Ch- 12: Bank Reconciliation Statement (BRS) 5 marks

Deposit/Debit/paid into Bank(+)/Dr.

- Cash Book (it is maintained by firm/Business)

Withdrew/cheque issued/Credit(-minus)/cr.

Deposit/Credit/Paid into Bank(+)/Cr

- Pass Book (it is maintained by Bank)

Withdrew/Debit/ Cheque Issued (-minus/Dr)

Meaning: BRS is a statement prepared by the account holder on a particular date to reconcile (match) the bank balance as per cash book with the balance as per Bank statement or Bank Pass book showing entries because of which differences between the two balances exist.

**About Balances**:

1. Balance as per Cash Book OR Debit Balance as per Cash Book (+)/Favourable
2. Overdraft as per Cash Book OR Credit Balance as per Cash Book (-)/Unfavourable
3. Balance/Credit /Favourable Balance as per Pass Book (+)
4. Overdraft/Debit/Unfavourable Balance as per Pass book (-)

**Format:**

**.......................... Company**

**Bank Reconciliation Statement**

**As on 31st January 2020**

|  |  |  |  |
| --- | --- | --- | --- |
| **S,N.** | **Particulars** | **Details (Rs)** | **Amount (Rs)** |
| **(i)**  **Ii**  **Iii**  **Iv**  **v** | Balance as per Cash Book (start)  Add,  Less, | **1,000**  **3,000**  **4,000**  **2,000** | **10,000**  **4,000**  **14,000**  **6,000** |
|  | Balance as per Pass Book (end) |  | **8,000** |

**Cash Book Pass Book**

**Balance 20,000 20,000**

**Add, 2000 --------**

**Total 22,000 20,000**

**Less 2000 or Add, 2000**

**Ram Shyam**

**Weight 60 60 kg**

**Add, 5 kg -----------**

**65 kg 60 kg**

# Reasons or differences in balances of Cash book and Pass book.

Following are the reasons of differences in balance of cash book and pass book.

1. Cheques issued for payment but not presented at bank

Or Cheque drawn but not presented for payment in Bank.

Impact on balances

Cash book (-) Pass book (0) / +

1. Cheques paid or deposited into bank but not credited/ Cleared by the bank.

Or Cheque sent for deposit into bank but not recorded in Pass book

Impact on balance:

Cash book (+) Pass book (0)/( -)

1. Amount directly deposited into bank by debtors/customers but not recorded in cash book.

Impact on balances

Cash book (0) / - Pass book (+)

Cash Book Pass Book

Bal. 10,000 10,000 + 5000= 15,000

1. Expenses of Account Holder directly paid by bank but not recorded in cash book.

Cash book (0)/+ Pass book (-)

1. Interest credited/given by bank but not entered into cash book.

Cash book (0)/- Pass book (+)

1. Incomes directly collected by bank on the behalf of customers but not recorded into cash book.

Impact on balances

Cash book (0) /- Pass book (+)

1. Bank charges, interest, commission etc charged by bank but not recorded in cash book.

Impact on business

Cash book (0) /+ Pass book (-)

1. Cheques deposited into the bank but dishonoured by bank.

Impact on balances:

Cash book (+) Pass book (-)

1. Dishonour of bill discounted with bank.

Impact on balances

Cash book (0) Pass book (-)

Q. 1. Prepare Bank Reconciliation Statement from the following: Rs

1. Debit balance as per the Cash Book 15,000
2. Cheques deposited but not cleared by Bank 1,000.
3. Cheques issued but not presented for payment 1,500.
4. Bank Interest (allowed) / interest given by Bank 200.

Ans. Balance as per Pass Book Rs 15,700

Soln.

**.......................... Company**

**Bank Reconciliation Statement**

**As on**

|  |  |  |  |
| --- | --- | --- | --- |
| **S,N.** | **Particulars** | **Details(Rs)** | **Amount (Rs)** |
| **(i)**  **(iii)**  **(iv)**  **(ii)** | Debit Balance as **per Cash Book**  Add,  Cheques issued but not presented  Bank Interest (allowed)  Less,  Cheques deposited but not cleared | 1,500  200 | **15,000**  1,700  16,700  1,000 |
|  | Balance as per Pass Book |  | **15,700 Ans.** |

W.N.

|  |  |  |
| --- | --- | --- |
|  | Cash Book | Pass Book |
| (ii) | + | - |
| (iii) | - | + |
| (iv) | - | + |

(ii) Cash Book Pass Book

Balance 20,000 20,000

+ 2000 NIL

22,000 20,000

Less 2000

Q. 4. On 30 th June , 2019, 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 Rs 6,500 credited by bankers.

(ii) The receipts column of the Cash Book under cast by Rs 200.

(iii) On 29th June, a customer deposited Rs 3,000 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 30 th June , 2019.

Ans. Balance as per Pass Book Rs 16,170

Soln. + 17,730

* 1,560

16 ,1 70  **.......................... Company**

**Bank Reconciliation Statement**

**As on** 30 th June , 2019

|  |  |  |  |
| --- | --- | --- | --- |
| **S,N.** | **Particulars** | **Details (Rs)** | **Amount (Rs)** |
| **-**  **(ii)**  **(iii)**  **(iv)**  **(v)**  **A**  **(i)**  **(v.) b.** | Balance as per Cash Book (Start)  **Add,**  The receipts column of the Cash Book under cast  A customer directly deposited into Bank  Cheque issued but not presented for payment  Pass book shows credit as interest  **Less,**  Cheque paid into Bank but not credited by Bank  Pass Book Shows a debit as Bank Charges | 200  3000  2200  330      1,500  **60** | **12,000**  **5,730**  **17,730**  1,560 |
|  | Balance as per Pass Book |  | 16,170 Ans |

w.n.

|  |  |  |
| --- | --- | --- |
|  | Cash Book | Pass Book |
| (i)  Total  (ii)  Receipts  (iii)  (iv) | 12,000  +8,000  20,000  Minus 1,500  12,000  + 8,00  1,2,800  Plus 200  12,000  Plus  12,000  (-)9200  2800  Plus 2200  12,000  Plus  Mnus | 12,000  + 6,500  18,500  12,000  +1000 (Assume)  13,000  12,000  + 3000  12,000  (-) 7000  5000  12,000  (+) 330    12000  (-) 60 |

Or

|  |  |  |
| --- | --- | --- |
|  | Cash Book | Pass Book |
| i | + | * 1500 |
| ii | - | + 200 |
| iii | - | + 3000 |
| iv | - | + 2200 |
| v. a. | - | + 330 |
| v. b. | + | * 60 |

Q. 3 .

On 31st March, 2019, Cash Book of Mahesh showed Debit bank balance of Rs 75,000. When compared with the Bank statement, following facts were discovered. On 30th March, two cheques of Rs 5,000 and Rs 7,000 were deposited in the bank but were not realise 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 recovered in the Cash Book. Similarly, the bank had charged Rs 150 as bank charges but this was not recorded in the Cash Book.

Bank paid insurance premium of Rs 5,000 but it was recorded as 500 in Cash Book.

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

Ans. 85,600

Soln.

|  |  |  |
| --- | --- | --- |
|  | Details | Amount |
| Balance as per cash book  Balance as per Pass Book | 75,000  26,000  1250 | 12,000  150  4500 |
| total | 1,02,250 | 1,02,250 |

Q. 2.

Soln.

**.......................... Company**

**Bank Reconciliation Statement**

**As on** 31st March, 2019

|  |  |  |  |
| --- | --- | --- | --- |
| **S,N.** | **Particulars** | **Plus Items (Rs)** | **Minus Items (Rs)** |
| **(i)**  **(ii)**  **(iii)** | Balance as per Cash Book (Start)  Cheques sent for deposit but not collected by Bank  Cheques issued but not presented for payment  Balance as per Pass Book (diffn) | **72,950**  **29,344** | **43,769**  **58,525** |
|  | Total | **1,02,294** | **1,02,294** |

(ii)Cash Book (+ ) Pass Book (-) 43,769

(iii) (-) (+) 29,344

**Credit (Favourable) Balance as per the Pass Book:**

Q. 9. Prepare Bank Reconciliation from the following particulars on 31st July, 2018:

(i) Balance as Per Pass Book Rs 50,000

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

(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 , 2018.

(iv) The bank charged Rs 460 for its commission and allowed interest of Rs 100 which were not mentioned in Bank column of Cash Book.

Ans 40,048

**.......................... Company**

**Bank Reconciliation Statement**

**As on** 31st July, 2018

|  |  |  |  |
| --- | --- | --- | --- |
| **S,N.** | **Particulars** | **Details** | **Amount(Rs)** |
| **(i)**  **(iii)**  **(iv)**  **(a)**  **(ii)**  **(iv.) b.** | Balance as per Pass Book (Start)  **Add**  Cheques sent for collection but were not deposited into Bank  Bank Charged for its commission but not recorded in cash book  **Less**  Cheques issued but not presented for payment in Bank  Bank allowed as interest and recorded in pass book but not recorded in cash book  Balance as per Cash Book (diffn) | **1,150**  **460**      **11,462**  **100** | **50,000**  **1,610**  **51,610**  **11, 562**  **40,048** |
|  |  |  |  |

w.n

|  |  |  |
| --- | --- | --- |
|  | Cash Book (Business) | Pass Book (Start) Change |
| (ii) three cheques issue  (iii) Cheque sent  (iv) a. charges  b. interest allowed | (-)  (+)  (+)  (-) | (+) 11,462  (-) 1100  (-)  (+) |

Q. 10 and 11 H.W.

Q.10.

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

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

Ans 5605 Balance as per Cash Book.

Q. 11. Soln.

**.......................... Company**

**Bank Reconciliation Statement**

**As on** 30th September 2016

|  |  |  |  |
| --- | --- | --- | --- |
| **S,N.** | **Particulars** | **Plus Items (Rs)** | **Minus Items (Rs)** |
| **(i)**  **(ii)**  **(iii)**  **(iv)**  **(v)**  **(vi)**  **(vii)** | Bank Balance as per Pass Book (Start)  Cheques deposited into bank but no entry was passed in cash book  Cheques received (+)and entered in cash book but not sent to bank  Insurance premium paid directly by the bank  Bank Charged entered twice in cash book  Cheque received entered twice in cash book  Bill discounted dishonoured not recorded in the cash book  Balance as per Cash Book (diffn) | **10,000**    **1200**  **800**      **1,000**  **5000** | **500**  **20**  **17,480** |
|  | Total | **18,000** | **18,000** |

18,000-520=

|  |  |  |
| --- | --- | --- |
|  | Cash book | Pass book (Start) |
| (ii)  (iii)  (iv)  (v)  (vi)  (vii) | * 500   (+)  (+)  10,000  (-) 20  (-) 20  (-)  (+)  (+) | + - 500  (-)  (-)  10,000  (-) 20  (+)  (-)  (-) |

Cash Book (constant) Pass Book (start) change

10,000 10,000

(no entry) + 500

10,500 – 500 = 10,000

(-) (+)

Q. 13 .HW

**.......................... Company**

**Bank Reconciliation Statement**

**As on** 31st March 2019

|  |  |  |  |
| --- | --- | --- | --- |
| **S,N.** | **Particulars** | **Plus Items (Rs)** | **Minus Items (Rs)** |
| **(i)**  **(ii)**  **(iii)**  **(iv)**  **(v)**  **(vi)**  **(vii)**  **(viii)**  **(ix)**  **(x)** | Bank Balance as per Pass Book (Start)  Cheques deposited into bank but no entry was passed in cash book  Cheques received and entered in cash book but not sent to bank  Credit side of the cash book bank column cast short (less amount shown)  Insurance premium paid directly by the bank  Bank Charged entered twice in cash book  Cheque issued but not presented for payment  Cheque received entered twice in cash book  Bill discounted dishonoured not recorded in the cash book  Bank had wrongly credited as interest  Balance as per Cash Book (diffn) | **10,000**    **1,200**  **200**  **600**      **1,000**  **5000** | **500**  **20**  **500**  **5,000**  **11,980 Ans** |
|  | Total | **18,000** | **18,000** |

18000- 6020

W.n.

|  |  |  |
| --- | --- | --- |
|  | Cash Book | Pass Book |
| (iv) credit side/Payment side in cash book  Amount Rs 1,000 Assume  (vii)  (x) | (+)  Or  10,000  (-) 800  9200  (-)  (-) | (-)  10,000  (-) 1000  9000  (+)  (+) |

**Credit, i.e. Overdraft (Unfavourable) Balance as per Cash Book:**

Q. 14. On 1st January, 2019, 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 bank by 1st January, 2019. 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 Bank Reconciliation Statement. Ans 44,100 Overdraft

**.......................... Company**

**Bank Reconciliation Statement**

**As on** 31st March 2019

|  |  |  |  |
| --- | --- | --- | --- |
| **S,N.** | **Particulars** | **Details(Rs)** | **Amount (Rs)** |
| **(i)**  **(iii)**  **(ii)**  **(iv)** | Overdraft balance as per Cash Book (Start)  **Add,**  Cheque issued but not presented for payment  **Less:**  Cheques deposited into bank but not collected by Bank  There was a debit in his pass book for interest and for Bank Charges.  Overdraft Balance as per Pass Book (diffn) | **-------**    7,000  10,000  **1,100** | **(40,000)**  **7,000**  **(33,000)**  **(11,100)**  **44,100**  **Ans.** |
|  |  |  |  |

|  |  |  |
| --- | --- | --- |
|  | C.B. (Start) change | P.B |
| (ii)  (iii)  (iv) | (+)  (-)  (+) | (-)  (+)  (-) |

- 40,000 + 7,000= - 33,000 – 11,100 =

-

16.

**.......................... Company**

**Bank Reconciliation Statement**

**As on** 31st March 2019

|  |  |  |  |
| --- | --- | --- | --- |
| **S,N.** | **Particulars** | **Plus Items (Rs)** | **Minus Items (Rs)** |
| **----**  **(i)**  **(ii)**  **(iii)**  **(iv)**  **(v)**  **(vi)** | Overdraft balance as per Cash Book (Start)  Cheque issued but not presented for payment  Cheques deposited into bank but not collected by Bank  Cheque sent for deposit but dishonoured by bank  Bill receivable collected by bank but not recorded in cash book  Bank charges and interest on overdraft appeared only in pass book (1500+8500)  Overdraft balance as per cash book wrongly carried forward as Debit balance  Overdraft as per Pass Book (2,73,485- 2,10,000) | **-------**  **60,000**      **1,50,000**  **63,985**  **Ans** | **1,72,985**  **75,000**  **15,000**  **10,000**  500 |
|  |  | **2,73,985** | **2,73,485** |

|  |  |  |
| --- | --- | --- |
|  | Cash book | Pass book |
| (i)  (ii)  (iii)  (iv)  (v)  (vi) | -  +  +  -  +  + | +  -  -  +  (-)  - |

**Debit, i.e. Overdraft (Unfavourable) Balance as per the Pass Book**:

Q. 19. Prepare Bank Reconciliation Statement from the following particulars as on 31st March, 2019, when pass book shows a **debit** balance of Rs 2,500. (-)

(i) Cheque issued for Rs 5,000 but upto 31st March, 2019 only Rs 3,000 could be cleared.

(ii) Cheque issued for Rs 1,000 but omitted to be record in cash Book.

(iii) Cheques deposited for Rs 5,500 but cheques for RS 500 were collected on 4th April, 2019.

(iv) A discounted Bill of Exchange dishonoured Rs 1,000. Hint: Pass Book will decrease

(v) A cheque of 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.

Ans 1700 Overdraft as per Cash Book

Soln.

**.......................... Company**

**Bank Reconciliation Statement**

**As on** 31st March 2019

|  |  |  |  |
| --- | --- | --- | --- |
| **S,N.** | **Particulars** | **Plus Items (Rs)** | **Minus Items (Rs)** |
| **----**  **(i)**  **(ii)**  **(iii)**  **(iv)**  **(v)**  **(vi)** | Debit balance as per Pass Book (Start)  Cheque issued but not presented for payment (5000-3,000)  Cheques issued but omitted to be recorded in cash book  Cheque sent for deposit but not collected by bank(5500 but 500 deposited in 4 April)  A discounted bill of exchange dishonoured  A cheque debited in Cash Book but omitted to be banked  Interest allowed by Bank but no entry recorded in cash book  Overdraft as per **Cash Book** (4,700- 3,000) | **-------**    **1,000**  **5,00**  **1,000**  **500**  **1,700**  **Ans.** | 2,500  **2,000**  2,00 |
|  |  | **4,700** | **4,700** |

w.n.

|  |  |  |
| --- | --- | --- |
|  | CashBook | PassBook (Start) |
| 1. 2000 2. Omitted   (iii) 500  (iv)  (v)  (vi) | (-)  (+)  (+)  (+)  (+)  (-) | (+) 2,000  (-) 1,000  (-) 5,00  (-)  (-)  (+) |

Q. 20, 21,22 H.W

Q. 22.  **.......................... Company**

**Bank Reconciliation Statement**

**As on** 31st March 2019

|  |  |  |  |
| --- | --- | --- | --- |
| **S,N.** | **Particulars** | **Plus Items (Rs)** | **Minus Items (Rs)** |
| **----**  **(i)**  **(ii)**  **(iii)**  **(iv)**  **(v)**  **(vi)** | Overdraft balance as per Pass Book (Start)  Cheque issued but not presented for payment  Cheque sent for deposit but not collected by bank  Interest on Overdraft didnot appear in cash book  Interest on investment collected by Bank but not recorded in cash book  Bank Charges were not entered in cash book  Cheque was dishonoured entered in pass book but not recorded in cash Book  Overdraft as per **Cash Book** (16,600- 4,250) | **-------**    **2,200**    **1,200**  **50**  **800**  **12,350**  **Ans** | 10,700  **900**  **5,000** |
|  |  | **16,600** | **16,600** |

w.n.

|  |  |  |
| --- | --- | --- |
|  | CashBook | PassBook (Start) |
| (i)  (ii)  (iii)  (iv)  (v)  (vi) | (-)  (+)  (+)  (-)  (+)  (+) | (+)  (-)  (-)  (+)  (-)  (-) |