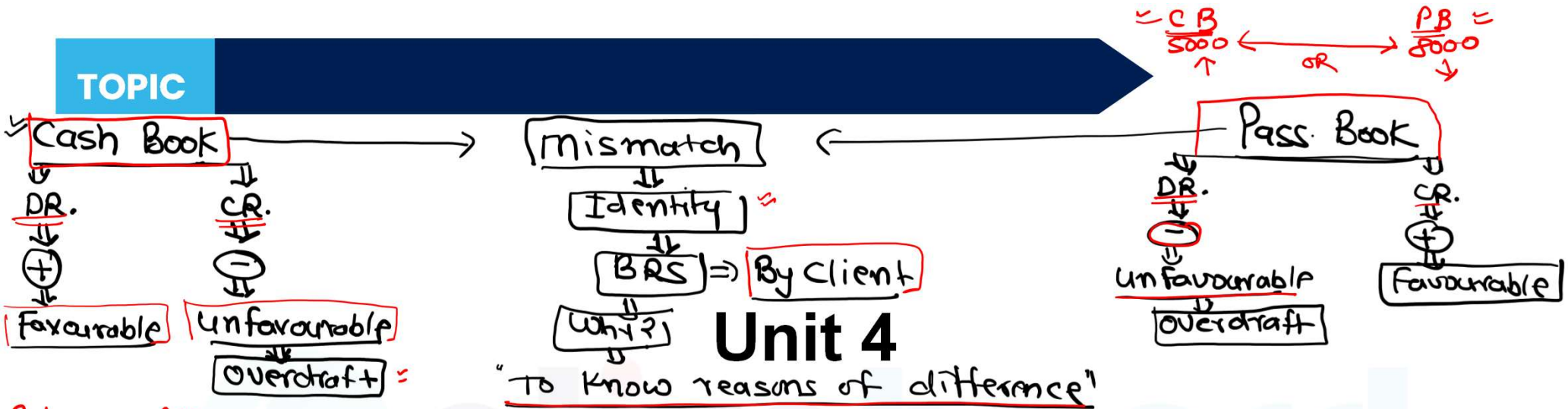


## TOPIC



## Unit 4

# Bank Reconciliation Statement

**Golden Rule:** "Assume base of given balance in Q. and make all the changes in that given Amount only!"

- ⇒ Bal. as per CB (DR.) / Favourable / (+) → Consider CB as Base → + / - in CB only
- ⇒ Bal. as per CB (CR.) / Unfavourable / (-) → - - - - - → + / - - - - -
- ⇒ Bal. as per PB (DR.) / Unfav. / (-) → - - - - - Pass Book - - - → + / - - - - - PB only
- ⇒ Bal. as per PB (CR.) / Fav. / (+) → - - - - - - - - - → + / - - - - - PB only

# TOPIC

Total 22 Q.

CB  
↑

PB  
⊕ ↔

Q:-1] Bal. as Per CB (DR.)		Q:-2] Bal. as Per PB (DR.)	
	+50000		-50,000
1. Che. issued but not Presented ✓	+10000	1. Same	-10,000
2. Int. Given by Bank, not recorded CB	+5000	2. Same	-5000
3. ₹ directly deposited in AC	+12000	3. Same	-12000
4. Int./Div. directly collected by Bank	+2000	4. Same	-2000
5. Che. deposited but not recorded in CB	+3000	5. Same	-3000
6. Wrong CR. PB	+3000	6. Same	-3000
7. Int. charged but not recorded in CB	-4000	7. Same	+4000
8. Che. deposited but not cleared ✓	-6000	8. Same	+6000
9. Che. deposited but dishonoured	-5000	9. Same	+5000
10. ₹ directly Paid by Bank	-1000	10. Same	+1000
11. Wrong DR. PB	-2000	11. Same	+2000

# TOPIC

Q:- Nov. 24 Find Bal. of PB if a cheq. deposited but dishonoured ₹ 80,000  
and DA. balance as per Cash book is ₹ 30,000.

- a) CR. 50,000  
b) DR. 1,10,000  
~~c) DR. 50,000~~  
d) CR. 1,10,000

$\Rightarrow \boxed{CB (DR.)} =$   
 $\boxed{+ 30,000}$   
chq. deposited but disho.  $\boxed{- 80,000}$   
 Bal. of PB(DR.)  $\boxed{- 50,000}$   
 $\Rightarrow$   
 $\boxed{PB}$   
 $\boxed{\longleftrightarrow}$   
 $\boxed{=}$

PB  $\rightarrow$  Q.  
 $\downarrow$   
 CB  $\rightarrow$  Ans.



# TOPIC

# Reason of Difference and Reconciliation

S.No.	Details	₹	CB	PB	BRs
	Bal. as Per Cash Book (DR.)	+10000	—	—	—
1.	Cheq. issue but not Presented For Payment ✓	+2000	↓ ✓	↔ ✓	Add ✓
2.	Interest given by Bank, not recorded in CB	+1000	↔	↑	Add
3.	₹ directly deposited in Account	+5000	↔	↑	Add
4.	Int./Div. directly Collected by Bank	+1000	↔	↑	Add
5.	Cheq. deposited in Bank, not recorded in CB	+3000	↔	↑	Add
6.	Wrong cr. in Pass Book	+500	↔	↑	Add
7.	Cheq. deposited but not cleared	-6000	↑	↔	Less
8.	Interest charged by Bank, not recorded in CB	-1000	↔	↓	Less
9.	Cheq. deposited but dishonoured	-8000	↑	↔	Less
10.	Bank charges, not recorded in CB	-500	↔	↓	Less
11.	Directly Paid by bank on Standing instruction	-2000	↔	↓	Less
12.	Wrong DR. in Pass Book	-10000	↔	↓	Less
	Bal. as Per Pass Book (DR.) = 010	-6000			

## TOPIC

① CB (DR.) ₹ 50,000, Interest Provided by bank ₹ 10,000 not recorded in CB, find - Treatment (BRS) → Bal. of PB

⇒ CB (DR.) + 50,000  
Int. Received + 10,000 ⇒ Add.  
 ⇒ PB (CR.) + 60,000

CB  $\begin{matrix} \text{DR.} \\ \text{CR.} \end{matrix}$  PB  $\begin{matrix} \text{DR.} \\ \text{CR.} \end{matrix}$   
 $\begin{matrix} \text{CR.} \\ \text{DR.} \end{matrix} \begin{matrix} \text{DR.} \\ \text{CR.} \end{matrix}$   $\begin{matrix} \text{DR.} \\ \text{CR.} \end{matrix}$   $\begin{matrix} \text{DR.} \\ \text{CR.} \end{matrix}$

② CB (CR.) ₹ 50,000, cheq. issued ₹ 50,000, but not Presented for Payment, find - Treatment → Bal. of PB

⇒ CB (CR.) - 50,000  
cheq. + 50,000 ⇒ Add.  
PB (DR.) - 45,000  
 ⇒ Overdraft

CB  $\begin{matrix} \text{DR.} \\ \text{CR.} \end{matrix}$  PB  $\begin{matrix} \text{DR.} \\ \text{CR.} \end{matrix}$   
 $\begin{matrix} \text{DR.} \\ \text{CR.} \end{matrix}$   $\begin{matrix} \text{DR.} \\ \text{CR.} \end{matrix}$   $\begin{matrix} \text{DR.} \\ \text{CR.} \end{matrix}$   $\begin{matrix} \text{DR.} \\ \text{CR.} \end{matrix}$

## TOPIC

- ③ CB (DR.) 20,000, cha. deposited ₹ 30,000, dishonoured = Treatment (BRs)  
→ Bal. PB.
- ⇒ 
$$\begin{array}{rcl} \text{CB (DR.)} & + & 20,000 \\ \text{cha. dish.} & - & 30,000 \\ \hline = \text{PB (DR.)} & - & 10,000 \end{array} \Rightarrow \text{Less}$$
- ↳ overdraft
- $\begin{array}{c} \text{CB} \\ \uparrow \ominus \\ \hline \end{array}$   $\begin{array}{c} \text{PB} \\ \leftarrow \\ \hline \end{array}$
- ④ PB (CR.) 60,000, cha. deposited <sup>₹ 20,000</sup> but not recorded in CB = Treatment  
→ Bal. of CB
- ⇒ 
$$\begin{array}{rcl} \text{PB (CR.)} & + & 60,000 \\ \text{cha. not Recd.} & - & 20,000 \\ \hline \Rightarrow \text{CB (DR.)} & + & 40,000 \end{array}$$
- $\begin{array}{c} \text{CB} \\ \leftarrow \\ \hline \end{array}$   $\begin{array}{c} \text{PB} \\ \uparrow \ominus \\ \hline \end{array}$

## TOPIC

⑤ PB (DR.) ₹ 40,000, Int. Div. directly deposited in Bank ₹ 10,000 =  $\Rightarrow$  Treatment + (BRS)  
 $\Rightarrow$  Balance of CB

$\Rightarrow$	PB (DR.)	<u>overdraft</u>		
		<u>- 40,000</u>		
	Int. Div.	- 10,000 = Less	CB	PB
	CB (CR.)	<u>- 50,000</u>	$\Leftarrow$	$\uparrow \ominus$

⑥ Bank o ID ₹ 80,000, Chq. issued ₹ 30,000 but not presented for Payment =  $\Rightarrow$  Treat.  
 $\Rightarrow$  Bal. of CB

$\Rightarrow$	PB (DR.)	<u>- 80,000</u>		
	Chq.	- 30,000 = Less	CB	PB
	CB (CR.)	<u>- 1,10,000</u>	$\downarrow$	$\Leftarrow \ominus \downarrow$

TOPIC





TOPIC



TOPIC



TOPIC



## TOPIC

### Bank Reconciliation Statement as on .....

Particulars		Plus	Minus
Dr. Balance (Favourable Balance) as per Cash Book		XXXX	
Add:	1. Cheque issued or drawn but not yet presented for payment	XXX	
	2. Interest allowed by the bank not recorded in Cash Book	XXX	
	3. Amount directly deposited by the customers in our Bank Account	XXX	
	4. Interest and Dividends collected by bank on investments	XXX	
	5. Cheque paid into bank but omitted to be entered in the Cash Book	XXX	
	6. Any wrong credit given by the bank in the Pass Book	XXX	
Less:	1. Cheque paid into the bank for collection but not yet credited by the bank		XXX
	2. Cheque paid into the bank for collection but dishonoured by the bank		XXX
	3. Direct payment made by the bank according to prior instructions		XXX
	4. Bank Charges and commission charged by the bank		XXX
	5. Cheque issued but omitted to be recorded in the Cash Book		XXX
	6. Any wrong debit given by the bank in the Pass Book		XXX
		XXXX	XXXX
Cr. Balance (Favourable Balance) as per Pass Book			XXX
		XXXX	XXXX



## TOPIC

⇒ list of closing Balance

⇒ if both Side matching

↓  
Proof of Airthemetical Accuracy

⇒ if Not matching ⇒ Error ⇒

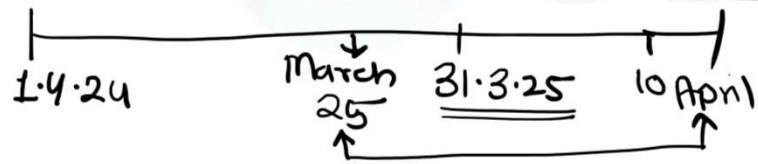
⇒ Principal

⇒ Clerical ⇒

⇒ Journal  
⇒ Ledger  
⇒ T B

→ wrong AIC Classification  
AS/ GAAP/ IAS

# Unit 5 - Trial Balance, Rectification of Errors and Adjusting & Closing Entries



↓  
At the end

## TOPIC

- MEANING OF A TRIAL BALANCE
- Trial Balance is summary of all the ledger accounts.
- Kohler, a list or abstract of balances
- Mr. Carter a list of those debit and credit balances
- Trial balance is a statement ⇒ Not an Account

## FEATURES AND PURPOSE OF A TRIAL BALANCE

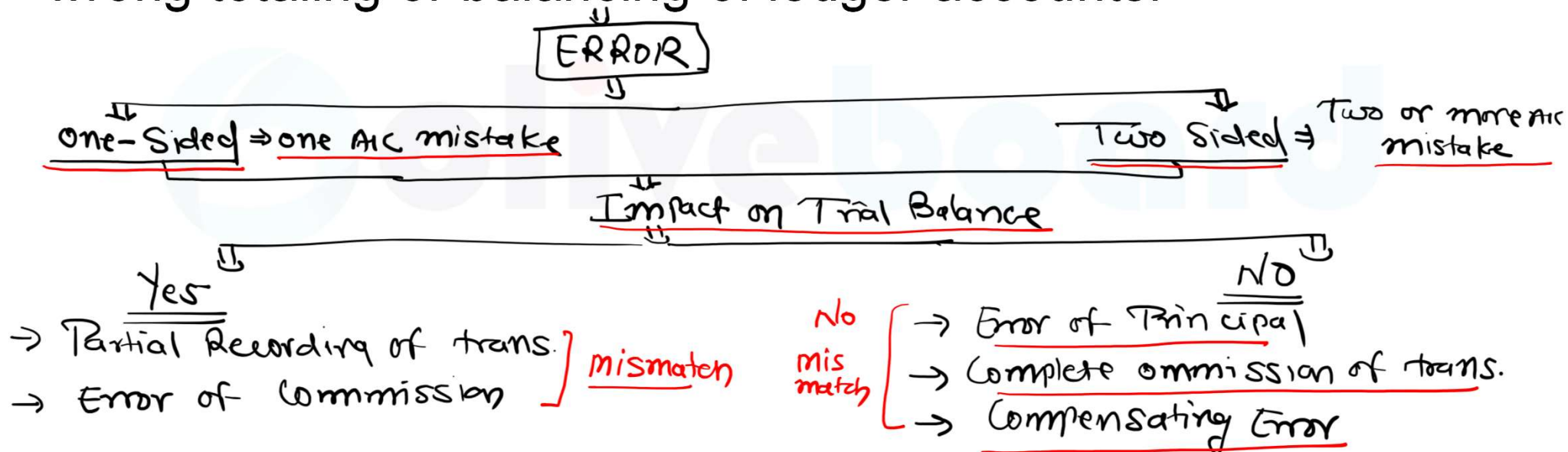
- list of debit and credit balances
- includes cash and bank balances.
- main purpose is to establish arithmetical accuracy
- usually prepared at the end of the year
- facilitates preparation of final accounts

Charan	Singhania
Bal. 2L	Bal. 20L
Inventory	Salary
Bal. 5L	Bal. 3L
Capital	Creditor
Bal. 24L	Bal. 6L

S. No.	Particulars	DR.	CR.
1.	Singhania	20L ✓	-
2.	Charan	2L ✓	-
3.	Inventory	5L ✓	-
4.	Salary	3L ✓	-
5.	Capital	-	24L ✓
6.	Creditor	-	6L ✓
		30L ✓	30L ✓

## Disagreement of a Trial Balance

Disagreement of a trial balance may be caused by the wrong totaling or balancing of ledger accounts.



① Ram → machine  
 AS/Policy/Law not followed  
 ② R

## Types of Errors

Errors of Principle  
 (No effect on trial balance)

Clerical Errors

Errors of Omission

Errors of Commission  
 (Affect trial balance)

Compensating Errors  
 (No effect on trial balance)

Complete (No effect on trial balance)

⇒ No Entry

Partial (Affect trial balance)

⇒ Cash A/c Dr. To No Entry

⇒ wrong &

⇒ Wrong A/c

⇒ wrong totalling

Ram → Shyam  
 ↓ Personal ↓ Personal

Ram A/c Dr. 5000  
 TO Cash 5000 } 45000  
 Rasy A/c Dr. 50000  
 TO Cash 50000 } 45000