

Bank Reconciliation Statement

Question:1

Prepare Bank Reconciliation Statement from the following:

- (i) Debit balance as per the Cash Book. 15,000
- (ii) Cheques deposited but not cleared. 1,000
- (iii) Cheques issued but not presented. 1,500
- (iv) Bank interest. 200

Solution:

Bank Reconciliation Statement

S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
(i)	Debit balance as per the Cash Book	15,000	
(ii)	Cheques deposited but not cleared		1,000
(iii)	Cheques issued but not presented	1,500	
(iv)	Bank Interest	200	
	Credit Balance as per the Pass Book		15,700
		16,700	16,700

Question:2

Ramesh has his account at Punjab National Bank, Delhi. According to his Cash Book, his bank balance on 31st March, 2019 was 72,950. He sent cheques for 90,075 to his bank for collection but cheques amounted to 43,769 were not collected by that date. Out of the cheques issued by him in payment of his debts, cheques for 29,344 were not presented for payment. Prepare Bank Reconciliation Statement.

Solution:

Bank Reconciliation Statement

as on March 31, 2019

S. No.	Particulars	Plus Items ()	Minus Items ()
	Balance as per the Cash Book	72,950	
(i)	Cheques sent to bank but not yet cleared		43,769
(ii)	Cheques issued but not yet presented for payment	29,344	
	Balance as per the Pass Book		58,525
		1,02,294	1,02,294

Question:3

On 31st March, 2019, Cash Book of Mahesh showed debit bank balance of 75,000. When compared with the Bank Statement, following facts were discovered. On 30th March, two cheques of 5,000 and 7,000 were deposited in the bank but were not realised till date. On 28th March, three cheques of 6,000, 8,000 and 12,000 were issued but none of these were presented to the bank for payment. On 31st March, bank credited 1,250 as interest but this was not recorded in the Cash Book. Similarly, the bank had charged 150 as bank charges but this was not recorded in the Cash Book.

Bank paid insurance premium of 5,000 but it was recorded as 500 in Cash Book. Prepare Bank Reconciliation Statement on 31st March, 2019.

Solution:

Bank Reconciliation Statement

as on March 31, 2019

S. No.	Particulars	Plus Items ()	Minus Items ()
	Balance as per the Cash Book	75,000	
(i)	Two cheques Rs 5,000 and Rs 7,000 were deposited but were not cleared		12,000
(ii)	Three cheques Rs 6,000 , Rs 8,000 and Rs 12,000 were issued but were not presented for payment	26,000	
(iii)	Bank allowed Interest	1,250	
(iv)	Bank Charges		150
(v)	Insurance premium less charged		4,500
	Balance as per the Pass Book		85,600
		1,02,250	1,02,250

Question:4

On 30th June, 2019, bank column of the Cash Book showed balance of 12,000 but the Pass Book showed a different balance due to the following reasons:

- (i) Cheques paid into the bank 8,000 but out of these only cheques of 6,500 credited by bankers.
- (ii) The receipts column of the Cash Book undercast by 200.
- (iii) On 29th June, a customer deposited 3,000 directly in the Bank Account but it was entered in the Pass Book only.
- (iv) Cheques of 9,200 were issued of which 2,200 were presented for payment on 15th July.
- (v) Pass Book shows a credit of 330 as interest and a debit of 60 as bank charges.

Prepare Bank Reconciliation Statement as on 30th June, 2019.

Solution:**Bank Reconciliation Statement**

as on June 30, 2019

S. No.	Particulars	Plus Items ()	Minus Items ()
	Balance as per the Cash Book	12,000	
(i)	Cheques paid in to bank but not cleared		1,500
(ii)	Receipt side of Cash Book undercast	200	
(iii)	Amount directly deposited by customer	3,000	
(iv)	Cheque issued in June but presented in July	2,200	
(v)	Bank allowed Interest	330	
	Bank Charges		60
	Balance as per the Pass Book		16,170
		17,730	17,730

Question:5

Cash Book shows a balance of 12,500. On comparing the Cash Book with the Pass Book, following discrepancies were noted:

- (i) Cheques issued but not yet presented for payment. 6,000
- (ii) Cheques deposited in the bank but not collected. 9,000
- (iii) Bank paid insurance premium. 5,000
- (iv) Bank charges. 300
- (v) Directly deposited by a customer. 8,000
- (vi) Interest on investment collected by bank. 2,000
- Cash discount allowed of 200 was recorded on the debit side of the Bank column.

Prepare Bank Reconciliation Statement.

Solution:**Bank Reconciliation Statement**

S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Balance as per the Cash Book	12,500	
(i)	Cheques Issued but not yet presented for payment	6,000	
(ii)	Cheques deposited into bank but not collected		9,000
(iii)	Bank paid Insurance Premium		5,000
(iv)	Bank Charges		300
(v)	Amount directly deposited by a customer	8,000	
(vi)	Interest on Investment Collected by bank	2,000	
(vii)	Cash discount debited to bank column		200
	Balance as per the Pass Book		14,000
		28,500	28,500

Question:6

From the following particulars, prepare Bank Reconciliation Statement as on 31st December, 2008:

- (i) Debit balance as per Cash Book 10,000.
- (ii) A cheque for 500 issued in favour of Karan has not been presented for payment.
- (iii) A bill for 700 retired by bank under a rebate of 20, the full amount of the bill was credited in the Cash Book.

- (iv) A cheque for 295 deposited in the bank has been dishonoured.
(v) A sum of 800 deposited in the bank has been credited as 80 in the Pass Book.
(vi) Payments side of the Cash Book has been undercast by 200.
(vii) A bill receivable for 1,000 (discounted with the bank in November 2008) dishonoured on 31st December, 2008.

Solution:

Bank Reconciliation Statement
as on December 31, 2008

S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
(i)	Balance as per the Cash Book	10,000	
(ii)	A cheque for Rs 500 issued to Karan was not presented for payment	500	
(iii)	Rebate of retiring bill was not recorded	20	
(iv)	Cheque deposited and dishonoured		295
(v)	A sum of Rs 800 deposited in bank recorded wrongly as Rs 80 in the pass book		720
(vi)	Payment side of the Cash book undercast		200
(vii)	Dishonour of bill has not been recorded in the Cash book		1,000
	Balance as per the Pass Book		8,305
		10,520	10,520

Question:7

On examining the Bank Statement of Green Ltd., it is found that the balance shown on 31st March, 2019, differs from the bank balance of 23,650 shown by the Cash Book on that date. From a detailed comparison of the entries it is found that:

- (i) 2,860 is entered in the Cash Book as paid into the bank on 31st March, 2019 but not credited by the bank until the following day.
(ii) Bank charges of 70 on 31st March, 2019 are not entered in the Cash Book.
(iii) A bill for 5,500 discounted with the bank is entered in the Cash Book without recording the discount charges of 270.
(iv) Cheques totalling 16,720 were issued by the company and duly recorded in the Cash Book before 31st March, 2019 but had not been presented at the Bank for payment until after that date.
(v) On 25th March, 2019, a debtor paid 1,000 into the Company's Bank in settlement of his account but no entry was made in the Cash Book of the company in respect of this.
(vi) No entry has been made in the Cash Book to record the dishonour on 15th March, 2019, of a cheque for 550 received from Ram Babu.

Prepare a Bank Reconciliation Statement as on 31st March, 2019.

Solution:

Bank Reconciliation Statement
as on March 31, 2019

S. No.	Particulars	Plus Items ()	Minus Items ()
	Balance as per the Cash Book	23,650	
(i)	Cash deposited into bank but not entered in the Pass book		2,860
(ii)	Bank Charges not entered the Cash Book		70
(iii)	Bank Charges for discounting bill not recorded in the Cash Book		270
(iv)	Cheques issued but not presented for payment	16,720	
(v)	Amount directly deposited by the debtor	1,000	
(vi)	Cheque received from Ram Babu was dishonoured and not recorded in Cash Book		550
	Balance as per the Pass Book		37,620
		41,370	41,370

Question:8

Prepare a Bank Reconciliation Statement as on 31st March, 2019 from the following:

- (i) On 31st March, 2019, Cash Book of a firm showed bank balance of 36,000 (Dr.).
(ii) Cheques had been issued for 30,000, out of which cheques of 24,000 were presented for payment.
(iii) Cheques of 8,400 were deposited in the bank on 28th March, 2019 but had not been credited by the bank. Also, a cheque of 3,000 entered in the Cash Book on 30th March, 2019 was banked on 3rd April.
(iv) A cheque from Suresh for 2,400 was deposited in the bank on 26th March, 2019 was dishonoured, advice was received on 2nd April.
(v) Pass Book showed bank charges of 120 debited by the bank.
(vi) One of the Debtors deposited 3,000 in the bank account of the firm on 26th March, 2019, but the intimation in this respect was received from the bank on 2nd April.

Solution:

Bank Reconciliation Statement
as at 31st March, 2019

S.No.	Particulars	Plus Items ()	Minus Items ()
(i)	Favourable Balance as per Cash Book	36,000	
(ii)	Cheques issued but not presented for payment (30,000 – 24,000)	6,000	
(iii)	Cheques deposited but not yet credited by bank (8,400 + 3,000)		11,400
(iv)	Cheque received from Suresh dishonoured		2,400
(v)	Bank Charges debited by the bank		120
(vi)	Cheque deposited directly into the bank by debtors	3,000	
	Balance as per Pass Book (Cr.) (45,000 – 13,920)		31,080
		45,000	45,000

Question:9

Prepare Bank Reconciliation Statement from the following particulars on 31st July, 2018:

(i) Balance as per the Pass Book 50,000.

(ii) Three cheques for 6,000, 3,937 and 1,525 issued in last week of July, 2018 were presented for payment to the bank in August, 2018.

(iii) Two cheques of 500 and 650 sent to the bank for collection were not entered in the Pass Book by 31st July, 2018.

(iv) The bank charged 460 for its commission and allowed interest of 100 which were not mentioned in the Bank Column of the Cash Book. **Solution:**

Bank Reconciliation Statement

as on July 31, 2018

S. No.	Particulars	Plus Items ()	Minus Items ()
(i)	Balance as per the Pass Book	50,000	
(ii)	Three Cheques of Rs 6,000, Rs 3,937, Rs 1,525 were issued but not presented for payment in July, 2015		11,462
(iii)	Cheques sent to bank for collection but not entered in the Pass Book	1,150	
(iv)	Bank charges not entered in the Cash Book	460	
(v)	Bank allowed interest		100
	Balance as per the Cash Book		40,048
		51,610	51,610

Question:10

Draw Bank Reconciliation Statement showing adjustment between your Cash Book and Pass Book as on 31st March, 2011.

(i) On 31st March, 2011 your pass book showed a balance of 6,000 to your credit.

(ii) Before that date, you had issued cheques amounting to 1,500 of which cheques of 900 have been presented for payment.

(iii) A cheque of 800 paid by you into the bank on 29th March, 2011 is not yet credited in pass book.

(iv) There was a credit of 85 for interest on Current Account in the pass book.

(v) On 31st March, 2011 a cheque for 510 received by you and was paid into bank but the same was omitted to be entered in cash book.

Solution:

Bank Reconciliation Statement

as on March 31, 2011

S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
(i)	Balance as per the Pass Book	6,000	
(ii)	Cheque Issued but not presented for payment (1,500 – 900)		600
(iii)	Cheque deposited but not entered in the Pass Book	800	
(iv)	Bank allowed Interest		85
(v)	Cheque deposited but not entered in the Cash Book		510
	Balance as per the Cash Book		5,605
		6,800	6,800

Question:11

Prepare Bank Reconciliation Statement as on 30th September, 2016 from the following particulars:

(i) Bank Balance as per Pass Book. 10,000

(ii) Cheque deposited into bank but no entry was passed in Cash Book. 500

(iii) Cheque received and entered in Cash Book but not sent to bank. 1,200

(iv) Insurance premium paid directly by the bank. 800

- (v) Bank charges entered twice in the Cash Book. 20
 (vi) Cheque received entered twice in Cash Book. 1,000
 (vii) Bill discounted dishonoured not recorded in the cash book. 5,000

Solution:

Bank Reconciliation Statement

as on September 30, 2016

S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
(i)	Balance as per the Pass Book	10,000	
(ii)	Cheque deposited but not entered in the Cash Book		500
(iii)	Cheque entered in the Cash Book but not sent to bank	1,200	
(iv)	Insurance premium paid directly by bank	800	
(v)	Bank Charges entered twice in the Cash Book		20
(vi)	Cheque received entered twice in the Cash Book	1,000	
(vii)	Bill discounted dishonoured not entered in the Cash Book	5,000	
	Balance as per the Cash Book		17,480
		18,000	18,000

Question:12

Bank Statement of a customer shows bank balance of 62,000 on 31st March, 2019. On comparing it with the Cash Book the following discrepancies were noted:

(i) Cheques were paid into the bank in March but were credited in April:

P – 3,500; Q – 2,500; R – 2,000.

(ii) Cheques issued in March were presented in April:

X – 4,000; Y – 4,500.

(iii) Cheque for 1,000 received from a customer entered in the Cash Book but was not banked.

(iv) Pass Book shows a debit of 1,000 for bank charges and credit of 2,000 as interest.

(v) Interest on investment 2,500 collected by the bank appeared in the Pass Book.

Prepare Bank Reconciliation Statement showing the balance as per Cash Book on 31st March, 2019.

Solution:

Bank Reconciliation Statement

as on March 31, 2019

S. No.	Particulars	Plus Items ()	Minus Items ()
	Balance as per the Pass Book	62,000	
(i)	Cheque deposited but not credited not credited in the Pass book during March 2017 (3,500 + 2,500 + 2,000)	8,000	
(ii)	Cheques Issued but not presented in March 2017 (4,000 + 4,500)		8,500
(iii)	Cheque received from Customer was recorded in Cash Book but not sent to Bank	1,000	
(iv)	Bank Charges	1,000	
	Bank allowed interest		2,000
(v)	Interest on Investment Collected by bank but not entered in the Cash Book		2,500
	Balance as per the Cash Book		59,000
		72,000	72,000

Question:13

Prepare Bank Reconciliation Statement as on 31st March, 2019 from the following particulars:

- (i) Bank balance as per Pass Book. 10,000
 (ii) Cheque deposited into the Bank, but no entry was passed in the Cash Book. 500
 (iii) Cheque received and entered in the Cash Book but not sent to bank. 1,200
 (iv) Credit side of the Cash Book bank column cast short. 200
 (v) Insurance premium paid directly by the bank under the standing advice. 600
 (vi) Bank charges entered twice in the Cash Book. 20
 (vii) Cheque issued but not presented to the bank for payment. 500
 (viii) Cheque received entered twice in the Cash Book. 1,000
 (ix) Bill discounted dishonoured not recorded in the Cash Book. 5,000
 (x) Bank had wrongly allowed interest of 5,000, which was reversed by it on 5th April, 2019.

Solution:

Bank Reconciliation Statement
as on March 31, 2019

S. No.	Particulars	Plus Items ()	Minus Items ()
(i)	Balance as per the Pass Book	10,000	
(ii)	Cheque deposited but not entered in the Cash book		500
(iii)	Cheque entered in the Cash Book but not deposited in the bank	1,200	
(iv)	Credit side of the Cash Book undercast	200	
(v)	Insurance premium paid directly by the bank but not entered in the Cash Book	600	
(vi)	Bank charges entered twice in the Cash book		20
(vii)	Cheque issued but not presented for payment		500
(viii)	Cheque received entered twice in the Cash Book	1,000	
(ix)	Bill discounted and dishonoured but not entered in the Cash Book	5,000	
(x)	Interest allowed by the bank to be reversed		5,000
	Balance as per the Cash Book		11,980
		18,000	18,000

Question:14

On 1st January, 2019, Naresh had an overdraft of 40,000 as shown by his Cash Book in the bank column. Cheques amounting to 10,000 had been deposited by him but were not collected by the bank by 1st January, 2019. He issued cheques of 7,000 which were not presented to the bank for payment up to that day. There was also a debit in his Pass Book of 600 for interest and 500 for bank charges.

Prepare a Bank Reconciliation Statement.

Solution:

Bank Reconciliation Statement
as on January 01, 2019

Particulars	Plus Items ()	Minus Items ()
Overdraft as per the Cash Book		40,000
Cheques deposited but not Cleared		10,000
Cheques Issued but not presented for payment	7,000	
Bank Charged Interest		600
Bank Charges		500
Overdraft as per the Pass Book	44,100	
	51,100	51,100

Question:15

Tiwari & Sons find that the bank balance shown by their Cash Book on 31st March, 2019 is 40,500 (credit) but the Pass Book shows a difference due to the following reasons:

- (i) A cheque for 5,000 drawn in favour of Manohar has not yet been presented for payment.
- (ii) A post-dated cheque for 900 has been debited in the bank column of the Cash Book but it could not have been presented in any case.
- (iii) Cheques totalling 10,200 deposited with the bank have not yet been collected and a cheque for 4,000 has been dishonoured.
- (iv) A bill for 10,000 was retired by the Bank under a rebate of 150 but the full amount of the bill was credited in the bank column of the Cash Book.

Prepare Bank Reconciliation Statement and find out the balance as per Pass Book.

Solution:

Bank Reconciliation Statement
as on March 31, 2019

S. No.	Particulars	Plus Items ()	Minus Items ()
	Overdraft as per the Cash Book		40,500
(i)	Cheque issued but not presented for payment	5,000	
(ii)	Post-dated Cheque entered in the Cash Book but not deposited in the bank		900
(iii)	Cheques deposited into bank but not collected		10,200
	Cheque dishonoured		4,000
(iv)	Rebate on retiring of bill not entered in the Cash Book	150	
	Overdraft as per the Pass Book	50,450	
		55,600	55,600

Question:16

On 31st March, 2019, Cash Book of a merchant showed bank overdraft of 1,72,985. On comparing the Cash Book with Bank Statement, following discrepancies were noted:

- (i) Cheques issued for 60,000 were not presented in the bank till 7th April, 2019.
- (ii) Cheques amounting to 75,000 were deposited in the bank but were not collected.
- (iii) A Cheque of 15,000 received from Mahesh Chand and deposited in the bank was dishonoured but the non-payment advice was not received from the bank till 1st April, 2019.
- (iv) 1,50,000 being the proceeds of a bill receivable collected appeared in the Pass Book but not in the Cash Book.
- (v) Bank charges 1,500 and interest on overdraft 8,500 appeared in the Pass Book but not in the Cash Book.
- (vi) Overdraft balance as per Cash Book of 500 on 28th February, 2019 was wrongly carried forward as debit balance. The error was noted at the time of preparing the Bank Reconciliation Statement as on 31st March, 2019.

Prepare Bank Reconciliation Statement.

Solution:**Bank Reconciliation Statement**

as on March 31, 2019

S. No	Particulars	Plus Items ()	Minus Items ()
	Overdraft as per the Cash Book		1,72,985
(i)	Cheques issued but not presented for payment	60,000	
(ii)	Cheques deposited but not collected		75,000
(iii)	Cheque deposited but dishonoured		15,000
(iv)	Bill sent for collection honoured but not entered in the Cash Book	1,50,000	
(v)a	Bank Charges		1,500
(v)b	Bank Interest on overdraft		8,500
(vi)	Overdraft balance wrongly taken as debit balance (Note)		1,000
	Overdraft as per the Pass Book	63,985	
		2,73,985	2,73,985

Note: Overdraft balance has credit balance but taken as debit balance, so to correct the error credit cash book by double amount. Therefore, 1,000 should be shown in the minus side.

Question:17

Prepare Bank Reconciliation Statement from the following:

On 31st March, 2019, a merchant's Cash Book showed a credit bank balance of 10,500 but due to the following reasons the Pass Book showed a difference:

- (i) A cheque of 540 issued to Mohan has not been presented for payment.
- (ii) A post-dated cheque for 100 has been debited in the bank column of the Cash Book but under no circumstances was it possible to present it.
- (iii) Four cheque of 1,200 sent to the bank have not been collected so far. A cheque of 400 deposited in the bank has been dishonoured.
- (iv) As per instructions, the bank paid 50 as Fire Insurance premium but the entry has not been made in the Cash Book.
- (v) There was a debit in the Pass Book of 15 in respect of bank charges and a credit of 25 for interest on Current Account but no record exists in the Cash Book.
- (vi) Cheque of 5,000 dated 15th April, 2019 issued to M & Co. was dishonoured being post dated. It was also not recorded in the books of account yet.

Solution:**Bank Reconciliation Statement**

as on March 31, 2019

S. No.	Particulars	Plus Items ()	Minus Items ()
	Credit bank balance as per the Cash Book		10,500
(i)	Cheque issued but not presented for payment	540	
(ii)	Post-dated Cheque entered in the Cash Book but not deposited in the Bank		100
(iii)	Cheque deposited but not cleared		1,200
	Cheque dishonoured		400
(iv)	Insurance premium paid by bank was not entered in the Cash Book		50
(v)	Bank Charges		15
	Bank allowed Interest	25	
	Overdraft as per the Pass Book	11,700	
		12,265	12,265

Note: Cheque dated 15th April, 2019 issued to M & Co. dishonoured will have no impact as this statement is as on 31st March 2019.

Question:18

From the following particulars of a trader, prepare a Bank Reconciliation Statement as on 31st March, 2019.

- (i) Bank overdraft as per Cash Book 52,100.
(ii) During the month, the total amount of cheques for 94,400 were deposited into the bank but of these, one cheque for 11,160 has been entered into the Pass Book on 5th April.
(iii) During the month, cheques for 89,580 were drawn in favour of creditors. Of them, one creditor for 38,580 encashed his cheque on 7th April whereas another for 4,320 have not yet been encashed.
(iv) As per instructions the bank on 28th March paid out 10,500 to a creditor but by mistake, the same has not been entered in the Cash Book.
(v) According to agreement, on 25th March, a debtor deposited directly into the bank 9,000 but the same has not been recorded in the Cash Book.
(vi) In the month of March, the bank without any intimation, debited his account for 120 as bank charges and credited the same for 180 as interest.
(vii) Cash deposit of 5,780 in bank was recorded as 7,580. The error was rectified by the Bank before 31st March, 2019.

Solution:

Bank Reconciliation Statement
as on March 31, 2019

S. No.	Particulars	Plus Items ()	Minus Items ()
(i)	Overdraft as per the Cash Book		52,100
(ii)	Cheques of Rs 94,400 deposited in March but cheques of Rs 11,160 not cleared in April		11,160
(iii)	Cheques issued but not presented for payment in the March (38,580 + 4,320)	42,900	
(iv)	Payment made to creditor by bank but not entered in the Cash Book		10,500
(v)	Amount directly deposited by debtor into Bank	9,000	
(vi)	Bank Charges		120
	Bank credited interest	180	
	Overdraft as per the Pass Book	21,800	
		73,880	73,880

Note: Point (vii) will have no affect on the statement as error in recording cash deposit entry is already rectified.

Question:19

Prepare Bank Reconciliation Statement from the following particulars as on 31st March, 2019, when Pass Book shows a debit balance of 2,500:

- (i) Cheque issued for 5,000 but up to 31st March, 2019 only 3,000 could be cleared.
(ii) Cheques issued for 1,000 but omitted to be recorded in the Cash Book.
(iii) Cheques deposited for 5,500 but cheques for 500 were collected on 4th April 2019.
(iv) A discounted Bill of Exchange dishonoured 1,000.
(v) A cheque of 500 debited in Cash Book but omitted to be banked.
(vi) Interest allowed by bank 200 but no entry was passed in the Cash Book.

Solution:

Bank Reconciliation Statement
as on March 31, 2019

S. No.	Particulars	Plus Items ()	Minus Items ()
(i)	Overdraft as per the Pass Book		2,500
	Cheques issued for Rs 5,000 but cheques of Rs 3,000 cleared till March 31		2,000
(ii)	Cheque issued but not entered in the Cash Book	1,000	
(iii)	Cheque deposited but cleared in April	500	
(iv)	Bill dishonoured	1,000	
(v)	Cheque entered in the Cash Book but not deposited	500	
(vi)	Interest allowed not recorded in the Cash Book		200
	Overdraft as per the Cash Book	1,700	
		4,700	4,700