

Name: _____ Class _____

Bank Reconciliation Statement – True or False

1. Bank Reconciliation Statement is prepared by Bank. (1) _____
2. Bank column of the cash book always shows a debit balance. (2) _____
3. Debit balance in Bank Statement means overdraft. (3) _____
4. Bank statement Overdraft is less than Cash Book Overdraft when there are cheques deposited but not collected by the bank. (4) _____
5. Bank Reconciliation statement is prepared to reconcile the Bank balance as shown by the Cash Book and the balance shown by the Bank Statement. (5) _____
6. Cash Book overdraft is more than Bank Statement Overdraft when the payment side of Cash Book is under cast. (6) _____
7. Cash Book normally shows a Credit Balance. (7) _____
8. Errors in the Bank Statement are considered while preparing an amended Cash Book. (8) _____
9. Bank Reconciliation Statement may be prepared at any time. (9) _____
10. Bank Charges debited in the Bank Statement is to be added to Bank Statement Overdraft to arrive at the Overdraft as per Cash Book. (10) _____

Key

Bank Reconciliation Statement -True or False

1. Bank Reconciliation Statement is prepared by Bank. False
2. Bank column of the cash book always shows a debit balance. False
3. Debit balance in Bank Statement means overdraft. True
4. Bank statement Overdraft is less than Cash Book Overdraft when there are cheques deposited but not collected by the bank. False
5. Bank Reconciliation statement is prepared to reconcile the Bank balance as shown by the Cash Book and the balance shown by the Bank Statement. True
6. Cash Book overdraft is more than Bank Statement Overdraft when the payment side of Cash Book is under cast. False
7. Cash Book normally shows a Credit Balance. False
8. Errors in the Bank Statement are considered while preparing an amended Cash Book. False
9. Bank Reconciliation Statement may be prepared at any time. True
10. Bank Charges debited in the Bank Statement is to be added to Bank Statement Overdraft to arrive at the Overdraft as per Cash Book. True