

Chapter 9 Bank Reconciliation Statement

Question 1.

Prepare Bank Reconciliation Statement from the following:

- (i) Debit balance as per the Cash Book. – ₹ 15,000
- (ii) Cheques deposited but not cleared. – ₹ 1,000
- (iii) Cheques issued but not presented. – ₹ 1,500
- (iv) Bank interest. – ₹ 200

Solution:

Bank Reconciliation Statement			
Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Balance as per the Cash Book (Dr.)	15,000	
ii.	Cheques deposited but not cleared		1,000
iii.	Cheques issued but not presented.	1,500	
iv.	Bank interest	200	
	Balance as per the Pass book (cr.) (16,700-1,000)		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			
Sr. No.	Particulars	(+) Rs.	(-) Rs.
	Balance as per the Cash Book	75,000	
i.	Cheques Rs.2,000 and Rs.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 - 2,000)		78,000
		80,000	80,000

Question 3.

On 31st March, 2018, Cash Book showed a balance of ₹ 15,000 as cash at bank, but the Bank Pass Book of the same date showed that cheques for ₹ 1,850, ₹ 1,000 and ₹ 1,750 respectively had not been presented for payment; also cheques amounting to ₹ 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, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Balance as per the Cash Book	15,000	
ii.	Cheque issued but not presented for payment (1,850+1,000+1,750)	4,600	
	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, 2018 was ₹ 72,950. He sent cheques for ₹ 90,075 to his bank for collection but cheques amounted to ₹ 43,769 were not collected by that date. Out of the cheques issued by him in payment of his debts, cheques for ₹ 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, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Balance as per the Cash Book	72,950	
	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 (1,02,294 - 43,769)		58,525
		1,02,294	1,02,294

Question 5.

On 31st March, 2018, Cash Book of Mahesh showed debit bank balance of ₹ 75,000. When compared with the Bank Statement, following facts were discovered. On 30th March, two cheques of ₹ 5,000 and ₹ 7,000 were deposited in the bank but were not realised till date. On 28th March, three cheques of ₹ 6,000, ₹ 8,000 and ₹ 12,000 were issued but none of these were presented to the bank for payment. On 31st March, bank credited ₹ 1,250 as interest but this was not recorded in the Cash Book. Similarly, the bank had charged ₹ 150 as bank charges but this was not recorded in the Cash Book.

Bank paid insurance premium of ₹ 5,000 but it was recorded as ₹ 500 in Cash Book. Prepare Bank Reconciliation Statement on 31st March, 2018.

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
	Balance as per the Cash Book	75,000	
i.	Two cheques Rs.5,000 and Rs.7,000 were deposited but were not cleared		12,000
ii.	Three cheques Rs.6,000, Rs.8,000 and Rs.12,000 were issued but were not presented for payment	26,000	
iii.	Bank allowed Interest	1,250	
iv.	Bank Charges		150
v.	Insurance premium less charged		4,500
	Bank as per the Pass Book (1,02,250-16,650)		85,600
		1,02,250	1,02,250

Question 6.

Cash Book of a merchant showed bank balance of ₹ 23,000 on 31st March, 2018. On going through the Cash Book, it was found that two cheques for ₹ 5,000 and ₹ 7,000 deposited in the month of March were not credited in the Pass Book till 2nd April, 2018 and three cheques for ₹ 6,000, ₹ 8,000 and ₹ 12,000 issued on 28th March, were not presented for payment till 3rd April, 2018. In addition to this, bank had credited merchant for ₹ 125 as interest and had debited him for ₹ 100 as bank charges for which entries in Cash Book were not recorded. Bank charges of ₹ 500 were reversed by the Bank. Prepare Bank Reconciliation Statement as on 31st March, 2018.

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
	Balance as per the Cash Book	23,000	
i.	Cheques deposited but not cleared (5000+7000)		12,000
ii.	Three cheques Rs.6,000, Rs.8,000 and Rs.12,000 were issued but were not presented for payment	26,000	
iii.	Bank allowed Interest	125	
iv.	Bank Charges		100
v.	Bank charges Returned	500	
	Bank as per the Pass Book (49,625 - 12,100)		37,525
		49,625	49,625

Question 7.

On 30th June, 2017, bank column of the Cash Book showed balance of ₹ 12,000 but the Pass Book showed a different balance due to the following reasons:

- (i) Cheques paid into the bank ₹ 8,000 but out of these only cheques of ₹ 6,500 credited by bankers.
- (ii) The receipt column of the Cash Book undercast by ₹ 200.
- (iii) On 29th June, a customer deposited ₹ 3,000 directly in the Bank Account but it was entered in the Pass Book only.
- (iv) Cheques of ₹ 9,200 were issued of which ₹ 2,200 were presented for payment on 15th July.
- (v) Pass Book shows a credit of ₹ 330 as interest and a debit of ₹ 60 as bank charges.

Prepare Bank Reconciliation Statement as on 30th June, 2017.

Solution:

Bank Reconciliation Statement
as on June 30, 2017

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Balance as per the Cash Book	12,000	
ii.	Cheque paid in to bank but not cleared		1,500
iii.	Receipt side of Cash Book undercast	200	
iv.	Amount directly deposited by customer	3,000	
v.	Cheque issued in june but presented in July.	2,200	
vi.	Bank allowed Interest	330	
	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:

	₹
(i) Cheques issued but not yet presented for payment.	6,000
(ii) Cheques deposited in the bank but not collected.	9,000
(iii) Bank paid insurance premium.	5,000
(iv) Bank charges.	300
(v) Directly deposited by a customer.	8,000
(vi) Interest on investment collected by bank.	2,000
(vii) Cash discount allowed of ₹ 200 was recorded in the debit side of the Bank column.	

Prepare Bank Reconciliation Statement.

Solution:

Bank Reconciliation Statement

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Balance as per the Cash Book	12,500	
ii.	Cheques issued but not yet presented for payment	6,000	
iii.	Cheques deposited into bank but not collected		9,000
iv.	Bank paid Insurance Premium		5,000
v.	Bank Charges		300
vi.	Amount directly deposited by a customer	8,000	
vii.	Interest on Investment Collected by bank	2,000	
	Cash discount debited to bank column		200
	Balance as per the Pass Book (28,500-14,500)		14,000
		28,500	28,500

Question 9.

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

- (i) Debit balance as per Cash Book ₹ 10,000.
- (ii) A cheque for ₹ 500 issued in favour of Karan has not been presented for payment.
- (iii) A bill for ₹ 700 retired by bank under a rebate of ₹ 20, the full amount of the bill was credited in the Cash Book.
- (iv) A cheque for ₹ 295 deposited in the bank has been dishonoured.
- (v) A sum of ₹ 800 deposited in the bank has been credited as ₹ 80 in the Pass Book.
- (vi) Payment side of the Cash Book has been undercast by ₹ 200.
- (vii) A bill receivable for ₹ 1,000 (discounted with the bank in November 2008) dishonoured on 31st December, 2008.

Solution:

Bank Reconciliation Statement
as on December 31, 2008

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Balance as per the Cash Book	10,000	
ii.	A cheque for Rs.500 issued to Karan was not presented for payment	500	
iii.	Rebate of retiring bill was not recorded	20	
iv.	Cheque deposited dishonored		295
v.	A sum of Rs.800 deposited in bank recorded wrongly as Rs.80 in the pass book		720
vi.	Payment side of the Cash book under cast		200
vii.	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, 2018, differs from the bank balance of ₹ 23,650 shown by the Cash Book on that date. From a detailed comparison of the entries it is found that:

- (i) ₹ 2,860 is entered in the Cash Book as paid into the bank on 31st March, 2018 but not credited by the bank until the following day.
- (ii) Bank charges of ₹ 70 on 31st March, 2018 are not entered in the Cash Book.
- (iii) A bill for ₹ 5,500 discounted with the bank is entered in the Cash Book without recording the discount charges of ₹ 270.
- (iv) Cheques totalling ₹ 16,720 were issued by the company and duly recorded in the Cash Book before 31st March, 2018 but had not been presented at the Bank for payment until after that date.
- (v) On 25th March, 2018, a debtor paid ₹ 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 dishonour on 15th March, 2018, of a cheque for ₹ 550 received from Ram Babu.

Prepare a Bank Reconciliation Statement as on 31st March, 2018.

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Balance as per the Cash Book	23,650	
ii.	Cash deposited into bank but not entered in the Pass book		2,860
	Bank Charges not entered the cash Book		70
iii.	Bank Charges 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, 2017:

- (i) Balance as per the Pass Book ₹ 50,000.
- (ii) Three cheques for ₹ 6,000, ₹ 3,937 and ₹ 1,525 issued in last week of July, 2017 were presented for payment to the bank in August, 2017.
- (iii) Two cheques of ₹ 500 and ₹ 650 sent to the bank for collection were not entered in the Pass Book by 31st July, 2017.
- (iv) The bank charged ₹ 460 for its commission and allowed interest of ₹ 100 which were not mentioned in the Bank Column of the Cash Book.

Solution:

Bank Reconciliation Statement
as on July 31, 2017

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Balance as per the Pass Book	50,000	
ii.	Three cheques of Rs.6,000, Rs.3,937, Rs.1,525 were issued but not presented for payment in July, 2017		11,462
iii.	Cheques sent to bank for collection but not entered in the Pass Book	1,150	
iv.	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 31st March, 2018 from the following particulars:

	₹
(i) Bank balance as per Pass Book.	10,000
(ii) Cheque deposited into the Bank, but no entry was passed in the Cash Book.	500
(iii) Cheque received and entered in the Cash Book but not sent to bank.	1,200
(iv) Credit side of the Cash Book bank column cast short.	200
(v) Insurance premium paid directly by the bank under the standing advice.	600
(vi) Bank charges entered twice in the Cash Book.	20
(vii) Cheque issued but not presented to the bank for payment.	500
(viii) Cheque received entered twice in the Cash Book.	1,000
(ix) Bill discounted dishonoured not recorded in the Cash Book.	5,000
(x) Bank had wrongly allowed interest of ₹ 5,000, which was reversed by it on 5th April, 2018.	

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Balance as per the Pass Book	10,000	
ii.	Cheque deposited but not entered in the Cash book		500
iii.	Cheque entered in the Cash Book but not deposited in the bank	1,200	
iv.	Credit side of the Cash Book undercast	200	
v.	Insurance premium paid directly by the bank but not entered in the Cash Book	600	
vi.	Bank charges entered twice in the Cash book		20
vii.	Cheque issued but not presented for payment		500
viii.	Cheque received entered twice in the Cash Book	1,000	
ix.	Bill discounted and dishonoured but not entered in the Cash Book	5,000	
x.	Interest allowed by bank to be reversed		5,000
	Balance as per Cash Book (18,000-6,020)		11,980
		18,000	18,000

Question 13.

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

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

Solution:

Bank Reconciliation Statement
as on March 31, 2011

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Balance as per the Pass Book	6,000	
ii.	Cheque issued but not presented for payment (1,500-900)		600
iii.	Cheque deposited but not entered in the Pass Book	800	
iv.	Bank allowed interest		85
v.	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 September, 2016 from the following particulars:

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

Solution:

Bank Reconciliation Statement
as on September 30, 2016

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Balance as per the Pass Book	10,000	
ii.	Cheque deposited but not entered in the Cash Book		500
iii.	Cheque entered in the Cash Book but not sent to bank	1,200	
iv.	Insurance premium paid directly by bank	800	
v.	Bank charges entered twice in the Cash Book		20
vi.	Cheque received entered twice in the Cash Book	1,000	
vii.	Bill discounted dishonored not entered in the Cash Book	5,000	
	Balance as per the Cash Book (18,000 - 520)		17,480
		18,000	18,000

Question 15.

Bank Statement of a customer shows bank balance of ₹ 62,000 on 31st March, 2018. 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 – ₹ 3,500; Q – ₹ 2,500; R – ₹ 2,000.

(ii) Cheques issued in March were presented in April:

X – ₹ 4,000; Q – ₹ 4,500.

(iii) Cheque for ₹ 1,000 received from a customer entered in the Cash Book but was not banked.

(iv) Pass Book shows a debit of ₹ 1,000 for bank charges and credit of ₹ 2,000 as interest.

(v) Interest on investment ₹ 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, 2018.

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
	Balance as per the Pass Book	62,000	
i.	Cheque deposited but not credited in the Pass book during March 2018 (3,500+2,500+2,000)	8,000	
ii.	Cheque issued but not presented in March 2018 (4,000+4,500)		8,500
iii.	Cheque received from 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 16.

On 1st January, 2018, Naresh had an overdraft of ₹ 40,000 as shown by his Cash Book in the bank column. Cheques amounting to ₹ 10,000 had been deposited by him but were not collected by the bank by 1st January, 2018. He issued cheques of ₹ 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 ₹ 600 for interest and ₹ 500 for bank charges.

Prepare a Bank Reconciliation Statement.

Solution:

Bank Reconciliation Statement
as on January 1, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Overdraft as per the Cash Book		40,000
ii.	Cheque deposited but not Cleared Interest		10,000
iii.	Cheque Issued but not presented for payment	7,000	
iv.	Bank Charged Interest		600
v.	Bank Charged		500
	Overdraft as per the Pass Book (51,100-7,000)	44,100	
		51,100	51,100

Question 17.

On 31st March 2018, Cash Book of B. Babu showed an overdraft of ₹ 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 ₹ 10,000, ₹ 12,000, ₹ 6,000 and ₹ 8,000. Out of these the cheque for ₹ 6,000 was credited by the bank in April, 2018. Babu had issued on 24th

March three cheques for ₹ 15,000, ₹ 12,000 and ₹ 7,000. The first two cheques were presented to the bank for payment in March, 2018 and the third cheque in April, 2018.

You also find that on 31st March, 2018 the bank had debited Babu's Account with ₹ 500 for interest and ₹ 20 as charges, but Babu had not recorded these amounts in his books.

Prepare Bank Reconciliation Statement as on 31st March, 2018 and ascertain the balance as per Bank Pass Book.

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Overdraft as per the Cash Book		18,000
ii.	Cheque deposited in March but cleared in April		6,000
iii.	Cheque issued in March but presented for payment in April	7,000	
iv.	Bank charged interest		500
v.	Bank charges		20
	Overdraft as per the Pass Book (24,520-7,000)	17,520	
		24,520	24,520

Question 18.

On 31st March, 2018, Cash Book of a merchant showed bank overdraft of ₹ 1,72,985. On comparing the Cash Book with Bank Statement, following discrepancies were noted:

(i) Cheques issued for ₹ 60,000 were not presented in the bank till 7th April, 2018.

(ii) Cheques amounting to ₹ 75,000 were deposited in the bank but were not collected

(iii) A Cheque of ₹ 15,000 received from Mahesh Chand and deposited in the bank was dishonoured but the non-payment advice was not received from the bank till 1st April, 2018.

(iv) ₹ 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 ₹ 1,500 and interest on overdraft 8,500 appeared in the Pass Book but not in the Cash Book.

(vi) Overdraft balance as per Cash Book of ₹ 500 on 28th February, 2018 was wrongly carried forward as debit balance. The error was noted at the time of preparing the Bank Reconciliation Statement as on 31st March, 2018.

Prepare Bank Reconciliation Statement and show what balance the Bank Pass Book would indicate on 31st March, 2018.

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Overdraft as per the Cash Book		1,72,985
ii.	Cheques issued but not presented for payment	60,000	
iii.	Cheques deposited but not collected		75,000
iv.	Cheque deposited but dishonoured		15,000
v.	Bill sent for collection honoured but not entered in the Cash Book	1,50,000	
vi.	Bank Charges		1,500
vii.	Bank Interest		8,500
	Overdraft balance wrongly taken as debit balance*		1,000
	Overdraft as per the Pass Book (2,73,985-2,10,000)	63,985	
		2,73,985	2,73,985

Overdraft balance as per Cash book of Rs.500 on 28th Feb 2017 was wrongly carried forward as debit balance, so to correct the error cash book by double amount of shown minus side (500 + 500 = 1000).

Question 19.

Tiwari and Sons find that that the bank balance shown by their Cash Book on 31st March, 2018 is ₹ 40,500 (credit) but the Pass Book shows a difference due to the following reasons:

- (i) A cheque for ₹ 5,000 drawn in favor of Manohar has not yet been presented for payment.
- (ii) A post-dated cheque for ₹ 900 has been debited in the bank column of the Cash Book but it could not have been presented in any case.
- (iii) Cheques totalling ₹ 10,200 deposited with the bank have not yet been collected and a cheque for ₹ 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 Bank Reconciliation Statement and find out the balance as per Pass Book.

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Overdraft as per the Cash Book		40,500
ii.	Cheques issued but not presented for payment	5,000	
iii.	Post-dated Cheque entered in the Cash Book but not deposited in the bank		900
iv.	Cheque deposited into bank but not collected		10,200
v.	Cheque dishonoured		4,000
vi.	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 20.

Prepare Bank Reconciliation Statement from the following:

On 31st March, 2018, 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 ₹ 540 issued to Mohan has not been presented for payment.
- (ii) A post-dated cheque for ₹ 100 has been debited in the bank column of the Cash Book but under

no circumstances was it possible to prove it.

(iii) Four cheque for ₹ 1,200 sent to the bank have not been collected so far. A cheque of ₹ 400 deposited in the bank has been dishonoured.

(iv) As per instructions, the bank paid ₹ 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 ₹ 15 in respect of bank charges and a credit of ₹ 25 for interest on Current Account but no record exists in the Cash Book.

(vi) Cheque of ₹ 5,000 dated 15th April, 2018 issued to M & Co. was dishonoured being post dated. It was also not recorded in the books of account yet.

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Overdraft as per the Cash Book		10,500
	Cheque issued but not presented for payment	540	
	Post-dated Cheque entered in the Cash Book but not deposited in the Bank		100
ii.	Cheque deposited but not cleared		1,200
iii.	Cheque dishonoured		400
iv.	Insurance premium paid by bank was not entered in the Cash Book		50
v.	Bank Charges		15
v.	Bank allowed Interest	25	
	Overdraft as per the Pass Book (12,265-565)	11,700	
		12,265	12,265

Note: Point (vi) is Cheque of Rs.5,000 dated 15th April 2018 issued to M and Co. dishonoured will have no any impact as this statement is as on 31st March 2018.

Question 21.

From the following particulars of a trader, prepare a Bank Reconciliation Statement as on 31st March, 2018.

(i) Bank overdraft as per Cash Book ₹ 52,100.

(ii) During the month, the total amount of cheques for ₹ 94,400 were deposited into the bank but of these, one cheque for ₹ 11,160 has been entered into the Pass Book on 5th April.

(iii) During the month, cheques for ₹ 89,580 were drawn in favour of creditors. Of them one creditor for ₹ 38,580 encashed his cheque on 7th April whereas another for ₹ 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 bank ₹ 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 ₹ 120 as bank charges and credited the same for ₹ 180 as interest.

(vii) Cash deposit of ₹ 5,780 in bank was recorded as ₹ 7,580. The error was rectified by the Bank before 31st March, 2018.

Solution:

Bank Reconciliation Statement
as on March 31, 2018

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

Note: Point (vii) is Cash deposit of Rs.5,780 was recorded as Rs.7,580 will have no affect on the bank statement as error in recording cash deposit entry already rectified.

Question 22.

Prepare Bank Reconciliation Statement from the following particulars as on 31st March, 2018, when Pass Book shows a debit balance of ₹ 2,500:

- (i) Cheque issued for ₹ 5,000 but up to 31st March, 2018 only ₹ 3,000 could be cleared.
- (ii) Cheques issued for ₹ 1,000 but omitted to be recorded in the Cash Book.
- (iii) Cheques deposited for ₹ 5,500 but cheques for ₹ 500 were collected on 4th April 2018.
- (iv) A discounted Bill of Exchange dishonoured ₹ 1,000.
- (v) A cheque of ₹ 500 debited in Cash Book but omitted to be banked.
- (vi) Interest allowed by bank ₹ 200 but no entry was passed in the Cash Book.

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
	Overdraft as per the Pass Book		2,500
i.	Cheque issued for Rs.5,000 but cheque of Rs.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 (4,700-3,000)	1,700	
		4,700	4,700

Question 23.

From the following information, prepare Bank Reconciliations Statement as on 31st March, 2018:

₹

- (i) Bank overdraft as per Pass Book. 36,000
(ii) Cheques issued but not presented for payment. 19,700
(iii) Cheques deposited with bank but not collected. 25,000
(iv) Cheques entered in Cash Book but not banked. 9,000
(v) Directly deposited to bank by a customer. 11,000

Solution:

Bank Reconciliation Statement
as on March 31, 2018

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

Question 24.

On 31st March, 2018, Bank Pass Book of Naresh & Co. showed an overdraft of ₹ 10,700. From the following particulars, prepare Bank Reconciliation Statement:

- (i) Cheques issued before 31st March, 2018 but presented for payment after that date amounted to ₹ 900.
(ii) Cheques paid into the bank but not collected and credited until 31st March, 2018 amounted to ₹ 2,200.
(iii) Interest on overdraft amounting to ₹ 1,200 did not appear in the Cash Book.
(iii) ₹ 5,000 being interest on investments collected by the bank and credited in the Pass Book were not shown in the Cash Book.
(iv) Bank charges of ₹ 50 were not entered in the Cash Book.
(v) ₹ 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, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Overdraft as per the Pass Book		10,700
ii.	Cheque issued in March 2018 but presented in April 2018		900
iii.	Cheques deposited but not cleared during March 2018	2,200	
iv.	Interest on Overdraft	1,200	
v.	Interest on Investment not recorded in the Cash Book		5,000
vi.	Bank Charges	50	
	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 25.

On 31st March, 2018, Pass Book of Shri Bhama Shah shows debit balance of ₹ 10,000. From the following particulars, prepare Bank Reconciliation Statement.

- (i) Cheques amounting to ₹ 8,000 drawn on 25th March of which cheques of ₹ 5,000 cashed in April, 2018.
- (ii) Cheques paid into bank for collection of ₹ 5,000 but cheques of ₹ 2,200 could only be collected in March 2018.
- (iii) Bank charges ₹ 25 and dividend of ₹ 350 on investemnt collected by bank could not be shown in the Cash Book.
- (iv) A cheque of ₹ 600 debited in the Cash Book omitted to be banked.
- (v) Bill of ₹ 5,000 discounted with Bank but was not recorded in the Cash Book.

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
	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	
iii.	Interest on Investment collected by bank not entered in the Cash Book		350
iv.	Cheque entered in the Cash Book but not deposited in bank	600	
v.	Bill discounted with bank not recorded in cash		5,000
	Overdraft as per the Cash Book (20,350-3,425)	16,925	
		20,350	20,350

Question 26.

On checking the Bank Pass Book it was found that it showed an overdraft of ₹ 5,220 as on 31st March, 2018, while as per Ledger it was different. The following differences were noted:

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

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
	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 (6,850-6,720)		130
		6,850	6,850

Question 27.

Prepare Bank Reconciliation Statement from the following particulars as on 31st March, 2018 when Pass Book shows a debit balance of ₹ 2,500:

- (i) Cheque issued for ₹ 5,000 but up to 31st March, 2018 only ₹ 3,000 could be cleared.

- (ii) Cheques deposited for ₹ 5,500 but cheques of ₹ 500 were collected on 10th April, 2018.
 (iii) A discounted Bill of Exchange dishonoured ₹ 2,000.
 (iv) A cheque of ₹ 300 debited in Cash Book but omitted to be banked.
 (v) Interest allowed by bank ₹ 400 but no entry was passed in the Cash Book.
- Solution:

Bank Reconciliation Statement
As on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
	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 28.

From the following particulars, you are required to ascertain the bank balance as would appear in the Cash Book of Ramesh as on 31st October, 2017:

- (i) Bank Pass Book showed an overdraft of ₹ 16,500 on 31st October.
 (ii) Interest of ₹ 1,250 on overdraft up to 31st October, 2017 has been debited in the Bank Pass Book but it has not been entered in the Cash Book.
 (iii) Bank charges debited in the Bank Pass Book amounted to ₹ 35.
 (iv) Cheques issued prior to 31st October, 2017 but not presented till that date, amounted of ₹ 11,500.
 (v) Cheques paid into bank before 31st October, but not collected and credited up to that date, were for ₹ 2,500.
 (vi) Interest on investment collected by the bankers and credited in the Bank Pass Book amounted to ₹ 1,800.

Solution:

Bank Reconciliation Statement
as on October 31, 2017

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Overdraft as per the Pass Book		16,500
ii.	Interest on overdraft	1,250	
iii.	Bank charges	35	
iv.	Cheques issued but not presented for payment		11,500
v.	Cheques deposited but cleared	2,500	
vi.	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 29.

From the following information supplied by Mr. D.H., prepare his Bank Reconciliation Statement as on 31st March, 2018:

- (i) Bank overdraft as per Pass Book. – ₹ 33,000
 (ii) Cheques issued but not presented for payment. – ₹ 17,500

- (iii) Cheques deposited but not collected. – ₹ 21,000
 (iv) Cheques recorded in the Cash Book but not sent to the bank for collection. – ₹ 4,000
 (v) Payment received from customers directly by the bank. – ₹ 7,000
 (vi) Bank charges debited in the Pass Book. – ₹ 40
 (vii) Premium of Life Insurance Policy of Mr. D.H. paid by the bank on standing instructions. – ₹ 360
 (viii) A bill for ₹ 6,000 dishonoured on 30th March, 2018 and bank paid Noting charges. This bill was discounted on 30th January, 2018. – ₹ 20

Solution:

Bank Reconciliation Statement
as on March 31, 2018

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

Question 30.

Prepare Bank Reconciliation Statement as on 31st March, 2018 from the following particulars:

- (i) R's overdraft as per Pass Book ₹ 12,000 as on 31st March.
 (ii) On 30th March, cheques had been issued for ₹ 70,000 of which cheques amounting to ₹ 3,000 only had been encashed up to 31st March.
 (iii) Cheques amounting to ₹ 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 ₹ 500 as interest on overdraft and the intimation of which has been received on 2nd April, 2018.
 (v) Bank Pass Book shows credit for ₹ 1,000 representing ₹ 400 paid by debtor of R direct into the bank and ₹ 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 ₹ 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, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Overdraft as per the Pass Book		12,000
ii.	Cheques issued but not presented for payment		67,000
iii.	Cheques deposited but not collected	3,000	
iv.	Bank Charged Interest on overdraft	500	
v.	Amount directly paid by a debtor		400
vi.	Interest received on Investment		600
	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 31.

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

- (i) Balance as per Pass Book on 31st March, 2018 overdrawn ₹ 10,000.
- (ii) Cheques drawn in the last week of March, 2018 but not cleared till 3rd April, 2018 ₹ 20,000.
- (iii) Interest on bank overdraft not entered in the Cash Book ₹ 1,500.
- (iv) Cheques of ₹ 20,000 deposited in the bank in March, 2018 but not collected and credited till 3rd April, 2018.
- (v) ₹ 100 Insurance premium paid by the bank under a standing order has not been entered in the Cash Book.
- (iv) A draft of ₹ 10,000 favouring Atul & Co. was issued by the bank charging commission of ₹ 200. However, in the Cash Book entry was passed by ₹ 10,000.

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Overdraft as per the Pass Book		10,000
ii.	Cheques issued but not presented for payment during March		20,000
iii.	Interest charged by bank on Overdraft	1,500	
iv.	Cheques deposited in to bank but not collected	20,000	
v.	Insurance premium paid by bank but not entered in the Cash Book	100	
vi.	Bank changing commission not entered in the cash book	200	
	Overdraft as per Cash Book (30,000-21,800)	8,200	
		30,000	30,000

Question 32.

Bank Pass Book of Mr. X showed an overdraft of ₹ 33,575 on 31st March 2018. On going through the Pass Book the accountant found the following:

- (i) A cheque of ₹ 1,080 credited in the Pass Book on 28th March, being dishonoured is debited again in the Pass Book on 1st April, 2018. There was no entry in the Cash Book about the dishonour of the cheque until 15th April.
- (ii) Bankers had credited his account with ₹ 2,800 for interest collected by them on his behalf but the same had not been entered in his Cash Book.
- (iii) Out of ₹ 20,500 paid by Mr. X in cash and by cheques on 31st March, cheque amounting to ₹

7,500 were collected on 7th April.

(iv) Out of cheques amounting to ₹ 7,800 drawn by him on 27th March, a cheque for ₹ 2,500 was encashed on 3rd April.

(v) A credit wrongly given by bank of ₹ 5,500 was reversed by it on 6th April, 2018.

Prepare Bank Reconciliation Statement on 31st March, 2018.

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
ii.	Overdraft as per the Pass Book		33,575
iii.	Amount directly collected by the bank		2,800
iv.	Amount deposited in March but credited in April	7,500	
v.	Cheque issued in March but presented for payment in April		2,500
	Credit wrongly given by the bank to be reversed		5,500
	Overdraft as per the Cash Book (44,375-7,500)	36,875	
		44,375	44,375

Note: Point (i) as cheque is dishonoured on 1st April 2018 i.e. after the period for which Balance as per pass Book is given. Thus, no effect is bank statement.

Question 33.

From the following information supplied by Sanjay, prepare his Bank Reconciliation Statement as on 31st March, 2018:

(i) Bank overdraft as per Pass Book. – ₹ 16,500

(ii) Cheques issued but not presented for payment. – ₹ 8,750

(iii) Cheques deposited with the Bank but not collected. – ₹ 10,500

(iv) Cheques recorded in the Cash Book but not sent to the bank for collection. – ₹ 2,000

(v) Payments received from customers directly by the bank. – ₹ 3,500

(vi) Bank charges debited in the Pass Book. – ₹ 200

(vii) Premium on Life Policy of Sanjay paid by the bank on standing advice. – ₹ 1,980

(viii) A bill for ₹ 3,000 (discounted with the bank in February) dishonoured on 31st March, 2018 and noting charges paid by the bank. – ₹ 100

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Overdraft as per the Pass Book		16,500
ii.	Cheques issued but not presented for payment		8,750
iii.	Cheques deposited but not collected	10,500	
iv.	Cheque entered in the Cash Book but not sent to bank for collection	2,000	
v.	Amount directly deposited in to bank by customer		3,500
vi.	Bank charges	200	
vii.	Insurance premium paid by bank not recorded in the Cash Book	1,980	
viii.	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 34.

From the following information, prepare Bank Reconciliation Statement as on 31st March, 2018:

- (i) Debit balance shown by Pass Book ₹ 17,800.
- (ii) Cheque of ₹ 21,600 were issued in the last week of March but only cheques of ₹ 14,800 were presented for payment.
- (iii) Cheques of ₹ 10,750 were presented to the bank. Out of them, a cheque of ₹ 4,200 was credited in the first week of April, 2018.
- (iv) A cheque of ₹ 1,200 was debited in the cash book but was not presented in the bank.
- (v) Insurance premium paid by bank ₹ 1,450.
- (vi) A bill of exchange of ₹ 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 ₹ 350.

Solution:

Bank Reconciliation Statement
as on March 31, 2018

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

Question 35.

Mohan & Co., have two bank accounts – Account No. I and Account No. II. From the following particulars relating to Account No. I, find out the balance on that account as on 31st March, 2018 according to the Cash Book (Bank Column) of the firm:

	₹
(i) Overdraft as per Pass Book.	14,724
(ii) Cheques issued prior to 31st March, 2018 but not presented till 31st March	6,429
(iii) Cheques paid into the bank prior to 31st March, 2018 but not credited till 31st March.	9,751
(iv) Interest debited by the bank but not entered in the Cash Book.	607
(v) Bank charges debited by the bank but not entered in the Cash Book.	140
(vi) Transfer of funds from Account No. II to Account No. I recorded by the bank on 31st March, 2018 but entered in the Cash Book on 2nd April, 2018.	5,000

Solution:

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Overdraft as per the Pass Book (Account no I)		14,724
ii.	Cheques issued but not presented for payment		6,429
iii.	Cheques deposited but not cleared	9,751	
iv.	Interest charged on Overdraft	607	
v.	Bank Charges	140	
vi.	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 36.

From the following particulars, ascertain the bank balance as per Pass Book as on 31st March, 2018

(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, 2018 ₹ 40,000.

(ii) Cheques issued but not encashed up to 31st March, 2018 amounted to ₹ 10,000.

(iii) Cheques paid into the bank, but not cleared up to 31st March, 2018 amounted to ₹ 15,000.

(iv) Interest on investments collected by the bank but not entered in the Cash Book ₹ 500.

(v) Cheques deposited in the bank but not entered in the Cash Book ₹ 12,500.

(vi) Bank charges debited in the Pass Book but not entered in the Cash Book ₹ 100.

Solution:

a. Without correcting Cash Book Balance

Bank Reconciliation Statement
as on March 31, 2018

Sr. No.	Particulars	(+) Rs.	(-) Rs.
i.	Bank Balance as per Cash Book	40,000	
ii.	Cheques issued but not encashed	10,000	
iii.	Cheques deposited but not cleared		15,000
iv.	Interest on Investments collected by Bank	500	
v.	Cheques deposited directly in bank	12,500	
vi.	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, 2018

Dr.			Cr.		
Date	Particulars	Bank (Rs.)	Date	Particulars	Bank (Rs.)
2018 Mar 31	To Balance b/d	40,000	2018 Mar 31	By Bank Charges A/c	100
	To Interest on Investments A/c	500		By Balance c/d	52,900
	To Cheques omitted to enter A/c	12,500			
		53,000			53,000

Bank Reconciliation Statement
as on March 31, 2018

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

Question 37.

From the following particulars, find out corrected bank balance as per Cash Book and thereafter prepare a Bank Reconciliation Statement as on 31st March, 2018 of a sole proprietor:

	₹
(i) Bank overdraft as per the Cash Book.	80,000
(ii) Cheques deposited as per the bank statement but not entered in the Cash Book.	3,000
(iii) Cheques recorded for collection but not sent to the bank.	10,000
(iv) Credit side of bank column casted short.	1,000
(v) Bank charges recorded twice in the Cash Book.	100
(vi) Customer's cheque returned as per the Bank Statement.	4,000
(vii) Cheques issued but dishonoured on technical grounds.	3,000
(viii) Bill collected by bank directly.	20,000
(ix) Cheque received entered twice in the Cash Book.	5,000

Solution:

Cash Book (Adjusted)
for the month of March 31, 2018

Dr.			Cr.		
Date	Particulars	Bank Rs.	Date	Particulars	Bank Rs.
2018			2018		
Mar 31	To Cheques Omitted to enter A/c	3,000	Mar 31	By Balance b/d (Overdraft)	80,000
Mar 31	To Bills Collection A/c	20,000	Mar 31	By Adjustment for undercasting A/c	1,000
Mar 31	To Bank Charges A/c	100	Mar 31	By Cheques returned A/c	4,000
Mar 31	To Balance c/d	66,900	Mar 31	By Cheque recorded twice A/c	5,000
		90,000			90,000

Bank Reconciliation Statement
as on March 31, 2018

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

Question 38.

From the following extracts from the Cash Book and the Pass Book for the month of January, 2018, prepare Bank Reconciliation Statement:

CASH BOOK (BANK COLUMNS ONLY)

Dr.			Cr.		
Date	Particulars	Bank (₹)	Date	Particulars	Bank (₹)
2018			2018		
Jan.01	To Balance b/d	4,510	Jan.02	By S. Gidwani & Co.	1,230
Jan.03	To Cash	300	Jan.06	By Wages	3,000
Jan.10	To G. Basu & Co.	1,000	Jan.14	By Basu & Co. (Cheque dishonoured)	1,000
Jan.15	To Mohan & Co.	2,300	Jan.15	By V. Kumar & Co.	300
Jan.17	To Cash	600	Jan.18	By S. Sharda & Sons	470
Jan.20	To M. Mohan & Bros.	1,550	Jan.24	By Cash	400
Jan.24	To T.P. Bhalla & Co.	740	Jan.28	By R. Ramdas & Co.	780
Jan.31	To S. Leader & Sons	2,130	Jan.31	By B. Bansal & Bros.	340
		13,130	Jan.31	By Balance c/d	5,610
					13,130
2018					
Feb.	To Balance c/d	5,610			

PASS BOOK

Date	Particulars	Withdrawals (₹)	Deposits (₹)	Dr. or Cr.	Balance (₹)
2018					
Jan.01	By Balance			Cr.	4,510
Jan.03	By Cash		300	Cr.	4,810
Jan.06	To Selves–Cash	3,000		Cr.	1,810
Jan.10	To S. Gidwani & Co.	1,230		Cr.	580
Jan.16	By Mohan & Co.		2,300	Cr.	2,880
Jan.17	By Cash		600	Cr.	3,480
Jan.20	To S. Sharda & Sons	470		Cr.	3,010
Jan.24	To Cash	400		Cr.	2,610
Jan.31	To Bank Charges	10		Cr.	2,600
Jan.31	To Life insurance Premium as per instructions	250		Cr.	2,350
Jan.31	By Interest on Government Securities		300	Cr.	2,650

Solution:

Bank Reconciliation Statement
as on January 31, 2018

S. No.	Particulars	(+) Rs.	(-) Rs.
	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 Rs.1,550 Rs. 740 and Rs.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 Rs.300, Rs. 780 and Rs.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 10th Jan 2018 cheque received from G. Basu and Co is debited with Rs.1,000 and 14 Jan 2018 dishonour entry is reversed by crediting G. Basu and Co. with Rs.1,000. Therefore no effect is bank statement.