**2022 Pay Fong Middle School Paper 2 Question 3**

The Bank Account for the month of May 2021 for Smart Company was as follows:

**Cash Book (Bank Columns)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 2021 |  | **RM** | 2021 |  | Cheque No. | **RM** |
| May 1 | Balance b/d | 5,200 | May 4 | Duck Enterprise | 316152 | 290 |
| 5 | Rental Income | 1,500 | 7 | Purchases | 316153 | 5,000 |
| 23 | Kim Company | 5,300 | 15 | Huang Company | 316154 | 500 |
| 29 | Low Trading | 1,260 | 26 | Liow Clinic | 316155 | 700 |
|  |  |  | 31 | Apply Office |  |  |
|  |  |  |  | Supplies | 315156 | 1,310 |
|  |  |  |  | Balance c/d |  | 5,460 |
|  |  | 13,260 |  |  |  | 13,260 |
|  |  |  |  |  |  |  |
| June 1 | Balance b/d | 5,460 |  |  |  |  |

**Bank Statement**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2021 |  | **Debit**  **RM** | **Credit**  **RM** | **Balance**  **RM** |
| May 1 | Balance b/d |  |  | 5,400 |
| 5 | Deposit |  | 1,500 | 6,900 |
|  | Cheque No.316151 | 200 |  | 6,700 |
| 9 | Cheque No.316153 | 5,000 |  | 1,700 |
| 11 | Cheque No.316152 | 209 |  | 1,491 |
| 15 | Standing Order – HL Insurance | 1,000 |  | 491 |
| 16 | Cheque No.316154 | 500 |  | -9 |
| 17 | Cheque No.316154 - Returned |  | 500 | 491 |
|  | Interest charge | 3 |  | 488 |
| 20 | Tesla Berhad - Dividend |  | 800 | 1,288 |
| 25 | Deposit |  | 5,300 | 6,588 |
| 26 | Interest on fixed deposit |  | 1,350 | 7,938 |
|  | Stamp duties on cheque books | 15 |  | 7,923 |
| 27 | Credit Transfer – Yap Trading |  | 8,500 | 16,423 |
| 29 | Direct debit (Salaries) | 5,000 |  | 11,423 |
|  | **Cheque No.123456** | **555** |  | 10,868 |
| 31 | Bank Loan |  | 10,000 | 20,868 |

**Note:**

1. The cheque no. 123456 amounted to RM555 was wrongly debited by the bank.
2. The proprietor had make a replacement by cash on the returned cheque no.316154 amounted to RM500 issued to Huang Company.
3. Smart Company obtained a bank loan for RM10,000 at the rate of 4% per annum from the bank. The fund was banked directly into the current account on 31 May 2021.
4. **You are required to:**
5. bring the Cash Book up to date and carry down the balance as at 31 May 2021, taking into account the items not recorded in the Cash Book but appear in the Bank Statement;
6. prepare Bank Reconciliation Statement as at 31 May 2021 starting with the adjusted Cash Book balance and state clearly whether each balance is a debit or a credit.
7. Deposited cheques returned by the bank for few reasons. Give any 3 reasons on dishonoured cheque.