**Take away Cat 2**

**Question**

The following information has been extracted from the cash book (Bank column only) of N. Peter for the month of December 2021.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Date** | **Details** | **$** | **Date** | **Details** | **Cheque No.** | **$** |
| 1.12.2021 | Bal B/d | 16,491 | 01.12.2021 | Alexander | 782 | 857 |
| 02.12.2021 | Able | 962 | 06.12.2021 | Burgess | 783 | 221 |
| 10.12.2021 | Baker | 1,103 | 14.12.2021 | Barry | 784 | 511 |
| 11.12.2021 | Charlie | 2,312 | 17.12.2021 | Cook | 785 | 97 |
| 14.12.2021 | Delta | 419 | 24.12.2021 | Hay | 786 | 343 |
| 21.12.2021 | Echo | 327 | 29.12.2021 | Rent | 787 | 260 |
| 23.12.2021 | Cash sales | 529 |  |  |  |  |
| 30.12.2021 | Fred | 119 | 31.12.2021 | Bal C/d |  | 19,973 |
|  |  | **22,262** |  |  |  | **22,262** |

**His bank statement from Equate bank was as follows:**

**Bank statement: N. Peter: account number 00000180**

**For the month of December 2021**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Details** | **withdrawals** | **Deposit** | **Balance** |
| 1.12.2021 | Bal B/d |  |  | 17,478 |
| 02.12.2021 | Cheque No. 780 | 426 |  | 17,052 |
| 02.12.2021 | Cheque No. 781 | 737 |  | 16,315 |
| 02.12.2021 | Deposit |  | 176 | 16,491 |
| 05.12.2021 | Cheque No. 782 | 857 |  | 15,634 |
| 05.12.2021 | Bank charges | 47 |  | 15,587 |
| 06.12.2021 | Deposit |  | 2,065 | 17,652 |
| 10.12.2021 | Standing order ( rates) | 137 |  | 17,515 |
| 11.12.2021 | Cheque No.783 | 212 |  | 17,303 |
| 13.12.2021 | Deposit |  | 2,312 | 19,615 |
| 17.12.2021 | Cheques No,784 | 511 |  | 19,104 |
| 17.12.2021 | Deposit |  | 419 | 19,523 |
| 23.12.2021 | Deposit |  | 327 | 19,850 |
| 24.12.2021 | Deposit |  | 528 | 20,378 |
| 28.12.2021 | cheque No 786 | 343 |  | 20,035 |
| 30.12.2021 | Cheque No.310923 | 297 |  | 19,738 |
| 31.12.2021 | Bal C/d |  |  | **19,738** |

**Required:**

1. State and briefly explain any **four** causes of the differences in the balances as per the bank statement and cash book (bank column) above. **( 8 marks)**
2. Prepare the Updated/ adjusted cash book as at 31st December 2016 for N. Peter. **( 10 marks)**
3. Prepare the bank reconciliation statement for N. Peter as at 31st December 2016. **( 8 marks)**
4. Explain the term contra entry as used in the three column cashbook giving an example  **( 4 Mark)**