

Chapter 11 – Bank Reconciliation Statement

Question 1.

Prepare the bank Reconciliation Statement from the following

	₹
Debit balance as per the cash book.	15,000
Cheques deposited but not cleared.	1,000
Cheques issued but not presented.	1,500
Bank interest	200

Solution:

Bank Reconciliation Statement			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Balance as per the Cash Book	15,000	
i.	Cheques deposited but not cleared		1000
ii.	Cheques issued but not presented.	1,500	
iii.	Bank interest	200	
	Balance as per the Pass book (16,700-1000)		15,700
		16,700	16,700

Question 2.

Prepare Bank Reconciliation Statement from the following information:

Cash at bank as shown by the Cash book ₹75,000. Cheques drawn but not yet presented:

S. Sahai	₹2,000
Man Mohan	₹3,000

Cheques paid into the bank but not yet credited, ₹1,900, Bank charges not yet entered in the cash Book, ₹100.

Solution:

Bank Reconciliation Statement			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Balance as per the Cash Book	75,000	
i.	Cheques ₹2,000 and ₹3,000 drawn to S. Sahai and Man Mohan respectively but was not presented for payment	5,000	
ii.	Cheques paid into bank but not credited		1,900
iii.	Bank charges not yet entered in the Cash Book		100
	Balance as per the Pass Book (80,000-2000)		78,000
		80,000	80,000

Question 3.

On 31st March, 2015, Cash Book showed a balance of Rs.15,000 as cash at bank, but the Bank Pass Book of the same date showed that cheques for Rs.1,850, Rs.1,000 and Rs.1,750 respectively had not been presented for payment; also cheques amounting to Rs.4,100 paid into the account had not yet been cleared. Find by means of a Bank Reconciliation Statement the balance shown in the Pass Book.

Solution:

Bank Reconciliation Statement as on March 31, 2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Balance as per the Cash Book	15,000	
i.	Cheque issued but not presented for payment (1,850+1,000+1,750)	4,600	
ii.	Cheque deposited but not yet cleared		4,100
	Balance as per the Pass Book (19,600-4,100)		15,500
		19,600	19,600

Question 4.

Mr. Ram Behari has his account at Punjab National Bank, Delhi. According to his Cash Book, his bank balance on 31st March, 2015 was Rs.72,950. He sent cheques for Rs.90,075 to his bank for collection but cheques amounted to Rs. 43,769 were not collected by that date. Out of the cheques issued by him in payment of his debts, cheques for Rs.29,344 were not presented for payment. Prepare Bank Reconciliation Statement and determine the balance as shown by his Pass Book.

Solution:

Bank Reconciliation Statement
as on March 31, 2015

Bank Reconciliation Statement as on March 31, 2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	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 (1,02,204-43,769)		58,525
		1,02,204	1,02,294

Question 5.

On 31st March, 2015, Cash Book of Mahesh showed debit bank balance of Rs.75,000. When compared with the Bank Statement, following facts were discovered. 30th March, two cheques of Rs.5,000 and Rs.7,000 were deposited in the bank but were not realised till date. On 28th March, three cheques of Rs.6,000, Rs.8,000 and Rs.12,000 were issued but none of these were presented to the bank for payment. On 31st March, bank credited Rs.1,250 as interest but this was not recorded in the Cash Book. Similarly, bank had charged Rs.150 as bank charges but this was not recorded in the Cash Book Prepare Bank Reconciliation Statement on 31st March, 2015.

Solution:

Bank Reconciliation Statement as on March 31,2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Balance as per the Cash Book	75,000	
i.	Two cheques ₹5,000 and ₹7,000 were deposited but were not cleared		12,000
ii.	Three cheques ₹6,000, ₹8,000 and ₹12,000 were issued but were not presented for payment	26,000	
iii.	Bank allowed Interest	1,250	
iv.	Bank Charges		150
	Bank as per the Pass Book (1,02,250-12,150)		90,100
		1,02,250	1,02,250

Question 6.

Cash Book of a merchant showed bank balance of Rs.23,000 on 31st March, 2015. On go' through the Cash Book, it was found that two cheques for Rs.5,000 and Rs.7,000 deposited the month of March were not credited in the Pass Book till 2nd April, 2015 and three cheques for Rs.6,000, Rs.8,000 and Rs.12,000 issued on 28th March, were not presented payment till 3rd April, 2015. In addition to this, bank had credited merchant for Rs.125 interest and had debited him for Rs.100 as bank charges for which entries in Cash Bo were not recorded. Prepare Bank Reconciliation Statement as on 31st March, 2015.

Solution:

Bank Reconciliation Statement as on March 31,2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Balance as per the Cash Book	23,000	
i.	Cheques deposited but not cleared (5000+7000)		12,000
ii.	Three cheques ₹6,000, ₹8,000 and ₹12,000 were issued but were not presented for payment	26,000	
iii.	Bank allowed Interest	125	
iv.	Bank Charges		100
	Bank as per the Pass Book (49,125-12,100)		37,025
		49,125	49,125

Question 7.

On 30th June, 2015, bank column of the Cash Book showed balance of Rs.12,000 but the Pass Book showed a different balance due to the following reasons:

- i. Cheques paid into the bank Rs.8,000 but out of these only cheques of 6,500 credited by bankers.
- ii. The receipt column of the Cash Book under cast by Rs.200.
- iii. On 29th June, a customer deposited Rs.3000 directly in the Bank Account but it was entered in the Pass Book only.
- iv. Cheques of Rs.9,200 were issued of which Rs.2,200 were presented for payment on 15th July.
- v. Pass Book shows a credit of Rs.330 as interest and a debit of Rs.60 as bank charges. Prepare Bank Reconciliation Statement as on 30th June, 2015.

Solution:

Bank Reconciliation Statement as on June 30,2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Balance as per the Cash Book	12,000	
i.	Cheque 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	
vi.	Bank Charges		60
	Balance as per the Pass Book (17,730-1,560)		16,170
		17,730	17,730

Question 8.

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

Particulars	₹
Cheque issued but not yet presented for payment	6,000
Cheque deposited in the bank but not collected	9,000
Bank paid insurance premium.	5,000
Bank charges.	300
Directly deposited by a customer.	8,000
Interest on investment collected by bank.	2,000

Prepare Bank Reconciliation Statement.

Solution:

Bank Reconciliation Statement as on March 31,2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	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	
	Balance as per the Pass Book (28,500-14,300)		14,200
		28,500	28,500

Question 9.

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

- Debit balance as per Cash Book Rs.10,000.
- A cheque for Rs.500 issued in favour of Karan has not been presented for payment.
- A bill for Rs.700 retired by bank under a rebate of Rs.20, the full amount of the bill was credited in the Cash Book.
- A cheque for Rs.295 deposited in the bank has been dishonoured.
- A sum of Rs.800 deposited in the bank has been credited as Rs.80 in the Pass Book.
- Payment side of the Cash Book has been under cast by Rs.200.
- A bill receivable for Rs.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	(+) Amount ₹	(-) Amount ₹
	Balance as per the Cash Book	10,000	
i.	A cheque for ₹500 issued to Karan was not presented for payment	500	
ii.	Rebate of retiring bill was not recorded	20	
iii.	Cheque deposited dishonored		295
iv.	A sum of ₹800 deposited in bank recorded wrongly as ₹80 in the pass book		720
v.	Payment side of the Cash book under cast		200
vi.	Dishonour of bill has not been recorded in the cash book		1,000
	Balance as per Pass Book (10,520-2,215)		8,305
		10,520	10,520

Question 10.

On examining the Bank Statement of Green Ltd., it is found that the balance shown on 31st March, 2015, differs from the bank balance of Rs.23,650 shown by the Cash Book on that date. From a detailed comparison of the entries it is found that:

- i. Rs.2,860 is entered in the Cash Book as paid into the bank on 31st March, 2015 but not credited by the bank until the following day.
- ii. Bank charges of Rs.70 on 31st March, 2015 are not entered in the Cash Book.
- iii. A bill for Rs.5,500 discounted with the bank is entered in the Cash Book without recording the discount charges of Rs.270.
- iv. Cheques totaling Rs.16,720 were issued by the company and duly recorded in the Cash Book before 31st March, 2015 but had not been presented at the Bank for payment until after that date.
- v. On 25th March, 2015, a debtor paid Rs.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 dishonor on 15th March, 2015, of a cheque for Rs.550 received from Ram Babu. Prepare a Bank Reconciliation Statement as on 31st March, 2015.

Solution:

Bank Reconciliation Statement as on March 31, 2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	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 Charged for discounting bill not recorded in the Cash Book		270
iv.	Cheque 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 (41,370-3,750)		37,620
		41,370	41,370

Question 11.

Prepare Bank Reconciliation Statement from the following particulars on 31st July, 2015:

- i. Balance as per the Pass Book Rs.50,000.
- ii. Three cheques for Rs.6,000, Rs.3,937 and Rs.1,525 issued in July, 2015 were presented for payment to the bank in August, 2015.
- iii. Two cheques of Rs.500 and Rs.650 sent to the bank for collection were not entered in the Pass Book by 31st July, 2015.
- iv. The bank charged Rs.460 for its commission and allowed interest of Rs. 100 which were not mentioned in the Bank Column of the Cash Book.

Solution:

Bank Reconciliation Statement as on March 31, 2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Balance as per the Pass Book	50,000	
i.	Three cheques of ₹ 6,000, ₹ 3,937, ₹ 1,525 were issued but not presented for payment in July, 2015		11,462
ii.	Cheques sent to bank for collection but not entered in the Pass Book	1,150	
iii.	Bank charges not entered in the Cash Book	460	
iv.	Bank allowed interest		100
	Bank as per the Cash Book (51,610-11,562)		40,048
		51,610	51,610

Question 12.

Prepare Bank Reconciliation Statement as on 30th, 2014 from the following particulars :

	₹
Balance as per Pass Book	10,000
Cheque deposited into the Bank, but no entry was passed in the Cash Book	500
Cheque received and entered and in the Cash Book but not sent to bank	1,200
Credit side of the Cash Book bank column cast short	200
Insurance premium paid directly by the bank under the standing advice.	600
Bank charges entered twice in the Cash Book.	20
Cheque issued but not presented to the bank for payment	500
Cheque received entered twice in the Cash Book	1,000
Bill discounted dishonoured not recorded in the Cash Book.	5,000

Solution:

Bank Reconciliation Statement as on March 31, 2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Balance as per the Pass Book	10,000	
i.	Cheque deposited but not entered in the Cash book		500
ii.	Cheque entered in the Cash Book but not deposited in the bank	1,200	
iii.	Credit side of the Cash Book undercast	200	
iv.	Insurance premium paid directly by the bank but not entered in the Cash Book	600	
v.	Bank charges entered twice in the Cash book		20
vi.	Cheque issued but not presented for payment		500
vii.	Cheque received entered twice in the Cash Book	1,000	
viii.	Bill discounted and dishonoured but not entered in the Cash Book	5,000	
	Balance as per Cash Book (18,000-1,020)		16,980
		18,000	18,000

Question 13.

Draw Bank Reconciliation Statement showing adjustment between your cash book and pass book as on 31st March, 2011:

- On 31st March, 2011 your pass book showed a balance of Rs.6,000 to your credit.
- Before that date, you had issued cheques amounting to Rs.1,500 of which cheques of Rs.900 have been presented for payment.
- A cheque of Rs.800 paid by you into the bank on 29th March, 2011 is not yet credited pass book.
- There was a credit of Rs.85 for interest on Current Account in the pass book.
- On 31st March, 2011 a cheque for Rs.510 received by you and was paid into bank the same was omitted to be entered in cash book.

(MSE Chandigarh 2012)

Solution:

Bank Reconciliation Statement as on March 31, 2011			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Balance as per the Pass Book	6,000	
i.	Cheque issued but not presented for payment (1,500-900)		600
ii.	Cheque deposited but not entered in the Pass Book	800	
iii.	Bank allowed interest		85
iv.	Cheque deposited but not entered in the Cash Book		510
	Balance as per the Cash Book (6,800-1,195)		5,605
		6,800	6,800

Question 14.

Prepare Bank Reconciliation Statement as on 30th, 2014 from the following particulars:

	₹
Bank Balance as per Pass Book	10,000
Cheque deposited into bank but no entry was passed in Cash Book	500
Cheque received and entered in cash Book but not sent to bank.	1,200
Insurance premium paid directly by the bank	800
Bank charges entered twice in the Cash Book	20
Cheque received entered twice in Cash Book	1,000
Bill discounted dishonoured not recorded in the cash book	5,000

(MSE Chandigarh)

Solution:

Bank Reconciliation Statement as on March 31, 2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Balance as per the Pass Book	10,000	
i.	Cheque deposited but not entered in the Cash Book		500
ii.	Cheque entered in the Cash Book but not sent to bank	1,200	
iii.	Insurance premium paid directly by bank	800	
iv.	Bank charges entered twice in the Cash Book		20
v.	Cheque received entered twice in the Cash Book	1,000	
vi.	Bill dishonored not entered in the Cash Book	5,000	
	Balance as per the Cash Book		17,480
		18,000	18,000

Question 15.

From the following particulars, prepare a Bank Reconciliation Statement of Govil as on 31st March, 2015: Balance as per Pass Book on 31st March, 2015 is Rs.8,500. Rs.5,100 were issued during the month of March but out of these, cheques for Rs.1,200 were presented in the month of April, 2015 and one cheque for Rs.200 was not presented for payment. Cheque and cash amounting to Rs.4,800 were deposited in the bank during March but credit was given for Rs.3,800 only. A customer had deposited Rs.800 into the bank directly. The bank has credited Govil for Rs.200 as interest and has debited him for Rs.90 as bank charges, for which there are no corresponding entries in the Cash Book.

Solution:

Bank Reconciliation Statement as on March 31, 2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Balance as per the Pass Book	8,500	
i.	Cheque issued but not presented in March 2014 (1200+200)		1,400
ii.	Cheque and Cash of ₹ 4,800 were deposited but only ₹ 3,800 entered in the Pass Book till March 2015	1,000	
iii.	Amount directly deposited by Customer		800
iv.	Bank allowed interest		200
v.	Bank charges	30	
	Balance as per the Cash Book (9,530-2,400)		7,130
		9,530	9,530

Question 16.

Bank Statement of a customer shows bank balance of 62,000 on 31st March, 2015. 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-Rs. 3,500; Q-Rs.2,500; R-Rs.2,000.
- ii. Cheques issued in March were presented in April: X-Rs. 4,000; Q-Rs. 4,500.
- iii. Cheque for Rs.1,000 received from a customer entered in the Cash Book but was not banked.
- iv. Pass Book shows a debit of Rs.1,000 for bank charges and credit of Rs.2,000 as interest.
- v. Interest on investment Rs.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, 2015.

(MSE Chandigarh 2003, Modified)

Solution:

Bank Reconciliation Statement as on March 31,2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Balance as per the Pass Book	62,000	
i.	Cheque deposited but not credited not credited in the Pass book during March 2015 (3,500+2,500+2,000)	8,000	
ii.	Cheque issued but not presented in March 2015 (4,000+4,500)		8,500
iii.	Cheque received form Customer was recorded in Cash Book but not sent to Bank	1,000	
iv.	Bank Charges	1,000	
v.	Bank allowed interest		2,000
vi.	Interest on Investment Collected by bank but not entered in the Cash Book		2,500
	Balance as per Cash Book (72,000-13,000)		59,000
		72,000	72,000

Question 17.

On 1st January, 2015, Naresh had an overdraft of Rs. 40,000 as shown by his Cash Book in the bank column. Cheques amounting to Rs.10,000 had been deposited by him but were not collected by the bank by 1st January, 2015. He issued cheques of Rs.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 Rs.600 for interest and Rs. 500 for bank charges. Prepare a Bank Reconciliation Statement.

Solution:

Bank Reconciliation Statement as on January 1, 2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Cash Book		40,000
i.	Cheque deposited but not Cleared Interest		10,000
ii.	Cheque Issued but not presented for payment	7,000	
iii.	Bank Charged Interest		600
iv.	Bank Charged		500
	Overdraft as per the Pass Book (51,100-7,000)	44,100	
		51,100	51,100

Question 18.

On 31st March, 2015, Cash Book of B. Babu showed an overdraft of Rs.18,000 with the Bank of India. This balance did not agree with the balance as shown by the Bank Pass Book. You find that Babu had paid into the bank on 26th March, four cheques for Rs.10,000, Rs.12,000, Rs.6,000 and Rs.8,000. Out of these the cheque for Rs.6,000 was credited by the bank in April, 2015. Babu had issued on 24th March three cheques for Rs.15,000, Rs.12,000 and Rs.7,000. The first two cheques were presented to the bank for payment in March, 2015 and the third cheque in April, 2015.

You also find that on 31st March, 2015 the bank had debited Babu's Account with Rs.500 for interest and Rs.20 as charges, but Babu had not recorded these amounts in his books. Prepare Bank Reconciliation Statement as on 31st March, 2015 and ascertain the balance as per Bank Pass Book.

Solution:

Bank Reconciliation Statement as on March 31,2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Cash Book		18,000
i.	Cheque deposited in March but cleared in April		6,000
ii.	Cheque issued in March but presented for payment in April	7,000	
iii.	Bank charged interest		500
iv.	Bank charges		20
	Overdraft as per the Pass Book (24,520-7,000)	17,250	
		24,520	24,520

Question 19.

On 31st March, 2015, Cash Book of a merchant showed bank overdraft of Rs.1,72,985. On comparing the Cash Book with Bank Statement, following discrepancies were noted:

- i. Cheques issued for Rs.60,000 were not presented in the bank till 7th April, 2015.
- ii. Cheques amounting to Rs.75,000 were deposited in the bank but were not collected.
- iii. A cheque of Rs.15,000 received from Mahesh Chand and deposited in the bank was dishonored but the non-payment advice was not received from the bank till 1st April, 2015.
- iv. Rs.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 Rs.1,500 and interest on overdraft Rs.8,500 appeared in the Pass Book but not in the Cash Book.

Prepare Bank Reconciliation Statement and show what balance the Bank Pass Book would indicate on 31st March, 2015.

Solution:

Bank Reconciliation Statement as on March 31,2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	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.	Bank Charges		1,500
vi.	Bank Interest		8,500
	Overdraft as per the Pass Book (2,72,985-2,10,000)	62,985	
		2,72,985	2,72,985

Question 20.

Prepare Bank Reconciliation Statement from the following: On 31st March, 2015, 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 Rs.540 issued to Mohan has not been presented for payment.
- ii. A post-dated cheque for Rs.100 has been debited in the bank column of the Cash Book but under no circumstances was it possible to present it.
- iii. Four cheques of Rs.1,200 sent to the bank have not been collected so far. A cheque Rs.400 deposited in the bank has been dishonoured.
- iv. As per instructions, the bank paid Rs.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 Rs.15 in respect of bank charges and a credit of Rs.25 for interest on Current Account but no record exists in the Cash Book.

Solution:

Bank Reconciliation Statement as on March 31,2015			
S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft 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
iv.	Cheque dishonoured		400
v.	Insurance premium paid by bank was not entered in the Cash Book		50
vi.	Bank Charges		15
vii.	Bank allowed Interest	25	
	Overdraft as per the Pass Book (12,265-565)	11,700	
		12,265	12,265

Question 21.

Tiwari and Sons find that the bank balance shown by their Cash Book on 31st March, 2015 is Rs.40,500 (credit) but the Pass Book shows a difference due to the following reasons:

- i. A cheque for Rs.5,000 drawn in favour Manohar has not yet been presented for payment.
- ii. A post-dated cheque for Rs.900 has been debited in the bank column of the Cash Book.
- iii. Cheques totaling Rs.10,200 deposited with the bank have not yet been collected and a cheque for Rs.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 a Bank Reconciliation Statement and find out the balance as per the Pass Book.

(KVS 2005, Modified)

Solution:**Bank Reconciliation Statement**
as on March 31, 2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Cash Book		40,500
i.	Cheques 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.	Cheque deposited into bank but not collected		10,200
iv.	Cheque dishonoured		4,000
v.	Rebate on retiring of bill not entered in the Cash Book	150	
	Overdraft as per Pass Book (55,600-5,150)	50,450	
		55,600	55,600

Question 22.

From the following particulars of a trader, prepare a Bank Reconciliation Statement 31st March, 2015:

- i. Bank overdraft as per Cash Book Rs.52,100.
- ii. During the month, the total amount of cheques for Rs.94,400 were deposited into the bank but of these, one cheque for Rs.11,160 has been entered into the Pass Book on 5th April
- iii. During the month, cheques for Rs.89,580 were drawn in favour of creditors. Of them, one creditor for Rs.38,580 encashed his cheque on 7th April whereas another for Rs.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 Rs.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 Rs.120 as bank charges and credited the same for Rs.180 as interest.

Solution:**Bank Reconciliation Statement
as on March 31, 2015**

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Cash Book		52,100
i.	Cheques of ₹94,00 deposited in March but cheques of ₹11,160 not cleared in April		11,160
ii.	Cheques issued but not presented for payment in the March (38,580+4,320)	42,900	
iii.	Payment made to creditor by bank but not entered in the Cash Book		10,500
iv.	Amount directly deposited by debtor into Bank	9,000	
v.	Bank Charges		120
vi.	Bank credited interest	180	
	Overdraft as per the Pass Book (73,880-52,080)	21,800	
		73,880	73,880

Question 23.

Prepare Bank Reconciliation Statement from the following particulars as on 31st March, 2015, when Pass Book shows a debit balance of Rs.2,500:

- i. Cheque issued for Rs.5,000 but up to 31st March, 2015 only Rs.3,000 could be cleared.
- ii. Cheques issued for Rs.1,000 but omitted to be recorded in the Cash Book.
- iii. Cheques deposited for Rs.5,500 but cheques for Rs.500 were collected on 4th April, 2015.
- iv. A discounted Bill of Exchange dishonoured Rs.1,000.
- v. A Rs.500 debited in Cash Book but omitted to be banked.
- vi. Interest allowed by bank Rs.200 but no entry was passed in the Cash Book.

(Delhi 2002, Adapted)

Solution:**Bank Reconciliation Statement
as on March 31, 2015**

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Pass Book		2,500
i.	Cheque issued for ₹5,000 but cheque of ₹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 (4700-3000)	1,700	
		4,700	4,700

Question 24.

From the following information, prepare Bank Reconciliation statement as 31st March, 2015:

	₹
Bank overdraft as per Pass Book	36,000
Cheques issued but not presented for payment	19,700
Cheques deposited with bank but not collected	25,000
Cheques entered in Cash Book but not banked	9,000
Direct deposited to bank by a customer	11,000

(Delhi 2012, Modified)

Solution:

Bank Reconciliation Statement
as on March 31, 2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Pass Book		36,000
i.	Cheques issued but not presented for payment		19,700
ii.	Cheques deposited with bank but not collected	25,000	
iii.	Cheques entered in the Cash book but not deposited in bank	9,000	
iv.	Amount directly deposited by customer		11,000
	Overdraft as per the Cash Book (66,700-34,000)	32,700	
		66,700	66,700

Question 25.

On 31st March, 2015, Bank Pass Book of Naresh and Co. showed an overdraft of Rs.10,700. From the following particulars, prepare Bank Reconciliation Statement:

- i. Cheques issued before 31st March, 2015 but presented for payment after that date amounted to Rs.900.
- ii. Cheques paid into the bank but not collected and credited until 31st March, 2015 amounted to Rs.2,200.
- iii. Interest on overdraft amounting to Rs.1,200 did not appear in the Cash Book.
- iv. Rs.5,000 being interest on investments collected by the bank and credited in the Pass Book were not shown in the Cash Book.
- v. Bank charges of Rs.50 were not entered in the Cash Book.
- vi. Rs.800 in respect of dishonoured cheque were entered in the Pass Book but not in the Cash Book.

Solution:

Bank Reconciliation Statement
as on March 31, 2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Pass Book		10,700
i.	Cheque issued in March 2015 but presented in April 2015		900
ii.	Cheques deposited but not cleared during March 2015	2,200	
iii.	Interest on Overdraft	1,200	
iv.	Interest on Investment not recorded in the Cash Book		5,000
v.	Bank Charges	50	
vi.	Amount of bill dishonoured not entered in the Cash Book	800	
	Overdraft as per the Cash Book (16,600-4,250)	12,350	
		16,600	16,600

Question 26.

On 31st March, 2015, Pass Book of Shri Bhama Shah shows debit balance of Rs.10,000. From the following particulars, prepare Bank Reconciliation Statement:

- i. Cheques amounting to Rs.8,000 drawn on 25th March of which cheques of Rs.5,000 cashed in April, 2015.
- ii. Cheques paid into bank for collection of Rs.5,000 but cheques of Rs.2,200 could only be collected in March, 2015.
- iii. Bank charges Rs.25 and dividend of Rs.350 on investment collected by bank could not be shown in the Cash Book.
- iv. A cheque of Rs.600 debited in the Cash Book omitted to be banked.

(Delhi 2005, Modified)

Solution:

Bank Reconciliation Statement
as on March 31, 2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Debit Balance as per the Pass Book		10,000
i.	Cheque issued in March but presented for payment in April		5,000
ii.	Cheques deposited but not cleared in March	2,800	
iii.	Bank charges not entered in the Cash Book	25	
iv.	Interest on Investment collected by bank not entered in the Cash Book		350
v.	Cheque entered in the Cash Book but not deposited in bank	600	
	Overdraft as per the Cash Book (15,350-3,425)	11,925	
		15,350	15,350

Question 27.

On checking the Bank Pass Book it was found that it showed an overdraft of Rs. 5,220 as on 31st March, 2015, while as per

Ledger it was different. The following differences were noted:

- i. Cheques deposited but not yet credited by the bank Rs.6,000.
- ii. Cheques dishonoured and debited by the bank but not given effect to it in the Ledger Rs.800.
- iii. Bank charges debited by the bank but Debit Memo not received from the bank Rs.50.
- iv. Interest on overdraft excess credited in the Ledger Rs.200.
- v. Wrongly credited by the bank to account, deposit of some other party Rs.900.
- vi. Cheques issued but not presented for payment Rs.400.

(Delhi 2001, Modified)

Solution:

Bank Reconciliation Statement
as on March 31,2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Pass Book		5,220
i.	Cheques deposited but not cleared	6,000	
ii.	Cheques dishonoured not entered in the Cash Book	800	
iii.	Bank Charges	50	
iv.	Interest on overdraft excess credited in the Cash Book		200
v.	Amount wrongly credited in the Pass Book		900
vi.	Cheques issued but not presented for payment		400
	Balance as per the Cash Book (6,850-6720)		130
		6,850	6,850

Question 28.

Prepare Bank Reconciliation Statement from the following particulars as on 31st 2015 when Pass Book shows a debit balance of Rs.2,500:

- i. Cheque issued for Rs.5,000 but up to 31st March, 2015 only 3,000 could be cleared.
- ii. Cheques deposited for Rs.5,500 but cheques of Rs.500 were collected on 10th April, 2015.
- iii. A discounted bill of exchange dishonoured Rs.2,000.
- iv. A cheque of Rs.300 debited in Cash Book but omitted to be banked.
- v. Interest allowed by bank Rs.400 but no entry was passed in the Cash Book.

(KVS 2004, Modified)

Solution:**Bank Reconciliation Statement**
As on March 31,2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Debit balance as per the Pass Book		2,500
i.	Cheques issued but not presented in March		2,000
ii.	Cheque deposited in March but cleared in April	500	
iii.	Bill dishonoured was not entered in the Cash Book	2,000	
iv.	Cheque debited in the Cash book but not entered in the Cash Book	300	
v.	Interest allowed by bank but was not entered in the Cash Book		400
	Overdraft as per the Cash Book (4,900-2,800)	2,100	
		4,900	4,900

Question 29.

From the following particulars, you are required to ascertain the bank balance as appear in the Cash Book of Ramesh as on 31st October, 2014:

- i. Bank Pass Book showed an overdraft of Rs.16,500 on 31st October.
- ii. Interest of Rs.1,250 on overdraft up to 31st October, 2014 has been debited in the Pass Book but it has not been entered in the Cash Book.
- iii. Bank charges debited in the Bank Pass Book amounted to Rs.35.
- iv. Cheques issued prior to 31st October, 2014 but not presented till that date, amounted, to Rs.11,500.
- v. Cheques paid into bank before 31st October, but not collected and credited up to date, were for Rs.2,500.
- vi. Interest on investment collected by the bankers and credited in the Bank Pass amounted to Rs.1,800.

(KVS 2003, Modified)

Solution:**Bank Reconciliation Statement**
as on March 31, 2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Pass Book		16,500
i.	Interest on overdraft	1,250	
ii.	Bank charges	35	
iii.	Cheques issued but not presented for payment		11,500
iv.	Cheques deposited but cleared	2,500	
v.	Interest on investment was not recorded in the Cash Book		1,800
	Overdraft as per the Cash Book (29,800-3,785)	26,015	
		29,800	29,800

Question 30.

From the following information supplied by Mr. D.H., prepare his Bank Reconciliation Statement as on 31st March 2015.

	₹
Bank overdraft as per Pass Book	33,000
Cheques issued but not presented for payment	17,500
Cheques deposited but not collected	21,000
Cheques recorded in the Cash Book but not sent to the bank for collection	4,000
Payment received from customers directly by the bank	7,000
Bank charges debited in the Pass Book.	40
Premium of Life Insurance Policy of Mr. D.H. paid by the bank on standing instructions	360
A bill for ₹6,000 dishonoured on 30 th March, 2015 and bank paid noting charges	20
This bill was discounted on 30 th January, 2015	

Solution:**Bank Reconciliation Statement
as on March 31,2015**

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Pass Book		33,000
i.	Cheques issued but not presented for payment		17,500
ii.	Cheques deposited but not collected	21,000	
iii.	Cheque recorded in the Cash Book but not sent to bank for collection	4,000	
iv.	Payment directly deposited by customer in the bank		7,000
v.	Bank Charges	40	
vi.	Insurance Premium of life Insurance policy directly paid from the bank but not recorded in the Cash book	360	
vii.	Bill dishonoured	6,000	
	Nothing charged paid by bank	20	
	Overdraft as per the Cash Book (57,500-31,420)	26,080	
		57,500	57,500

Question 31.

Prepare Bank Reconciliation Statement as on 31st March, 2015 from the following particulars :

- i. R's overdraft as per Pass Book Rs.12,000 as on 31st March.
- ii. On 30th March, cheques had been issued for Rs.70,000 of which cheques amounting Rs.3,000 only had been encashed up to 31st March.
- iii. Cheques amounting to Rs.3,500 had been paid into the bank for collection but of these only 500 had been credited in the Pass Book.
- iv. Bank has charged Rs.500 as interest on overdraft and the intimation of which has been received on 2nd April, 2015.
- v. Bank Pass Book shows credit for Rs.1,000 representing Rs.400 paid by debtor of R direct into the bank and Rs.600 collected directly by the bank in respect of interest on R's investment. R had no knowledge of these items.
- vi. A cheque for Rs.200 has been debited in the bank column of Cash Book by R but it was not sent to the bank at all.

Solution:

Bank Reconciliation Statement
as on March 31,2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Pass Book		12,000
i.	Cheques issued but not presented for payment		67,000
ii.	Cheques deposited but not collected	3,000	
iii.	Bank Charged Interest on overdraft	500	
iv.	Amount directly paid by a debtor		400
v.	Interest received on Investment		600
vi.	A cheque entered in the Cash book but not sent to bank collection	200	
	Overdraft as per the Cash Book (80,000-3700)	76,300	
		80,000	80,000

Question 32.

Prepare Bank Reconciliation Statement from the following particulars and show balance as per Cash Book:

- i. Balance as per Pass Book on 31st March, 2015 overdrawn Rs.10,000.
- ii. Cheques drawn in the last week of March, 2015 but not cleared till 3rd April, 2015 Rs.20,000.
- iii. Interest on bank overdraft not entered in the Cash Book Rs.1,500.
- iv. Cheques of Rs.20,000 deposited in the bank in March, 2015 but not collected and credited till 3rd April, 2015.
- v. Rs.100 insurance premium paid by the bank under a standing order has not been entered in the Cash Book.

Solution:

Bank Reconciliation Statement
as on March 31,2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Pass Book		10,000
i.	Cheques issued but not presented for payment during March		20,000
ii.	Interest charged by bank on Overdraft	1,500	
iii.	Cheques deposited in to bank but not collected	20,000	
iv.	Insurance premium paid by bank but not entered in the Cash Book	100	
	Overdraft as per Cash Book (30,000-21,600)	8,400	
		30,000	30,000

Question 33.

Bank Pass Book of Mr. X showed an overdraft of Rs.33,575 on 31st March, 2015. On going through the Pass Book the accountant found the following:

- i. A cheque of Rs.1,080 credited in the Pass Book on 28th March, being dishonoured is debited again in the Pass Book on 1st April, 2015. There was no entry in the Cash Book about the dishonour of the cheque until 15th April.
- ii. Bankers had credited his account with Rs.2,800 for interest collected by them on his behalf but the same had not been entered in his Cash Book.
- iii. Out of Rs.20,500 paid in by Mr. X in cash and by cheques on 31st March, cheques amounting to Rs.7,500 were collected on 7th April.
- iv. Out of cheques amounting to Rs.7,800 drawn by him on 27th March, a cheque for Rs.2,500 was encashed on 3rd April.
- Prepare Bank Reconciliation Statement on 31st March, 2015.

Solution:

Bank Reconciliation Statement
as on March 31, 2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Pass Book		33,575
i.	Amount directly collected by the bank		2,800
ii.	Amount deposited in March but credited in April	7,500	
iii.	Cheque issued in March but presented for payment in April		2,500
	Overdraft as per the Cash Book (38,875-7,500)	31,375	
		38,875	38,875

Question 34.

From the following information supplied by Sanjay, prepare his Bank Reconciliation Statement as on 31st March, 2015.

	₹
Bank overdraft as per Pass Book	16,500
Cheques issued but not presented for payment	8,750
Cheques deposited with the bank but not collected	10,500
Cheques recorded in the Cash Book but not sent to the bank for collection	2,000
Payment received from customers directly by the bank	3,500
Bank charges debited in the Pass Book.	200
Premium of Life Insurance Policy of Sanjay paid by the bank on standing advice.	1,980
A bill for ₹3,000 (discounted with the Bank in November) dishonoured on 31 th March, 2015 and bank paid nothing charges paid by the bank.	100

(Delhi 2009, Modified)

Solution:**Bank Reconciliation Statement**
as on March 31,2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Pass Book		16,500
i.	Cheques issued but not presented for payment		8,750
ii.	Cheques deposited but not collected	10,500	
iii.	Cheque entered in the Cash Book but not sent to bank for collection	2,000	
iv.	Amount directly deposited in to bank by customer		3,500
v.	Bank charges	200	
vi.	Insurance premium paid by bank not recorded in the Cash Book	1,980	
vii.	Bill dishonoured	3,000	
viii.	Noting charges paid by bank	100	
	Overdraft as per the Cash Book (28,750-17,780)	10,970	
		28,750	28,750

Question 35.

From the following information, prepare Bank Reconciliation Statement as on 31st March, 2015:

- i. Debit balance shown by Pass Book Rs.17,800.
- ii. Cheques of Rs.21,600 were issued in the last week of March but only cheques of Rs.14,800 were presented for payment.
- iii. Cheques of Rs.10,750 were presented to the bank. Out of them, a Rs.4,200 was credited in the first week of April, 2015.
- iv. A cheque of Rs.1,200 was debited in the cash book but was not presented in the bank.
- v. Insurance premium paid by bank Rs.1,450.
- vi. A bill of exchange of Rs.6,200 which discounted with the same was dishonoured but no entry was made in the cash book.
- vii. Bank charges, charged by the bank Rs.350.

(MSE Chandigarh 2011, Modified)

Solution:**Bank Reconciliation Statement
as on March 31,2015**

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Pass Book		17,800
i.	Cheques issued but not presented for payment (21,600-14,800)		6,800
ii.	Cheques deposited but not cleared in March	4,200	
iii.	A Cheque entered in the Cash Book but not deposited into bank	1,200	
iv.	Insurance premium paid by bank	1,450	
v.	Bill dishonoured	6,200	
vi.	Bank Charges	350	
	Overdraft as per the Cash Book (24,600-13,400)	11,200	
		24,600	24,600

Question 36.

Mohan and co., have two bank accounts - Account No. I and No. II. From the following particulars relating to Account No. I, find out the balance on that account as on 31st March, 2015 according to the Cash Book (Bank Column) of the firm:

	₹
Overdraft as per Pass Book	14,724
Cheques issued prior to 31 st March, 2015 but not presented until after that date.	6,429
Cheque paid into the bank prior to 31 st march, 2015 but not credited until after that date.	9,751
Interest debited by the bank but not entered in the Cash Book	607
Bank charges debited by the bank but not entered in the Cash Book.	140
Transfer of funds from Account No. II to Account No. I Recorded by the bank on 31 st March, 2015 but entered in the Cash Book on 2 nd April,2015	5000

Solution:**Bank Reconciliation Statement**
as on March 31,2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the Pass Book (Account no I)		14,724
i.	Cheques issued but not presented for payment		6,429
ii.	Cheques deposited but not cleared	9,751	
iii.	Interest charged on Overdraft	607	
iv.	Bank Charges	140	
v.	Transfer of funds from Account No II to Account No I not entered in the Cash Book		5,000
	Overdraft as per the Cash Book (26,153-10,498)	15,655	
		26,153	26,153

Question 37.

From the following particulars, ascertain the bank balance as per Pass Book 31st March, 2015 (a) without correcting the Cash Book balance and (b) after correcting the Cash Book balance:

- i. The bank balance as per Cash Book on 31st March, 2015 Rs. 40,000.
- ii. Cheques issued but not encashed up to 31st March, 2015 amounted to Rs.10,000.
- iii. Cheques paid into the bank, but not cleared up to 31st March, 2015 amounted to Rs.15,000.
- iv. Interest on investments collected by the bank but not entered in the Cash Book Rs.500.
- v. Cheques deposited in the bank but not entered in the Cash Book Rs.12,500.
- vi. Bank charges debited in the Pass Book but not entered in the Cash Book Rs.100.

Solution:

a. Without correcting Cash Book Balance

Bank Reconciliation Statement
as on March 31,2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Bank Balance as per Cash Book	40,000	
i.	Cheques issued but not encashed	10,000	
ii.	Cheques deposited but not cleared		15,000
iii.	Interest on Investments collected by Bank	500	
iv.	Cheques deposited directly in bank	12,500	
v.	Bank Charges		100
	Balance as per the Pass Book (63,000-15,100)		47,900
		63,000	63,000

b. After correcting Cash Book Balance

Cash Book (Adjusted)
for the month of March 31,2015

Dr.

Cr.

Date	Particulars	Bank (₹)	Date	Particulars	Bank (₹)
2015			2015		
Mar 31	To Balance b/d	40,000	Mar 31	By Bank Charges	100
	To Interest on Investments	500		By Balance c/d	52,900
	To Cheques omitted to enter	12,500			
		53,000			53,000

Bank Reconciliation Statement
as on March 31, 2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Adjusted Balance as per the Cash Book	52,900	
i.	Cheque issued but not encashed	10,000	
ii.	Cheques deposited but not cleared		15,000
	Balance as per the Pass Book (62,900-15,000)		47,900
		62,900	62,900

Question 38.

From the following particulars, find out corrected bank balance as per Cash Book and thereafter prepare a Bank Reconciliation Statement as on 31st March, 2015 of a sole proprietor:

	₹
Bank Overdraft as per Cash Book	80,000
Cheques deposited as per the bank statement but not entered in the Cash Book	3,000
Cheques recorded for collection but not sent to the bank	10,000
Credit side of bank column casted short.	1,000
Bank charges recorded twice in the Cash Book	100
Customer cheque returned as per the Bank statement	4,000
Cheques issued but dishonoured on technical grounds.	3,000
Bill collected by bank directly	20,000
Cheque received entered twice in the Cash Book.	5,000

Solution:

Cash Book (Adjusted)
for the month of March 31, 2015

Dr.

Cr.

Date	Particulars	Bank ₹	Date	Particulars	Bank ₹
2015			2015		
Mar 31	To Cheques Omitted to enter A/c	3,000	Mar 31	By Balance b/d (Overdraft)	80,000
	To Bills Collection A/c	20,000		By Adjustment for undercasting A/c	1,000
	To Bank Charges A/c	100		By Cheques returned A/c	4,000
	To Balance c/d	66,900		By Cheque recorded twice A/c	5,000
		90,000			90,000

Bank Reconciliation Statement
as on March 31, 2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Overdraft as per the (adjusted) Cash Book		66,900
i.	Cheques recorded in the Cash Book but not sent to bank for collection		10,000
ii.	Cheque issued but not cleared on technical grounds	3,000	
	Overdraft as per the Pass Book	73,900	
		76,900	76,900

Solution:**Bank Reconciliation Statement**
as on March 31, 2015

S. No.	Particulars	(+) Amount ₹	(-) Amount ₹
	Balance as per the Cash Book	5,610	
i.	Three Cheques of M.Mohan and Bros, T.P.Bhalla and Co. and S.Leader and Sons of ₹1,550 ₹740 and ₹2,130 respectively were received but not cleared		4,420
ii.	Three Cheques of V.Kumar and Co., R.Ramdas and Co. and B.Bansal and Bros. of ₹300, ₹780 and ₹340 respectively were issued but not presented for payment	1,420	
iii.	Bank Charges		10
iv.	Life Insurance premium paid by bank not recorded in the in the Cash Book		250
v.	Interest on Government Securities received by bank	300	
	Balance as per the Pass Book (7,330-4680)		2,650
		7,330	7,330

Note: in Cash Book cheque received from G.Basu and Co is debited with ₹1,000 and at the time of dishonour entry is reversed by crediting G. Basu and Co. with ₹1, 000. Therefore its net effect is nill in Cash Book.