

## Project -II

Project work 2 (procedure)

Preparation of Bank Reconciliation Statement with the help of given cash book and Pass Book.

If both the books (cash book and passbook) are given, the following procedure will be adopted.

### Step 1.

Tick off the items which are found both in the cash book and passbook/bank statement. Put sign (✓) before such items.

Items ticked (✓) will neither be recorded in amended cash book nor in Bank Reconciliation Statement.

### Step 2.

The unticked items in the passbook will indicate items that have not yet been recorded in cash book.

These items will usually consist of:

- (i) Direct deposits by customers in bank.
- (ii) Bank charges.
- (iii) Interest charged by bank.
- (iv) Interest allowed by bank.

These items are to be recorded in the amended cash book.

### Step 3.

Balance the bank column of cash book to know an updated balance. Bank Reconciliation Statement is to be prepared on the basis of this updated balance.

### Step 4.

Identify the unticked items on the Receipts side of the Cash Book. These items generally consist of 'cheques deposit to the bank but not collected'.

### Step 5.

Amended Cash Book is to be prepared on the basis of items identified in step 1, 2, 3.

Bank reconciliation statement is to be prepared on the basis of items identified in steps 4 and 5.

**Project : 1**

The cash book of Shivalik Global Limited, showing the bank columns only, is given below along with a copy of the Pass Book of its bank account with Allahabad Bank for April 2011.

You are required to prepare amended Cash Book and reconcile it with Pass Book.

**Shivalik Global Limited**

**Cash Book (Bank Column only)**

Date	Receipts	L.F	₹	Date	Particulars	L.F	₹
2011				2011			
Apr. 1	Balance b/d		5,70,000	Apr. 1	Bishan Hari Bros.		39,200
Apr. 1	Bishambar & Co.		62,800	Apr. 1	Maruti Suzuki India		20,000
Apr. 4	P.L. Kataria		97,200	Apr. 3	J.P Infra Ltd.		2,16,000
Apr. 8	Reliance Power Ltd.		36,400	Apr. 9	Surendra Pal		16,800
Apr. 13	Meena Singh		30,000	Apr. 9	India Visions Ltd.		1,96,000
Apr. 20	Krishna & Company		1,68,000	Apr.10	Reliance Insurance		1,20,000
Apr. 28	House of Fashines Ltd.		37,600	Apr. 16	Shivam Garage		44,000
				Apr. 23	Petty Cah		20,000
				Apr.27	Sanjay & Co.		48,000
				Apr. 28	Balance c/d		2,82,000
			<u>10,02,000</u>				<u>10,02,000</u>

**Allahabad Bank, Sansad Marg, New Delhi**

**Statement of Account No. 5984758722: Global Limited**

Date	Details	Debit	Credit	Balance
2011				
Apr. 1	Balance			5,70,000cr.
Apr. 2	Bishambar & Co.		62,800	6,32,800cr.
Apr. 4	Maruti Suzuki India Ltd.	20,000		6,12,800cr.
Apr. 5	Bishan Hari Bros.	39,200		5,73,600cr.
Apr 6	P.L. Kataria		97,200	6,70,800cr.
Apr. 10	Reliance Power Ltd.		36,400	7,07,200cr.
Apr. 14	Reliance Insurance	1,20,000		5,87,200cr.

Apr. 23	Meena Singh		30,000	651200cr.
Apr.25	India Vision Ltd.	1,96,000		4,21,200cr.
Apr.25	Krishna & Co.		1,68,000	5,89,200cr.
Apr.25	Someshwar	41,200		5,48,000cr.
Apr.25	Self	20,000		5,28,000cr.
Apr.27	Chandramani		88,000	6,16,000cr.
Apr.28	Bank charges	15,200		6,00,800cr.

**Solution :**

**Step 1.**

Tick off the items which are found both in cash book and pass book. Put (✓) sign before such items. Items ticked (✓) will neither be recorded in amended cash book nor in Bank Reconciliation Statement.

**Step 2.**

Unticked items in the Pass Book indicate items that have not yet been recorded in the cash book. These are :

- (i) Payment of ₹41,200 made to Someshwar on April 25.
- (ii) Direct deposit by Chandramani ₹ 88,000 on April 27.
- (iii) Bank charges of ₹ 15,200 charged by bank on April 28.

These items are to be recorded in Cash Book to update it.

**Amended Cash Book**

Date	Receipts	₹	Date	Payments	₹
Apr. 28	Balance b/d	2,82,000	Apr. 28	Someshwar	41,200
Apr. 28	Chandramani	88,000	Apr. 28	Bank Charges	15,200
			Apr. 28	Balance c/d	3,13,600
		3,70,000			3,70,000
2011					
Apr. 28	Balance b/d	3,13,600			

**Step 3.**

Balance the bank columns of amended cash book to know an updated balance.

**Step 4.**

Identify the unticked items on receipt side of cash book. It is 'cheque deposited into bank but not collected'; 'House of fashions Ltd.' ₹ 37,600.

**Step 5.**

Identify unticked items on the payment side of cash book, These are:

JP infra Ltd.	2,16,000
Surendra Pal	16,800
Shivam Garage	44,000
Sanjay & Co.	48,000

Items identified in step 4 and 5 are to be shown in Bank Reconciliation Statement.

**Bank Reconciliation Statement**

as on April 30, 2011

Particulars	Plus items	Minus items
Balance as per Cash Book	3,13,600	
Less: Cheques deposited but not cleared, house of fashines Ltd.		37,600
Add: Cheques issued but not yet presented for payment		
J.P Infra Ltd                      2,16,000		
Surendra Pal                      16,800		
Shivam Garage                      44,000		
Sanjay & Co. <u>48,000</u>		
	3,24,800	
Balance as per Pass Book		6,00,800
	<u>6,38,400</u>	<u>6,38,400</u>