



THE PROFESSIONALS

**CA Foundation**  
**BANK RECONCILIATION**  
**STATEMENT (BRS)**

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## **MEANING OF BANK PASS BOOK (OR BANK STATEMENT)**

- 1. Bank Pass Book (also known as Bank Statement) is merely a copy of the Customer's Account in the books of a bank.*
- 2. The bank usually supplies this statement periodically (e.g., fortnightly/monthly) or when the ledger page is completed (in case where a duplicate copy of the ledger sheet is sent) or on demand.*

## **PROFORMA OF A BANK PASS BOOK/BANK STATEMENT**

<b>Date</b>	<b>Particulars</b>	<b>Dr. Withdrawals</b>	<b>Cr. Deposits</b>	<b>Dr. or Cr.</b>	<b>Balance</b>

# **METHOD OF RECORDING BANKING TRANSACTIONS**

## **RECORDING OF DEPOSITS**

*In case of deposits into the bank, the customer debits the Bank Account because bank is the receiver and the bank credits the Customer's Account because customer is the giver.*

## **RECORDING OF WITHDRAWALS**

*In case of withdrawals from the bank, the customer credits the Bank Account because bank is the giver and the bank debits the Customer's Account because customer is the receiver.*

## **ITEMS TO BE SHOWN ON THE DEBIT SIDE AND CREDIT SIDE**

- 1. What is shown on the debit side of the Customer's Cash Book (Bank Column) appears on the credit side of the Customer's Account in the bank ledger.*
- 2. What is shown on the credit side of the customer's Cash Book (Bank Column) appears on the debit side of the Customer's Account in the bank ledger.*

## ***Nature of Balance in Cash Book and Pass Book***

- 1. When the Cash Book (Bank Column) shows debit balance, the Pass Book shows credit balance.***
- 2. When the Cash Book (Bank Column) shows credit balance (i.e., Overdraft.), the Pass Book shows debit balance (i.e., Overdraft.).***

## **Important Notes**

- 1. Debit Bank Balance as per Cash Book = Credit Bank Balance as per Pass Book**
- 2. Credit Bank Balance (i.e., Overdraft) as per Cash Book = Debit Bank Balance (i.e., Overdraft) as per Pass Book.**

## **TIMINGS OF RECORDING BANKING TRANSACTIONS IN CASH BOOK**

*Timings of recording Banking transactions in Cash Book and Pass Book need not necessarily be same. These may differ due to various reasons. Timings of recording some of the banking transactions in Cash Book and Pass Book are summarised as follows:*



<b>Transactions</b>	<b>Timings of Recording in Cash Book</b>	<b>Timings of Recording in Pass Book</b>
<b>1. Cash Deposits</b>	<i>when Cash is deposited</i>	<i>when Cash is deposited</i>
<b>2. Cash Withdrawn</b>	<i>when Cash is withdrawn</i>	<i>when Cash is withdrawn</i>
<b>3. Cheque issued</b>	<i>when Cheque is issued</i>	<i>when Cheque is presented for payment</i>
<b>4. Cheque Deposited</b>	<i>when Cheque is deposited</i>	<i>when Cheque is collected</i>
<b>5. Bank Charges</b>	<i>when Pass Book is received</i>	<i>when charges are levied</i>
<b>6. Interest Charged by Bank</b>	<i>when Pass Book is received</i>	<i>when interest is charged by the Bank</i>
<b>7. Interest Allowed by Bank</b>	<i>when Pass Book is received</i>	<i>when interest is allowed by Bank</i>
<b>8. Direct Payment by Bank</b>	<i>when Pass Book is received</i>	<i>when payment is made by Bank on behalf of customer</i>
<b>9. Direct Collection by Bank</b>	<i>when Pass Book is received</i>	<i>when amount is collected by Bank on behalf of customer</i>
<b>10. Dishonour of Cheque/Bills receivable</b>	<i>when Pass Book is received</i>	<i>when Cheque/B/R is dishonoured</i>

**Because of Difference in the timings of recording of these transactions the Bank Balance as per Cash Book differs from Pass Book.**

## **MEANING AND PURPOSE OF BANK RECONCILIATION STATEMENT**

### **WHAT A PRUDENT CUSTOMER SHOULD DO?**

*When the customer receives the Bank Pass Book (or Bank Statement), he should compare its entries with those in the Cash Book. Normally, entries in the Bank Column of Cash Book should tally with those in the Pass Book and the balances shown by both the books should also be the same. But in practice, these balances generally differ due to difference in the timings of recording of some transactions, In case of disagreement in the balances of the Cash Book and the Pass Book, the need for preparing Bank Reconciliation Statement arises. Now the question arises, What is Bank Reconciliation Statement?*

## **MEANING OF BANK RECONCILIATION STATEMENT**

*Bank Reconciliation Statement is a statement which reconciles the Bank Balance as per Cash Book with the Balance as per Bank Pass Book (or Statement), by showing all causes of differences between the two.*

## **PURPOSE OF BANK RECONCILIATION STATEMENT**

*Bank Reconciliation Statement is prepared to reconcile the Bank Balance as per Cash Book with the Balance as per Bank Pass Book (or Bank Statement) by showing all causes of differences between the two and to take necessary follow-up action.*

## **DISTINCTION BETWEEN BANK STATEMENT & BANK RECONCILIATION STATEMENT**

**Bank Statement differs from the Bank Reconciliation Statement in the following respects:**

<b>Basis of Distinction</b>	<b>Bank Statement/Pass Book</b>	<b>Bank Reconciliation Statement</b>
<b>1. Who prepares</b>	<i>It is prepared by the Bank.</i>	<i>It is prepared by the bank Customer i.e., account holder.</i>
<b>2. Object</b>	<i>It is prepared to inform the customer about all transactions which have taken place during the period covered by the Statement.</i>	<i>It is prepared to reconcile the bank balance as per cash book with the bank balance shown by the Bank Statement.</i>
<b>3. Timing When Prepared</b>	<i>It is prepared for a particular period.</i>	<i>It is prepared on a particular date.</i>

<b>Basis of Distinction</b>	<b>Bank Statement/Pass Book</b>	<b>Bank Reconciliation Statement</b>
<b>4. Necessity</b>	<i>It is compulsory for the bank to prepare it.</i>	<i>It is not compulsory.</i>
<b>5. Contents</b>	<i>It shows — (a) Dates of Transactions (b) Particulars of Transactions © Withdrawals (d) Deposits (e) Balances</i>	<i>It shows — (a) Causes of disagreement &amp; (b) Amount thereof</i>
<b>6. Starting Amount</b>	<i>It starts with the balance as per customer's account in bank ledger.</i>	<i>It may start with bank balance as per cash book or Bank Statement.</i>
<b>7. Final Result</b>	<i>It shows the balance in customer's account as per bank ledger at the end of the period.</i>	<i>It may show the bank balance as per cash book or Bank Statement at the end of period.</i>

## **CAUSES OF DISAGREEMENT BETWEEN THE BALANCE SHOWN BY THE CASH BOOK AND THE BALANCE SHOWN BY THE PASS BOOK**

**Basically the differences between the Book Balance as per Cash Book and Bank Balance as per Pass Book are caused by:**

- (a) Timing Difference of recording of the transactions**
- (b) Errors in Cash Book committed by the account holder**
- (c) Errors in Pass Book committed by the Bank.**

**The causes of disagreement between the balance shown by the Cash Book and the balance shown by the Pass book can be classified as follows:**

### **1. Transactions that usually appear in the Cash Book but not in the Pass Book:**

- (a) Cheques issued but not yet presented for payment,**
- (b) Cheques deposited but not yet collected by Bank.**

### **2. Transactions that usually appear in the Pass Book but not in the Cash Book:**

- (a) Bank charges and interest on overdraft debited in Pass Book only,**
- (b) Interest allowed in Pass Book only,**
- (c) Direct Payment by a customer into the bank but not yet recorded in Cash Book,**
- (d) Direct Payment made by a Bank under the standing instructions of the customer but not yet recorded in Cash Book,**
- (e) Bills Receivable directly collected by Bank,**
- (f) Cheque deposited for collection, returned dishonoured and recorded in Pass Book only,**
- (g) Discounted Bills dishonoured but not yet recorded in Cash Book.**

**3. Errors in Cash Book (e.g. Cheques/Cash Deposited but not recorded)**

**4. Errors in Pass Book (e.g. Cheques/Cash Deposited recorded in another Customer's account.)**



## FORMAT OF BANK RECONCILIATION STATEMENT WHEN THE BANK BALANCE AS PER CASH BOOK IS TAKEN AS A STARTING POINT

### BANK RECONCILIATION STATEMENT

As at... (here enter the date on which the statement is being prepared)...

Particulars	Plus Items ₹	Minus Items ₹
A. Bank Balance as per Cash Book (Favorable i.e., Debit Balance) or Overdraft as per Cash Book (Unfavorable i.e., Credit Balance)	XXX	XXX
B. Add: Transactions having the effect of higher balance in Pass Book		
(a) Cheques deposited into the bank but not recorded in Cash Book	XXX	
(b) Cheques issued but not yet presented for payment	XXX	
(c) Interest allowed in Pass Book only	XXX	

Particulars	Plus Items ₹	Minus Items ₹
<i>(d) Bills Receivable directly collected by bank</i>	XXX	
<i>(e) Direct payment by a customer into bank but not recorded in Cash Book'</i>	XXX	
<i>(f) Cheques issued' returned on technical grounds</i>	XXX	
<i>(g) A wrong credit given by bank in Pass Book</i>	XXX	
<b>C. Less: Transactions having the effect of lower balance in Pass Book.</b>		
<i>(a) Cheques received and recorded in Bank Column but not yet sent to bank for collection</i>		XXX
<i>(b) Cheques deposited but not yet collected by bank</i>		XXX
<i>(c) Bank charges, Interest on overdraft debited in Pass Book only</i>		XXX

Particulars	Plus Items ₹	Minus Items ₹
(d) Insurance Premium paid directly by bank understanding advice		XXX
(e) Cheques deposited for collection, returned dishonoured and recorded in Pass Book only		XXX
(f) Discounted Bills Dishonoured but not recorded in Cash Book		XXX
(g) A wrong debit given by bank in Pass Book		XXX
	XXX	XXX
D. Balance as per Pass Book (If Total of Plus Items > Total of Minus Items) or Overdraft as per Pass Book (If Total of Plus Items < Total of Minus Items)	XXX	XXX

## FORMAT OF BANK RECONCILIATION STATEMENT WHEN THE BANK BALANCE AS PER PASS BOOK IS TAKEN AS A STARTING POINT

### BANK RECONCILIATION STATEMENT

As at... (here enter the date on which the statement is being prepared)...

Particulars	Plus Items ₹	Minus Items ₹
A. Bank Balance as per Pass Book (Favourable i.e., Credit Balance) Or	XXX	
Overdraft as per Pass Book (Unfavourable i.e., Debit Balance)		XXX
B. Less: Transactions having the effect of lower balance in Cash Book		
(a) Cheques deposited into the bank but not recorded in Cash Book		XXX
(b) Cheques issued but not yet presented for payment		XXX
(c) Interest allowed in Pass Book only		XXX

Particulars	Plus Items ₹	Minus Items ₹
<i>(d) Bills Receivable directly collected by bank</i>		XXX
<i>(e) Direct payment by a customer into bank but not recorded in Cash Book</i>		XXX
<i>(f) Cheques issued' returned on technical grounds</i>		XXX
<i>(g) A wrong credit given by bank in Pass Book</i>		XXX
<b>C. Add: Transactions having the effect of higher balance in Cash Book.</b>		
<i>(I) Cheques received and recorded in Bank Column but not yet sent to bank for collection</i>	XXX	
<i>(ii) Cheques deposited but not yet collected by bank</i>	XXX	

<b>Particulars</b>	<b>Plus Items ₹</b>	<b>Minus Items ₹</b>
<i>(iii) Bank charges, Interest on overdraft debited in Pass Book only</i>	XXX	
<i>(iv) Insurance Premium paid directly by bank under standing advice</i>	XXX	
<i>(v) Cheques deposited for collection, returned dishonoured and recorded in Pass Book only</i>	XXX	
<i>(vi) Discounted Bills Dishonoured but not recorded in Cash Book</i>	XXX	
<i>(vii) A wrong debit given by bank in Pass Book</i>	XXX	
	XXX	XXX

Particulars	Plus Items ₹	Minus Items ₹
<i>D. Balance as per Cash Book</i>	XXX	
<i>(If Total of Plus Items &gt; Total of Minus Items)</i>		
<i>or</i>		
<i>Overdraft as per Cash Book</i>		XXX
<i>(If Total of Plus Items &lt; Total of Minus Items)</i>		

## **PREPARATION OF BANK RECONCILIATION STATEMENT WITH ADJUSTED/AMENDED CASH BOOK BALANCE**

**1. In case the Bank Reconciliation Statement is required to be prepared at the end of an accounting period, it is recommended that first, the Cash Book (with amended Bank column) should be prepared in order to ascertain the correct Bank Balance as per Cash Book and then the Bank Reconciliation Statement should be prepared to reconcile this correct Bank Balance as per Cash Book with the balance as per Bank Pass Book.**

**2. It may be noted that it is the adjusted Cash Book Balance which is taken to the Balance Sheet. Now the question arises, “How to calculate the adjusted Cash Book Balance?”**

**3. The adjusted Cash Book Balance can be ascertained:**



***(a) By Passing Adjusting entries in respect of correct items which appear only in Pass Book***

***(e.g. Bank Charges, Interest charged on overdraft, Interest allowed by Bank, Dividend/Interest/Bills Receivable directly collected by Bank, Direct Payment by Bank understanding instructions of customers), and***

***(b) By Passing Rectifying entries in respect of errors committed in the Cash Book***

***(e.g. cheque issued but recorded in Cash Column/Discount Column, Cheques issued recorded in Bank Column with wrong amount, over/under cast of Bank Column, error in Balancing the Bank Column, error in carry forward/brought forward of bank balance).***

## Question

**Q.4 From the following particulars, prepare a Bank Reconciliation Statement for Jindal offset Ltd.**

- (1) Balance as per cash book is 2,40,000**
- (2) Cheques issued but not presented in the bank amounts to 1,36,000.**
- (3) Cheques deposited in bank but not yet cleared amounts to 90,000.**
- (4) Bank charges amounts to 300.**
- (5) Interest credited by bank amounts to 1,250.**
- (6) The balance as per pass book is 2,86,950.**

**Q.5 On 31st March 2017, the Bank Pass Book of Namrata showed a balance of 1,50,000 to her credit while balance as per cash book was 1,12,050. On scrutiny of the two books, she ascertained the following causes of difference:**

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

**Q.6 From the following particulars ascertain the balance that would appear in the Bank Pass Book of A on 31st December, 2017.**

- 1. The bank overdraft as per Cash Book on 31st December, 2017 ₹6,340.**
- 2. Interest on overdraft for 6 months ending 31st December, 2017 160 is entered in Pass Book.**
- 3. Bank charges of 400 are debited in the Pass Book only.**
- 4. Cheques issued but not cashed prior to 31st December, 2017, amounted to ₹11,68,000.**
- 5. Cheques paid into bank but not cleared before 31st December, 2017 were for ₹ 22,17,000.**
- 6. Interest on investments collected by the bank and credited in the Pass Book 12,00,000.**

**Q.7 On 30th September, 2017, the bank account of X, according to the bank column of the Cash- Book, was overdrawn to the extent of 4,062. On the same date the bank statement showed a debit balance of 20,758 in favour of X. An examination of the Cash Book and Bank Statement reveals the following:**

- 1. A cheque for 13,14,000 deposited on 29th September, 2017 was credited by the bank only on 3rd October, 2017**
- 2. A payment by cheque for 16,000 has been entered twice in the Cash Book.**
- 3. On 29th September, 2017, the bank credited an amount of 1,17,400 received from a customer of X, but the advice was not received by X until 1st October, 2017.**
- 4. Bank charges amounting to ₹580 had not been entered in the Cash Book.**
- 5. On 6th September, 2017, the bank credited 20,000 to X in error.**

*6. A bill of exchange for 1,40,000 was discounted by X with his bank. This bill was dishonoured on 28th September, 2017 but no entry had been made in the books of X.*

*7. Cheques issued upto 30th September, 2017 but not presented for payment upto that date totalled 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, 2017 and*

*(b) To prepare a bank reconciliation statement as on that date.*

**Q.8 On 30th December, 2017 the bank column of A. Philip's cash book showed a debit balance of 4,610. On examination of the cash book and bank statement you find that:**

- 1. Cheques amounting to 6,30,000 which were issued to trade payables & entered in the cash book before 30th December, 2017 were not presented for payment until that date.**
- 2. Cheques amounting to 2,50,000 had been recorded in the cash book as having been paid into the bank on 30th December, 2017, but were entered in the bank statement on 1st January, 2018.**
- 3. A cheque for 73,000 had been dishonoured prior to 30th December, 2017, but no record of this fact appeared in the cash book.**
- 4. A dividend of 3,80,000, paid direct to the bank had not been recorded in the cash book.**
- 5. Bank interest and charges amounting to 4,200 had been charged in the bank statement but not entered in the cash book.**

- 6. No entry had been made in the cash book for a trade subscription of 10,000 paid vide banker's order in November, 2017.*
- 7. A cheque for 27,000 drawn by B. Philip had been charged to A. Philip's bank account by mistake in December, 2017.*

**You are required:**

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



**Q9. From the following information, prepare a Bank reconciliation statement as at 31st December, 2017 for Messrs New Steel Limited:**

(1)	Bank overdraft as per Cash Book on 31st December, 2017	22,45,900
(2)	Interest debited by Bank on 26th December, 2017 but no advice received	2,78,700
(3)	Cheque issued before 31st December, 2017 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 the company	14,25,000
(5)	Draft deposited in the Bank, but not credited till 31st December, 2017	13,50,000
(6)	Bills for collection credited by the Bank till 31st December, 2017 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

**Q10. The Cash Book of Mr. Gadbadwala shows 8,36,400 as the balance at Bank as on 31st December, 2017, but you find that it does not agree with the balance as per the Bank Pass Book. On scrutiny, you find the following discrepancies:**

- (1) On 15th December, 2017 the payment side of the Cash Book was undercast by 10,000.**
- (2) A cheque for 1,31,000 issued on 25th December, 2017 was not taken in the bank column.**
- (3) One deposit of 1,50,000 was recorded in the Cash Book as if there is no bank column therein.**
- (4) On 18th December, 2017 the debit balance of 15,260 as on the previous day, was brought forward as credit balance.**
- (5) Of the total cheques amounting to 11,514 drawn in the last week of December, 2017, cheques aggregating ₹7,815 were encashed in December .**

*(6) Dividends of 25,000 collected by the Bank and subscription of 1,000 paid by it were not recorded in the Cash Book.*

*(7) One out-going Cheque of 3,50,000 was recorded twice in the Cash Book. Prepare a Reconciliation Statement.*

**Q11. The following are the Cash Book (bank column) and Pass Book of Jam for the months of March, 2017 and April, 2017:**

**Cash Book (Bank Column only)**

<b>Date</b>	<b>Particulars</b>	<b>Amount</b>	<b>Date</b>	<b>Particulars</b>	<b>Amount</b>
01/3/2017	To Balance b/d	60,000	3/3/2017	By Cash A/c	2,00,000
06/3/2017	To Sales A/c	3,00,000	07/3/2017	By Modi	60,000
10/3/2017	To Ram	65,000	12/3/2017	By Path	30,000
18/3/2017	To Singham	2,70,000	18/3/2017	By Suresh	40,000
25/3/2017	To Goyal	33,000	24/3/2017	By Ramesh	1,50,000
31/3/2017	To Patel	65,000	30/3/2017	By Balance c/d	3,13,000
		<b>7,93,000</b>			<b>7,93,000</b>

## Pass Book

Date	Particulars	Amount (Dr.)	Amount (Cr.)	Dr. or Cr.	Balance
1/4/2017	By Balance b/d		3,65,000	Cr.	3,65,000
3/4/2017	By Goyal		33,000	Cr.	3,98,000
5/4/2017	By Patel		65,000	Cr.	4,63,000
7/4/2017	To Naresh	2,80,000		Cr.	1,83,000
12/4/2017	To Ramesh	1,50,000		Cr.	33,000
15/4/2017	To BankCharges	200		Cr.	32,800
20/4/2017	By Usha		17,000	Cr.	49,800
25/4/2017	By Kalpana		38,000	Cr.	87,800
30/4/2017	To Sunil	6,200		Cr.	81,600

Reconcile the balance of cash book on 31/3/2017.

**Q.12** *When Nikki & Co. received a Bank Statement showing a favourable balance of ₹ 10,39,200 for the period ended on 30th June, 2017, 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 3,09,200 paid on 29th June, 2017 had not been credited by the Bank until 1st July, 2017*
- 2. On 30th March, 2017 the company had entered into hire purchase agreement to pay by bank order a sum of 3,00,000 on the 10th of each month, commencing from April, 2017. No entries had been made in Cash Book*
- 3. A customer of the firm, who received a cash discount of 4% on his account of 4,00,000 paid the firm's cheque on 12th June. The cashier erroneously entered the gross amount in the bank column of the Cash Book.*

- 4. Bank charges amounting to 3,000 had not been entered in Cash-Book.**
- 5. On 28th June, a customer of the company directly deposited the amount in the bank 4,00,000, but no entry had been made in the Cash Book**
- 6. 11,200 paid into the bank had been entered twice in the Cash Book.**
- 7. A debit of 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, 2017.**

**Prepare Bank Reconciliation Statement on 30 June, 2017**

**Q.13** *The bank account of Mukesh was balanced on 31st March, 2017. It showed an overdraft of 5,000. This did not agree with the balance shown by bank statement of Mukesh. You are required to prepare a bank reconciliation statement taking the following into account:*

- (1)** *Cheques issued but not presented for payment till 31.3.2017 12,00,000.*
- (2)** *Cheques deposited but not collected by bank till 31.3.2017 20,00,000.*
- (3)** *Interest on term-loan 10,00,000 debited by bank on 31.3.2017 but not accounted in Mukesh's book.*
- (4)** *Bank charges 2,500 was debited by bank during March, 2017 but accounted in the books of Mukesh on 4.4 .2017.*
- (5)** *An amount of 30,68,000 representing collection of Mukesh's cheque was wrongly credited to the account of Mukesh by the bank in their bank statement.*



**Q14. From the following information (as on 31.3.2017), prepare a bank reconciliation statement after making necessary amendments in the cash book:**

Particulars	₹
<i>Bank balances as per the cash book (Dr.)</i>	<i>32,50,000</i>
<i>Cheques deposited, but not yet credited</i>	<i>44,75,000</i>
<i>Cheques issued but not yet presented for payment</i>	<i>35,62,000</i>
<i>Bank charges debited by bank but not recorded in the cash-book</i>	<i>12,500</i>
<i>Dividend directly collected by the bank</i>	<i>1,25,000</i>
<i>Insurance premium paid by bank as per standing instruction not intimated</i>	<i>15,900</i>
<i>Cash sales wrongly recorded in the Bank column of the cash-book</i>	<i>2,55,000</i>
<i>Customer's cheque dishonoured by bank not recorded in the cash-book</i>	<i>1,30,000</i>
<i>Wrong credit given by the bank</i>	<i>1,50,000</i>

**Also show the bank balance that will appear in the trial balance as on 31.3.2017.**

**Q15. On 31st March, 2017 the pass-book of a trader showed a credit balance of 15,65,000 but the passbook balance was different for the following reasons from the cash book balance:**

- 1. Cheques issued to 'X' for 60,000 and to 'Y' for 3,84,000 were not yet presented for payment.**
- 2. Bank charged 350 for bank charges and 'Z' directly deposited 1,816 into the bank account, which were not entered in the cash book.**
- 3. Two cheques-one from 'A' for 5,15,000 and another from 'B' for 12,500 were collected in the first week of April, 2017 although they were banked on 25.03.2017.**
- 4. Interest allowed by bank 4,500**

**Prepare a bank reconciliation statement as on 31st March, 2017.**

**Q16. From the following particulars prepare a bank reconciliation statement as on 31st December 2017:**

**(i) On 31st December, 2017 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.**

**(iii) Cheques worth 11,40,000 were deposited in the bank on 28th December, 2017 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, 2017 but was banked on 3rd January, 2018.**

- (iv) A cheque from Susan for 4,00,000 was deposited in the bank on 26th December 2017 but was dishonoured and the advice was received on 2nd January, 2018.*
- (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, 2017 but the intimation in this respect was received from the bank on 2nd January, 2018.*
- (vii) Bank pass-book showed a credit balance of 3,82,000 on 31st December, 2017.*

**Q17. According to the cash-book of Gopi, there was a balance of 44,50,000 in his bank on 30th June, 2017. On investigation you find that:**

- (i) Cheques amounting to 6,00,000 issued to creditors have not been presented for payment till the date.**
- (ii) Cheques paid into bank amounting to 11,05,000 out of which cheques amounting to 5,50,000 only collected by the bank up to 30th June 2017.**
- (iii) A dividend of 40,000 and rent amounting to 6,00,000 received by the bank and entered in the pass-book but not recorded in the cash book.**
- (iv) Insurance premium (up to 31st December, 2017) paid by the bank 27,000 not entered in the cash book.**
- (v) The payment side of the cash book had been under casted by 5,000.**

- (vi) Bank charges 1,500 shown in the pass book had not been entered in the cash book.*
- (vii) A bill payable of 2,00,000 had been paid by the bank but was not entered in the cash book and bill receivable for 60,000 had been discounted with the bank at a cost of 1,000 which had also not been recorded in cash book.*

**Required:**

- (a) to make the appropriate adjustments in the cash book, and*
- (b) to prepare a statement reconciling it with the bank pass book.*

**Q18. Prepare a bank reconciliation statement as on 30th September, 2017 from the following particulars:**

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

**Q19. Prepare a bank reconciliation statement from the following particulars on 31st March, 2017:**

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



**Q20. On 30<sup>th</sup> September, 2018, the bank account of XYZ, according to the bank column of the cash book, was overdrawn to the extent of ₹8,062. An examination of the Cash book and Bank Statement reveals the following:**

**(i) A cheque for ₹11,14,000 deposited on 29<sup>th</sup> September, 2018 was credited by the bank only on 3rd October, 2018.**

**(ii) A payment by cheque for ₹18,000 has been entered twice in the Cash book.**

**(iii) On 29th September, 2018, the bank credited an amount of ₹1,15,400 received from a customer of XYZ, but the advice was not received by XYZ until 1<sup>st</sup> October, 2018.**

**(iv) Bank charges amounting to ₹280 had not been entered in the cash book.**

**(v) On 6<sup>th</sup> September 2018, the bank credited ₹30,000 to XYZ in error.**

**(vi) A bill of exchange for ₹1,60,000 was discounted by XYZ with his bank. The bill was dishonoured on 28<sup>th</sup> September, 2018 but no entry had been made in the books of XYZ.**

*(vii) Cheques issued upto 30<sup>th</sup> September, 2018 but not presented for payment upto that date totaled ₹13,46,000.*

*(viii) A bill payable of ₹2,00,000 had been paid by the bank but was not entered in the cash book and bill receivable for ₹60,000 had been discounted with the bank at a cost of ₹1,000 which had also not been recorded in cash book.*

***You are required :***

***To show the appropriation rectifications required in the cash book of XYZ, to arrive at the correct balance on 30<sup>th</sup> September, 2018 and to prepare a bank reconciliation statement as on that date.***

**Q21. Prepare a bank reconciliation statement from the following particulars as on 31<sup>st</sup> March, 2018.**

<b>Particulars</b>	<b>₹</b>
<i>Debit balance as per bank column of the cash book</i>	18,60,000
<i>Cheque issued to creditors but not yet presented to the Bank for payment</i>	3,60,000
<i>Dividend received by the bank but not entered in the Cash book</i>	2,50,000
<i>Interest allowed by the Bank</i>	6,250
<i>Cheques deposited into bank for collection but not collected by bank up to this date</i>	7,70,000
<i>Bank charges not entered in Cash Book</i>	1,000
<i>A cheque deposited into bank was dishonored, but no intimation received</i>	1,60,000
<i>Bank paid house tax on our behalf, but no intimation received from bank in this connection</i>	1,75,000

**Q22. The Bank Pass Book of Account No.5678 of Mrs. Rani showed an overdraft of ₹33,575 on 31<sup>st</sup> March 2018. On going through the Pass Book, the accountant found the following :**

**(i) A Cheque of ₹1,080 credited in the pass book on 28<sup>th</sup> March 2018 being dishonoured is debited again in the pass book on 1<sup>st</sup> April 2018. There was no entry in the cash book about the dishonour of the cheque until 15<sup>th</sup> April 2018.**

**(ii) Bankers had credited her account with ₹2,800 for interest collected by them on her behalf, but the same has not been entered in her cash book.**

**(iii) Out of ₹20,500 paid in by Mrs. Rani in cash and by cheques on 31<sup>st</sup> March 2018 cheques amounting to ₹7,500 were collected on 7<sup>th</sup> April 2018.**

**(iv) Out of Cheques amounting to ₹7,800 drawn by her on 27<sup>th</sup> March 2018 a cheque for ₹2,500 was encashed on 3<sup>rd</sup> April 2018.**

**(v) Bankers seems to have given her wrong credit for ₹500 paid in by her in Account No.8765 and a wrong debit in respect of a cheque for ₹300 against her account No.8765.**

**(vi) A Cheque for ₹1,000 entered in Cash Book but omitted to be banked on 31<sup>st</sup> March, 2018.**

**(vii) A Bill Receivable for ₹5,200 previously dishonoured (Discount ₹200) with the Bank had been dishonoured but advice was received on 1<sup>st</sup> April, 2018.**

**(viii) A Bill for ₹10,000 was retired/paid by the bank under a rebate of ₹175 but the full amount of the bill was credited in the bank column of the Cash Book.**

**(ix) A Cheque for ₹2,400 deposited into bank but omitted to be recorded in Cash Book and was collected by the bank on 31<sup>st</sup> March, 2018.**

**Prepare Bank Reconciliation Statement as on 31<sup>st</sup> March 2018.**

**Q.23 Prepare the Bank Reconciliation Statement of M/s, R.K. Brothers on 30 June 2018 from the particulars given below:**

- (i) The Bank Pass Book had a debit balance of ₹25,000 on 30<sup>th</sup> June, 2018**
- (ii) A cheque worth ₹400 directly deposited into Bank by a customer but no entry was made in the Cash Book.**
- (iii) Out of cheques issued worth ₹34,000, cheques amounting to ₹20,000, only were presented for payment till 30<sup>th</sup> June, 2018.**
- (iv) A cheque for ₹4,000 received and entered in the Cash Book but it was not sent to the Bank.**
- (v) Cheques worth ₹20,000 had been sent to Bank for collection but the collection was reported by the Bank as under.**

**(1) Cheques collected before 30<sup>th</sup> June, 2018, ₹14,000**

**(2) Cheques collected on 10<sup>th</sup> July, 2018, ₹4,000**

**(3) Cheques collected on 12<sup>th</sup> July, 2018, ₹2,000.**

**(vi) The Bank made a direct payment of ₹600 which was not recorded in the Cash Book.**

**(vii) Interest on Overdraft charged by the bank ₹1,600 was not recorded in the Cash Book.**

**(viii) Bank charges worth ₹80 have been entered twice in the cash book whereas Insurance charges for ₹70 directly paid by Bank was not at all entered in the Cash Book.**

**(ix) The credit side of bank column of Cash Book was undercast by ₹2,000.**

**Q24. On comparing the Cash Book of Mr RK with the Bank Pass Book, the following discrepancies were noted:**

**(a) Out of ₹ 20,500 paid in cash and by cheques into the bank on 27th March, cheque amounting to ₹ 7,500 were collected on 7th April.**

**(b) Cheque and cash amounting to ₹ 4,800 were deposited in bank on 26th March but credit was given for ₹ 3,800 only.**

**(c) Out of cheques amounting to ₹ 7,800 drawn on 26th March a cheque for ₹ 2,500 was encased on 3rd April.**

**(d) Cheques issued to creditor amounting to ₹ 20,000 on 25th March of which cheques worth ₹ 3,000 were presented to bank up to 31st March.**

**(e) A cheque for ₹ 1,000 entered in Cash Book but omitted to be banked on 31st March.**



***(f) A cheque for ₹ 600 deposited into bank but omitted to be recorded in Cash Book and was collected by the bank on 30th March.***

***(g) A bill receivable for ₹ 520 previously discounted (Discount ₹ 20) with the bank had been dishonored but advice was received on 1st April.***

***(h) A bill for ₹ 10,000 was retired/paid by the bank under a rebate of ₹ 150 but the full amount of the bill was credited in the bank column of the Cash Book.***

***(i) A cheque of ₹ 1,080 credited in the Pass Book on March 28 being dishonoured is debited again in the Pass Book on 1st April. There was no entry in the Cash Book about the dishonour of the cheque until 15th April.***

*(j) A cheque of ₹ 200 drawn on his Saving Deposit Account has been shown as drawn on Current Account in Cash Book.*

**Required:**

*Prepare a Bank Reconciliation Statement as at 31st March if the Balance as per Cash Book on 31<sup>st</sup> March was ₹39,570.*

**Q25. From the following particulars, prepare a Bank Reconciliation Statement as on 31st March.**

**(a) Bank Balance as per Cash Book is ₹ 10,000**

**(b) A Cheque for ₹ 1,000 deposited but not recorded in the Cash Book. (Note: Bank has collected and credited this cheque.)**

**(c) A Cash deposit of ₹ 200 was recorded in the Cash Book as if there is no Bank Column therein.**

**(d) A Cheque issued for 1250 was recorded as ₹ 205 in the Cash Column. (Note: Bank has made the payment of this cheque.)**

- (e) The debit balance of ₹ 1,500 as on the previous day was brought forward as a credit balance.*
- (f) The payment side of the Cash Book (Bank column) was under cast by ₹ 100.*
- (g) A cash discount allowed of ₹ 112 was recorded as 1121 in the Bank Column.*
- (h) A cheque of ₹ 500 received from a debtor was recorded in the Cash Book but not deposited in the Bank for collection.*
- (l) One outgoing cheque of ₹ 300 was recorded twice in the Cash Book.*

**Q26. The Cash book of Mr RK shows ₹8,364 as the balance at bank as on 31st March, but you find that this does not agree with the balance as per the Bank Pass Book. On scrutiny, you find the following discrepancies.**

**(a) On 15th March, the payments side of the Cash Book was undercast by ₹ 100.**

**(b) A cheque for ₹ 131 issued on 25th March, was recorded in the Cash column.**

**(c) One deposit of ₹ 150 was recorded in the Cash Book as if there is not Bank Column therein.**

**(d) On 18th March, the debit balance of ₹ 1,526 as on the previous day, was brought forward as a credit balance.**

*(e) Of the total cheques amounting to ₹ 11,514 drawn in the last week of March, cheques aggregating ₹ 7,815 were encashed in March.*

*(f) Dividends of ₹ 250 collected by the Bank and subscription of ₹ 100 paid by it, were not recorded in the Cash Book.*

*(g) One outgoing cheque of ₹ 350 was recorded twice in the Cash Book.*

**Required:**

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

**Q27. From the following particulars, prepare the Bank Reconciliation Statement of Shri Krishan as on 31st March.**

**(a) Balance as per Pass Book is ₹ 10,000.**

**(b) Bank collected a cheque of ₹ 500 on behalf of Shri Krishan but wrongly credited it to Shri Kishan's A/c (another customer).**

**(c) Bank recorded a Cash deposit of ₹ 1,589 as ₹ 1,598.**

**(d) Withdrawal column of the Pass Book undercast by ₹ 100.**

**(e) The credit balance of ₹ 1,500 as on page 5 of the Pass Book was recorded on page 6 as the debit balance.**

*(f) The payment of a cheque of ₹ 350 was recorded twice in the Pass Book.*

*(g) The Pass Book showed a credit for a cheque of ₹ 1,000 deposited by Shri Kishan (another customer of the Bank).*



**Q28. From the following particulars, prepare Bank Reconciliation Statement as on 31st March, (a) without amended Cash Book (b) with amended Cash Book.**

<b>1. Balance as per Cash Book</b>	<b>400</b>
<b>2. Cheques received and recorded in Bank Column but not yet sent to Bank for collection</b>	<b>1,000</b>
<b>3. Cheques deposited into the bank but not recorded in the Cash Book</b>	<b>2,000</b>
<b>4. Cheques deposited but not yet collected by the Bank</b>	<b>1,500</b>
<b>5. Cheques issued but not yet presented for payment</b>	<b>2,500</b>
<b>6. Bank Charges debited in Pass Book only</b>	<b>200</b>
<b>7. Interest allowed in Pass Book only</b>	<b>100</b>
<b>8. Insurance Premium paid directly by Bank under standing advice</b>	<b>500</b>

<b>9. Bills receivables directly collected by the Bank</b>	<b>2,000</b>
<b>10. Cheques deposited for collection, returned dishonoured and recorded in Pass Book only</b>	<b>1,000</b>
<b>11. 'Cheques Issued' returned on technical grounds</b>	<b>300</b>
<b>12. A wrong debit given by bank in pass book</b>	<b>800</b>
<b>13. A wrong credit given by bank in pass book</b>	<b>400</b>
<b>14. Bills discounted dishonoured but not recorded in Cash Book</b>	<b>4,000</b>
<b>15. Direct payment by a customer into the bank but not recorded in Cash Book</b>	<b>700</b>
<b>16. A Cash receipt recorded in Bank Column</b>	<b>1,000</b>
<b>17. A Cash payment recorded in Bank Column</b>	<b>600</b>

**Q29. On 31st March, 2018, the bank account of Miss Meenu, according to the Bank Column of the Cash Book, was over drawn to the extent of ₹ 2,315. On scrutiny, you find that:**

**A. On 27th March, Cheques of ₹ 21,500 were collected from customers and recorded in the Cash Book of which:**

**(i) A cheque for ₹ 1,000 was omitted to be banked in March and the rest were sent to bank on 28th March.**

**(ii) A Cheque of ₹ 5,100 was recorded as ₹ 1,500 on the credit side of the Cash Book as if there is no Bank Column therein and**

**(iii) Cheques of ₹ 13,000 collected by the bank in March.**

**B.** On 28th March, Cheques of ₹ 20,000 were drawn of which:

**(i)** A Cheque issued for ₹ 250 was recorded as ₹ 205 on the debit side of the Cash Book as if there is no Bank Column therein

**(ii)** One outgoing cheque of ₹ 300 was recorded twice in the Cash Book

**(iii)** Cheques of ₹ 3,000 were presented to the bank in March.

**C.** A bill for ₹ 10,000 was retired by the bank under a rebate of ₹ 150 but the full amount of the bill was credited in the Bank Column of the Cash Book.

**D.** A bill receivable for ₹ 520 previously discounted for ₹ 500 with bank had been dishonoured and recorded in the Pass Book but not in the Cash Book

**E.** The Bank has charged Interest of ₹ 521 instead of ₹ 512 but not recorded in the Cash Book

**F.** The debit balance of ₹ 1,500 as on the previous day was brought forward as a credit balance of ₹ 5,100 in Cash Book.

**G.** A deposit of ₹ 5,432 was recorded in withdrawal column as ₹ 5,342 in pass book.

**H.** A cheque of ₹ 2,345 issued by Mrs Meena was recorded in deposit column as ₹ 2,435 in pass book.

**Required:**

Prepare Bank Reconciliation Statement with amended Cash Book Balance.