

## Bhagya Achievers Test Series

### CA Foundation

#### Paper 1: Accounting

#### Chapter 3: Book Reconciliation Statements

Total Marks: 20

Time: 40min.

#### Question1. (15 Marks)

Prepare a Bank Reconciliation statement for Krishna Traders as on 31st March,2023.

The cash book of Krishna Traders shows a debit balance of Rs 8,24,400 at bank as on 31st March,2023, but you find that it does not agree with the balance as per Pass Book. After checking you find the following:

1. On 12th March, 2023 the payment side of the Cash Book was under cast by Rs 24,000/-
2. A cheque of Rs 1,70,000 issued on 20th March, 2023 was not taken in the bank column.
3. On 22nd March, 2023 the debit balance of Rs 37,000 as on the previous day, was brought forwards as credit balance.
4. Out of the total cheques amounting to Rs 84,000 issued in, the last week of March, 2023, cheques aggregating Rs 57,000 were encashed in March, 2023.
5. Dividends of Rs 70,000 collected by the Bank and Fire insurance premium of Rs 40,000 paid by it were not recorded in the cash book.
6. One cheque issued to a Creditor of Rs 2,58,000 was recorded twice in the Cash book.
7. A debtor Mr. A has deposited the Cheque for Rs 64,000 into the bank directly in the month of March, 2023 without intimating to Krishna Traders and the same cheque was dishonored by the bank due to insufficient funds in the month of March itself.
8. A cheque from customer for Rs 10,000 was deposited in bank on 28th March,2023 but was dishonored and advice received from bank on 3rd April, 2023.
9. Bank paid credit card bill of Rs 5,000 which is not recorded in cash book.

10. Bank wrongly credited cheque of Rs 50,000 of other customer in our account.
11. Bank credited cheque of Rs 4,000 in savings account of proprietor of Krishna Traders instead of crediting cheque in current account of Krishna Traders.
12. Rs 1,000 discount received wrongly entered in bank column in cash book.
13. Bank debited charges Rs 400 on 25th March for which no intimation received till 31st March.

**Answer: 1. (15 Marks)**

<b>Bank Reconciliation Statement of Krishna Traders as on 31st March, 2023</b>		
Particulars	Amount (Rs)	Amount (Rs)
Balance as per Cash Book		8,24,400
Add:		
Mistake in bringing forward Rs37,000/- debit balance as credit balance on 22nd March	74,000	
Cheques issued but not presented		
Issued = Rs84,000 less cashed Rs 57,000 = Rs27,000/-	27,000	
Dividend directly collected but not entered in cash book	70,000	
Cheques recorded twice in the cash book	2,58,000	
Wrongly credited cheque by bank	50,000	
Discount amount wrongly entered in bank column	1,000	
<b>TOTAL</b>		<b>4,80,000</b>
Less:		
Wrong casting in cash book on 12th March, 2023	24,000	
Cheque issued and not entered in the Bank Column	1,70,000	
Fire Insurance premium paid directly by bank	40,000	
Cheque dishonored not recorded in books	10,000	
Credit card payment not recorded in cash book	5,000	
Cheque wrongly deposited by bank in savings account	4,000	
Bank charges debited not recorded in cash book	400	

TOTAL		2,53,400
Balance as per the Passbook		10,51,000

**Note:** No effects of cheque deposit directly and dishonored in the same Month. Alternatively amount of Rs 64,000/- can be added as well as deducted from balance as per cash book.

### Question2. (5 Marks)

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

- i) Overdraft as per passbook on March 31, 2022, is Rs 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 Rs 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.
- vi) Amount of Rs. 20,500 is wrongly debited by the bank
- vii) Interest on Investment Rs. 83,800 collected and credited by bank but the same has not been entered in the Cash Book.

### Answer: 2. (5 Marks)

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

	Rs	Rs
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	17,950	
Amount wrongly debited by bank	20,500	1,30,950
Overdraft as per cash book		289,350

