

## **Types of Ceque Book**

- 1. The account on which overdraft facility is allowed by bank.**
- 2. Extract of ledger account of account holder in the books of bank.**
- 3. Alphanumeric code that facilitates electronic funds transfer in India.**
- 4. Statement showing the causes of disagreement between balance of Cash Book and Pass Book.**
- 5. Debit balance in Pass Book.**
- 6. A form which is filled for depositing cash or cheque into bank.**
- 7. Left hand side of Pay-in-slip.**
- 8. Credit balance in Cash Book.**
- 9. A book maintained by trader to record banking transactions.**
- 10. Excess of bank deposits over withdrawals by businessman in bank current account.**

**Answer : 1. Current account.**

**2. Pass Book.**

**3. IFSC (Indian Financial System Code).**

**4. Bank Reconciliation Statement.**

**5. Overdraft as per Pass Book.**

**6. Pay-in-slip.**

**7. Counterfoil.**

**8. Overdraft as per Cash Book.**

**9. Cash Book.**

**10. Bank balance (favourable balance).**

***Do you agree or disagree with the following statements:***

- 1. The bank column of Cash Book represents bank account.**
- 2. Bank statement enables account holder to prepare Bank Reconciliation Statement.**
- 3. Cheques issued for payment but not presented to bank appears in Cash Book only.**
- 4. Bank Reconciliation Statement is prepared only during the year end.**
- 5. Bank Reconciliation Statement is similar to bank statement**
- 6. Bank balance as per Cash Book is always equal to bank balance as per Pass Book.**
- 7. Bank advice is sent by the businessman to bank.**
- 8. Pay-in-slip is used for depositing cheque into bank.**
- 9. Difference in Cash Book balance and Pass Book balance may arise due to errors committed while recording.**
- 10. Payment and receipt of cash through internet banking generates automatic proof.**

**Answer : Agree : 1, 2, 3, 8, 9, 10    Disagree : 4, 5, 6, 7**

**Select the most appropriate alternative from those given and rewrite the following statements:**

**1. Overdraft means \_\_\_\_\_ balance of Cash Book.**

**a) closing b) debit c) opening d) credit**

**2. When a cheque is deposited and collected by bank Pass Book is \_\_\_\_\_ .**

**a) dishonoured b) debited c) credited d) written.**

**3. A \_\_\_\_\_ is a summary of financial transactions that take place over a period of time**

**on a bank account.**

**a) withdrawal slip b) bank advice c) bank statement d) Pay-in-slip.**

**4. Debiting an entry in Cash Book \_\_\_\_\_ cash balance.**

**a) increases b) decreases c) nullifies d) none of the above.**

**5. Bank Reconciliation Statement is prepared by \_\_\_\_\_ .**

**a) student b) businessman c) bank d) none of the above.**

**6. Bank balance as per Pass Book means \_\_\_\_\_ balance of Pass Book.**

a) credit b) opening c) debit d) closing.

7. Bank gives overdraft facility to \_\_\_\_\_ account holder.

a) savings b) recurring c) current d) fixed.

8. Debit balance as per Cash Book is also known as \_\_\_\_\_ balance.

a) favourable b) overdraft c) abnormal d) unfavourable.

9. When extracts of Cash Book and Pass Book are given for uncommon periods, only

\_\_\_\_\_ items are considered for preparation of Bank Reconciliation Statement.

a) uncommon b) normal c) favourable d) common.

10. When extract of Cash Book and Pass Book are given for common period, only \_\_\_\_\_

items are considered for preparation of Bank Reconciliation Statement.

a) uncommon b) common c) favourable d) unfavourable.

**Answer : 1. Credit. 2. Credited. 3. Bank statement. 4. Increases.**

**5. Businessman. 6. Credit. 7. Current 8. Favourable.**

**9. Common. 10. Uncommon.**

**Complete the following statements :**

1. Payments credited in Cash Book are \_\_\_\_\_ in Pass Book.

2. While preparing Bank Reconciliation Statement only \_\_\_\_\_ column of Cash Book

is considered.

3. Cheques issued to creditors appear first in \_\_\_\_\_ book.

4. A statement showing the reasons for difference in Cash Book balance and Pass Book

balance is known as \_\_\_\_\_ .

5. Overcast on receipt side of Pass Book means \_\_\_\_\_ in Pass Book balance.

6. Online transfer made to our creditors appear on the \_\_\_\_\_ side of Cash Book.

7. Interest on overdraft charged by bank is \_\_\_\_\_ in Pass Book.

8. Normally the Cash Book shows debit balance and Pass Book shows \_\_\_\_\_ balance.

9. The form filled for withdrawing cash from bank is known as \_\_\_\_\_ .

10. A businessman can update his records on receiving \_\_\_\_\_ .

**Answer : 1. Debited.**

**2. Bank.**

**3. Cash.**

**4. Bank Reconciliation Statement.**

**5. Increase.**

**6. Payment / credit.**

**7. Debited.**

**8. Credit.**

**9. Withdrawal slip.**

**10. Bank advice.**

**State whether the following statements are True or False with reasons :**

**1. Cheques deposited into bank but not yet cleared appears in the Pass Book only.**

**2. Direct deposit made by debtors into businessman's bank account is recorded on the credit**

**side of Pass Book.**

**3. Businessman can prepare Bank Reconciliation statement only with Cash Book Balance.**

**4. When overdraft as per Cash Book is given, bank charges debited in Pass Book only, is to**

**be added.**

**5. Bank Statement is sent by Bank to businessman.**

**Answer : True : 2, 4, 5 False : 1, 3**

## **PART 1**

**1. A bank pass book is a copy of**

**a) A customer's account in the bank's book**

**b) Cash book relating to bank column**

**c) Cash book relating to each column**

**d) None of these**

**2. A bank reconciliation statement is prepared to know the causes for the difference between**

**a) The balance as per cash column of the cash book and pass book.**

**b) The balance as per bank column of the cash book and pass book**

**c) Both (a) and (b)**

**d) None of above**

**3. Bank reconciliation statement is prepared**

**a) To know the payments made through cheque.**

**b) To know the errors in the pass book.**

**c) To compare the cash book with pass book and ascertain the difference.**

**d) None of these**

**4. Bank reconciliation statement is**

**a) a part of double entry system**

**b) not a part of double entry system**

**c) part of bank statement**

**d) None of these**

**5. Balance shown in the balance sheet is**

**a) Cash book**

**b) Pass book**

**c) Adjusted cash book**

**d) None of these**

**6. Bank reconciliation statement is**

**a) Part of cash book**

**b) a part of double entry system**

**c) a part of pass book**

**d) An independent statement reconciling the balance as per cash book and pas book.**

**7. A bank reconciliation statement is prepared by**

**a) Bank**

**b) debtor**

**c) Creditor**

**d) account holder**

**8. Bank reconciliation statement is prepared by matching.**

**a) Entries in pass book with entries in bank column of cash book.**

**b) Entries in pass book with entries in cash column of cash book.**

**c) Entries in pass book with entries in bank column and cash column of cash book.**



**d) None of these**

**9. Which of the following will not require adjustment in the cash book balance?**

**a) Cheque issued but not presented for payment.**

**b) Cheque deposited but not cleared.**

**c) Cheque wrongly credited by bank**

**d) All of above**

**10. In cash book, the favourable balance indicates**

**a) Credit balance**

**b) Debit balance**

**c) Bank overdraft**

**d) Adjusted balance**

**11. On the bank statement, cash deposited by the company is known as**

**a) Credit**

**b) Debit**

**c) Liability**

**d) Expenses**

**12. When cash is withdrawn from the bank \_\_\_\_\_ the customer account**

**a) Debit**

**b) Credit**

**c) None of above**

**13. What is 'deposit in transit' in bank reconciliation?**

- a) Added to bank balance**
- b) Subtracted from bank balance**
- c) Subtracted from the cash book**
- d) Added to cash book balance**

**14. 'NSF' marked in cheque sent back by bank indicated**

- a) Cheque has been rejected**
- b) A bank could not verify the identify**
- c) No sufficient money**
- d) None of these**

**15. Unpresented cheques also referred to as**

- a) Bounced cheque**
- b) Outstanding cheque**
- c) Uncredited cheque**
- d) Uncollected cheque**

**16. When check is not paid by the bank, it is called?**

- a) Honored**
- b) Endorsed**
- c) Dishonored**
- d) (a) and (b)**

**17. A bank reconciliation statement is prepared by**

- a) Bank
- b) Accountant of business
- c) Auditor
- d) Registrar

**18. Bank reconciliation statement is a**

**a) Part of cash book**

- b) Part of bank account**
- c) part of cash account**
- d) None of the above**

**19. A bank reconciliation statement is prepared with the help of**

- a) Bank statement and bank column of cash book**
- b) Bank statement and cash column of cash book**
- c) Bank column of cash book and cash column of cash book**
- d) None of these**

**20. Debit balance as per cash book of ABC Co. on 31.03.2020 is Rs. 1500. Cheque deposited but not cleared amounts to Rs. 100 and cheque issued but not presented of Rs. 150. Balance as per pass book should be**

- a) 1750**
- b) 1550**
- c) 1650**
- d) None of these**

**Answers to Bank Reconciliation Statement**

**1) A**

**2) B**

**3) C**

**4) B**

**5) A**

**6) D**

**7) D**

**8) A**

**9) C**

**10) B**

**11) A**

**12) A**

**13) C**

**14) C**

**15) C**

**16) C**

**17) B**

**18) D**

**19) A**

**20) B**

## **PART 2**

**1. Statement that explain the causes of difference between cash book and bank statement is called:**

1. **Bank Statement**
2. **Financial Statement**
3. **Income Statement**
4. **Bank Reconciliation statement**

**2. Bank Reconciliation Statement is prepared by:**

1. **Bank**
2. **Customer's Accountant**
3. **Auditors**
4. **None of the above**

**3. A statement which is used to reconcile the bank balance as per cash book and bank statement is called:**

1. **Financial Statement**
2. **Bank Reconciliation Statement**
3. **Bank Statement**
4. **Income Statement**

**4. Customer's copy of the account provided by the bank to the depositor to record deposits and withdrawals is called:**

1. **Sales Book**
2. **Cash Book**
3. **Pass Book**
4. **Purchases Book**

**5. Bank Statement is kept by:**

1. **Bank**
2. **Auditors**
3. **Depositor/Customer**
4. **None of these**

**6. Bank Statement is prepared by:**

1. **Banker**
2. **Customer's Accountant**
3. **Auditors**
4. **None of these**

**7. Bank reconciliation statement is a:**

1. **Part of bank statement**
2. **Memorandum statement**
3. **Part of journal**
4. **Ledger Account**

**8. A copy of customer's account in the bank's ledger is called:**

1. **Financial statement**
2. **Balance statement**
3. **Bank Statement**
4. **Deposit statement**

**9. Bank statement is prepared in the books of:**

1. **Bank**
2. **Guarantor**
3. **depositor/Customer**
4. **None of these**

**10. Cheques issued but not presented in the bank are called:**

1. **Un-presented cheques**

2. **Un-credited cheques**
3. **Un-collected cheques**
4. **Un-cleared cheques**

**11. Bank Reconciliation Statement is prepared by the banker.**

1. **True**
2. **False**

**12. Debit balance of Pass Book is an unfavorable balance.**

1. **True**
2. **False**

**13. Credit balance of Cash Book is a favorable balance.**

1. **True**
2. **False**

**14. Bank Balance as per bank statement is shown in the Balance Sheet, at the end of the year.**

1. **True**
2. **False**

**15. Bank Reconciliation Statement is prepared at the end of the accounting year only.**

1. **True**
2. **False**

**16. Only those items are recorded in the Bank Reconciliation Statement that cause a difference in Balance of Cash Book and Pass Book.**

1. **True**
2. **False**

**17. Bank Conciliation Statement can be started with Cash Book Balance only.**

- 1. True**
- 2. False**

**18. Two search causes of difference, debit side of Cash Book (Bank Column) is compared with the credit column of Bank Statement and vice versa.**

- 1. True**
- 2. False**

**19. Un-ticked items on the Credit side of Cash Book represent “Uncredited cheques”.**

- 1. True**
- 2. False**

**20. Cash Book and Bank Statement show.....Balance.**

- 1. Credit**
- 2. Debit**
- 3. Opposite**
- 4. None of the given options**

**21. When bank balance increases, it is debited in.....and credited in\_\_\_\_\_.**

- 1. Pass Book; Cash Book**
- 2. Cash Book; Pass Book**
- 3. None of the given options**



**22. Any decrease in the bank balance is recorded on ..... side of Cash Book and in .....Column of Pass Book.**

- 1. Debit; Credit**
- 2. Credit; Debit**
- 3. None of the given options**

**23. ....balance of Cash Book and..... balance of Pass Book is known as favorable balance.**

- 1. Credit; Debit**
- 2. Debit; Credit**
- 3. None of the given options**

**24. Withdrawals are recorded in the .....column of the Pass Book.**

- 1. Debit**
- 2. Credit**

**25. Bank Reconciliation statement provides mechanism of .....over Cash.**

- 1. External Control**
- 2. Maximum Control**
- 3. Internal Control**
- 4. None of the given options**

**26. Amount of unpresented cheques is .....in Bank Reconciliation Statement.**

- 1. Credited**
- 2. Debited**
- 3. None of the given options**

**27. All amounts credited by bank, but not recorded in Cash Book are..... in BRS.**

- 1. Credited**
- 2. Debited**
- 3. None of the given options**

**28. Amount of any items due to which Cash Book shows more balance than Pass Book balance, are .....in BRS and vice versa.**

- 1. Credited**
- 2. Debited**
- 3. None of the given options**

**29. In cash book, the favorable balance indicates**

- 1. A) Credit Balance**
- 2. B) Debit Balance**
- 3. C) Bank Overdraft**
- 4. D) Adjusted Balance**

**30. On the bank statement, cash deposited by the company is known as**

- 1. A) Credit**
- 2. B) Debit**
- 3. C) Liability**
- 4. D) Expenses**

**31. Bank reconciliation statement compares a bank statement with**

- 1. A) Cash payment journal**
- 2. B) Cash receipt journal**
- 3. C) Financial statements**

**4. D) Cashbook**

**32. What is “Deposit in transit” in bank reconciliation?**

- 1. A) Added to Bank Balance**
- 2. B) Subtracted From Bank Balance**
- 3. C) Subtracted From the Cash Book Balance**
- 4. D) Added to Cashbook Balance**

**33. ‘NSF’ marked in cheque sent back by the bank indicates**

- 1. Cheque has been forged**
- 2. A bank couldn’t verify the identity**
- 3. No sufficient money**
- 4. A cheque cannot be cashed because it’s illegal**

**34. Bank reconciliation description is composed of**

- 1. Bank Accountant**
- 2. Business Manager**
- 3. Business Accountant**
- 4. Controller of the bank**

**35. An unadjusted balance in cash book is because of the result of which error?**

- 1. Deposit in transit**
- 2. The omission of Bank charges**
- 3. Outstanding checks**
- 4. Unpresented checks**

**36. Unpresented checks also referred to as**

- 1. Bounced checks**

2. **Outstanding checks**
3. **Uncredited checks**
4. **Uncollected checks**

**37. In cash book, an amount of ₹5,000 was not recorded. Name the correct cash book adjustment**

1. **It will be credited in cash book**
2. **It will be debited in cash book**
3. **No adjustment needed in the cash book**
4. **Charges will be added to the cash book balance**

**38. What type of cheques is that which is issued by a firm but not deposited to the bank**

1. **Uncredited cheques**
2. **Outstanding cheques**
3. **Uncollected cheques**
4. **Bounced cheques**

**39. The main purpose of preparing a bank reconciliation statement is?**

1. **To know the bank balance**
2. **To know the balance of bank statement**
3. **To correct the cash book**
4. **To identify causes of difference between cash book and bank statement**

**40. Bank reconciliation statement is?**

1. **Part of bank statement**
2. **Part of the cash book**
3. **A separate statement**
4. **a sub-division of journal**

**41. Uncollected checks are also known as?**

1. **Outstanding checks**
2. **Uncleared checks**
3. **Outstation checks**
4. **Both b & c**

**42. Favorable balance means?**

1. **Credit balance in the cash book**
2. **Credit balance in Bank statement**
3. **Debit balance in cash book**
4. **both b and c**

**43. Unfavorable balance means?**

1. **Credit balance in the cash book**
2. **Credit balance in Bank statement**
3. **Debit balance in cash book**
4. **Debit balance in petty cash book**

**44. When check is not paid by the bank, it is called?**

1. **Honored**
2. **Endorsed**
3. **Dishonored**
4. **a & b**

**45. A bank reconciliation statement is prepared by?**

1. **Banker**
2. **Accountant of the business**
3. **Auditors**
4. **Registrar**

**46. Bank reconciliation is not a?**

1. **Reconcile records**
2. **Memorandum statement**
3. **Ledger account**
4. **Procedure to provide cash book adjustments**

**47. The balance on the debit side of the bank column of cash book indicates?**

1. **The total amount has drawn from the bank**
2. **Cash at bank**
3. **The total amount overdraft in the bank**
4. **None of above**

**48. Bank statement also called?**

1. **Pass book**
2. **Cash book**
3. **Credit book**
4. **Debit book**

**49. When bank statement shows a debit balance, it means?**

1. **Overdraft balance as per cash book**
2. **Unfavorable balance as per cash book**
3. **Unfavorable balance as per bank book**

**4. None of the above**

**50. The cheQUE which is deposited into bank but not cleared at the end of a particular year is called?**

- 1. Uncredited check**
- 2. Unpresented check**
- 3. Omitted check**
- 4. Dishonored check**

**51. When dealing with Bank reconciliation statement while using missing method the credit side of cash book corresponds to?**

- 1. Debit side of cash book**
- 2. Credit side of Bank statement**
- 3. Debit side of Bank statement**
- 4. None of them**

**52. In cash book bank charges recorded?**

- 1. Credit side**
- 2. Debit side**
- 3. both a & b**
- 4. None of them**

**53. Credit balance as per pass book is?**

- 1. Unfavorable balance**
- 2. Favorable balance**
- 3. Both a & b**
- 4. None**

**54. When cash is deposited into bank then the following account would be debited in the company accounts?**

- 1. Cash account**
- 2. Overdraft account**
- 3. Bank account**
- 4. None**

**55. Which of the following would not affect bank reconciliation?**

- 1. Dishonored cheque**
- 2. Discount received**
- 3. Bank interest**
- 4. Check not presented**

**56. An amount of Rs. 1,000 is debited twice in the bank statement. When overdraft as per the cash book is the starting point?**

- 1. Rs. 1,000 will be deducted**
- 2. Rs. 1,000 will be added**
- 3. Rs. 2,000 will be deducted**
- 4. Rs. 2,000 will be added**

**57. Which one of the following is not missing of cash book?**

- 1. Mistakes in cash book**
- 2. Outstation check**
- 3. Bank charges debited in bank statement?**
- 4. Interest credited in bank statement**

**58. If any amount is directly deposited into the bank then?**



1. **Cash book will show less balance & bank book will show more**
2. **Cash book will show more balance & bank book will show less**
3. **Cash book will show double balance**
4. **Bank book will show double balance**

**59. Bank reconciliation statement is :**

1. **Ledger**
2. **A Journal**
3. **A Book**
4. **A memorandum statement**

**60. Unfavorable balance of pass book means:**

1. **Debit balance of pass book**
2. **Debit balance of cash book**
3. **Credit balance of pass book**
4. **None of these**

**61. In adjusting the Cash Book balance one of the following is not taken into account.**

1. **Mistake**
2. **Mistake in pass book**
3. **Mistake in cash book**
4. **None of these**

**62. Disagreement balance of cash book and pass book is known through:**

1. **Pass book**
2. **Subsidiary book**
3. **Petty cash book**

#### **4. Bank reconciliation statement**

**63. The payment side of cash book is understated by Rs.200.:**

- 1. Rs. 200 added**
- 2. Rs. 200 deducted**
- 3. Rs. 400 added**
- 4. Rs. 400 deducted**

**64. An amount of Rs.1000 is debited twice in bank statement, the effect of it on cash book:**

- 1. Rs. 1000 added**
- 2. Rs. 2000 deducted**
- 3. Rs. 1000 deducted**
- 4. Rs. 2000 added**

**65. An amount of Rs.50 debited by bank as bank charges:**

- 1. Credit in cash book**
- 2. Credit in pass book**
- 3. Credit in cash payment journal**
- 4. Record in cash Receipt journal**

**66. Favorable bank balance means:**

- 1. Credit balance of cash book**
- 2. Debit balance of cash book**
- 3. Debit balance of pass book**
- 4. None of these**

**67. When bank column of cash book shows a debit balance, it means:**

1. **Overdraft Balance**
2. **Bank Balance**
3. **Favorable Balance**
4. **Unfavorable Balance**

**68. The periodical returns sent by bank to customer is called:**

1. **Income Statement**
2. **Bank Statement**
3. **Bank Reconciliation Statement**
4. **Ledger Statement**

**69. Bank reconciliation represents:**

1. **Ledger**
2. **Journal**
3. **Statement**
4. **“a’ & ‘c’ Both**

**70. Bank reconciliation statement is prepared by:**

1. **Banker**
2. **Accountant**
3. **Auditor**
4. **None of these**

**ANSWERS :**

1. **Bank Reconciliation Statement**
2. **Customer's Accountant**
3. **Bank Reconciliation Statement**

4. Cash Book
5. Depositor/Customer
6. Banker
7. Memorandum Statement
8. Bank Statement
9. Bank
10. Un-Presented Cheque
11. False
12. True
13. False
14. False
15. False
16. True
17. False
18. True
19. False
20. Opposite
21. Cashbook : Passbook
22. Credit : Debit
23. Debit : Credit
24. Debit
25. Internal Control
26. Debited
27. Debited
28. Credited
29. Debit Balance
30. Credit
31. Cashbook
32. Added to Bank Balance
33. No Sufficient Money
34. Business Accountant
35. The Omission of Bank Charges
36. Outstanding Checks

37. I Will be Credited in Cash Book
38. Outstanding Cheque
39. To Identify causes of differences between Cash Book and Bank Statement
40. A Separate Statement
41. Both B and C
42. Both B & C
43. Credit Balance in the Cash Book
44. Dishonored
45. Accountant Of the Business
46. Ledger Account
47. Cash at Bank
48. Pass Book
49. Unfavorable Balance as per Bank Book
50. Uncredited Check
51. Debit Side of the Bank Statement
52. Credit Side
53. Favorable Balance
54. Bank Account
55. Discount Received
56. Rs 1000 Will be Added
57. Outstation Check
58. Cash Book will show less Balance and Bank book will show more
59. A memorandum Statement
60. Debit Balance of Pass Book
61. Mistake in Pass book
62. Bank Reconciliation Statement
63. Rs. 200 Added
64. Rs 1000 Deducted
65. Credit in Cash Book
66. Debit Balance in Cash Book
67. Favorable Balance

- 68. Bank Statement
- 69. Statement
- 70. Accountant