

**4**  
**CHAPTER****BANK RECONCILIATION STATEMENT**

**Q.1** 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.

**Ans**

**Bank Reconciliation Statement**

Particulars	Amount ₹
Balance as per Cash Book	2,40,000
Add: Cheque issued but not presented	1,36,000
Interest credited by bank	1,250
	3,77,250
Less : Cheque deposited but not yet cleared	(90,000)
Bank charges debited by bank	(300)
Balance as per Pass Book	2,86,950

**Q.2** 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:

- 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 credited an interest of ₹ 1,500 while charging ₹ 250 as bank charges. Prepare a bank reconciliation statement.

**Ans**

**Bank Reconciliation Statement as on 31st March, 2022**

Particulars	Details (₹)	Amount (₹)
Balance as per Pass Book (Cr.)		1,50,000
Add: Cheque deposited but not yet cleared	22,000	
Add: Cheque recorded in Cash Book but not yet deposited	5,000	
Add: Bank Charges debited by bank	250	27,250
Less: Cheque issued but not yet presented	48,000	
Less: Amount deposited but not recorded in Cash Book	15,700	
Less: Interest allowed by bank	1,500	65,200
Balance as per Cash Book		1,12,050



**Q.3** From the following particulars ascertain the balance that would appear in the Bank Pass Book of A on 31st December, 2022.

- (1) The bank overdraft as per Cash Book on 31st December, 2022 ₹ 6,340.
- (2) Interest on overdraft for 6 months ending 31st December, 2022 ₹ 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, 2022, amounted to ₹ 11,68,000.
- (5) Cheques paid into bank but not cleared before 31st December, 2022 were for ₹ 22,17,000.
- (6) Interest on investments collected by the bank and credited in the Pass Book ₹ 12,00,000.

**Ans**

**Bank Reconciliation Statement As on 31st December, 2022**  
**As on 31st December, 2022**

Particulars	Amount ₹
Overdraft as per Cash Book	6,340
Add: Interest debited in the Pass Book but not yet entered in the Cash Book	160
Add: Bank charges debited in the Pass Book but not entered in the Cash Book	400
Add : Cheques deposited but not yet credited in the Pass Book	22,17,000
	22,23,900
Less: Cheques issued but not yet presented	(11,68,000)
Less: Interest collected and credited by bank but not yet entered in Cash Book	(12,00,000)
Balance as per Pass Book (Credit/Favourable balance)	(1,44,100)

The above illustration can also be presented with the column for “Plus” and “Minus.”

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

**Q.4** 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:

1. A cheque for ₹ 13,14,000 deposited on 29th September, 2022 was credited by the bank only on 3rd October, 2022.
2. A payment by cheque for ₹ 16,000 has been entered twice in the Cash Book.

3. On 29th September, 2022, 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, 2022.
4. Bank charges amounting to ₹ 580 had not been entered in the Cash Book.
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 dishonoured on 28th September, 2022 but no entry had been made in the books of X.
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.

Ans

(a) **Cash Book (Bank Column)**

Date 2022	Particulars	Amount ₹	Date 2022	Particulars	Amount ₹
Sept. 30	To Party A/c	16,000	Sept. 30	By Balance b/d By	4,062
	To Customer A/c (Direct deposit)	1,17,400		Bank charges By	580
	To Balance c/d	11,242		Customer A/c	1,40,000
		1,44,642		(B/R dishonoured)	1,44,642

(b) **Bank Reconciliation Statement as on 30th September, 2022**

Particulars	Amount ₹
Overdraft as per Cash Book	11,242
Add: Cheque deposited but not collected upto 30th September, 2022	13,14,000
	13,25,242
Less: Cheques issued but not presented for payment upto 30th September, 2022	(13,26,000)
Credit by Bank erroneously on 6th September	(20,000)
Credit balance as per bank statement	20,758

**Note:** Bank has credited X by 20,000 in error on 6th September, 2022. If this mistake is rectified in the bank statement, then this will not be deducted in the above statement along with ₹ 13,26,000 resulting in credit balance of ₹ 758 as per pass-book.

**Q.5** 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 in the cash book before 30th December, 2022 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, 2022, but were entered in the bank statement on 1st January, 2023.
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.



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

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.

**Ans**

- (a) A. Philip

Dr.			Cash Book (Bank column)			Cr.	
Date 2022	Particulars	Amount ₹	Date 2022	Particulars	Amount ₹		
Dec. 30	To Balance b/d	4,610	Dec. 30	By Trade receivables-	73,000		
	To Dividend received	3,80,000		Cheque dishonoured	4,200		
					10,000		
			Dec. 31	By Bank interest and charges	2,97,410		
		3,84,610		By Trade Subscription By	3,84,610		
2023 Jan. 1		2,97,410		Balance c/d			
	To Balance b/d						

- (b) Bank Reconciliation Statement as at 30th December, 2022

Particulars	Amount ₹
Balance per cash book	2,97,410
Add: Cheques not yet presented	6,30,000
	9,27,410
Less: Lodgement not yet recorded by bank	(2,50,000)
	6,77,410
Less: Cheque wrongly charged	(27,000)
Balance as per the bank statement	6,50,410

- Q.6** From the following information, prepare a Bank reconciliation statement as at 31st December, 2022 for Messrs New Steel Limited :

(1)	Bank overdraft as per Cash Book on 31st December, 2022	22,45,900
(2)	Interest debited by Bank on 26th December, 2022 but no advice received	2,78,700

(3)	Cheque issued before 31st December, 2022 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, 2022	13,50,000
(6)	Bills for collection credited by the Bank till 31st December, 2022 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

Ans

M/s. New Steel Ltd.

Bank Reconciliation Statement as on 31st Dec, 2022

Particulars	Details ₹	Amount ₹
Overdraft as per Cash Book		22,45,900
Add : Interest charged by the bank	2,78,700	
Draft deposited in bank but not yet credited Wrong debit by the bank, under verification	13,50,000	
	7,40,000	23,68,700
		46,14,600
Less: Cheque issued but not yet presented	(6,60,000)	
Transport subsidy not yet recorded in the Cash Book	(14,25,000)	
Bills for collection credited in the bank not yet entered in the cash book	(8,36,000)	(29,21,000)
Overdraft as per bank statement		16,93,600

**Q.7** 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:

- (1) On 15th December, 2022 the payment side of the Cash Book was undercast by ₹ 10,000.
- (2) A cheque for ₹ 1,31,000 issued on 25th December, 2022 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, 2022 the debit balance of ₹ 15,260 as on the previous day, was brought forward as credit balance in the Cash book.
- (5) Of the total cheques amounting to ₹ 11,514 drawn in the last week of December, 2022, 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.

Ans (If the books are not closed on 31st December, 2022)

Bank Reconciliation Statement of Mr. Gadbadwala as on 31st Dec., 2022



Particulars		Details ₹	Amount ₹
Balance as per the Cash Book			8,36,400
Add : Mistake in bringing forward ₹ 15,260 debit balance as credit balance on 18th Dec., 2022		30,520	
Cheques issued but not presented : Issued	11,514		
Cashed	7,815	3,699	
Dividends directly collected by bank but not yet entered in the Cash Book		25,000	
Cheque recorded twice in the Cash Book Deposit		3,50,000	
not recorded in the Bank column		1,50,000	5,59,219
Less : Wrong casting in the Cash Book on 15th Dec.		10,000	13,95,619
Cheques issued but not entered in the Bank column		1,31,000	
Subscription paid by the bank directly not yet recorded in the Cash Book		1,000	(1,42,000)
Balance as per the Pass Book			12,53,619

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

#### Cash Book (Bank Column)

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

#### Bank Reconciliation Statement

Particulars	₹
Balance as per the Cash Book (corrected)	12,49,920
Add: Cheques issued but not yet presented	3,699
Balance as per the Pass Book	12,53,619

**Q.8** 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)

Date	Particulars	Amount Dr. ₹	Date	Particulars	Amount Cr. ₹
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

**Pass Book**

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.

Ans

- On scrutiny of the debit side of the Cash Book of March 2022 and receipt side of the Pass Book of April, 2022 reveals that two cheques deposited in Bank (Goyal ₹ 33,000 and Patel ₹ 65,000) in March were not credited by the Bank till 31/3/2022.
- On scrutiny of the credit side of the cash book and payment side of the Pass Book reveals that a cheque issued to Ramesh for ₹ 1,50,000 in March 2022, had not been presented for payment in Bank till 31/3/2022. Therefore the Bank Reconciliation statement on 31/3/2022 will appear as follows :

**Bank Reconciliation Statement as on 31st March, 2022**

Particulars	Amount (₹)
Balance as per the Cash Book	3,13,000
Add : Cheque issued but not presented for payment	1,50,000
	4,63,000
Less : Cheque deposited but not credited by Bank	(98,000)
Balance as per the Pass Book	3,65,000

**Q.9** 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 :

- A deposit of ₹ 3,09,200 paid on 29th June, 2022 had not been credited by the Bank until 1st July, 2022.
- 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.
- 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.
- Bank charges amounting to ₹ 3,000 had not been entered in Cash-Book.
- 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.
- ₹ 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, 2022.  
Prepare Bank Reconciliation Statement on 30 June, 2022.

Ans

**Bank Reconciliation Statement on 30th June, 2022**

Particulars	Details (₹)	Amount (₹)
Balance as per the Pass Book		10,39,200
Add: Deposited with bank but not credited	3,09,200	
Payment of Hire Purchase installments not entered in the Cash Book (₹ 3,00,000 x 3)	9,00,000	
Discount allowed wrongly entered in bank column Bank	16,000	
charges not entered in the Cash Book Deposit entered in the Cash Book twice	3,000	
	11,200	
	11,00,000	23,39,400
Cheque returned 'out of date' entered in the Cash Book		33,78,600
Less: Direct deposit by customer not entered in the Cash Book		(4,00,000)
Balance as per the Cash Book		29,78,600

- Q.10** 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 unrepresented cheques and sub-total on the reconciliation statement.

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

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	36,600
		1,53,300			1,53,300

Customer: Century Rayon and Carpets Pvt Ltd Account No - xxxxx0439  
Account Statement for the month of February 2022

Date	Particulars	Amount	Amount	Dr. or	Balance ₹
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		Dr.	Cr.	Cr.	
1/02/2022	Balance b/d				1,42,500
3/02/2022	Cheques		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	3,800		Dr.	1,40,130
14/02/2022	Donald		750	Cr.	1,40,880
14/02/2022	400463	49,000		Dr.	91,880
23/02/2022	cheques		4,200	Cr.	96,080
26/02/2022	Savita 400465	1,030		Dr.	95,050
26/02/2022	Shreya	1,500		Dr.	93,550
27/02/2022			2,200	Cr.	95,750
28/02/2022	Bank charges	2,538		Dr.	93,212

**Ans**

In the books of Century Rayon and Carpets Pvt Ltd

Journal entries to be posted:

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

After posting above entries, following will be the updated book of the company.

**Cash Book (Bank Column)**

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

**Bank Reconciliation Statement as on February 28, 2022**

Particulars	Details	Amount ₹
Updated Balance as per Cash book		31,432
Add: Cheques issued but not yet presented for payment	54000	
Jackson Ltd	1,420	
P C Computers Shweta & Co	2,100	
A.V. Partners	5,200	62,720
		94,152
	940	940
Less: Cheques deposited but not yet credited Sleep		93,212



Well Ltd		
Balance as per the bank statement		

**Q.11** 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).
- (iii) Cheques had been issued for ₹ 15,00,000, out of which cheques worth ₹ 4,00,000 only were presented for payment.
- (iv) 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 banked on 3rd January, 2023.
- (v) 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.
- (vi) Pass-book showed bank charges of ₹ 2000 debited by the bank.
- (vii) 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.

(viii) Bank pass-book showed a debit balance of ₹ 3,82,000 on 31st December, 2022.

Required:

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

**Ans.** **Bank Reconciliation Statement as on 31st December, 2022**

	₹	₹
Bank balance (Dr.) as per cash book		60,000
Add: Cheques issued but not yet presented for payment	11,00,000	
Cheques directly deposited by a customer not yet recorded in cash book	5,00,000	16,00,000
		16,60,000
Less: Cheques deposited but not yet credited by bank	11,40,000	
Cheque received and recorded in cash book but not yet banked	5,00,000	
Cheque dishonoured by the bank; the dishonour entry not yet passed in cash book	4,00,000	
	2,000	(20,42,000)
		(3,82,000)
Bank charges not recorded in cash book Bank balance (Dr.) as per pass book		

**Q.12** 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.
- (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 2022.

- (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, 2022) 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.

**Ans.** Cash Book (Bank Column)

Receipts	₹	Payments	₹
To Balance b/d	44,50,000	By Insurance premium A/c	27,000
To Dividend A/c	40,000	By Correction of errors	5,000
To Rent A/c	6,00,000	By Bank charges	1,500
To Bill receivable A/c	59,000	By Bill payable	2,00,000
		By Balance c/d	49,15,500
	51,49,000		51,49,000

#### Bank Reconciliation Statement as on 30th June, 2022

	₹
Adjusted balance as per cash book (Dr.)	49,15,500
Add: Cheques issued but not presented for payment till 30th June, 2022	6,00,000
Less: Cheques paid into bank for collection but not collected till 30th June, 2022	(5,55,000)
Balance as per pass book	49,60,500

**Q.13** Prepare a bank reconciliation statement as on 30th September, 2022 from the following particulars:

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

**Ans.** Bank Reconciliation Statement as on 30th September, 2022

	₹	₹
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Bank balance as per pass book		10,00,000
Add: Cheque received but not sent to the bank Credit side	11,20,000	
of the bank column cast short	2,000	
Insurance premium paid directly not recorded in the cash book	60,000	
Cheque received entered twice in the cash book Bills	10,000	
dishonoured not recorded in the cash book	5,00,000	16,92,000
	5,00,000	26,92,000
Less: Cheque deposited into the bank but no entry was passed in the cash book	2,000	
Bank charges recorded twice in the cash book Cheque	5,00,000	(10,02,000)
issued but not presented to the bank		16,90,000
Bank balance as per cash book		

**Q.14 Prepare a bank reconciliation statement from the following particulars on 31st March, 2022:**

Particulars	₹
Debit balance as per bank column of the cash book	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

**Ans. Bank Reconciliation Statement as on 31st March, 2022**

	₹	₹
Debit balance as per cash book		37,20,000
Add: Cheque issued but not yet presented to bank for payment	7,20,000	
Dividend received by bank not entered in cash book	5,00,000	
Interest allowed by bank	12,500	12,32,500
		49,52,500
Less: Cheques deposited into bank but not yet collected	15,40,000	
Bank charges	2,000	
A cheque deposited into bank was dishonoured	3,20,000	
House tax paid by bank	3,50,000	(22,12,000)
Credit balance as per pass book		27,40,500

**Q.15 Prepare a bank reconciliation statement from the following particulars on 31st March, 2022 and show the balance as per cash book:**

- Overdraft as per passbook on March 31, 2022, is ₹ 3,00,000.
- 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.
- (v) Cheques deposited into bank on February, 2022, but yet to be credited on dated March 31, 2022 Rs. 56,000.  
Amount of Rs. 20,500 is wrongly debited by the bank
- (vi) Interest on Investment Rs. 83,800 collected and credited by bank but the same has not been entered in the Cash Book.

**Ans. Bank Reconciliation Statement as on 31st March, 2022**

	₹	₹
Balance as per bank statement (Overdraft)		3,00,000
Add: Cheques drawn but not cleared	36,500	
Interest collected on investments directly credited by bank	83,800	1,20,300
		4,20,300
Less: Interest on bank overdraft not entered in the cash book	36,500	
Cheques deposited but not yet cleared	56,000	
Insurance premium paid by bank Amount	17,950	
wrongly debited by bank	20,500	
		1,30,950
Overdraft as per cash book		289,350

**Q.16 From the following particulars, prepare a Bank Reconciliation Statement as on 31st December, 2022.**

- (i) Debit balance (overdraft) shown by the pass book 2,48,000.
- (ii) Cheques of 2,10,000 were issued in the last week of December, but of these only ₹ 1,40,000 were presented for payment.
- (iii) A Cheque for ₹ 19,200 drawn for the payment of telephone bill had been entered in the cash book as ₹ 29,200 but was shown correctly in the bank statement.
- (iv) A cheque received for ₹ 37,520 entered twice in the Cash book.
- (v) A Cheque for ₹ 1,17,000 was issued for purchase of merchandise and was paid by the bank but not recorded in cash book.
- (vi) Interest on overdraft and bank charges amounting to ₹ 3,500 were not entered in the Cash Book.
- (vii) A Cheque for 45,000 was credited in the Pass Book but was not recorded in the Cash Book.
- (viii) A bill of exchange for ₹ 26,200 which was discounted with bank returned dishonored but on entry was made in the cash book.
- (ix) Payment side of the Cash Book has been undercast by ₹ 12,000.

**Ans Bank Reconciliation Statement as on 31st December, 2022**

	Particulars	Amount (₹)	Amount (₹)
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Add:	Overdraft as per Pass Book (Dr. Balance)		2,48,000
	Cheques issued but not yet presented ₹ (2,10,000 - 1,40,000)	70,000	
	Cheque wrongly entered in cash book (29,200- 19,200)	10,000	
	Cheque credited in Pass Book was not recorded in the Cash book	<u>45,000</u>	1,25,000
Less:	Cheques received entered twice in Cash Book	37,520	
	Cheque issued not recorded in the Cash book	1,17,000	
	Interest on Overdraft and bank charges not entered in Cash Book	3,500	
	Bill of exchange dishonoured	26,200	
	Payment side of bank column of Cash Book was undercast	12,000	1,96,220
	Overdraft as per Cash Book		<u>1,76,780</u>

**Q.17 From the following information prepare a Bank Reconciliation Statement as on 31st March 2022 for A Ltd.**

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

**Ans**

**M/s. A Ltd.**

**Bank Reconciliation Statement as on 31st March, 2022**

Particulars	Details ₹	Amount ₹
Overdraft as per Cash Book		15,50,750
Add: Cheque deposited but not credited	12,50,000	
Interest charged by the bank	1,75,500	
Draft deposited in bank but not yet credited	12,75,000	
Bank Charges not entered in cash book	2,85,000	29,85,500
		45,36,250
Less: Cheque issued but not yet presented	(7,75,000)	
Transport subsidy not yet recorded in the Cash Book	(17,50,000)	



Bills for collection credited in the bank not yet entered in the cash book	(9,45,000)	
Wrong credit by the bank	(1,50,000)	(36,20,000)
Overdraft as per bank statement		9,16,250

Alternatively, the above solution can also be done through Adjusted Cash Book.

#### Cash Book (Bank Column)

Particulars	Amount ₹	Particulars	Amount ₹
To Bill Receivable	9,45,000	By Balance b/d	15,50,750
To Transport subsidy received	17,50,000	By Interest debited by Bank	1,75,500
		By Bank Bank Charges	2,85,000
		By Balance c/d	6,83,750
	26,95,000		26,95,000

M/s. A Ltd.

#### Bank Reconciliation Statement as on 31st March, 2022

Particulars	Details ₹	Amount ₹
Balance as per Cash Book		6,83,750
Add : Cheque issued but not yet presented	7,75,000	
Wrong credit by the bank	1,50,000	9,25,000
		16,08,750
Less: Cheque deposited but not credited	(12,50,000)	(25,25,000)
Draft deposited in bank but not yet credited	(12,75,000)	
Overdraft as per bank statement		(9,16,250)

**Q.18** The cash book of Mr. Karan shows ₹ 2,60,400 as the balance of bank as on 31st December, 2021 but you find that it does not agree with the balance as per the bank pass book. On analysis, you found the following discrepancies:

- On 15th December, 2021 the payment side of the cash book was overcast by ₹ 10,000.
- A Cheque for ₹ 1,18,000 issued on 6th December, 2021 was not taken in the bank Column.
- On 20th December, 2021 the debit balance of ₹ 8,460 as on the previous day, was brought forward as credit balance in the cash book.
- Of the total cheques amounting to ₹ 12,370 drawn in the last week of December 2021, cheques aggregating ₹ 9,360 were encashed in December, 2021.
- Dividends of ₹ 35,000 collected by the bank and fire insurance premium of ₹ 7,900 paid by the bank were not recorded in the cash book.
- A Cheque issued to a creditor of ₹ 1,75,000 was recorded twice in the cash book.
- Bill for collection amounting to ₹ 53,000 credited by the bank on 21st December, 2021 but no advice was received by Mr. Karan till 31st December, 2021.
- A Customer, who received a cash discount of 3% on his account of ₹ 60,000 paid a cheque on 10th December, 2021. The cashier erroneously entered the gross amount in the bank column of the cash book.

You are required to prepare the bank reconciliation statement as on 31st December, 2021.

**Ans Bank Reconciliation Statement of Mr. Karan as on 31st Dec., 2021**

Particulars		Details ₹	Amount ₹
Balance as per the Cash Book			2,60,400
Add: Wrong Casting in Cash book as on 15th December, 2021		10,000	
Mistake in bringing forward ₹ 8,460 debit balance as credit balance on 20th Dec., 2021		16,920	
Cheques issued but not presented:			
Issued	12,370		
Encashed	9,360	3,010	
Dividends directly collected by bank but not yet entered in the Cash Book		35,000	
Cheque recorded twice in the Cash Book		1,75,000	
Bill for Collection credited in Bank not entered in Cash Book		53,000	2,92,930
Less: Cheques issued but not entered in the Bank column		1,18,000	5,53,330
Fire Insurance Premium paid by the bank directly not yet recorded in the Cash Book		7,900	
Discount allowed wrongly entered in Cash Book		1,800	(1,27,700)
Balance as per the Pass Book			4,25,630

**Note:** The above answer has been given considering that the books are not closed on 31st December, 2021. Alternatively, If the books are to be closed on 31st December, then adjusted cash book will be prepared as given below:

**Adjusted Cash Book**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Balance b/d To wrong casting	2,60,400 10,000	By cheques not entered	1,18,000
To error for wrong posting	16,920	By Fire Insurance Premium	7,900
To dividends collected by bank	35,000	By discount wrongly entered	1,800
To cheques recorded twice	1,75,000	By balance c/d	3,69,620
	4,97,320		4,97,320

**Bank Reconciliation Statement**

Particulars	₹
Balance as per the Cash Book (corrected)	3,69,620
Add: Cheques issued but not yet presented	3,010
Bill for collection credited by Bank	53,000
Balance as per the Pass Book	4,25,630

**Q.19 From the following particulars, prepare a Bank Reconciliation Statement on 31st March 2021.**

Particulars	Amount (₹)
Bank balance as per Pass Book	25,00,000
Bills discounted dishonored not recorded in Cash Book	12,50,000
Cheque received entered twice in Cash Book	25,000
Bank charges entered twice in Cash Book	5,000
Insurance premium paid directly by Bank under-standing	1,50,000
instruction Cheque issued but not presented to Bank for payment	12,50,000
Cheque received, but not sent to Bank	28,00,000
Cheque deposited in Bank, but no entry passed in the Cash Book	12,50,000
Credit side of the Bank column cast short	5,000

**Ans Bank Reconciliation Statement as on 31st March,2021**

	₹	₹
Bank balance as per Pass book		25,00,000
Add: Bills dishonoured not recorded in the cash book	12,50,000	
Cheque received entered twice in the cash book	25,000	
Insurance premium paid directly not recorded in the cash book	1,50,000	
Cheque received but not sent to the bank	28,00,000	
Credit side of the bank column cast short	5,000	42,30,000
		67,30,000
Less: Cheque deposited into the bank but no entry was passed in the cash book	12,50,000	
Bank charges recorded twice in the cash book	5,000	
Cheque issued but not presented to the bank	12,50,000	(25,05,000)
Bank balance as per Cash book		42,25,000

**Q.20 According to the cash-book of G there was balance of ₹ 4,45,000 in his bank on 30th June, 2021 On investigation you find that :**

- Cheques amounting to 60,000 issued to creditors have not been presented for payment till the date
- Cheques paid into bank amounting to 1,10,500 out of which cheques amounting to ₹ 55,000 only collected by bank up to 30th June 2021
- A dividend of ₹ 4,000 and rent amounting to 60,000 received by the bank and entered in the pass-book but not recorded in the cash book.
- Insurance premium (up to 31st December, 2020) paid by the bank ₹ 2,700 not entered in the cash book.
- The payment side of the cash book had been under cast by ₹ 500



- (vi) Bank charges ₹ 150 shown in the pass book had not been entered in the cash book.
- (vii) A bill payable of ₹ 20,000 had been paid by the bank but was not entered in the cash book and bill receivable for ₹ 6,000 had been discounted with the bank at a cost of ₹ 100 which had also not been recorded in cash book.

You are required:

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

Ans

**In the Books of G**  
**Cash Book (Bank Column)**

Receipts	₹	Payments	₹
To Balance b/d	4,45,000	By Insurance premium A/c	2,700
To Dividend A/c	4,000	By Correction of errors	500
To Rent A/c	60,000	By Bank charges	150
To Bill receivable A/c	5,900	By Bill payable	20,000
		By Balance c/d	4,91,550
	5,14,900		5,14,900

**Bank Reconciliation Statement as on 30th June, 2021**

	₹
Adjusted balance as per cash book	4,91,550
Add: Cheques issued but not presented for payment till 30th June, 2021	60,000
Less: Cheques paid into bank for collection but not collected till 30th June, 2021	(55,500)
Balance as per pass book	4,96,050

**Q.21** From the following information, ascertain the Cash Book balance of Mr. Bajaj as on 31st March, 2021:

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

Ans **Bank Reconciliation Statement as on 31st March, 2021**

Particulars	Amount ₹
Balance as per Pass Book (Dr.)	(3,500)
Add: Cheques deposited but returned on 24th March, 2021	2,500
Discounted bill from Mr. Balaji dishonoured	5,000
Wrong debit in passbook	1,500

	5,500
Less: Bill discounted by bank (2,500+500)	(3000)
Balance as per Cash book (Dr. / Favourable)	2,500

**Q.22** Prepare a Bank Reconciliation Statement from the following particulars as on 31st December, 2020 :

Particulars	₹
Bank Balance as per Cash Book (Debit)	1,98,000
Bank Charges debited by the bank not recorded in Cash Book	34,000
Received from debtors vide RTGS on 31st December, 2020 not recorded in Cash Book	1,00,000
Cheque issued but not presented for payment	45,000
Cheque deposited but not cleared	25,000
Cheque received and deposited but dishonoured. Entry for dishonour not made in the Cash Book	5,000
Instruction for payment given to the bank on 31st December, 2020 but the same effected by the Bank on 01st January, 2021	4,000

**Ans** Adjusted Cash Book as on 31st December, 2020

Particulars	₹	Particulars	₹
To Balance b/d	1,98,000	By Bank charges	34,000
To Debtors	1,00,000	By Debtor (cheque dishonour)	5,000
		By Balance c/d	2,59,000
	2,98,000		2,98,000

#### Bank Reconciliation Statement as on 31st December, 2020

Particulars	₹	₹
Balance as per adjusted cash book		2,59,000
ADD: Cheque issued but not presented	45,000	
Payment not effected by bank	<u>4,000</u>	
		<u>49,000</u>
		3,08,000
LESS: Cheque deposited but not cleared	25,000	<u>25,000</u>
Balance as per Bank pass book		2,83,000

**Q.23** On 31-3-2020, Mahesh's Cash Book Showed a Bank overdraft of ₹ 98,700. On comparison he finds the following :

- (1) Out of the total cheques of ₹ 8,900 issued on 27th March, one cheque of ₹ 7,400 was presented for payment on 4th April and the other cheque of ₹ 1,500 handed over to the customer, was returned by him and in lieu of that a new cheque of the same amount was issued to him on 1st April. No entry for the return was made.
- (2) Out of total cash and cheques of ₹ 6,800 deposited in the Bank on 24th March, one cheque of ₹ 2,600 was cleared on 3rd April and the other cheque of ₹ 500 was returned dishonoured by the bank on 4th April.
- (3) Bank charges ₹ 35 and Bank interest ₹ 2,860 charged by the bank appearing in the passbook are not yet recorded in the cash book.



- (4) A cheque deposited in his another account of ₹ 1,550 wrongly credited to this account by the bank.
- (5) A cheque of ₹ 800, drawn on this account, was wrongly debited in another account by the bank.
- (6) A debit of ₹ 3,500 appearing in the bank statement for an unpaid cheque returned for being 'out of date' had been re-dated and deposited in the bank account again on 5th April 2020.
- (7) The bank allowed interest on deposit ₹ 1,000.
- (8) A customer who received a cash discount of 4% on his account of ₹ 1,00,000 paid a cheque on 20th March, 2020. The cashier erroneously entered the gross amount in the bank column of the Cash Book.

Prepare Bank Reconciliation Statement as on 31-3-2020.

Ans

(i) Adjusted Cash Book as on 31-03-2020

Particulars	₹	Particulars	₹
To Interest on deposit	1,000	By balance b/d	98,700
To Customer a/c - Cheque returned	1,500	By bank charges & interest (35 + 2,860)	2,895
To Balance c/d	1,03,595	By customer a/c - cheque dishonoured	500
		By Discount allowed (1,00,000 - 96,000)	4,000
	1,06,095		1,06,095

(ii) Bank Reconciliation Statement as on 31st March, 2020

Particulars	₹	₹
Overdraft as per Adjusted Cash book		1,03,595
<u>Add:</u>		
Cheque deposited but not credited in the bank	2,600	
Cheque returned 'out of date' by the bank	3,500	<u>6,100</u>
		1,09,695
<u>Less:</u>		
Cheques issued but not presented in the bank		
Cheque deposited in another account wrongly credited to this account by the bank	(7,400)	
	(1,550)	
	<u>(800)</u>	
Cheque drawn in this a/c wrongly debited to another A/c		(9,750)
Overdraft balance as per Bank Statement		<u>99,945</u>

**Q.24** On 30th 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 29th 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 1st October, 2018.
- (iv) Bank charges amounting to ₹ 280 had not been entered in the cash book.
- (v) On 6th 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 28th September, 2018 but no entry had been made in the books of XYZ.
- (vii) Cheques issued upto 30th September, 2018 but not presented for payment upto that date totalled ₹ 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 appropriate rectifications required in the cash book of XYZ, to arrive at the correct balance on 30th September, 2018 and to prepare a Bank Reconciliation Statement as on that date.

Ans

#### Cash Book (Bank Column)

Date	Particulars	Amount	Date	Particulars	Amount
2018		₹	2018		
Sept. 30	To Party A/c	18,000	Sept. 30	By Balance b/d	8,062
	To Customer A/c			By Bank charges	280
	(Direct deposit)	1,15,400		By Customer A/c	
	To B/R collected	59,000		(B/R dishonoured)	1,60,000
	To Balance c/d	1,75,942		By Bills payable	2,00,000
		3,68,342			3,68,342

Bank Reconciliation Statement as on 30th September, 2018

Particulars	Amount
	₹
Overdraft as per Cash Book	1,75,942
Add: Cheque deposited but not collected up to 30th Sept., 2018	11,14,000
	12,89,942
Less: Cheques issued but not presented for payment up to 30th Sept., 2018	(13,46,000)
Credit by Bank erroneously on 6th Sept.	(30,000)
Balance as per bank statement	86,058

**Q.25** Prepare the Bank Reconciliation Statement of M/s. R.K. Brothers on 30th June 2018 from the particulars given below:



- (i) The Bank Pass Book had a debit balance of ₹ 25,000 on 30th June, 2018.
- (ii) A cheque worth ₹ 400 directly deposited into Bank by 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 30th 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 30th June, 2018, ₹ 14,000
  - (2) Cheques collected on 10th July, 2018, ₹ 4,000
  - (3) Cheques collected on 12th 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 under cast by ₹ 2,000.

**Ans** Bank Reconciliation Statement as on 30th June 2018

	Particulars	Amount	Amount
	Overdraft as per Pass Book (Dr. Balance)		25,000
Add:	Cheques issued but not presented ₹ (34,000-20,000)	14,000	
	Cheques deposited into the Bank by Customer but not entered in Cash Book	400	
	Bank charges written twice in Cash Book	80	14,480
			39,480
Less:	Cheques received, recorded in cash Book but not sent to the Bank	4,000	
	Cheques sent to the Bank but not collected	6,000	
	Direct payment made by the bank not recorded in the Cash book	600	
	Interest on Overdraft charged by Bank	1,600	
	Insurance charges not entered in Cash Book	70	
	Credit side of bank column of Cash Book was undercast	2,000	14,270
	Overdraft as per Cash Book		25,210

**Q.26** Prepare a bank reconciliation statement from the following particulars as on 31st March, 2018.

Particulars	(₹)
Debit balance as per bank column of the cash book	18,60,000
Cheque issued to creditors but not yet presented to the Bank for payment	3,60,000
Dividend received by the bank but not entered in the Cash book	2,50,000
Interest allowed by the Bank	6,250

Cheques deposited into bank for collection but not collected by bank up to this date	7,70,000
Bank charges not entered in Cash book	1,000
A cheque deposited into bank was dishonoured, but no intimation received	1,60,000
Bank paid house tax on our behalf, but no intimation received from bank in this connection	1,75,000

Ans Bank Reconciliation Statement as on 31st March, 2018

Particulars	Details ₹	Amount ₹
<b>Debit balance as per Cash Book</b>		18,60,000
Add: Cheque issued but not yet presented to bank for payment	3,60,000	
Dividend received by bank not entered in cash book	2,50,000	
Interest credited by bank	6,250	6,16,250
		24,76,250
Less: Cheques deposited into bank but not yet collected	7,70,000	
Bank charges debited by Bank	1,000	
Cheque deposited into bank was dishonoured	1,60,000	
House tax paid by bank	1,75,000	(11,06,000)
<b>Credit balance as per Pass Book</b>		<b>13,70,250</b>

Q.27 The Bank Pass Book of Account No.5678 of Mrs. Rani showed an overdraft of ₹ 33,575 on 31st March 2018. On going through the Pass Book, the accountant found the following:

- A Cheque of Rs,1,080 credited in the pass book on 28th March 2018 being dishonoured is debited again in the pass book on 1st April 2018. There was no entry in the cash book about the dishonour of the cheque until 15th April 2018.
- 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.
- Out of ₹ 20,500 paid in by Mrs. Rani in cash and by cheques on 31st March 2018 cheques amounting to ₹ 7,500 were collected on 7th April, 2018.
- Out of Cheques amounting to ₹ 7,800 drawn by her on 27th March, 2018 a cheque for ₹ 2,500 was encashed on 3rd April, 2018.
- Bankers seems to have given here 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.
- A cheque for ₹ 1,000 entered in Cash Book but omitted to be banked on 31st March, 2018.
- A Bill Receivable for ₹ 5,200 previously dishonoured (Discount ₹ 200) with the Bank had been dishonoured but advice was received on 1st April, 2018.
- 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.
- A Cheque for ₹ 2,400 deposited into bank but omitted to be recorded in Cash Book and was collected by the bank on 31st March, 2018.

Prepare Bank Reconciliation Statement as on 31st March, 2018.



Ans

**Bank Reconciliation Statement as on 31st March, 2018**

Particulars	₹
Bank balance (Debit i.e. overdraft) as per Bank Pass book	33,575
(i) No adjustment required as there would be no difference on 31.3.18	
(ii) Add: No entry in Cash book for interest collection by Bank	2,800
(iii) Less: Amount debited in cash book for pending cheques in collection but not credited in Pass Book	(7,500)
(iv) Add: Cheque credited in cash book but not debited in pass book	2,500
(v) Add: Reversal of wrong Credit	500
Less: Reversal of wrong debit	(300)
(vi) Less: Cheque of ₹ 1,0000 entered in cash book but omitted to be banked	(1,000)
(vii) Less: Discounted dishonored but no entry in Cash book	(5,200)
(viii) Add: Rebate on bill retired not entered in cash book	175
(viii) Add: Cheques deposited in bank not yet recorded in cash book	<u>2,400</u>
Balance (Cr. i.e. overdraft) as per Cash book	<u>27,950</u>

**Note:** A cheque of ₹ 1,080 credited in Pass Book on 28th March, 2018 and later debited in Pass Book on 1st April, 2018 has no effect on Bank Reconciliation statement as at 31 st March, 2018

**Q.28** 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:

1. A cheque for ₹ 26,28,000 deposited on 29th September, 2022 was credited by the bank only on 3rd October, 2022
2. A payment by cheque for ₹ 32,000 has been entered twice in the Cash Book.
3. 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.
4. Bank charges amounting to ₹ 1,160 had not been entered in the Cash Book.
5. On 6th September, 2022, the bank credited ₹ 40,000 to Vikrant in error.
6. 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.

Ans

**Cash Book (Bank Column)**

Date	Particulars	Amount	Date	Particulars	Amount
2022		₹	2022		
Sept. 30	To Party A/c	32,000	Sept. 30	By Balance b/d	8,124
	To Customer A/c			By Bank charges	1,160

(Direct deposit)	2,34,800	By Customer A/c	2,80,000
To Balance c/d	22,484	(B/R dishonoured)	
	2,89,284		2,89,284

(ii) Bank Reconciliation Statement as on 30th September, 2022

Particulars	Amount (₹)
Overdraft as per Cash Book	22,484
Add: Cheque deposited but not collected upto 30th Sept., 2022	26,28,000
	26,50,484
Less: Cheques issued but not presented for payment upto 30th Sept., 2022	(26,52,000)
Credit by Bank erroneously on 6th Sept.	(40,000)
Overdraft as per bank statement	41,516

**Note:** Bank has credited Vikrant by 40,000 in error on 6th September, 2022. If this mistake is rectified in the bank statement, then this will not be deducted in the above statement along with ₹ 26,52,000 resulting in debit balance of ₹ 1,516 as per pass-book.

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.

**Q.29** On 31st October, 2022, the Cash Book of Mr. Shankar showed an overdrawn position of ₹ 13,440 although his Bank Statement showed only ₹ 9,600 overdrawn. An examination of the two records showed the following errors:

- The debit side of the Cash Book was undercast by ₹ 1,200.
- A cheque for ₹ 4,800 in favour of Hari suppliers Ltd. was omitted by the bank from the statement, the cheque was debited to another customer's Account.
- A cheque for ₹ 561 drawn for payment of telephone bill was recorded in the Cash Book as ₹ 516 but was shown correctly in the Bank Statement.
- A cheque for ₹ 1,275 from Mr. Satpal paid into bank was dishonoured and shown as such on the Bank Statement, although no entry relating to the dishonoured cheque was made in the Cash Book.
- The Bank had debited a cheque for ₹ 450 to Mr. Shankar Account by mistake, it should have been debited by them to Mr. Kar's Account.
- A dividend of ₹ 300 was collected by the bank but not entered in the Cash Book.
- Cheques totalling ₹ 3,900 drawn on October was not presented for payment.
- Cheque for ₹ 3,600 deposited on 30th October was not credited by the Bank.



- (x) Interest amounting to ₹ 900 was debited by the Bank but yet to be entered in the Cash Book.

You are required to prepare a Bank Reconciliation Statement on 31st October, 2022.

**Ans** Bank Reconciliation Statement as on 31st October, 2022

Particulars		₹	₹
Bank Overdraft as per Bank Statement			9,600
Add: (i)	Debit side of the Cash Book was undercast	1,200	
(ii)	Cheque issued but debited by the Bank to another customer's account by mistake	4,800	
(vi)	Dividend directly collected by the Bank but not entered in the Cash Book	300	
(vii)	Cheque issued but yet to be presented for payment	<u>3,900</u>	<u>10,200</u>
			19,800
Less: (iii)	Cheque issued for ₹ 561 posted in the Cash Book as ₹ 516	45	
(iv)	Cheque dishonoured but not recorded in the Cash Book	1,275	
(v)	Wrong debit by the Bank to Shankar's A/c	450	
(viii)	Cheque deposited but yet to be credited	3,600	
(ix)	Interest debited by the Bank and yet to be entered in the Cash Book	<u>900</u>	<u>6,270</u>
Bank overdraft as per the Cash Book (Cr.)			<u>13,530</u>

**Q.30** The Cash-book of M/s Rajat shows ₹ 1,10,280 as the balance at Bank as on 31st March, 2022. But this does not agree with balance as per the Bank Statement. On scrutiny following discrepancies were found:

- Subsidy ₹ 41,000 received from the government directly by the bank, but not advised to the company.
- On 15th March, 2022 the payments side of the Cash-book was under cast by ₹ 1400.
- On 20th March, 2022 the debit balance of ₹ 8624 as on the previous day, was brought forward as credit balance in Cash-book.
- A customer of the M/s Rajat, who received a cash discount of 5% on his account of ₹ 80,000, paid to M/s Rajat a cheque on 24th March, 2022. The cashier erroneously entered the gross amount in the Cash-Book.
- On 10th March, 2022 a bill for ₹ 22,800 was discounted from the bank, entered in Cash-book, but proceeds credited in Bank Statement amounted to ₹ 22,000 only.
- A cheque issued amounting to ₹ 6,900 returned marked 'out of date'. No entry made in Cash-book.
- Insurance premium ₹ 3,024 paid directly by bank under a standing order. No entry made in cash-book.
- A bill receivable for ₹ 6,120 discounted for ₹ 6,000 with the bank had been dishonoured



on 30th March,2022, but advice was received on 1st April,2022.

9. Bank recorded a Cash deposit of ₹ 6,550 as ₹ 6,505. Prepare Bank Reconciliation Statement on 31st March,2022.

**Ans** Bank Reconciliation Statement on 31st March,2022

Bank Balance as per Cash Book			1,10,280
Add:	(i)	Subsidy from government received directly by the bank not recorded in the Cash Book	41,000
	(iii)	Debit balance of ₹8624 brought forward as credit balance on 20th March, 2022 in the Cash Book	17,248
	(vi)	Cheque issued returned marked 'out of date'	6,900
			<u>65,148</u>
			1,75,428
Less:	(ii)	Cash Book under cast on 15th March, 2022	1,400
	(iv)	Discount allowed to a customer, however entry made at gross amount in the Cash Book	400
	(v)	Commission charged by bank on discounting of bill, not considered in Cash Book	800
	(vii)	Insurance Premium paid directly by bank under standing instructions	3,024
	(viii)	Discounted B/R dishonoured; not entered in Cash Book	6,120
	(ix)	Bank recorded short cash deposit	45
			<u>11,789</u>
Balance as per Bank Statement			<u>1,63,639</u>

**Q.31** From the following particulars of M/s Swapnil enterprises, prepare a Bank reconciliation statement:

- Bank overdraft as per Pass Book as on 31st March, 2021 was ₹ 8,800
- Cheques deposited in Bank for ₹ 5,800 but only ₹ 2,000 were cleared till 31st March.
- Cheques issued were ₹ 2,500, ₹ 3,800 and ₹ 2,000 during the month. The cheque of ₹ 5,800 is still with supplier.
- Dividend collected by Bank ₹ 1,250 was wrongly entered as ₹ 1,520 in Cash Book.
- Amount transferred from fixed deposit A/c into the current A/c ₹ 2,000 appeared only in Pass Book
- Interest on overdraft ₹ 930 was debited by Bank in Pass Book and the information was received only on 3rd April 2021.
- Direct deposit by M/s Rajesh Trader ₹ 400 not entered in Cash Book.
- Corporation tax ₹ 1,200 paid by Bank as per standing instruction appears in Pass Book only.

**Ans** Bank Reconciliation Statement as on 31st March, 2021

Particulars	Amount ₹
Overdraft as per Pass Book	8,800
Add: (i) Cheques issued but not presented till 31st March	5,800



(ii)	Transfer from fixed deposit	2,000	
(iii)	Direct deposit by M/s Rajesh Trader	<u>400</u>	8,200
			17,000
Less: (i)	Cheques deposited but not cleared (5,800 - 2,000)	3,800	
(ii)	Dividend collected excess recorded in Cash Book (1,520-1,250)	270	
(iii)	Interest on overdraft debited in Pass Book only	930	
(iv)	Corporation tax paid appeared in Pass Book only	1200	6,200
	Overdraft as per Cash Book		10,800

**Q.32** On 31st March, 2021 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:  
 Cheques issued to 'X' for ₹ 60,000 and to 'Y' for ₹ 3,84,000 were not yet presented for payment.  
 Bank charged ₹ 350 for bank charges and 'Z' directly deposited ₹ 1,816 into the bank account, which were not entered in the cash book.

Two cheques-one from 'A' for ₹ 5,15,000 and another from 'B' for ₹ 12,500 were collected in the first week of April, 2021 although they were banked on 25.03.2021.

Interest allowed by bank ₹ 4,500.

Prepare a bank reconciliation statement as on 31st March, 2021.

**Ans** Bank Reconciliation Statement as on 31st March, 2021

Particulars	Details ₹	₹	Amount ₹
Credit balance as per the pass book			15,65,000
Add: Cheques deposited into bank but not yet collected	A: 5,15,000		
	B: 12,500	5,27,500	
Bank charges debited by the bank		350	5,27,850
Less: Cheques issued but not presented for payment	X: 60,000		20,92,850
	Y: 3,84,000	4,44,000	
Direct deposit of cash in bank by Z		1,816	
Interest allowed by the bank		4,500	(4,50,316)
Debit balance as per the cash book			16,42,534

**Q.33** From the following information (as on 31.3.2020), prepare a bank reconciliation statement after making necessary adjustments in the cash book:

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

Also show the bank balance that will appear in the trial balance as on 31.3.2020.

**Ans** Cash Book as on 31.3.2020 (After making necessary adjustments)

Dr.			Cr.
Particulars	Amount ₹	Particulars	Amount ₹
To Balance b/d	32,50,000	By Bank charges	12,500
To Dividend	1,25,000	By Insurance premium	15,900
		By Trade receivables (cheque dishonoured)	1,30,000
		By Cash A/c (wrongly recorded cash sales)	2,55,000
		By Balance c/d	29,61,600
	33,75,000		33,75,000

**Bank Reconciliation Statement as on 31.3.2020**

Particulars	Details	Amount ₹
Bank balance as per the cash book		29,61,600
Add: Cheques issued but not yet presented for payment	35,62,000	37,12,000
		66,73,600
	1,50,000	(44,75,000)
		21,98,600
Wrong credit given by bank	1,50,000	37,12,000
		66,73,600
Less: Cheques deposited but not yet credited by bank		(44,75,000)
Balance as per the pass book		21,98,600

The bank balance of ₹ 29,61,600 will appear in the trial balance as on 31st March, 2020.

Note: Cash sales should have been recorded by passing the following entry:

Cash A/c      Dr      2,55,000

To Sales A/c      2,55,000

But it has been wrongly debited to Bank A/c, so following rectification entry has been passed:

Cash A/c      Dr.      2,55,000

To Bank A/c      2,55,000

**Q.34** Prepare a Bank Reconciliation Statement of Shri Hari as on 31st March, 2020:

- Balance as per Pass Book is ₹ 10,000.
- Bank collected a cheque of ₹ 500 on behalf of Shri Hari but wrongly credited it to Shri Hari's Account (another customer of bank).
- Bank recorded a cash deposit of ₹ 1,589 as ₹ 1,598.
- Withdrawal column of the Pass Book undercast by ₹ 100.
- The credit balance of ₹ 1,500 on page 5 was recorded on page 6 as debit balance.
- The payment of a cheque of ₹ 350 was recorded twice in the Pass Book.
- The Pass Book showed a credit for a cheque of ₹ 1,000 deposited by Shri Hari (another customer of the bank).



Ans

**Bank Reconciliation Statement as at 31.03.2020**

		₹
Balance as per Pass Book		10,000
Add: Cheque wrongly credited to another customer's A/c	500	
Error in carrying forward	3,000	
Cheque recorded twice	<u>350</u>	<u>3,850</u>
		13,850
Less: Excess credit for cash deposit	9	
Undercasting of withdrawal column	100	
Wrong credit	<u>1,000</u>	<u>1,109</u>
Balance as per Cash Book		<u>12,741</u>

**Q.35** Prepare a bank reconciliation statement from the following particulars as on 31 st March, 2018.

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

**Ans** **Bank Reconciliation Statement as on 31st March, 2018**

Particulars	Details ₹	Amount ₹
Debit balance as per Cash Book		18,60,000
Add: Cheque issued but not yet presented to bank for payment	3,60,000	
Dividend received by bank not entered in cash book	2,50,000	
Interest credited by bank	<u>6,250</u>	<u>6,16,250</u>
		24,76,250
Less: Cheques deposited into bank but not yet collected	7,70,000	
Bank charges debited by Bank	1,000	
Cheque deposited into bank was dishonoured	1,60,000	
House tax paid by bank	<u>1,75,000</u>	<u>(11,06,000)</u>
Credit balance as per Pass Book		<u>13,70,250</u>

- Q.36** On 30th September, 2019, the bank account of Neel, 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 Neel. An examination of the Cash Book and Bank Statement reveals the following:
1. A cheque for ₹ 26,28,000 deposited on 29th September, 2019 was credited by the bank only on 3rd October, 2019
  2. A payment by cheque for ₹ 32,000 has been entered twice in the Cash Book.
  3. On 29th September, 2019, the bank credited an amount of ₹ 2,34,800 received from a customer of Neel, but the advice was not received by Neel until 1st October, 2019.
  4. Bank charges amounting to ₹ 1,160 had not been entered in the Cash Book.
  5. On 6th September, 2019, the bank credited ₹ 40,000 to Neel in error.
  6. A bill of exchange for ₹ 2,80,000 was discounted by Neel with his bank. This bill was dishonoured on 28th September, 2019 but no entry had been made in the books of Neel.
  7. Cheques issued upto 30th September, 2019 but not presented for payment upto that date totalled ₹ 26,52,000.
- You are required:
- (a) to show the appropriate rectifications required in the Cash Book of Neel, to arrive at the correct balance on 30th September, 2019 and
  - (b) to prepare a bank reconciliation statement as on that date.

**Ans** (i) **Cash Book (Bank Column)**

Date	Particulars	Amount	Date	Particulars	Amount
2019		₹	2019		
Sept. 30	To Party A/c	32,000	Sept. 30	By Balance b/d	8,124
	To Customer A/c (Direct deposit)	2,34,800		By Bank charges	1,160
	To Balance c/d	22,484		By Customer A/c	2,80,000
		2,89,284		(B/R dishonoured)	
					2,89,284

(ii) **Bank Reconciliation Statement as on 30th September, 2019**

Particulars	Amount
	₹
Overdraft as per Cash Book	22,484
Add: Cheque deposited but not collected upto 30th Sept., 2019	26,28,000
	26,50,484
Less: Cheques issued but not presented for payment upto 30th Sept., 2019	(26,52,000)
Credit by Bank erroneously on 6th Sept.	(40,000)
Overdraft as per bank statement	41,516



**Note:** Bank has credited Neel by 40,000 in error on 6th September, 2019. If this mistake is rectified in the bank statement, then this will not be deducted in the above statement along with ₹ 26,52,000 resulting in debit balance of ₹ 1,516 as per pass-book.

**Q.37** On 30th November, 2018, the Cash Book of Mr. Hari showed an overdrawn position of ₹ 4,480 although his Bank Statement showed only ₹ 3,200 overdrawn. An examination of the two records showed the following errors:

- (i) The debit side of the Cash Book was undercast by ₹ 400.
- (ii) A cheque for ₹ 1,600 in favour of Y suppliers Ltd. was omitted by the bank from the statement, the cheque was debited to another customer's Account.
- (iii) A cheque for ₹ 172 drawn for payment of telephone bill was recorded in the Cash Book as ₹ 127 but was shown correctly in the Bank Statement.
- (iv) A cheque for ₹ 425 from Mr. Pal paid into bank was dishonoured and shown as such on the Bank Statement, although no entry relating to the dishonoured cheque was made in the Cash Book.
- (v) The Bank had debited a cheque for ₹ 150 to Mr. Hari's Account by mistake, it should have been debited by them to Mr. Kar's Account.
- (vi) A dividend of ₹ 100 was collected by the bank but not entered in the Cash Book.
- (vii) Cheques totalling ₹ 1,300 drawn on November was not presented for payment.
- (viii) Cheque for ₹ 1,200 deposited on 30th November was not credited by the Bank.
- (ix) Interest amounting to ₹ 300 was debited by the Bank but yet to be entered in the Cash Book.

You are required to prepare a Bank Reconciliation Statement on 30th November, 2018.

**Ans** Bank Reconciliation Statement as on 30th November, 2018

Particulars		₹	₹
Bank Overdraft as per Bank Statement			3,200
Add:	(i) Debit side of the Cash Book was undercast	400	
	(ii) Cheque issued but debited by the Bank to another customer's account by mistake	1,600	
	(vi) Dividend directly collected by the Bank but not entered in the Cash Book	100	
	(vii) Cheque issued but yet to be presented for payment	<u>1,300</u>	<u>3,400</u>
			6,600
Less:	(iii) Cheque issued for ₹ 172 posted in the Cash Book as ₹ 127	45	
	(iv) Cheque dishonoured but not recorded in the Cash Book	425	
	(v) Wrong debit by the Bank to Hari's A/c	150	
	(viii) Cheque deposited but yet to be credited	1,200	
	(ix) Interest debited by the Bank and yet to		



be entered in the Cash Book	300	<u>2,120</u>
Bank overdraft as per the Cash Book (Cr.)		<u>4,480</u>

**Q.38 Prepare a Bank Reconciliation Statement of Shri Hari as on 31st March, 2018:**

- (i) Balance as per Pass Book is ₹ 10,000.
- (ii) Bank collected a cheque of ₹ 500 on behalf of Shri Hari but wrongly credited it to Shri Hari's Account (another customer of bank).
- (iii) Bank recorded a cash deposit of ₹ 1,589 as ₹ 1,598.
- (iv) Withdrawal column of the Pass Book undercast by ₹ 100.
- (v) The credit balance of ₹ 1,500 on page 5 was recorded on page 6 as debit balance.
- (vi) The payment of a cheque of ₹ 350 was recorded twice in the Pass Book.
- (vii) The Pass Book showed a credit for a cheque of ₹ 1,000 deposited by Shri Hari (another customer of the bank).

**Ans Bank Reconciliation Statement as at 31.03.2018**

		₹
Balance as per Pass Book		10,000
Add: Cheque wrongly credited to another customer's A/c	500	
Error in carrying forward	3,000	
Cheque recorded twice	<u>350</u>	<u>3,850</u>
		13,850
Less: Excess credit for cash deposit	9	
Undercasting of withdrawal column	100	
Wrong credit	<u>1,000</u>	<u>1,109</u>
Balance as per Cash Book		<u>12,741</u>