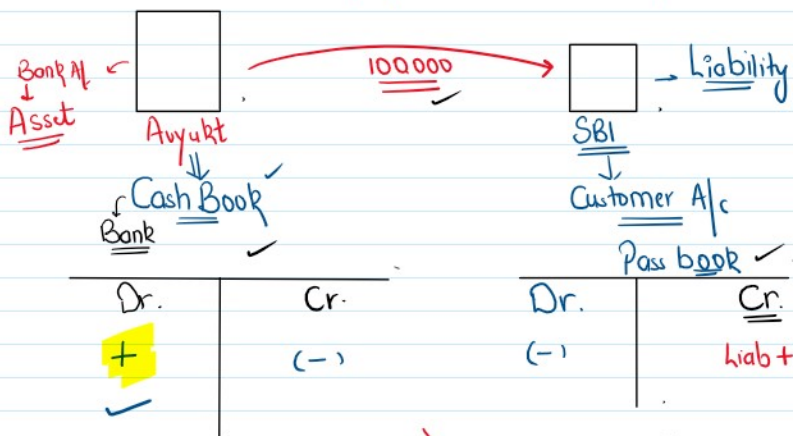


Bank Reconciliation Statement



Bal. as per C.B \neq Bal. as per P.B

1) Dr. in cash book = Cr. in the P.B
Cr. in cash book = Dr. in the P.B

Favourable [Dr > Cr.] Cash book Pass book
unfav. - Overdraft Cr. bal in C.B = Cr. bal in P.B
Liab. Dr. bal in C.B = Dr. bal in P.B

Causes of Difference

Timing Diff.

Transaction

Errors

1. Cheque deposited
₹ 100,000 on 28/3 -

Cash book Pass book
Dr. Cr.
✓ X

Differences

Bank charges ₹ 1000

Pass book Cash book
Dr. Cr.
✓ X

30/6

1. Cheque deposited ₹ 200,000, on 28th June, not yet credited by bank

Cash book

Pass book

Dr.
200,000 ✓

Cr.
X

⇒ Cheque paid ^{deposited} into the bank

encashed ✓

⇒ Cheque paid into the bank

2. Cheque issued but not yet encashed - presented - £50,000

Cash book
Dr. Cr.
50,000

Pass book
Dr. Cr.
X

3. Int allowed by the bank

Cash book
Dr. Cr.
X

Pass book
Dr. Cr.
✓

4. Int charged by the bank

Cash book
Dr. Cr.
X

Pass book
Dr. Cr.
✓

5. Int/Dividend collected by bank

Cash book
Dr. Cr.
✓

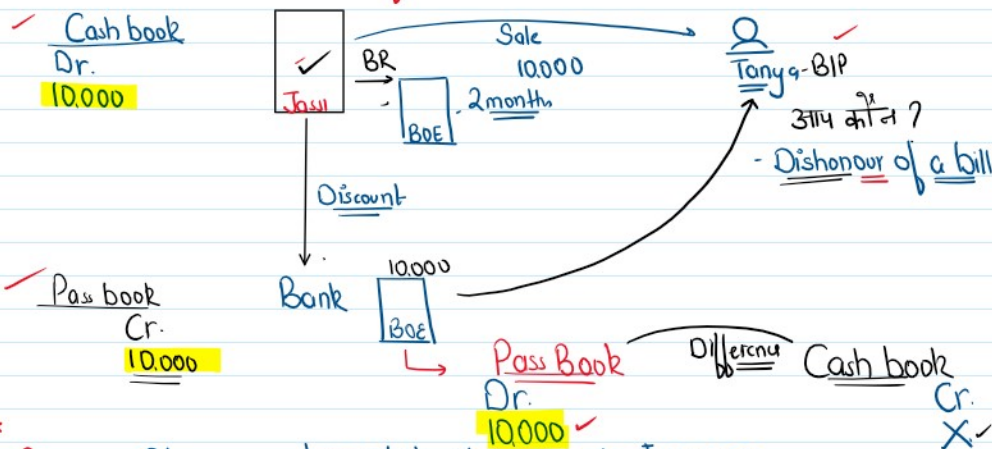
Pass book
Dr. Cr.
✓

6. Direct payment by the customer into the bank

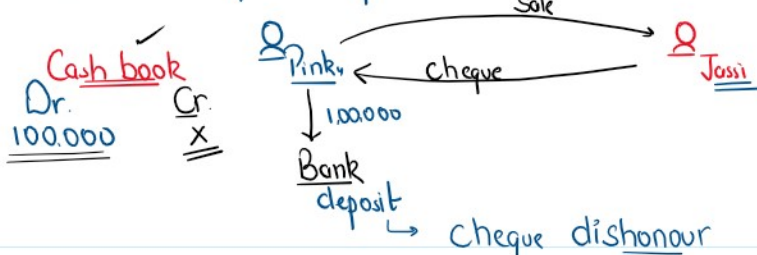
Cash book
Dr. Cr.
✓

Pass book
Dr. Cr.
✓

7. Dishonour of a bill discounted with bank



* 8. Cheque deposited dishonoured - £100,000



Bank deposit → cheque dishonour

Pass book

Dr.	Cr.

Reconciliation

	Bal. as per CB	Bal. as per PB
1. Cheq. deposited but not clear	Minus	Plus
2. Cheq. issued but not presented	Plus	Minus
3. Int allowed by bank	Plus	Minus
4. Exp. directly paid by bank	Minus	Plus
5. Bank ch. / Int ch.	Minus	Plus
6. Cheque dishonoured	Minus	Plus
7. Excess debit in the cash book	Minus	Plus
8. Undercasting of payment side of cash book	Minus	Plus
9. Overcasting of Receipt side of CB	Minus	Plus
10. Excess credit in Pass book	Plus	Minus
+		
	Bal. as per PB	Bal. as per CB
	+ive Cr.	+ive Dr.
	-ive Dr.	-ive Cr.

CB
Dr 1
20,000
Cr 1000
Dr bal. 19000

1.

From the following particulars prepare a bank reconciliation statement as on 31st December 2019:

- On 31st December, 2019 the cash-book of a firm showed a bank balance of ₹ 60,000 (debit balance).
- Cheques had been issued for ₹ 15,00,000, out of which cheques worth ₹ 4,00,000 only were presented for payment.
- Cheques worth ₹ 11,40,000 were deposited in the bank on 28th December, 2019 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, 2019 but was banked on 3rd January, 2020.
- A cheque from Susan for ₹ 4,00,000 was deposited in the bank on 26th December 2019 but was dishonoured and the advice was received on 2nd January, 2020.
- Pass-book showed bank charges of ₹ 2000 debited by the bank.

was dishonoured and the advice was received on 2nd January, 2020.

(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, 2019 but the intimation in this respect was received from the bank on 2nd January, 2020.

Bank Rec Stat.
as on 31st Dec.

Particulars	Plus (₹)	Minus (₹)
(i) Dr. bal. as per Cash book	60,000	
(ii) Cheque issued but not pres.	11,00,000	
(iii) Cheque deposited but not credited Cheque not banked		11,40,000 500,000
(iv) Cheque dish.		400,000
(v) Bank charges		2000
(vi) Amt directly dep by Debtor into Bank	500,000	
Dr. bal. as per Pass book	382,000	
	<u>2,04,200</u>	<u>2,04,200</u>

(b) From the following information prepare a Bank Reconciliation statement as on

31st March 2022 for A Ltd

	₹
Bank overdraft as per cash book as 31st March 2022	15,50,750
1. Cheques deposited on 15th February, 2022 credited on 5th April, 2022	12,50,000
2. Interest debited by bank on 31st March, 2022	1,75,500
3. Cheques issued before 31st March, 2022 but not yet presented	7,75,000
4. On 10th March, 2022 bank credited to A Ltd in error	1,50,000
5. Draft deposited in bank but not credited till 31st March, 2022	12,75,000
6. Bills for collection credited by bank but no advice received by the company	9,45,000
7. Bank charges charged by bank not entered in cash book	2,85,000
8. Transport subsidy received from the state government directly by the bank not advised to the company	17,50,000

(5 Marks)

Bank Recon. St.
as on

	Plus	Minus
--	------	-------

7.

Dr. Bal. as per Cash book

11.000000

2 978600

3378600

x==x

Bck
5pm

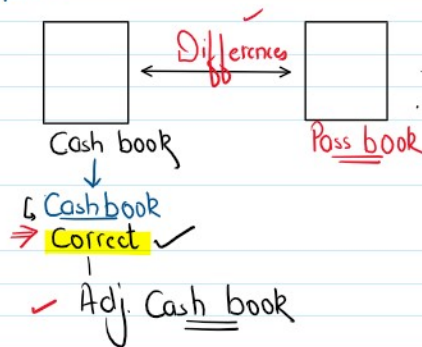
comment

3 Share

Day #4

Adjusted Cash book

Year end - 31st Mar ✓



⇒ Adj. Cash book only if mentioned in the Question.

What to Adjust

Errors of Cash book

- Overcasting / underc. of CB
- Amt entered twice

Omission in CB

- Bank charges
- Int allowed by bank
- Cheque dishonour

BRS

1. Cheque deposited but not cleared.
 ↳ CB ✓ ↳ PB X

2. Cheque issued but not present for payment
 ↳ CB ✓ ↳ PB X

3. Bank credited ₹10,000 by error.
 ↳ PB ✓

2. According to the cash-book of Gopi, there was a balance of ₹ 44,50,000 in his bank on 30th June, 2019. On investigation you find that:

- (i) Cheques amounting to ₹ 6,00,000 issued to creditors have not been presented for payment till the date. → BRS
 ↳ CB ✓ deposited CB ✓
- (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 2019. - 5,50,000 - BRS
 ↳ CB ✓ PB ✓ ↳ PB ✓
- (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. PB ✓ ↳ PB ✓
- (iv) Insurance premium (up to 31st December, 2019) 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. ↓ 5000
- (vi) Bank charges ₹ 1,500 shown in the pass book had not been entered in the cash book. - CB ✓
- (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. → Bank Dr. 59000
 ↳ CB ✓ Disc ch Dr. 1000 → Disc ch Ak - P&L A/c
 ↳ PB ✓ To B/R 60,000

Required:

(a) to make the appropriate adjustments in the cash book and

had also not been recorded in cash book.

59000

Disc ch Dr 1000 → Disc ch Atk - P&L A/c
To B/R 60,000

Required:

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

Dr. ↑		Cash Book		Cr. ↑	
Part	₹	Part	₹	Part	₹
To bal. bld	4450.000	By Ins. prem.	27000		
To Dividend	40.000	by undercasting of paym.	5000		
To Rent	600.000	by bank ch.	1500		
To Bill Rec.	59000	by bill pay.	200.000		
		by bal. cld	49.15.500		

Bank Recon. St
as on 30th June, 2019

	Plus	Minus
Adj. Cash. book bal.	4915.500	
1. Cheq. issued but not pres.	600.000	
2. Cheq. dep. but not cleared		555000
Cr. bal. as per Pass book		4960500
	55.15.500	55.15.000

Dec 23

- On 30th September, 2022, the bank account of Vikrant, according to the bank column of the Cash- Book, was overdrawn to the extent of ₹ 8,124. On the same date the bank statement showed a debit balance of ₹ 41,516 in favour of Vikrant. An examination of the Cash Book and Bank Statement reveals the following:

Credit

- A cheque for ₹ 26,28,000 deposited on 29th September, 2022 was credited by the bank only on 3rd October, 2022. CB ✓
- A payment by cheque for ₹ 32,000 has been entered twice in the Cash Book. Rec. - CB → R.E
- On 29th September, 2022, the bank credited an amount of ₹ 2,34,800 received from a customer of Vikrant, but the advice was not received by Vikrant until 1st October, 2022. PB
- Bank charges amounting to ₹ 1,160 had not been entered in the Cash Book. CB ✓
- On 6th September, 2022, the bank credited ₹ 40,000 to Vikrant in error. BRs
- A bill of exchange for ₹ 2,80,000 was discounted by Vikrant with his bank. This bill was dishonoured on 28th September, 2022 but no entry had been made in the books of Vikrant.
- Cheques issued upto 30th September, 2022 but not presented for payment upto that date totalled ₹ 26,52,000. - BRs

You are required:

- to show the appropriate rectifications required in the Cash Book of Vikrant, to arrive at the correct balance on 30th September, 2022 and

Party Dr. To Bank
Reverse Bank Dr. To Party

Dishonour
Customer Dr. 280,000
To Bank 280,000

You are required:

- to show the appropriate rectifications required in the Cash Book of Vikrant, to arrive at the correct balance on 30th September, 2022 and
- to prepare a bank reconciliation statement as on that date.

Adj. <u>Cash</u> book					
Dr.	Part	₹	Part	₹	Cr.
	To Parl A/c	32000	by bal. bld	8124	
	To Customer A/c	234800	by bank charg.	1160	
			by Customer A/c	280.000	
	To bal. cld	22484			
		<u> </u>		<u> </u>	

Bank Rec. St.
ason.

	Plus	Minus
Adj. Cash balance		22484
1. Cheque deposited but not cleared		2628000
2. Bank credited ₹40000 in error	40000	
3. Cheq. issued but not pres. for pay.	2652000	
Cr. Bal. as per Pass book		41516
	<u>2692000</u>	<u>2692000</u>

On 30th December, 2019 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:

- Cheques amounting to ₹6,30,000 which were issued to trade payables and entered in the cash book before 30th December, 2019 were not presented for payment until that date. BRs + deposit
- Cheques amounting to ₹2,50,000 had been recorded in the cash book as having been paid into the bank on 30th December, 2019, but were entered in the bank statement on 1st January, 2020. BRs (-)
- A cheque received for ₹73,000 had been dishonoured prior to 30th December, 2019, but no record of this fact appeared in the cash book. CB Cr. Bank Dr. To Debtor → Debtor Dr. To Bank
- A dividend of ₹3,80,000, paid direct to the bank had not been recorded in the cash book. → Bank Dr. To Div.
- Bank interest and charges amounting to ₹4,200 had been charged in the bank statement but not entered in the cash book. - CB Cr.
- No entry had been made in the cash book for a trade subscription of ₹10,000 paid vide banker's order in November, 2019. CB Cr. BRs (-)
- A cheque for ₹27,000 drawn by B. Philip had been charged to A. Philip's bank account by mistake in December, 2019. issued by

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

- (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.

x — x

Important Adjustments:

- 1) Amount transferred from Fixed Deposit A/c into the current A/c Rs. 2,000 appeared in the pass book bus. Bank AL ✓
- 2) The debit balance of Rs. 8624 as on the previous day, was brought forward as credit balance in cash book Dr. 8624 ✓
- 3) A bill for Rs. 22,800 was discounted from the bank, entered in the cash book but proceeds credited in bank statement amounted to Rs. (22,000) only Disc. ch. 800 ✓
- 4) The bank had debited a cheque for Rs. 450 by mistake, it should have been debited by them to another A/c holder.
- 5) A cheque for Rs. 1,18,000 issued, was not taken in the bank column CB ✓

Reverse
 Cr. 8624
 Dr. 8624
 Dr. 17248 ✓

1)

Bal. as per CB
 +
 + 17248
 - 800
 - 450
 - 118000

Bal. as per PB
 —
 —
 + 800
 + 450
 + 118000

x — x Chapter over

+ 8624
 — 0
 + 8624
 (→ 8624)

Test
 L Avyukt

Cash Book
 Dr. 8624

Cr. Negative
 8624

Dr. 17248

Dr. 8624

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