

- At 30 September 2024, the balance in the cash book of Alishba Co was \$805.15 debit. A bank statement on 30 September 2024 showed Alishba Co to be in credit by \$1,112.30. On investigation of the difference between the two sums, it was established that:
  - The cash book had been undercast by \$90.00 on the debit side\*
  - Cheques paid in not yet credited by the bank amounted to \$208.20, called outstanding lodgements
  - Cheques drawn not yet presented to the bank amounted to \$425.35 called unpresented cheques

#### Required

- Show the correction to the cash book.
  - Prepare a statement reconciling the balance per bank statement to the balance per cash book.
- On 28 February 2025, Fatima 's cash book showed that he had an overdraft of \$300 on his current account at the bank. A bank statement as at the end of February 2025 showed that Fatima was in credit with the bank by \$65. On checking the cash book with the bank statement you find the following.
    - Cheques drawn, amounting to \$500, had been entered in the cash book but had not been presented.
    - Cheques received, amounting to \$400, had been entered in the cash book, but had not been credited by the bank.
    - On instructions from Fatima the bank had transferred interest received on his deposit account amounting to \$60 to his current account, recording the transfer on 5 July 20X0. However, this amount had been credited in the cash book as on 30 February 20X0.
    - Bank charges of \$35 shown in the bank statement had not been entered in the cash book.
    - The payments side of the cash book had been undercast by \$10.
    - Dividends received amounting to \$200 had been paid direct to the bank and not entered in the cash book.
    - A cheque for \$50 drawn on deposit account had been shown in the cash book as drawn on current account.
    - A cheque issued to Jones for \$25 was replaced when out of date. It was entered again in the cash book, no other entry being made. Both cheques were included in the total of unpresented cheques shown above.

#### Required

- Indicate the appropriate adjustments in the cash book.
  - Prepare a statement reconciling the corrected cash book balance with that shown in the bank statement.
- The bank columns in the cash book for March 2025 and the bank statement for that month for Mariyum are as follows:

Cash Book							
2025	Dr	\$	20X7	Cr		\$	
March	1	Balance b/d	1410	Jun	5	L Holmes	180
	7	J May	62		12	J Rebus	519
	16	T Wilson	75		16	T Silver	41
	28	F Slack	224	..	29	Blister Disco	22
	30	G Baker	582		30	Balance c/d	1591
			2353				2353

Bank Statement			Dr	Cr	Balance
2025			\$	\$	\$
March	1	Balance b/d			1410
	7	Cheque		62	1472
	8	F Lane	180		1292
	16	Cheque		75	1367
	7	J Rebus	519		848
	18	T Silver	41		807
	28	Cheque		224	1031
	29	SLM standing order	52		979
	30	Flynn: trader's credit		64	1043
	30	Bank charges	43		1000

**You are required to:**

- a. Write the cash book up to date to take the above into account, and then
  - b. Draw up a bank reconciliation statement as on 30 March 2025.
4. Read the following and answer the questions below.
- On 31 December 20X8 the bank column of C Tench's cash book showed a debit balance of £1,500.
  - The monthly bank statement written up to 31 December 20X8 showed a credit balance of £2,950.
  - On checking the cash book with the bank statement it was discovered that the following transactions had not been entered in the cash book:
    - Dividends of £240 had been paid directly to the bank
    - A credit transfer – Customs and Excise VAT refund of £260 – had been collected by the bank.
    - Bank charges £30.
    - A direct debit of £70 for the RAC subscription had been paid by the bank.
    - A standing order of £200 for C Tench's loan repayment had been paid by the bank.
    - C Tench's deposit account balance of £1,400 was transferred into his bank current account.

A further check revealed the following items:

- Two cheques drawn in favour of T Cod £250 and F Haddock £290 had been entered in the cash book but had not been presented for payment.
  - Cash and cheques amounting to £690 had been paid into the bank on 31 December 20X8 but were not credited by the bank until 2 January 20X9.
- a. Starting with the debit balance of £1,500, bring the cash book (bank columns) up to date and then balance the bank account.
  - b. Prepare a bank reconciliation statement as at 31 December 20X8.