

Unified Exam Bookkeeping and Accounts Past Year Papers Collection - Year 2006 Question 4

The Cash Book of ABC Company showed a debit balance of RM 2,508 on 31 July 2006. After comparing the Bank Statement with the Cash Book, it was found that the balances did not agree. The discrepancy was due to the following items:

- (i) Interest on fixed deposit of RM200 credited direct to the account by the bank had not been recorded in the Cash Book.
- (ii) A customer's cheque of R 885 received on 30 July 2006 had been entered into Cash Book, but not credited by the bank until 3 August 2006.
- (iii) Cheques amounted to RM 520 had been drawn by the company but had not yet been presented to the bank.
- (iv) A payment to ABC Company of RM 1,250 by direct transfer was not recorded in the Cash Book.
- (v) The bank had wrongly charged a payment of RM 98 made by XYZ Company to ABC Company's account.
- (vi) The bank returned a cheque of RM 330 marked "refer to drawer" which had not been recorded in the Cash Book.
- (vii) Bank charges and interests of RM 45 appeared in the Bank Statement but not in the Cash Book.

You are required to:

- (a) complete the Cash Book and carry forward the adjusted balance;
- (b) prepare Bank Reconciliation Statement as at 31 July 2006 to reconcile the adjusted Cash Book balance with the Bank Statement balance. State clearly whether each balance is a debit or a credit.