

- 2 Noor, a sole trader, prepares bank reconciliation statements at the end of each month.

REQUIRED

- (a) State **four** benefits to a business of preparing a bank reconciliation statement.

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[4]

- (b) State **two** differences between a bank standing order and a direct debit.

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[2]

Additional information

On 31 October 2019 Noor received the following bank statement for her business account.

Date	Details	Dr \$	Cr \$	Balance \$
1 Oct	Balance b/d			292.22 Cr
3 Oct	Credit		927.40	1 219.62 Cr
6 Oct	Direct debit: P Ltd	334.80		884.82 Cr
7 Oct	Cheque 626344	118.48		766.34 Cr
9 Oct	Cheque 626346	723.21		43.13 Cr
18 Oct	Credit transfer: Tahir		184.95	228.08 Cr
21 Oct	Bank charges	59.60		168.48 Cr
22 Oct	Direct debit: Ayesha	172.80		4.32 Dr
24 Oct	Credit		841.67	837.35 Cr
27 Oct	Cheque 626347	1 206.22		368.87 Dr
29 Oct	Credit transfer: H Ltd		229.48	139.39 Dr

Noor's cash book (bank columns) for October 2019 was as follows.

Cash Book (bank columns)			
		\$	\$
Oct			
1	Balance b/d	292.22	
1	Sales	927.40	
22	Tahir (credit transfer)	184.95	
23	Sales	841.67	
29	Sales	773.25	
31	Balance c/d	625.48	
		<u>3644.97</u>	
Oct	2	Z Ltd (cheque 626344)	118.48
	4	J Ltd (cheque 626345)	276.93
	5	Ayan (cheque 626346)	723.21
	6	P Ltd (direct debit)	334.80
	22	Huma (cheque 626347)	1206.22
	26	Usman (cheque 626348)	985.33
			<u>3644.97</u>
Nov	1	Balance b/d	625.48

REQUIRED

(c) Prepare Noor's updated cash book.

Cash Book (bank columns)			
		\$	\$
		Balance b/d	625.48

[4]

(d) Prepare a bank reconciliation statement at 31 October 2019.

Start with the balance per the bank statement.

Bank reconciliation statement at 31 October 2019

	\$
Balance per bank statement	

[5]