 paid into the bank had been recorded twice in the Cash Book.
7. A debit of Rs 11,00,000 appeared in the Bank Statement for an unpaid cheque, which had been returned marked 'out of date'. The cheque had been re-dated by the customer and paid into Bank again on 5th July, 2021.

Prepare Bank Reconciliation Statement on 30 June, 2021.

(ICAI Study Material)

Sol.

**Bank Reconciliation Statement (BRS) on 30th June, 2021**

Particulars	Plus ( Rs. )	Minus ( Rs. )
Balance as per the Pass Book	10,39,200	
Deposited with bank but not credited	3,09,200	
Payment of Hire Purchase installments not entered in the Cash Book (Rs.3,00,000 x 3)	9,00,000	
Discount allowed wrongly entered in bank column	16,000	
Bank charges not entered in the Cash Book	3,000	
Deposit entered in the Cash Book twice	11,200	
Cheque returned 'out of date' entered in the Cash Book	11,00,000	
Direct deposit by customer not entered in the Cash Book		4,00,000
Balance as per the Cash Book		29,78,600
	<b>33,78,600</b>	<b>33,78,600</b>

22. On 30th September, 2021, the bank account of Y, according to the bank column of the Cash- Book, was overdrawn to the extent of Rs4,062. On the same date the bank statement showed a credit balance of Rs 20,758 in favour of X. An examination of the Cash Book and pass book reveals the following:

1. A cheque for Rs 13,14,000 deposited on 29th September, 2021 was credited by the bank only on 3rd October, 2021.
2. A payment by cheque for Rs 16,000 has been entered twice in the Cash Book.
3. On 29th Sept., 2021, the bank credited an amount of Rs 1,17,400 received from a customer of X, but the advice was not received by X until 1st October, 2021.
4. Bank charges amounting to Rs 580 had not been entered in the Cash Book.
5. On 6th Sept., 2021, the bank credited Rs20,000 to X in error.
6. A bill of exchange for Rs 1,40,000 was discounted by X with his bank. This bill was dishonoured on 28th September, 2021 but no entry had been made in the books of X.
7. Cheques issued upto 30th Sept., 2021 but not presented for payment upto that date totalled Rs 13,26,000.

**You are required :**

- (a) to show the appropriate rectifications required in the Cash Book of X, to arrive at the correct balance on 30th September, 2021 and
- (b) to prepare a bank reconciliation statement as on that date.

(ICAI Study Material)

Sol.

(a) Cash Book (Bank Column)

Date 2021	Particulars		Amount ₹	Date 2021	Particulars		Amount ₹
Sept. 30	To	Party A/c	16,000	Sept. 30	By	Balance b/d Bank	4,062
	To	Customer A/c (Direct deposit)	1,17,400		By	charges Customer	580
	To	Balance c/d	11,242		By	A/c (B/R dishonoured)	1,40,000
			<b>1,44,642</b>				<b>1,44,642</b>

(b) Bank Reconciliation Statement as on 30th September, 2021

Particulars	Plus (Rs.)	Minus (Rs.)
Overdraft as per Cash Book		11,242
Cheque deposited but not collected up to 30th Sep., 2022		13,14,000
Cheques issued but not presented for payment up to 30th September, 2022	13,26,000	
Credit by Bank erroneously on 6th September	20,000	
Credit balance as per bank statement		20,758
	<b>13,46,000</b>	<b>13,46,000</b>

**Note:** The bank wrongly credited X with 20,000 on September 6, 2021. If this error is rectified in the bank statement, it will not be subtracted in the previous statement, and as a result, a credit balance of Rs 758 will be reflected in the passbook.

23. On 30th Dec., 2021 the bank column of A. Philip's cash book showed a debit balance of Rs 4,610. On examination of the cash-book and bank statement you find that:

1. Cheques amounting to Rs 6,30,000 which were issued to trade payables and recorded in the cash book before 30th Dec., 2021 were not presented for payment until that date.
2. Cheques amounting to Rs 2,50,000 had been recorded in the cash book as having been paid into the bank on 30th December, 2021, but were entered in the bank statement on 1st January, 2023.
3. A cheque received for Rs 73,000 had been dishonoured prior to 30th Dec., 2021, but no record of this fact appeared in the cash book.
4. A dividend of Rs 3,80,000, paid directly to the bank had not been entered in the cash book.
5. Bank interest and charges amounting to Rs 4,200 had been charged in bank statement but not recorded in the cash book.



6. No entry had been made in the cash-book for a trade subscription of Rs 10,000 paid vide banker's order in November, 2021.
7. A cheque for Rs 27,000 drawn by B. Philip had been charged to A. Philip's bank account by mistake in December, 2021.

You are required:

- (a) to make appropriate adjustments in the cash-book bringing down the correct balance, and
- (b) to prepare a statement reconciling adjusted balance in the cash-book with the balance shown in the bank statement.

(ICAI Study Material)

Dr.		Cash Book (Bank column)		Cr.	
Date	Particulars	Amount ₹	Date	Particulars	Amount ₹
2021			2021		
Dec. 30	To Balance b/d	4,610	Dec. 30	By Trade receivables- (Cheque dishonoured)	73,000
	To Dividend received	3,80,000		By Bank interest and charges	4,200
				By Trade Subscription	10,000
			Dec. 31	By Balance c/d	2,97,410
		3,84,610			3,84,610
2023					
Jan. 1	To Balance b/d	2,97,410			

(b) Bank Reconciliation Statement (BRS) as at 30th December, 2021

Particulars	Plus (Rs.)	Minus (Rs.)
Balance per cash book	2,97,410	
Cheques not yet presented	6,30,000	
Lodgement not yet recorded by bank		2,50,000
Cheque wrongly charged		27,000
Balance as per the bank statement		6,50,410
	9,27,410	9,27,410

24. The Cash Book of Mr. Gadbad wala shows Rs 8,36,400 as the balance at Bank as on 31st Dec., 2021, but you find that it does not agree with the balances as per the Bank Pass-Book. On scrutiny, you find the following discrepancies

- (1) On 15th Dec., 2021 the payment side of the Cash Book was undercast by Rs 10,000.
- (2) A cheque for Rs 1,31,000 issued on 25th December, 2021 was not taken in the bank column.

- (3) One deposit of Rs 1,50,000 was recorded in the Cash-Book as if there is no bank column therein.
- (4) On 18th December, 2021 the debit balance of Rs 15,260 as on the previous day, was brought forward as credit balance in the Cash book.
- (5) Of the total cheques amounting to Rs 11,514 drawn in the last week of December, 2021, cheques aggregating Rs7,815 were encashed in December.
- (6) Dividends of Rs 25,000 collected by the Bank and subscription of Rs 1,000 paid by it were not recorded in the Cash Book.
- (7) One out-going Cheque of Rs 3,50,000 was entered twice in the Cash Book. Prepare Bank Reconciliation Statement. (ICAI Study Material)

Sol.

(When are not closed on 31st December, 2021)  
Bank Reconciliation Statement of Mr. Gadbada wala as on 31st Dec., 2021

Particulars	Plus ( Rs. )	Minus ( Rs. )
Balance as per the Cash Book	8,36,400	
Mistake in bringing forward Rs.15,260 debit balance as credit balance on 18th Dec., 2021	30,520	
Cheques issued but not presented : Issued Rs.11,514 Cashed (Rs.7, 815)		
Dividends directly collected by bank but not yet recorded in the Cash-Book	3,699	
Cheque recorded twice in the Cash Book	25,000	10,000
Deposit not recorded in the Bank column	3,50,000	1,31,000
Wrong casting in the Cash Book on 15th Dec.	1,50,000	1,000
Cheques issued but not entered in the Bank column		12,53,619
Subscription paid by the bank directly not yet recorded in the Cash Book		13,95,619
Balance as per the Pass Book		
	<b>13,95,619</b>	

25. Mr. Manuj is employed by Century Rayon and Carpets Pvt Ltd. as their cashier. The main responsibility of Mr. Manoj is to maintain the company's cash book and prepare a bank reconciliation statement at the end of each month. The cash-book (only bank column) is set out below together with a copy of the bank statement for the month of February 2021.

You are required to :

- Reconcile the cash book with the bank statement.
- Make necessary entries to update the cash book.
- Start with the bank balance as per cash book, list any unpresented cheques and sub-total on the reconciliation statement.

**Century Rayon and Carpets Pvt Ltd Cash Book (Bank Column only)**

Date	Particulars	Dr. ₹	Date	Particulars	Cr. ₹
01/02/2021	To Balance b/d	1,42,500	03/02/2021	By Bhagwandas	1,980
01/02/2021	To Blue and Co	1,570	07/02/2021	By Maruti Ltd (400460)	1,500
04/02/2021	To GM Ltd	2,430	12/02/2021	By Jackson Ltd (400461)	54,000
08/02/2021	To Robinson Ltd	910	18/02/2021	By PC computers (400462)	1,420
13/02/2021	To Donald	750	24/02/2021	By Shiv garage (400463)	49,000
20/02/2021	To Avenue Super mart	4,200	30/02/2021	By Petty cash (400465)	1,500
28/02/2021	To Sleep Well Ltd	940		By Shweta & Co (400464)	2,100
				By AV Partners (400466)	5,200
				By Balance c/d	36,600
		1,53,300			1,53,300

**Customer: Century Rayon and Carpets Pvt Ltd Account No – xxxxx0439  
Account Statement for the month of February 2021**

Date	Particulars	Amount Dr.	Amount Cr.	Dr. or Cr.	Balance ₹
1/02/2021	Balance b/d				1,42,500
3/02/2021	Cheques		1,570	Cr.	1,44,070
5/02/2021	Maruti Ltd	1,500		Dr.	1,42,570
7/02/2021	Bhagwandas	1,980		Dr.	1,40,590
12/02/2021	GM Ltd		2,430	Cr.	1,43,020

Date	Particulars	Amount Dr.	Amount Cr.	Dr. or Cr.	Balance ₹
15/02/2021	Robinson Ltd		910	Cr.	1,43,930
20/02/2021	Premium of New India Insurance Ltd	3,800		Dr.	1,40,130
14/02/2021	Donald		750	Cr.	1,40,880
14/02/2021	400463	49,000		Dr.	91,880
23/02/2021	cheques		4,200	Cr.	96,080
26/02/2021	Savita 400465	1,030		Dr.	95,050
26/02/2021	Shreya	1,500		Dr.	93,550
27/02/2021			2,200	Cr.	95,750
28/02/2021	Bank charges	2,538		Dr.	93,212

(ICAI Study Material)

Sol. In the books of Century Rayon and Carpets Pvt Ltd

(a) Journal entries to be posted:

Debit	Credit
Bank A/c	Dr 2200
To Shreya A/c	2200
Bank Charges A/c	Dr 2538 Insurance premium A/c Dr 3800 Savita A/c Dr 1030
To Bank A/c	7368

Cash Book (Bank Column)

Particulars	Amount (₹)	Particulars	Amount (₹)
To balance b/d	36,600	By bank charges	2,538
To direct receipt in bank	2,200	By insurance premium	3,800
		By direct payment to Savita	1,030
		By balance c/d	31,432
	<b>38,800</b>		<b>38,800</b>

**Bank Reconciliation Statement as on February 28, 2021**

Particulars	Plus ( Rs. )	Minus ( Rs. )
Updated Balance as per Cash book	31,432	
Cheques issued but not yet presented for payment : Jackson Ltd Rs.54,000 P C Computers Rs.1420 Shweta & Co Rs.2100 A.V. Partners Rs.5200	62,720	
Cheques deposited but not yet credited Sleep Well Ltd		940
Balance as per the bank statement		93,212
	94,152	94,152

1. Without preparation of adjusted cash-book.
2. Bank reconciliation statement (BRS) after the preparation of adjusted cash-book.

26. From the following information (as on 31.3.2017), prepare a Bank Reconciliation Statement (BRS) after making necessary amendments in the Cash-book.

Bank balance as per Cash-book (Dr.)	3,26,000
Cheque deposited, but not yet credited	4,48,500
Cheque issued but, not yet presented for payment by bank	3,56,200
Bank-charges debited by Bank but not recorded in Cash-book	1,350
Dividend directly collected by bank	12,600
Payment of insurance premium by bank as per standing instruction not intimated	15,900
Cash sales wrongly entered in the bank column of the Cash-book	26,500
Customer's cheque dishonoured by bank not entered in Cash-book	13,000
Wrong Credit given by bank	16,000

Also show bank balances that will appear in the Trial Balance as on 31.3.2017

Sol.

**Cash-book as on 31.3.2017 (Bank Column)**  
(After making necessary amendments)

Particulars	Rs.	Particulars	Rs.
To Balance b/d	3,26,000	By Bank-charges a/c	1,350
To Dividend income a/c	12,600	By Insurance premium a/c	15,900
		By Cash Sales (wrongly recorded) a/c	26,500
		By Debtors (cheque dishonoured) a/c	13,000
		By Balance c/d (corrected/ final balance)	2,81,850
	<b>3,38,600</b>		<b>3,38,600</b>

**Bank Reconciliation Statement (BRS) as on 31.3.2017**

Particulars	Plus	Minus
Balance as per Cash-book (Dr.)	2,81,850	
Plus:		
(a) Cheque issued but not yet paid by Bank	3,56,200	
(b) Wrong Credit given by Bank	16,000	
Minus:		
(a) Cheque deposited but not yet realised by bank		4,48,500
	6,54,050	4,48,500
		205550
Balance as per Pass-book (Cr.)	<b>6,54,050</b>	<b>6,54,050</b>

**Note:** The bank balance of Rs.2,81,850 will appear in the trial balance as on 31st Mar., 2017 and consequently in Balance sheet.

27. On 30th Sept., 2019, the bank account of XYZ, according to the bank column of the cash book, was overdrawn to the extent of Rs.8,062. An examination of the Cash-book and Bank Statement reveals the following:

- (i) A cheque for Rs.11,14,000 deposited on 29th Sept., 2019 was credited by the bank only on 3rd Oct., 2019 .
- (ii) A payment made by cheque for Rs.18,000 has been entered twice in the Cash-book.
- (iii) On 29th Sept., 2019, the banker credited an amount of Rs.1,15,400 received from a customer of XYZ, but the no information was not received by XYZ until 1st Oct., 2019.
- (iv) Bank-charges amounting to Rs.280 has not been entered in the cash book
- (v) On 6th Sept. , 2019, the bank credited Rs.30,000 to XYZ in error.

- (vi) A bill of exchange for Rs.1, 60,000 was discounted by XYZ with his bar. The bill was dishonoured on 28th Sept. , 2019 but no entry has been made in books of XYZ.
- (vii) Cheque issued up to 30th Sept. , 2019 but not presented for payment up to that date totalled Rs.13, 46,000.
- (viii) A bill payable of Rs.2, 00,000 has been paid by bank but was not enter in the cash-book and bill receivable for Rs.60, 000 has been discounted, with the bank at a cost of Rs.1, 000 which has also not been recorded in the cash-book.

**You are required:**

To show the appropriate rectifications required in the cash-book of XYZ, arrive at the correct balance on 30th Sept. , 2019 and to prepare a Bank Reconciliation Statement as on that date. [Nov. 2019, 10 Mark]

Sol.

**Adjusted Cash-book (Bank Column)**

Date	Particulars	Amount Rs.	Date	Particulars	Amount Rs.
			2019		
	To Amount wrongly entered twice	18,000	30 Sept.	By Bal. b/d	8,062
	To Customer (Direct Deposit)	1,15,400		By Bank-charges	280
	To Bills receivable (60000-1000)	59,000		By Customer (B/R dishonoured)	1,60,000
	To Bal.c/d	1,75,942		By Bills payable	2,00,000
	<b>Total</b>	<b>368342</b>		<b>Total</b>	<b>368342</b>

**Bank Reconciliation Statement (BRS)  
As on 30th Sept., 2019**

Particulars	Plus	Minus
Unfavourable Balance as per adjusted cash-book (Cr.)		1,75,942
Plus :		
(a) Amount wrongly credited by bank	30,000	
(b) Cheque issued but not presented for payment	13,46,000	
Minus:		
(a) Cheque deposited but not credited by bank		11,14,000
	13,76,000	12,89,942
		86,058
Balance as per Pass-book (Cr.)	<b>13,76,000</b>	<b>13,76,000</b>

28. According to the cash-book of G, there was a debit balance of Rs.4, 45,000 in his bank on 30th June, 2021. On investigation you find that:

- (i) Cheque amounting to Rs.60, 000 issued to creditors has not been presented for payment till the date.
- (ii) Cheque deposited into the bank amounting to Rs.1,10,500, out of which Cheque amounting to Rs.55,000 were only collected by the bank up to 30th June, 2021.
- (iii) A dividend of Rs.4, 000 and rent amounting to Rs.60, 000 received by bank and entered in the passbook but not recorded in the cash-book.
- (iv) Insurance premium (up to 31st Dec., 2021) paid by the bank Rs.2, 700 not entered in the cash-book.
- (v) The payment side of the cash-book has been under cast by Rs.500.
- (vi) Bank-charges Rs.150 debited by bank shown in the Pass-book has not been entered in the cash-book.
- (vii) A bill payable of Rs.20, 000 has been paid by the bank but no entry was not made in the cash-book and bill receivable for Rs.6,000 has been discounted with the bank at a cost of Rs.100 which has also not been entered in the cash-book.

You are required:

- (1) To make appropriate adjustments in the cash-book, and
- (2) To prepare a statement reconciling it with the pass-book.

[Dec. 2021, 10 Marks]

Sol.

In the Books of G  
Adjusted Cash-book (Bank Column)

Receipts	Rs.	Payments	Rs.
To Balance b/d	4,45,000	By Insurance premium a/c	2,700
To Dividend a/c	4,000	By Under casting of payment side	500
To Rent a/c	60,000	By Bank-charges a/c	150
To Bills receivable a/c	5,900	By Bill payable a/c	20,000
		By Balance c/d	4,91,550
<b>Total</b>	<b>5,14,900</b>	<b>Total</b>	<b>5,14,900</b>



**Bank Reconciliation Statement (BRS) as on 30th June, 2021**

<i>Particulars</i>	<i>Plus (Rs.)</i>	<i>Minus (Rs.)</i>
<i>Balance as per Adjusted Cash-book (Dr.)</i>	<i>4,91,550</i>	
<i>Plus:</i>		
<i>Cheque issued but not presented for payment till 30th June, 2020</i>	<i>60,000</i>	
<i>Minus:</i>		
<i>Cheque paid into bank for collection but not collected till 30th June, 2021 (Rs.1,10,500 - Rs.55,000)</i>	<i>5,51,550</i>	<i>55,500</i>
		<i>4,96,050</i>
<i>Balance as per Pass-book (Cr.)</i>	<i>5,51,550</i>	<i>5,51,550</i>

29. On 30th September, 2021, the bank account of Y, according to the bank column of the Cash- Book, was overdrawn to the extent of Rs4,062. On the same date the bank statement showed a credit balance of Rs 20,758 in favour of X. An examination of the Cash Book and pass book reveals the following:

1. A cheque for Rs 13,14,000 deposited on 29th September, 2021 was credited by the bank only on 3rd October, 2021.
2. A payment by cheque for Rs 16,000 has been entered twice in the Cash Book.
3. On 29th September, 2021, the bank credited an amount of Rs 1,17,400 received from a customer of X, but the advice was not received by X until 1st October, 2021.
4. Bank charges amounting to Rs 580 had not been entered in the Cash Book.
5. On 6th September, 2021, the bank credited Rs20,000 to X in error.
6. A bill of exchange for Rs 1,40,000 was discounted by X with his bank. This bill was dishonoured on 28th September, 2021 but no entry had been made in the books of X.
7. Cheques issued upto 30th September, 2021 but not presented for payment upto that date totalled Rs 13,26,000

You are required :

- (a) to show the appropriate rectifications required in the Cash Book of X, to arrive at the correct balance on 30th September, 2021 and
- (b) to prepare a bank reconciliation statement as on that date.

*(ICAI Study Material)*

Sol.

(c) Cash Book (Bank Column)

Date 2021	Particulars		Amount ₹	Date 2021	Particulars		Amount ₹
Sept. 30	To	Party A/c	16,000	Sept. 30	By	Balance b/d	4,062
	To	Customer A/c (Direct deposit)			By	Bank charges	580
		Balance c/d	1,17,400		By	Customer A/c	
	To		11,242			(B/R dishonoured)	1,40,000
			1,44,642				1,44,642

(d) Bank Reconciliation Statement as on 30th September, 2021

Particulars	Plus (Rs.)	Minus (Rs.)
Overdraft as per Cash Book		11,242
Cheque deposited but not collected up to 30th September, 2022		13,14,000
Cheques issued but not presented for payment up to 30th September, 2022	13,26,000	
Credit by Bank erroneously on 6th September	20,000	
Credit balance as per bank statement		20,758
	13,46,000	13,46,000

**Note:** The bank wrongly credited X with 20,000 on September 6, 2021. If this error is rectified in the bank statement, it will not be subtracted in the previous statement, and as a result, a credit balance of Rs 758 will be reflected in the passbook.

30. On 30th Dec., 2021 the bank column of A. Philip's cash book showed a debit balance of Rs 4,610. On examination of the cash-book and bank statement you find that:
- I. Cheques amounting to Rs 6,30,000 which were issued to trade payables and entered in the cash book before 30th Dec., 2021 were not presented for payment until that date.
  - II. Cheques amounting to Rs 2,50,000 had been recorded in the cash-book as having been paid into the bank on 30th Dec., 2021, but were entered in the bank statement on 1st January, 2023.
  - IV. A cheque received for Rs 73,000 had been dishonoured prior to 30th December, 2021, but no entry of this fact appeared in the cash book.
  - V. A dividend of Rs 3,80,000, paid directly to the bank had not been entered in the cash book.

VI. Bank interest and charges amounting to Rs 4,200 had been charged in the bank statement but not recorded in the cash book.

VII. No entry had been made in the cash book for a trade subscription of Rs 10,000 paid vide banker's order in November, 2021.

VIII. A cheque for Rs 27,000 drawn by B. Philip had been charged to A. Philip's bank account by mistake in December, 2021.

You are required:

(a) To make appropriate adjustments in the cash-book bringing down the correct balance, and

(b) To prepare a statement reconciling adjusted balance in the cash-book with the balance shown in the bank statement. (ICAI Study Material)

**Cash Book (Bank Column)**

Date 2021	Particulars	Amount ₹	Date 2021	Particulars	Amount ₹
Dec. 30	To Balance b/d	4,610	Dec. 30	By Trade receivables- (Cheque dishonoured)	73,000
	To Dividend received	3,80,000		By Bank interest and charges	4,200
			Dec. 31	By Trade Subscription	10,000
		3,84,610		By Balance c/d	2,97,410
					3,84,610
2023 Jan. 1	To Balance b/d	2,97,410			

**Bank Reconciliation Statement (BRS) as at 30th December, 2021**

Particulars	Plus ( Rs. )	Minus ( Rs. )
Balance per cash book	2,97,410	
Cheques not yet presented	6,30,000	
Lodgement not yet recorded by bank		2,50,000
Cheque wrongly charged		27,000
Balance as per the bank statement		6,50,410
	9,27,410	9,27,410

31. The Cash Book of Mr. Gadbad wala shows Rs 8,36,400 as the balance at Bank as on 31st Dec., 2021, but you find that it does not agree with the balances as per the Bank Pass-Book. On scrutiny, you find the following differences

- On 15th Dec., 2021 the payment side of the Cash Book was undercast by Rs 10,000.
- A cheque for Rs 1,31,000 issued on 25th December, 2021 was not taken in the bank column of the cash-book.
- One deposit of Rs 1,50,000 was recorded in the Cash-Book as if there is no bank column.
- On 18th December, 2021 the debit balance of Rs 15,260 as on the previous day, was brought forward as credit balance in the Cash book.
- Of the total cheques amounting to Rs 11,514 drawn in the last week of December, 2021, cheques aggregating Rs7,815 were encashed in December.
- Dividends of Rs 25,000 collected by the Bank and subscription of Rs 1,000 paid by it were not recorded in the Cash Book.
- One out-going Cheque of Rs 3,50,000 was entered twice in the Cash Book. Prepare Bank Reconciliation Statement (ICAI Study Material)

Sol.

(When are not closed on 31st December, 2021)

Bank Reconciliation Statement of Mr. Gadbad wala as on 31st Dec., 2021

Particulars	Plus ( Rs. )	Minus ( Rs. )
Balance as per the Cash Book	8,36,400	
Error in bringing forward Rs.15,260 debit balance as credit balance on 18th Dec., 2021	30,520	
Cheques issued but not presented :		
Issued                      Rs.11,514		
Cashed                      (Rs.7, 815)		
	3,699	
Dividends directly collected by bank but not yet recorded in the Cash-Book	25,000	
Cheque recorded twice in the Cash-Book	3,50,000	
Deposit not entered in the Bank column	1,50,000	
Wrong casting in the Cash-Book on 15th Dec.		10,000
Cheques issued but not recorded in the Bank column		1,31,000
Subscription paid by the bank directly not yet recorded in the Cash Book		1,000
Balance as per the Pass Book		12,53,619
	13,95,619	13,95,619

If the books are to be closed on 31st Dec., then adjusted cash-book will be prepared as given below:

**Cash Book (Bank Column)**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Balance b/d	8,36,400	By wrong casting	10,000
To error for wrong posting	30,520	By cheques not entered	1,31,000
To dividends collected by bank	25,000	By subscription	1,000
To cheques recorded twice	3,50,000	By balance c/d	12,49,920
To deposit not recorded	1,50,000		
	<b>13,91,920</b>		<b>13,91,920</b>

**Bank Reconciliation Statement**

Particulars	Plus ( Rs. )	Minus ( Rs. )
Favourable Balance as per the Cash Book (corrected)	12,49,920	
Cheques issued but not yet presented	3,699	
Balance as per the Pass Book		12,53,619
	<b>12,53,619</b>	<b>12,53,619</b>

