



Subject : Accounts

**Bank Reconciliation
Statement**



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TOPICS COVERED

- ➔ **Background**
- ➔ **Bank Pass Book**
- ➔ **Bank Reconciliation Statement**
- ➔ **Importance Of Bank Reconciliation Statement**
- ➔ **Procedure For Reconciling The Cash Book Balance With The Pass Book Balance**



- Debit card
- Credit card
- EMI
- UPI
- Cash**



Digital Transaction



Amt
↓
Directly
Bank A/c



RS
↓
HDFC
Bank
₹3500

HDFC
Bank
↓
RS
₹4750



Difference
₹1250

Find
out

By preparing BRS



Bal. as per cash book

Single coin CB ✗

Double coin CB

Triple coin CB

Petty CB ✗

cash Bank Disc
coin

Bal. as per pass book

HDFC Bank

→ Ke Hissab →

RS ke A/c ka
kya Bal. hai

→ RS ke hissab unke
Bank A/c mein kitna
Bal. padha hua hai



Bank Pass Book

₹4750 ✓

Bank pass book is merely a copy of the customer's account in the books of a bank. The bank either sends periodical statements of account or gives a pass book to its customer in which all deposits and withdrawals made by the customer during the particular period is recorded. Both represent almost a copy of the ledger account of the customer in the books of the bank.

PASS BOOK



Messers.....

in account with

Punjab National Bank

Daryaganj, New Delhi-110002

Account number –

Transaction Period -

| Date | Particulars / Transaction | Cheque No. | Withdrawals Dr. | Deposits Cr. | Balance |
|------|------------------------------|------------|--------------------|-----------------|------------|
| | | | | | Dr. or Cr. |
| | | | ₹ | ₹ | ₹ |



| | Shubham Sir | Shubham sir ke wife | Conclusion |
|---------------|-------------|---------------------|--------------|
| Scene 1 → POV | correct | wrong | Wife correct |
| Scene 2 → POV | wrong | correct | Wife correct |
| Scene 3 → POV | Correct | correct | Wife correct |

| | RS | Bank | BRS → <u>Customer</u> |
|----------------------|----|------|-----------------------|
| RS 3500 Bank 9250 | X | ✓ | |
| RS 3500 Bank 4750 | X | ✓ | |



CAUSES OF DIFFERENCE

The difference in the both balances (bank balance as per cash book and pass book) may arise because of the following reasons:-

1. Timing

* Cheque issued but not yet presented

* Cheque deposited but not yet cleared

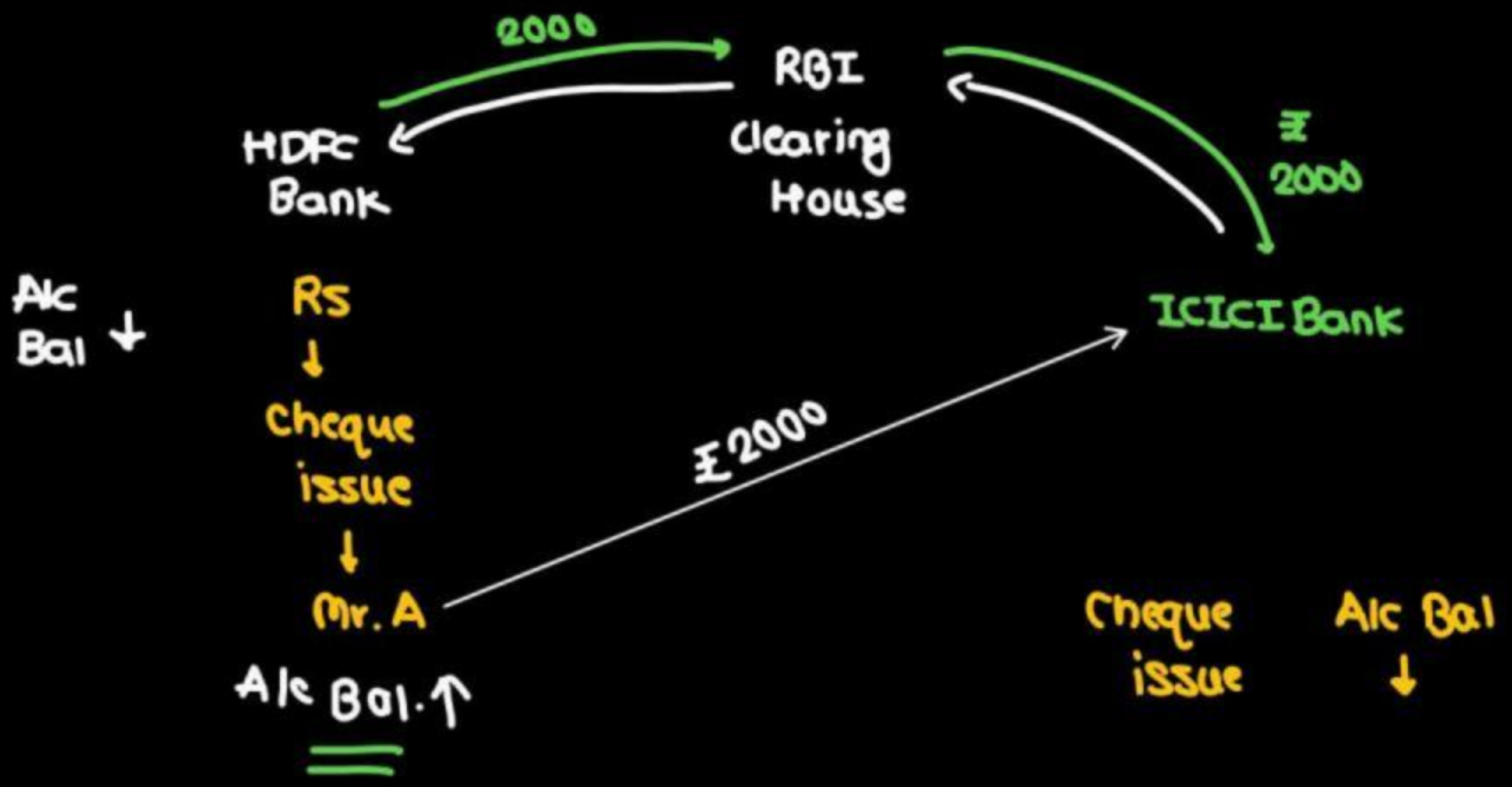
2. Direct ⁺ Deposit and Deduction from Bank A/c

Customer → Bank A/c ₹ Deposit

Bank charges

Bank walo → Bank A/c
Int diya

3. Errors





* Cheque issued but not yet presented

RS Assume
ki Bank Bal ↓

* Cheque Deposited but not yet cleared

RS assume
ki Bank Bal ↑



| Cash Book in books of Customer | | <i>RS ke hissab seh unke Hofc Bank Alc ₹3500</i> | Pass Book (as per bank) | | <i>Bank ke hissab RS ke Alc mein ₹4750 hai</i> |
|--|--------|--|-------------------------------------|--------|--|
| <u>Debit</u> as per Cash Book | ₹ aaya | | <u>Credit</u> as per Pass Book | ₹ aaya | |
| <u>Credit</u> as per Cash Book | ₹ gaya | | <u>Debit</u> as per Pass Book | ₹ gaya | |
| Deposit - <u>Dr.</u> as per cash book | | | Deposit - Cr. as per pass book | | |
| Withdrawal - <u>Cr.</u> as per cash book | | | Withdrawal - Dr. as per pass book | | |
| Income recd. - <u>Dr.</u> as per cash book | | | Income recd. - Cr. as per pass book | | |
| Expense paid - <u>Cr.</u> as per cash book | | | Expense paid - Dr. as per pass book | | |



Favorable & Unfabourable

| | Favourable | Unfavourable |
|---------------------------|------------------|----------------|
| Dr. Bal. as per Cash Book | ✓ +ve | |
| | | |
| Cr. Bal. as per Cash Book | | -ve, Overdraft |
| | | |
| | | |
| Dr. Bal. as per Pass Book | -ve / over Draft | |
| | | |
| Cr. Bal. as per Pass Book | ✓ +ve | |
| | | |
| | | |



Different Adjustment in BRS

We follow Plus minus method

| Particulars | Bal. as per CB | O/D as per CB | Bal. as per PB | O/D as per PB |
|--|----------------|---------------|----------------|---------------|
| Chq. Issued but not presented | + | + | (-) | (-) |
| Chq. Deposited but not cleared | (-) | (-) | + | + |
| Interest allowed by bank | + | + | (-) | (-) |
| Interest & Dividends collected by Bank | + | + | (-) | (-) |

↳ credited.



Different Adjustment in BRS

| Particulars | Bal. as per CB | O/D as per CB | Bal. as per PB | O/D as per PB |
|---|----------------|---------------|----------------|---------------|
| Direct payments into Bank by a customer | + | + | (-) | (-) |
| Bill Receivable collected <u>credited</u> by bank | + | + | (-) | (-) |
| Dishonour of a bill discounted with the Bank | (-) | (-) | + | + |
| Direct Payments by bank | (-) | (-) | + | + |



Different Adjustment in BRS

| Particulars | Bal. as per CB | O/D as per CB | Bal. as per PB | O/D as per PB |
|-------------------------------------|----------------|---------------|----------------|---------------|
| Interest & Expenses charged by Bank | (-) | (-) | + | + |
| Wrong debit in CB <u>ROE</u> | (-) | (-) | + | + |
| Wrong debit in PB | (-) | (-) | + | + |
| Cr. Side of CB Undercast | (-) | (-) | + | + |
| Cr. Side of CB overcast | + | + | (-) | (-) |



Different Adjustment in BRS

| Particulars | Bal. as per CB | O/D as per CB | Bal. as per PB | O/D as per PB |
|--|----------------|---------------|----------------|---------------|
| Dr. side of CB undercast | + | + | (-) | (-) |
| Dr. side of CB overcast | (-) | (-) | + | + |
| Cr. Side of PB Overcast Error by Bank | + | + | (-) | (-) |
| Cr. Side of PB undercast | (-) | (-) | + | + |



Different Adjustment in BRS

| Particulars | Bal. as per CB | O/D as per CB | Bal. as per PB | O/D as per PB |
|---|----------------|---------------|----------------|---------------|
| Dr. side of <u>PB</u> <u>overcast</u> <i>Err</i> <i>by</i> <i>Bank</i> | (-) | (-) | + | + |
| Dr. side of PB <u>undercast</u> | + | + | (-) | (-) |



Methods of Bank Reconciliation

There are following two methods of reconciling the bank balances:

Bank Reconciliation Statement without Preparation of adjusted Cash-Book

Bank Reconciliation Statement with Preparation of adjusted Cash-Book

Theory

YE, period
end

Exam
POV



Question





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

Favourable → If question is silent ✓
Unfavourable

(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.

Cr. → Bank

↓
mer liye

Dr.

↳ as per Cash BOOK **₹0000**

Bank Reconciliation Statement of Jindal offset ltd



| Particulars | Plus | Minus |
|--|-----------------|-----------------|
| Balance as per cash book | 2,40,000 | - |
| Plus:- Cheque issued but not yet presented | 1,36,000 | - |
| Interest credited by the bank | 1,250 | - |
| minus:- Cheque Deposited but not yet cleared | - | 90,000 |
| Bank charges | - | 300 |
| Favourable Bal. as per passbook | | 2,86,950 |
| | 3,77,250 | 3,77,250 |



Bal. as per PB 150000

On 31st March 2022, 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:

Bal. as per CB 112050 *assume Favourable ✓*

- i) She has issued cheques amounting to ₹ 80,000 out of which only ₹ 32,000 were presented for payment. *+48000*
- ii) She received a cheque of ₹ 5,000 which she recorded in her cash book but forgot to deposit in the bank. *-5000*
- iii) A cheque of ₹ 22,000 deposited by her has not been cleared yet. *-22000*
- iv) Mr. Gupta deposited an amount of ₹ 15,700 in her bank which has not been recorded by her in Cash Book yet. *+15700*
- v) Bank has credited an interest of ₹ 1,500 while charging ₹ 250 as bank charges. *+1500*

Cheque ₹80,000 issue

32000 → presented

48000 → unpresented

CB Bal ↑

Cr-Bank

maeliye Dr → in CB Faaya

(-) 250



Bank Reconciliation Statement of Namrata as on 31/03/22

| Particulars | Plus | Minus |
|---|----------|----------|
| Bal. as per cash book | 1,12,050 | - |
| Plus :- Cheque issued but not yet presented | 48,000 | - |
| Amount Directly Deposited | 15,700 | - |
| Bank credited interest | 1,500 | - |
| Minus :- Cheque recd. but not deposited | - | 5,000 |
| Cheque deposited but not yet cleared | - | 22,000 |
| Bank charge | - | 250 |
| Favourable Bal. as per passbook | - | 1,50,000 |
| | 1,77,250 | 1,77,250 |



(i) Cheque issue ₹80,000

Assume
Bank Bal
80000 ↓

Reality
Bank Bal
32000 ↓





From the following particulars ascertain the balance that would appear in the Bank Pass Book of A on 31st December, 2022. BRS Date → 31/12/22

(1) The bank overdraft as per Cash Book on 31st December, 2022 ₹ 6,340. O/D → 1000

(2) Interest on overdraft for 6 months ending 31st December, 2022 ₹ 160 is entered in

(→) 160 Pass Book. *has to be paid*

Pass Book → Bank nee Dr.

(-) 400 (3) Bank charges of ₹ 400 are debited in the Pass Book only. *mere liye cr. → ₹ gaya*

(4) Cheques issued but not cashed prior to 31st December, 2022, amounted to ₹

+ 11,68,000 11,68,000. *not presented*

(5) Cheques paid into bank but not cleared before 31st December, 2022 were for ₹

(-) 22,17,000 22,17,000. *Deposited* *credited*

(6) Interest on investments collected by the bank and credited in the Pass Book ₹

+ 12,00,000 12,00,000.

Bank
Bank → cr
mere liye Dr.



Bank Reconciliation Statement of

as on 31/12/2022

| Particulars | Plus | Minus |
|--|-----------|-----------|
| OID as per cash book | — | 6,340 |
| Plus:- Cheque issued but not yet cashed | 11,68,000 | — |
| Interest on investment collected by Bank | 12,00,000 | — |
| Minus:- Interest on OID | — | 160 |
| BANK charges | — | 400 |
| Cheque paid into Bank not yet cleared | — | 22,17,000 |
| Favourable Bal. as per passbook | — | 1,44,100 |
| | 23,68,000 | 23,68,000 |



From the following information, prepare a Bank reconciliation statement as at 31st December, 2022 for Messrs New Steel Limited :

| | | |
|-----|---|-----------|
| (1) | Bank overdraft as per <u>Cash Book</u> on 31st December, 2022 | 22,45,900 |
| (-) | Interest debited by Bank on 26th December, 2022 but no advice received | 2,78,700 |
| + | Cheque issued before 31st December, 2022 but not yet presented to Bank | 6,60,000 |
| + | Transport subsidy received from the State Government <u>directly</u> by the Bank but not advised to the company | 14,25,000 |
| (-) | ^{cheque} Draft deposited in the Bank, but not credited till 31st December, 2022 | 13,50,000 |
| + | Bills for collection credited by the Bank till 31st December, 2022 but no advice received by the company Pass Cr. CB Dr. ₹0000 | 8,36,000 |
| (-) | Amount <u>wrongly debited</u> to company account <u>by the Bank</u> , for which no details are available Pass Dr. | 7,40,000 |

Bank → Dr mere liye Cr. → ₹gaya

Cashbook Cr. → ₹gaya



Bank Reconciliation Statement of MIS New Steel Ltd as on 31/12/22

| Particulars | Plus | Minus |
|--|-----------|-----------|
| O/D Bal. as per cash book | - | 22,45,900 |
| Plus:- cheque issued but not yet presented | 6,60,000 | - |
| Transport subsidy recd. from state govt. | 14,25,000 | - |
| Bill for collection credited by Bank | 8,36,000 | - |
| minus:- Interest debited by Bank | - | 2,78,700 |
| Draft Deposited into bank not yet credited | - | 13,50,000 |
| Amount wrongly debited to company A/c | - | 7,40,000 |
| unfavourable Bal. as per passbook | 16,93,600 | - |
| | 46,14,600 | 46,14,600 |



If start point is
Bal. as per CB / OD as per CB

↓
Undercast ↑
overcast

CB → Payment side
(cr. side)

(-)

+

CB → Receipt side
(Dr. side)

+

(-)

PB → Payment side
(Dr side)

(-)

+

PB → Receipt side
(Cr. side)

+

(-)



The Cash Book of Mr. Gadbadwala shows ₹ 8,36,400 as the balance at Bank as on 31st December, 2022, but you find that it does not agree with the balance as per the Bank Pass Book. On scrutiny, you find the following discrepancies: GRS Date → 31/12/22

(1) On 15th December, 2022 the payment side of the Cash Book was undercast by ₹ 10,000.
 Ex:- Actual payment → 25000
 Accounting → 15000
 (-) 10,000

(2) A cheque for ₹ 1,31,000 issued on 25th December, 2022 was not taken in the bank column.
 (-) 131000 CB
 Cheque issue → cheq present → Bank Bal ↓, But CB Accounting x

(3) One deposit of ₹ 1,50,000 was recorded in the Cash Book as if there is no bank column therein.
 + 150000
 Cheq. Deposit → cleared → CB PB → Bank coln x
 CB → Bank Dr. coln jagya

(4) On 18th December, 2022 the debit balance of ₹ 15,260 as on the previous day, was brought forward as credit balance in the Cash book.
 + 30,520
 Dr 15260
 Cr. 15260 CB



(5) Of the total cheques amounting to ₹ 11,514 ^{issued} drawn in the last week of December, ^{+ 3699} 2022, cheques aggregating ₹ 7,815 ^{Totalling} were ^{presented} encashed in December. ^{11,514 issue} ^{7815 present} ^{3699 unpresent}

(6) Dividends of ₹ 25,000 ^{Income} collected by the Bank and subscription of ₹ 1,000 ⁽⁻⁾¹⁰⁰⁰ paid by it were not recorded in the Cash Book.

(7) One ^{issue → payment} out-going Cheque of ₹ 3,50,000 was recorded twice in the Cash Book.

^{+ 350000} Prepare a Reconciliation Statement.

| Cr. | |
|---------------|--------|
| <u>350000</u> | 350000 |
| | 350000 |



Bank Reconciliation Statement of Mr. Gadbadwala as on 31/12/2022

| Particulars | Plus | Minus |
|---|-----------|-----------|
| Bal. as per cashbook | 8,36,400 | - |
| Plus :- Deposit not recorded in Bank coin | 1,50,000 | - |
| Amount wrongly cif | 30,520 | - |
| Cheq drawn but not yet encashed | 3,699 | - |
| Dividend collected by Bank | 25,000 | - |
| Amount recorded twice in cashbook | 3,50,000 | - |
| | | |
| minus :- Bank charges | - | 1,000 |
| cheq issued but not recorded in CB | - | 1,31,000 |
| Payment side of CB undercast | - | 10,000 |
| | | |
| Favourable Bal. as per passbook | - | 12,53,619 |
| | 13,95,619 | 13,95,619 |

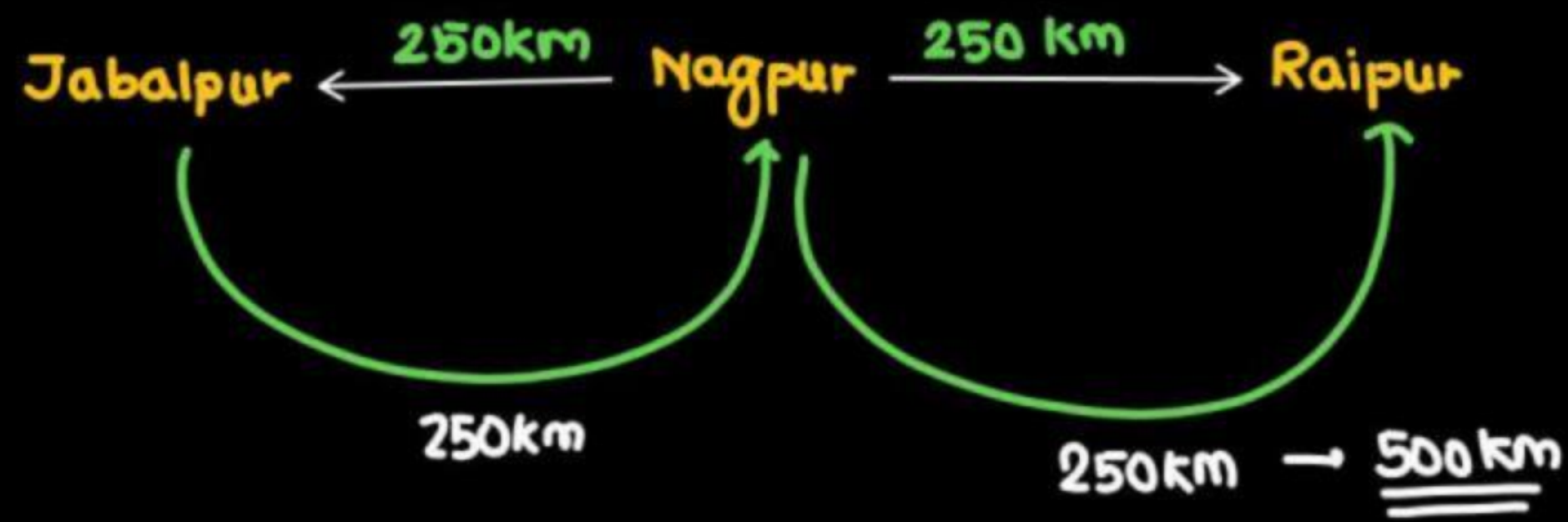


Triple coin CB Dr.

Dr.

Bank Dr.
Cash cr.

| | Cash | Bank | Dis | | Cash | Bank | Disc |
|--|---------------|------|-----|--|------|------|------|
| | <u>150000</u> | X | | | | X | |



| CB Bank coin | |
|------------------|-------|
| Dr. | Cr. |
| | 15260 |
| 15260 | |
| 15260 | |
| 15260 | |

80,520 {

CB → Bank → Dr. 30,520
coin



When Nikki & Co. received a Bank Statement showing a favourable balance of ₹ 10,39,200 for the period ended on 30th June, 2022, this did not agree with the balance in the cash book. An examination of the Cash Book and Bank Statement disclosed the following:

Bal. as per PB 10,39,200 → Favourable

AS per CB → Starting point

1. (-) A deposit of ₹ 3,09,200 paid on 29th June, 2022 had not been credited by the Bank until 1st July, 2022.

cheq deposit

Chq. dep but not yet cleared.

2. On 30th March, 2022 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, 2022. No entries had been made in Cash Book.

| | | |
|----------|-----------|-----------|
| 10/04/22 | 3L | |
| 10/05/22 | 3L | |
| 10/06/22 | <u>3L</u> | <u>9L</u> |

$$₹4,00,000 (-) 4\% = ₹384000$$



3. A customer of the firm, who received a cash discount of 4% on his account of ₹ ⁽⁻⁾ 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.
 Reality Bank Bal ↑ 384000 PB
 Accountant CB ₹400000 ↑
4. Bank charges amounting to ₹ 3,000 had not been entered in Cash-Book.
 (-) 3000
5. On 28th June, a customer of the company directly deposited the amount in the bank ⁺⁴⁰⁰⁰⁰⁰ ₹ 4,00,000, but no entry had been made in the Cash Book.
6. ₹ 11,200 ^{Deposited} paid into the bank had been entered twice in the Cash Book.
 (-) 11200
 11200 Dr.
 11200 Dr.
 11200 Cr.
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, 2022.
 11L
 BRS Date → 30/06/22
- Prepare Bank Reconciliation Statement on 30 June, 2022.



Bank Reconciliation Statement of NIKKI LCO. as on 30/06/22

| Particulars | Plus | Minus |
|---|-----------|-----------|
| OID Bal. as per passbook | 10,39,200 | - |
| Plus:- cheque deposited but not yet cleared | 3,09,200 | - |
| Hire Purchase payment not Recorded | 9,00,000 | - |
| Error by accountant | 16,000 | - |
| Bank charges | 3,000 | - |
| Amount Recorded twice | 11,200 | - |
| Unpaid cheque | 11,00,000 | - |
| Minus:- Amt directly deposited | - | 4,00,000 |
| Favourable bal. as per cash book | | 29,78,600 |
| | 33,78,600 | 33,78,600 |



Passbook →

| Dr. | Cr. |
|---------|---------|
| | ₹300000 |
| ₹300000 | |

No Entry



Note:-

OID → as per CB
as per PB

} write on minus side

Favourable → as per CB
as per PB

} write on plus side

Always think → keeping POV as if starting point is Bal. as CB

QUESTION



From the following particulars prepare a bank reconciliation statement as on 31st December 2022:

(i) On 31st December, 2022 the cash-book of a firm showed a bank balance of ₹ 60,000 (debit balance).
POV
CB Dr. Bal. → Favourable

(ii) Cheques had been issued for ₹ 15,00,000, out of which cheques worth ₹ 4,00,000 only were presented for payment
15L → 4L present
11L unpresented

(iii) Cheques worth ₹ 11,40,000 were deposited in the bank on 28th December, 2022 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, 2022 but was deposited on 3rd January, 2023.
(-) Deposit 1140000 → 28 Dec
(-) 30 Dec → 5L

(iv) A cheque from Susan for ₹ 4,00,000 was deposited in the bank on 26th December 2022 but was dishonoured and the advice was received on 2nd January, 2023.
(-) 4L
Bounce
SMS



- (v) Pass-book showed bank charges of ₹ 2000 debited by the bank. PB Dr. → CB Cr.
₹ 2000
- (vi) One of the debtors deposited a sum of ₹ 5,00,000 in the bank account of the firm on 20th December, 2022 but the intimation in this respect was received from the bank on 2nd January, 2023. SMS
- (vii) Bank pass-book showed a debit balance of ₹3,82,000 on 31st December, 2022.

Bal. as per PB

CB → Dr. Favourable

PB → Cr. Favourable

PB → Dr. unfavourable



Bank Reconciliation Statement of

as on 31/12/22

| Particulars | Plus | Minus |
|--|-----------|-----------|
| Bal. as per cash book | 60,000 | - |
| Plus :- Cheque issued but not yet presented | 11,00,000 | - |
| Amount directly Deposited | 5,00,000 | - |
| minus :- Cheque deposited but not yet credited | - | 11,40,000 |
| Cheque entered in CB but not banked | - | 5,00,000 |
| Cheque Deposited but Dishonoured | - | 4,00,000 |
| Bank charges | - | 2,000 |
| Unfavourable Bal. as per passbook | 3,82,000 | - |
| | 20,42,000 | 20,42,000 |

QUESTION



Prepare a bank reconciliation statement as on 30th September, 2022 from the following particulars:

| Particulars | ₹ | If starting point CB |
|---|-----------|----------------------|
| Bank balance as per pass-book | 10,00,000 | |
| Cheque deposited in the <u>bank</u> , but no entry was passed in the Cash-Book Cheq. Deposit → | 5,00,000 | + |
| Cheque received, but not sent to bank Cheq. Recd. → CB Alc Bal ↑ | 11,20,000 | (-) |
| Credit side of the <u>bank</u> Deposit column <u>cast</u> Cheq. Recd. → CB Alc Bal ↑ <u>short</u> Chq. Clear | 2,000 | (-) |
| Insurance premium paid directly by the bank under the standing advice payment | 60,000 | (-) |
| Bank charges entered twice in the cash book Cash Book Bank Alc (-) 2000 CB +2000 -2000 | 2,000 | + |
| Cheque issued, but not presented to the bank for payment | 5,00,000 | + |
| Cheque <u>received</u> entered twice in the cash book +10000 (-)10000 +10000 | 10,000 | (-) |
| Bills discounted dishonoured not recorded in the cash book. | 5,00,000 | (-) |



Bank Reconciliation Statement of

as on 30/09/22

| Particulars | Plus | Minus |
|--|-----------|-----------|
| Bal. as per passbook | 10,00,000 | - |
| Plus:- Cheque recd. but not yet sent to Bank | 11,20,000 | - |
| credit side of Bank can short | 2,000 | - |
| Insurance premium paid directly | 60,000 | - |
| Cheque recd. entered twice in CB | 10,000 | - |
| Bill Discounted Dishonoured | 5,00,000 | - |
| Minus:- Cheq deposited but no entry passed | - | 5,00,000 |
| Bank charges entered twice | - | 2,000 |
| Cheq issue but not yet presented | - | 5,00,000 |
| Favourable bal. as per cash book | - | 16,90,000 |
| Total | 26,92,000 | 26,92,000 |



BOE

Debtor
Mr. X

Stamp paper
2m Later Date
Amt

sign

Note:-
If BOE
is dishonoured
then value of
Bill will be
deducted by
the Bank



QUESTION



Prepare a bank reconciliation statement from the following particulars on 31st March, 2022:

| <i>Particulars</i> | ₹ | |
|--|------------------|------------|
| Debit balance as per bank column of the cash book CB → Dr. Favourable | 37,20,000 | + |
| Cheque issued to creditors but not yet presented to the bank for payment | 7,20,000 | + |
| Dividend received by the bank but not yet entered in the 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, but no intimation received | 3,20,000 | (-) |
| Bank paid house tax on our behalf, but no information received from bank in this connection. | 3,50,000 | (-) |
| Favourable Bal. as per passbook | 27,40,500 | |

QUESTION



Prepare a bank reconciliation statement from the following particulars on 31st March, 2022 and show the balance as per cash book:

- If Starting pt = CB
- i) Overdraft as per passbook on March 31, 2022, is ₹ 3,00,000. (-)
 - ii) Interest on bank overdraft 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 accounted in the books.
 - iv) Cheques drawn in the last week of March, 2022, but not cleared till date for ₹ 13,000 and Rs. 23,500.
 Total $\frac{13000 + 23500 +}{\text{of GR}}$
 ISSUED presented
 - v) Cheques deposited into bank on February, 2022, but yet to be credited on dated March 31, 2022 Rs. 56,000. (-)
 - vi) Amount of Rs. 20,500 is wrongly debited by the bank
 PB Dr. CB Cr. ₹ gaya (-)
 - vii) Interest on Investment Rs. 83,800 collected and credited by bank but the same has not been entered in the Cash Book.
 PB Cr. CB Dr. ₹ gaya +



Bank Reconciliation Statement of _____ as on 31/03/22

| Particulars | Plus | Minus |
|--|----------|----------|
| OID as per passbook | - | 3,00,000 |
| Plus:- Int on Bank OID | 36,500 | - |
| Insurance premium paid by Bank | 17,950 | - |
| Cheque deposited but not cleared | 56,000 | - |
| Amount wrongly debited | 20,500 | - |
| minus:- Cheque drawn but not cleared [13000 + 23500] | - | 36,500 |
| Int. on Investment collected by Bank | - | 83,800 |
| Unfavourable Bal. as per Cash book | 2,89,350 | - |
| | 4,20,300 | 4,20,300 |



On 30th September, 2022, 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 credit balance of ₹ 20,758 in favour of X. An examination of the Cash Book and Bank Statement reveals the following:

OID as per CB

Favourable Bal as per PB

*Cash Book → Dr. Favourable
PB → Cr. Favourable*

1. A cheque for ₹ 13,14,000 deposited on 29th September, 2022 was credited by the

(-)
1314000 bank only on 3rd October, 2022. *Deposit 29th Sept → 30/09
Clear / Credit 3rd Oct*

*✓ Dr. Cr.
16k 16k
+ 16k*

2. A payment by cheque for ₹ 16,000 has been entered twice in the Cash Book.

+16000
PB Cr. CB Dr. ₹ 16000

3. On 29th September, 2022, the bank credited an amount of ₹ 1,17,400 received

+117400
from a customer of X, but the advice was not received by X until 1st October, 2022



(-) 580

4. Bank charges amounting to ₹ 580 had not been entered in the Cash Book.

+ 20000

PB Cr. CB Dr. ₹ 20000

5. On 6th September, 2022, 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

(-)

140000

dishonoured on 28th September, 2022 but no entry had been made in the books of

X. BOE → Dishonour → Bill amt (-)

7. Cheques issued upto 30th September, 2022 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, 2022 and

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


 Bank Reconciliation Statement of _____ * _____ as on 30/09/22

| Particulars | | Plus | Minus |
|-------------|-------------------------------------|-----------|-----------|
| ✓ | OID as per cash book | - | 4,062 |
| Plus :- | Payment entered twice in CB | 16,000 | - |
| <u>Dr.</u> | Amt Directly deposited by customer | 1,17,400 | - |
| CB | Error by Bank | 20,000 | - |
| | Cheque issued but not yet presented | 13,26,000 | - |
| Minus :- | Cheque deposited but not cleared | - | 13,14,000 |
| <u>Cr.</u> | Bank charges | - | 580 |
| CB | Bill Discounted Dishonoured | - | 1,40,000 |
| | Favourable Bal. as per pass book | - | 20,758 |
| | | 14,79,400 | 14,79,400 |



Whenever we prepare Adjusted CB with BRS -

Then only 3 items go to BRS which are

- Cheq issued but not yet presented
- Cheq deposited but not yet cleared / credited
- Error by Bank

Rest. everything will go to Adjusted CB

| Dr. | CB | Cr. |
|-----|----|-----|
| | | (-) |
| + | | |



Bank Reconciliation Statement of _____ as on _____

| Particulars | Plus | Minus |
|---|-----------|-----------|
| Adjusted Old Bal. as per cash book | — | 11,242 |
| Plus:- Error by Bank | 20,000 | — |
| Chq. issued but not yet presented | 13,26,000 | — |
| less:- Chq. deposited but not yet cleared | — | 13,14,000 |
| Favourable Bal. as per passbook | — | 20,758 |
| | 13,46,000 | 13,46,000 |

QUESTION



CB → Dt. → Favourable +ve

On 30th December, 2022 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 and entered ^{+ 630000} in the cash book before 30th December, 2022 were not presented for payment until that date.
BRs Date
2. Cheques amounting to ₹ 2,50,000 had been recorded in the cash book as having ^{(-) 250000} been paid into the bank on 30th December, 2022, but were entered in the bank statement on 1st January, 2023.
Deposited into bank
CB
Cheq. Deposit 30th Dec
Cheq. Clear 01st Jan
3. A cheque received for ₹ 73,000 had been dishonoured prior to 30th December, 2022, but no record of this fact appeared in the cash book.
^{(-) 73000}



4. A dividend of ₹ 3,80,000, paid direct to the bank had not been recorded in the cash book.

+
380000

5. Bank interest and charges amounting to ₹ 4,200 had been charged in the bank statement but not entered in the cash book.

(-)
4200

6. No entry had been made in the cash book for a trade subscription of ₹ 10,000 paid vide banker's order in November, 2022.

(-)
10000

7. A cheque for ₹ 27,000 drawn by B. Philip had been charged to A. Philip's bank account by mistake in December, 2022.

(-)
27000

Chq. Drawn (ie issue) B. Philip ₹ ↓ B. Philip Bank A/c ↓
A Philip ↓ 27000

You are required:

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



Cash Book

| Particulars | Amount (Rs.) | Particulars | Amount (Rs.) |
|-------------|-----------------|-----------------------|-----------------|
| To Bal b/d | 4,610 | By cheq. Dishonoured | 73,000 |
| To Dividend | 3,80,000 | By Bank Int & charges | 4,200 |
| | | By Trade scripition | 10,000 |
| | | By Bal c/d | 2,97,410 |
| | | ↓ | |
| | <u>3,84,610</u> | Favourable Bal. | <u>3,84,610</u> |



Bank Reconciliation Statement of A. Philip as on 30/12/22

| Particulars | Plus | Minus |
|--|----------|----------|
| Bal. as per cash book | 2,97,410 | |
| | | |
| Plus:- cheq issued but not yet presented | 6,30,000 | - |
| | | |
| minus:- Cheq deposited but not yet cleared | - | 2,50,000 |
| Error by Bank | - | 27,000 |
| | | |
| Favourable Bal. as per passbook | | 6,50,410 |
| | | |
| | 8,27,410 | 8,27,410 |

QUESTION



According to the cash-book of Gopi, there was a balance of ₹ 44,50,000 in his bank on 30th June, 2022. On investigation you find that:

- (i) Cheques amounting to ₹ 6,00,000 issued to creditors have not been presented for payment till the date.
6L +
- (ii) Cheques paid ^{deposited} 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 2022.
5.55L (-)
- (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.
40k + 6L +
- (iv) Insurance premium (up to 31st December, 2022) paid by the bank ₹ 27,000 not entered in the cash book.
27k (-)
- (v) The payment side of the cash book had been under casted by ₹ 5,000.
5k (-) Cr.



(vi) Bank charges ₹ 1,500 shown in the pass book had not been entered in the cash book.

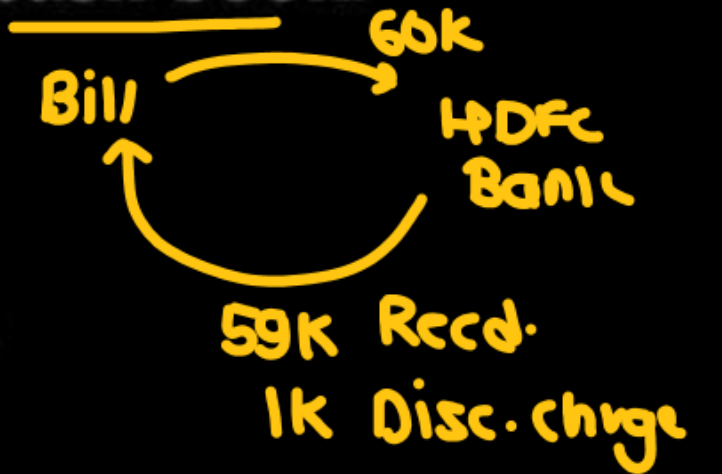
(-)
(-) 2L

(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.

59000 +

Required:

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





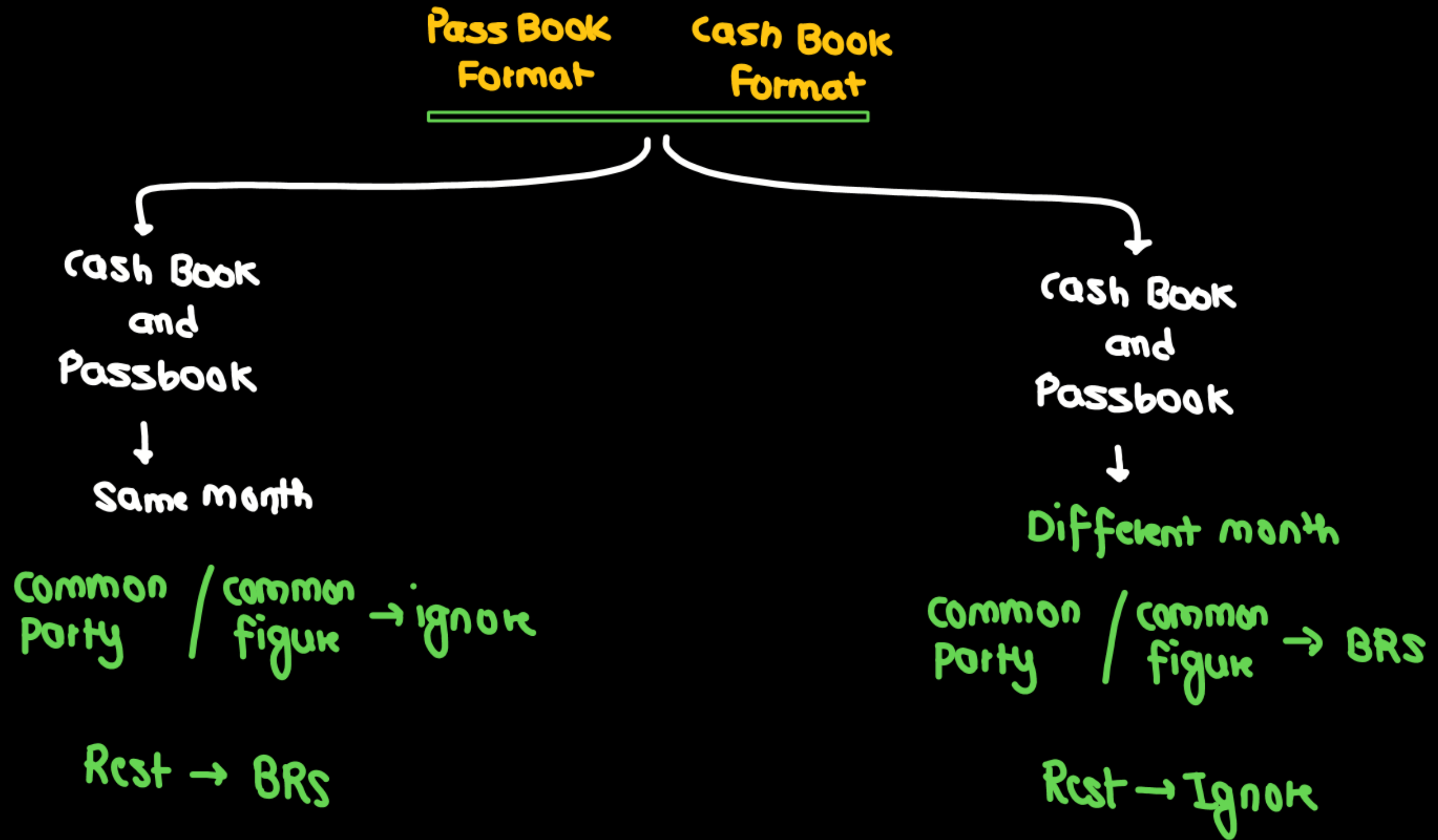
Cash Book

| Particulars | Amount (Rs.) | Particulars | Amount (Rs.) |
|--------------------|--------------|--------------------------|--------------|
| To Bal b/d | 44,50,000 | By Insurance premium | 27,000 |
| To Dividend | 40,000 | By payment side undercut | 5,000 |
| To Rent | 6,00,000 | By Bank charge | 1,500 |
| To Bill Receivable | 59,000 | By Bill Payable | 2,00,000 |
| | | By Bal c/d (Favourable) | 49,15,500 |
| | 51,49,000 | | 51,49,000 |



Bank Reconciliation Statement of gopi as on 30/06/22

| Particulars | Plus | Minus |
|---|-----------|-----------|
| Bal. as per cash book | 49,15,500 | |
| PLUS :- cheq. issued but not yet presented | 6,00,000 | - |
| MINUS :- cheque deposited but not yet cleared | - | 5,55,000 |
| Favourable bal. as per pass book | - | 49,60,500 |
| | 55,15,500 | 55,15,500 |





Messer's Tall & Short, Faiz Bazar, New Delhi-110002 in account with Punjab National Bank, Daryaganj, New Delhi-110002

PassBook

CB Dr. ₹ aaya
PB Cr. ₹ aaya
₹ aaya

| Date | | Particulars | Withdrawals ₹ Dr. | Deposits ₹ Cr. | Dr. or Cr. | Balance ₹ |
|-------------|----|---------------------------------|----------------------|-------------------|---------------|--------------|
| 2022 | | | | | | |
| <u>Jan.</u> | 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. | <u>2,43,000</u> |

(-)

(-)

+

PB → Cr. favourable



CB Dr. → PB Cr.
CB Cr. → PB Dr.

PB Cr. → CB Dr.
PB Dr. → CB Cr.

Dr.

CASH-BOOK (Bank column only)

| Date | Particulars | Amount ₹ | Date | Particulars | Amount ₹ |
|---------|---------------------|-------------|---------|--------------------|-------------|
| 2022 | | | 2022 | | |
| Jan. 1 | To Cash | ✓ 4,00,000 | Jan. 2 | By Furniture | |
| Jan. 2 | To J. Johnson & Co. | ✓ 35,000 | Jan. 2 | Dealers Ltd. | ✓ 60,000 |
| Jan. 8 | To B. Babu & Co. | ✓ 76,000 | Jan. 2 | By Roy & James | ✓ 1,00,000 |
| Jan. 10 | To Cash | ✓ 30,000 | Jan. 4 | By Das & Co. | ✓ 1,25,000 |
| Jan. 16 | To J. Rai & Bros. | ✓ 43,000 | Jan. 17 | By K. Nagpal & Co. | ✗ 73,000 |
| Jan. 20 | To M. Mohan & Co. | ✗ 1,05,000 | Jan. 20 | By Cash | ✓ 50,000 |
| Jan. 22 | To N. Nandy & Sons | ✗ 34,000 | Jan. 31 | By B. Babu & Co. | ✗ 78,000 |
| | | | | By Balance c/d | 2,37,000 |
| | | 7,23,000 | | | 7,23,000 |
| Feb. 1 | To Balance b/d | 2,37,000 | | | |

Chq. deposited but not cleared.

Chq issue but not yet presented



Bank Reconciliation Statement of Mis Tall and Short as on 31/01/2022

| Particulars | Plus | Minus |
|--|----------|----------|
| Bal. as per cash book | 2,37,000 | - |
| Plus:- cheque issued but not yet presented [73000 + 78000] | 1,51,000 | - |
| Interest collected on govt. securities | 20,000 | - |
| minus:- cheque deposited but not cleared [105000 + 34000] | - | 1,39,000 |
| Insurance premium paid | - | 25,000 |
| Bank charges | - | 1,000 |
| Favourable Bal. as per. pass book | - | 2,43,000 |
| | 4,08,000 | 4,08,000 |



The following are the Cash Book (bank column) and Pass Book of Jain for the months of March, 2022 and April, 2022:

Cash Book (Bank Column only)

| <i>Date</i> | <i>Particulars</i> | <i>Amount Dr. ₹</i> | <i>Date</i> | <i>Particulars</i> | <i>Amount Cr. ₹</i> |
|-------------|--------------------|-----------------------------|-------------|--------------------|-----------------------------|
| 01/3/2022 | To Balance b/d | 60,000 | 03/3/2022 | By Cash A/c | 2,00,000 |
| 06/3/2022 | To Sales A/c | 3,00,000 | 07/3/2022 | By Modi | 60,000 |
| 10/3/2022 | To Ram | 65,000 | 12/3/2022 | By Patil | 30,000 |
| 18/3/2022 | To Singhal | 2,70,000 | 18/3/2022 | By Suresh | 40,000 |
| 25/3/2022 | To Goyal | 33,000 | 24/3/2022 | By Ramesh | 1,50,000 |
| 31/3/2022 | To Patel | 65,000 | 30/3/2022 | By Balance c/d | 3,13,000 |
| | | 7,93,000 | | | 7,93,000 |

cheq. deposited but not get cleared.

chq. iss.

March Cl.



Pass Book

₹Gaya
Deposit

Matched

| Date | Particulars | Amount Dr. ₹ | Amount Cr. ₹ | Dr. or Cr. | Balance ₹ |
|-----------|-----------------|--------------------|--------------------|---------------|--------------|
| 1/4/2022 | By Balance b/d | | 3,65,000 | Cr. | 3,65,000 |
| 3/4/2022 | By Goyal | | 33,000 | Cr. | 3,98,000 |
| 5/4/2022 | By Patel | | 65,000 | Cr. | 4,63,000 |
| 7/4/2022 | To Naresh | 2,80,000 | | Cr. | 1,83,000 |
| 12/4/2022 | To Ramesh | 1,50,000 | | Cr. | 33,000 |
| 15/4/2022 | To Bank Charges | 200 | | Cr. | 32,800 |
| 20/4/2022 | By Usha | | 17,000 | Cr. | 49,800 |
| 25/4/2022 | By Kalpana | | 38,000 | Cr. | 87,800 |
| 30/4/2022 | To Sunil | 6,200 | | Cr. | 81,600 |

Reconcile the balance of cash book on 31/3/2022.

BR3 31103



Bank Reconciliation Statement of _____ as on 31/03

| Particulars | Plus | Minus |
|---|----------|----------|
| Bal. as per cash book | 3,13,000 | - |
| Plus: Cheq issued but not yet presented | 1,50,000 | - |
| minus:- cheq. Deposited but not yet cleared [33000 + 65000] | - | 98,000 |
| Favourable Bal. as per passbook | - | 3,65,000 |
| | 4,63,000 | 4,63,000 |



Mr. Manoj 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 2022.

You are required to :

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

PB

Adj. CB

All the transaction in PB but not in CB will be updated.



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

Deposit

| Date | Particulars | Amount Dr. ₹ | Date | Particulars | Amount Cr. ₹ |
|------------|----------------------|--------------------|------------|---------------------------|--------------------|
| 01/02/2022 | To Balance b/d → | 1,42,500 | 03/02/2022 | By Bhagwandas | ✓ 1,980 |
| 01/02/2022 | To Blue and Co | ✓ 1,570 | 07/02/2022 | By Maruti Ltd (400460) | ✓ 1,500 |
| 04/02/2022 | To GM Ltd | ✓ 2,430 | 12/02/2022 | By Jackson Ltd (400461) | ✗ 54,000 |
| 08/02/2022 | To Robinson Ltd | ✓ 910 | 18/02/2022 | By PC computers (400462) | ✗ 1,420 |
| 13/02/2022 | To Donald | ✓ 750 | 24/02/2022 | By Shiv garage (400463) | ✓ 49,000 |
| 20/02/2022 | To Avenue Super mart | ✓ 4,200 | 30/02/2022 | By Petty cash (400465) | ✓ 1,500 |
| 28/02/2022 | To Sleep Well Ltd | ✗ 940 | | By Shweta & Co (400464) | ✗ 2,100 |
| | | | | By AV Partners (400466) | ✗ 5,200 |
| | | | | By Balance c/d Favourable | 36,600 |
| | | 1,53,300 | | | 1,53,300 |

↓
Chq deposit but not yet cleared.

Chq issued but not presented





Customer: Century Rayon and Carpets Pvt Ltd

Account No - xxxxx0439

Account Statement for the month of February 2022

| Date | Particulars | Amount Dr. | Amount Cr. | Dr. or Cr. | Balance ₹ |
|-------------|------------------------------------|-----------------------|-----------------------|-----------------------|----------------------|
| 1/02/2022 | Balance b/d | | | | → 1,42,500 |
| 3/02/2022 | Cheques (ASSUMED → Blue 2 (0.)) | | ✓ 1,570 | Cr. | 1,44,070 |
| 5/02/2022 | Maruti Ltd | ✓ 1,500 | | Dr. | 1,42,570 |
| 7/02/2022 | Bhagwandas | ✓ 1,980 | | Dr. | 1,40,590 |
| 12/02/2022 | GM Ltd | | ✓ 2,430 | Cr. | 1,43,020 |
| 15/02/2022 | Robinson Ltd | | ✓ 910 | Cr. | 1,43,930 |
| 20/02/2022 | Premium of New India Insurance Ltd | X 3,800 | | Dr. | 1,40,130 |

↳ premium paid

↳ (S)

1102
+2Day →



| Date | Particulars | Amount Dr. | Amount Cr. | Dr. or Cr. | Balance ₹ |
|------------|-------------------------------|---------------|---------------|---------------|--------------|
| 14/02/2022 | Donald | | ✓ 750 | Cr. | 1,40,880 |
| 14/02/2022 | <u>400463</u> | ✓ 49,000 | | Dr. | 91,880 |
| 23/02/2022 | cheques (assumed avenue mart) | | ✓ 4,200 | Cr. | 96,080 |
| 26/02/2022 | Savita (-) | x 1,030 | | Dr. | 95,050 |
| 26/02/2022 | <u>400465</u> | ✓ 1,500 | | Dr. | 93,550 |
| 27/02/2022 | Shreya | | x 2,200 | Cr. | 95,750 |
| 28/02/2022 | Bank charges | x 2,538 | | Dr. | 93,212 |

20102
+2 →

↓
(-)

↓
+

93,212



Cash Book

| Particulars | Amount (Rs.) | Particulars | Amount (Rs.) |
|--------------------|--------------|-------------------------------|--------------|
| To Bal b/d | 36,600 | By Insurance premium | 3,800 |
| To Shreya [Debtor] | 2,200 | By Savita [Creditor] | 1,030 |
| | | By Bank charges | 2,538 |
| | | By Bal c/d. Favourable | 31,432 |
| | 38,800 | | 38,800 |



Bank Reconciliation Statement of _____ as on _____

| Particulars | Plus | Minus |
|---|--------|--------|
| Bal. as per cash book | 31,432 | |
| PLUS:- cheque issued but not presented. | 62,720 | |
| minus:- Cheq. Deposited but not cleared | - | 940 |
| | | |
| Favourable bal. as per pass book | - | 93,212 |
| | | |
| | 94,152 | 94,152 |



THANK

YOU

