

Bank Reconciliation Statement

Causes of differences	Favourable balance (Dr.) as per cash-book	Unfavourable balance (Cr.) as per cash-book	Favourable balance (Cr.) as per pass-book	Unfavourable balance (Dr.) as per pass-book
Cheque deposited but not cleared	Subtract	Add	Add	Subtract
Cheque issued but not presented to bank	Add	Subtract	Subtract	Add
Cheque directly deposited in bank by a customer	Add	Subtract	Subtract	Add
Income (e.g., interest from UTI) directly received by bank	Add	Subtract	Subtract	Add
Expenses (e.g., telephone bills, Insurance charges) directly paid by bank on standing instructions	Subtract	Add	Add	Subtract
Bank charges levied by bank	Subtract	Add	Add	Subtract
Locker rent levied by bank	Subtract	Add	Add	Subtract
Wrong debit in the cash book	Subtract	Add	Add	Subtract
Wrong credit in the cash book	Add	Subtract	Subtract	Add
Wrong debit in the pass book	Subtract	Add	Add	Subtract
Wrong credit in pass book	Add	Subtract	Subtract	Add
Undercasting of Dr. side of bank account in the cash book	Add	Subtract	Subtract	Add
Overcasting of Dr. side of bank account in cash book	Subtract	Add	Add	Subtract
Undercasting of Cr. side of bank account in cash book	Subtract	Add	Add	Subtract
Overcasting of Cr. side of bank account in cash book	Add	Subtract	Subtract	Add
Bill receivable collected directly by bank	Add	Subtract	Subtract	Add
Interest on bank overdraft charged	Subtract	Add	Add	Subtract
Final Balance	If answer is	If answer is	If answer is	If answer is
	positive then	positive then	positive then	positive then
	favourable	Unfavourable	favourable	Unfavourable
	balance (Cr.)	balance (Dr.)	balance (Dr.)	balance (Cr.)
	as per pass-	as per pass-	as per cash-	as per cash-
	book and if	book and if	book and if	book and if
	negative then	negative then	negative then	negative then
	unfavourable	Favourable	unfavourable	Favourable
	balance (Dr.)	balance (Cr.)	balance (Cr.)	balance (Dr.)
	as per pass-	as per pass-	as per cash-	as per cash-
	book.	book	book	book

Q1. On 1st Jan, 2013 the Cash Book of Santhosh Logistics Pvt. Ltd. showed a total bank balance of Rs. 60000 (debit). However, his Pass Book showed a credit balance of Rs. 25000 as on the same date. A detailed comparison of entries revealed the following.

1. Bank balance as per cash book Rs 60000
2. Cheques deposited into bank but not credited Rs. 10000
3. Cheques issued but not presented for payment Rs. 7000
4. Bank credited Rs. 2000 for receiving dividend through Electronic Clearing System.
5. Bank charges debited by Bank Rs.8000.
6. Direct payment made by the customer which is not recorded in cash book Rs. 12000
7. A cheque for Rs. 38000 received from a customer and deposited with bank had been dishonored. Entry for dishonor had not been recorded in the Cash Book

Required: Prepare Bank Reconciliation Statement

Bank Reconciliation Statement

Particulars	Rs.	Rs.
Balance as per Cash Book		60000
Add:		
Cheques issued but not presented for payment	7000	
Dividend through ECS Credited in Pass Book	2000	
Direct payment made in Bank A/c & not recorded in Cash Book	12000	21000
		81000
Less:		
Cheques deposited but not yet credited	10000	
Bank charges debited in the pass book	8000	
Cheque dishonored and debited in pass book	38000	56000
Balance as per Pass Book		25000

Q2. On 31st March, 2010 the Cash Book of Shankar Pvt. Ltd. showed a total bank balance of Rs. 99000(debit). However his Pass Book showed a credit balance of Rs. 92000 as on the same date. A detailed comparison of entries revealed the following.

- 1 Bank balance as per cash book Rs 99000
- 2 A cheque for Rs. 23000 received from a customer and deposited with bank had been dishonored. Entry for dishonor had not been recorded in the Cash Book
- 3 Cheques deposited into bank but not credited Rs. 89000
- 4 Cheques issued but not presented for payment Rs. 29000
- 5 Bank credited Rs. 54000 for receiving dividend through Electronic Clearing System.
- 6 Bank charges debited by Bank Rs.67000.
- 7 Direct payment made by the customer which is not recorded in cash book Rs. 89000

Required: Prepare Bank Reconciliation Statement

Bank Reconciliation Statement

Particulars	Rs.	Rs.
Balance as per Cash Book		99000
Add:		
Cheques issued but not presented for payment	29000	
Dividend through ECS Credited in Pass Book	54000	
Direct payment made in Bank A/c & not recorded in Cash Book	89000	172000
		271000
Less:		
Cheques deposited but not yet credited	89000	
Bank charges debited in the pass book	67000	
Cheque dishonored and debited in pass book	23000	179000
Balance as per Pass Book		92000

Q3. On 1st Jan, 2013 the Cash Book of Mrs. Pandey showed a total bank balance of Rs. 50000 (debit). However his Pass Book showed a credit balance of Rs. 17000 as on the same date. A detailed comparison of entries revealed the following.

1. Bank balance as per cash book Rs 50000
2. Cheques deposited into bank but not credited Rs. 10000
3. Cheques issued but not presented for payment Rs. 8000
4. Bank credited Rs. 2000 for receiving dividend through Electronic Clearing system.
5. Bank charges debited by Bank Rs.7000.
6. Direct payment made by the customer which is not recorded in cash book Rs. 12000
7. A cheque for Rs. 38000 received from a customer and deposited with bank had been dishonored. Entry for dishonor had not been recorded in the Cash Book

Required: Prepare Bank Reconciliation Statement

Bank Reconciliation Statement

Particulars	Rs.	Rs.
Balance as per Cash Book		50000
Add:		
Cheques issued but not presented for payment	8000	
Dividend through ECS Credited in Pass Book	2000	
Direct payment made in Bank A/c & not recorded in Cash Book	12000	22000
		72000
Less:		
Cheques deposited but not yet credited	10000	
Bank charges debited in the pass book	7000	
Cheque dishonored and debited in pass book	38000	55000
Balance as per Pass Book		17000

Q4. Debit balance as per cash book Rs. 1,00,000 prepare B.P.S. on 31st March 2011.

- (i) Cheques amounted to Rs. 16,500 drawn out of which a cheque of Rs. 6,600 was presented in next month & another cheque of Rs. 3,000 was never presented for payment.
- (ii) Cheques paid into bank worth Rs. 11,200 out of which a cheque of Rs. 7,700 got dishonored.
- (iii) A cheque of Rs. 1,900 deposited into bank though not recorded in cash book.
- (iv) A cheque of Rs. 1,450 recorded in cash book but not sent to bank.
- (v) Debit side of cash book was overcasted by Rs. 1,000.
- (vi) Credit side of cash book was overcasted by Rs. 900.
- (vii) A wrong credit made by bank Rs. 1,000 in pass book.
- (viii) Bank charges of Rs. 150 recorded twice in pass book.
- (ix) Interest on securities collected by the bank Rs. 2,000.
- (x) A cheque sent to bank for collection worth Rs. 1,300 got dishonoured though it was not recorded in cash book.

Required: Prepare Bank Reconciliation Statement

Bank Reconciliation Statement

Particulars	Rs.	Rs.
Balance as per Cash Book		100000
Add:		
Cheques issued but not presented for payment	9600	
Cheque deposited into bank but not recorded in cash book	1900	
Cr. side of cash book was overcasted	900	
A wrong credit made by bank	1000	
Interest on securities collected by bank	2000	15400
		115400
Less:		
Cheque sent to bank for collection but dishonored	7700	
Cheque recorded in cash book but not sent to bank	1450	
Dr. side of cash book was overcasted	1000	
Bank charges	150	
Cheque sent to bank for collection but dishonored	1300	11600
Balance as per Pass Book		103800

PASS BOOK BALANCE

Q1. From the following particulars prepare a bank reconciliation statement showing the balance as per cash book on December 31, 2014.

- Two cheques of Rs. 2,000 and Rs. 5,000 were paid into bank in October, 2014 but were not credited by the bank in the month of December.
- A cheque of Rs. 800 which was received from a customer was entered in the bank column of the cash book in December 2014 but was omitted to be banked in December, 2014.
- Cheques for Rs. 10,000 were issued into bank in November 2014 but not credited by the bank on December 31, 2014.
- Interest on investment Rs. 1,000 collected by bank appeared in the passbook.

Balance as per Passbook was Rs. 50,000

Bank Reconciliation Statement, as of December 31, 2014

Particulars	Amount	Amount
Balance as per the passbook		50,000
Add: Cheques deposited but not yet credited into the account	7,000	
Add: Cheque debited in the cash book but yet to be deposited into the bank	800	7800
		57800
Less: Cheques issued but not yet debited in the bank account	10,000	
Less: Interest on investment collected and credited into the bank account	1,000	11,000
Bank Balance as per the cash book		46,800

Q2. Balance as per passbook of Mr. Kumar is Rs. 3,000.

- Cheque paid into bank but not yet cleared Ram Kumar Rs. 1,000 Kishore Kumar Rs. 500
- Bank Charges Rs. 300
- Cheque issued but not presented Hameed Rs. 2,000 Kapoor Rs. 500
- Interest entered in the passbook but not entered in the cash book Rs. 100

Prepare a bank reconciliation statement.

Bank Reconciliation Statement of Mr.Kumar		
Particulars	Amount	Amount
Balance as per passbook		3,000
Add: Cheques deposited into the bank but not yet cleared	1,500	
Add: Bank charges	300	1,800
		4,800
Less:Cheques issued but not yet presented for payment	2,500	

Less: Interest credited by the bank but not entered into the cash book	100	2,600
Balance as per cash book		2,200
		4,800

Q3.

Prepare bank reconciliation statement as on 31st December, 2017 from the following information:

- Balance as per bank statement (pass book) is ₹ 25,000
- No record has been made in the cash book for a dishonour of a cheque for ₹ 250
- Cheques deposited into bank amounting to ₹ 3,500 were not yet collected
- Bank charges of ₹ 300 have not been entered in the cash book.
- Cheques issued amounting to ₹ 9,000 have not been presented for payment

Solution

Bank reconciliation statement as on 31st December, 2017

Particulars	Amount ₹	Amount ₹
Balance as per bank statement		25,000
Add: Dishonour of a cheque	250	
Cheques deposited into bank , but not yet collected	3,500	
Bank charges not entered in the cash book	300	4,050
		29,050
Less: Cheques issued, but not presented for payment		9,000
Balance as per cash book		20,050

Q4.

From the following information, prepare bank reconciliation statement as on 31st December, 2017 to find out the balance as per bank statement.

Particulars	₹
(i) Balance as per bank statement	6,000
(ii) Cheques deposited on 28th December, 2017 but not yet credited	2,000
(iii) Cheques issued for 10,000 on 20th December, 2017 but not yet presented for payment	3,000
(iv) Interest on debentures directly collected by the bank not recorded in cash book	4,000
(v) Insurance premium on building directly paid by the bank	1,000
(vi) Amount wrongly credited by bank	500

Solution**Bank reconciliation statement as on 31st December, 2017**

Particulars	Amount ₹	Amount ₹
Balance as per bank statement		6,000
Add:		
Cheque deposited but not yet credited	2,000	
Insurance premium on building directly paid by the bank	1,000	3,000
Less:		9,000
Cheque issued but not yet presented for payment	3,000	
Interest on debentures directly collected by the bank not entered in cash book	4,000	
Amount wrongly credited by bank	500	7,500
Balance as per cash book		<u>1,500</u>

Q5.

From the following data, ascertain the cash book balance as on 31st December, 2017.

Particulars	₹
1) Overdraft balance as per bank statement	6,500
2) Cheques deposited into the bank but not yet credited	10,500
3) Cheques issued, but not yet presented for payment	3,000
4) Wrong debit by the bank	500
5) Interest and bank charges debited by bank	180
6) Insurance premium on goods directly paid by the bank as per standing instructions	100

Bank reconciliation statement as on 31st December, 2017

Particulars	Amount ₹	Amount ₹
Overdraft balance as per bank statement		6,500
Add: Cheques issued, but not yet presented for payment	3,000	3,000
		9,500
Less: Cheques deposited into the bank but not credited	10,500	
Wrong debit by the bank	500	
Interest and bank charges debited by bank	180	
Insurance premium directly paid by the bank as per standing order	100	11,280
Balance as per cash book*		-1,780