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03

BANK RECONCILIATION  
STATEMENT

Question 1

ICMAI MAT

Solution Module Page no.

On comparing the Cash Book of Saksham with the Bank Pass Book for the year ended 31st March, 2022, following discrepancies were noticed:

- Out of ` 82,000 paid in by cheques into the bank on 25th March, cheques amounting to ` 30,000 were collected on 5th April.
- Out of cheques drawn amounting to ` 31,200 on 28th March a cheque for ` 10,000 was presented on 3<sup>rd</sup> April.
- A cheque for ` 4,000 entered in Cash Book but omitted to be banked on 31st March.
- A cheque for ` 2,400 deposited into bank but omitted to be recorded in Cash Book and was collected by the bank on 29th March.
- A bill receivable for ` 2,080 previously discounted (discount ` 80) with the bank had been dishonored but advice was received on 3rd April.
- A bill for ` 40,000 was retired/paid by the bank under a rebate of ` 600 but the full amount of the bill was credited in the bank column of the Cash Book.
- A cheque of ` 10,000 wrongly credited in the Pass Book on 29th March was reversed on 2nd April.
- Bank had wrongly debited ` 20,000 in the account on 31st March and reversed it on 10th April, 2022.
- A cheque of ` 800 drawn on the Savings Account has been shown as drawn on Current Account in Cash Book.

Prepare a Bank Reconciliation Statement as on 31st March, 2022, if the Balance as per Cash Book on 31st March was ` 1,58,280.



Points Of Ponder

Pagination

Notebook

Page no.

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**Question 2**

**ICMAI MAT**

Solution Module Page no.

**On 31st** January, 2022, Sethi's cash book showed a bank overdraft of ` 2,50,000. On comparing with the pass book, the following differences were noted.

- (a) Cash and cheques amounting to ` 26,800 were sent to the bank on 27th January, but cheques worth 4,600 were credited on 2nd February and one cheque for 900 was returned by them as dishonored on 4th February.
- (b) During the month of January, Sethi issued cheques worth ` 33,400 to his creditors. Out of these, cheques worth 27,400 were presented for payment on 5th February.
- (c) According to Sethi's standing orders, the bankers have made the following payments during the month of January:
  - i) Life insurance premium ` 3,840
  - ii) Television license fee ` 2,400
- (d) Sethi's bankers have collected ` 3,000 as dividend on his shares.
- (e) Interest charged by the bank ` 2,500
- (f) A bill receivable of ` 2,000 discounted with the bank in December, 2021, was dishonored on 31st January, 2022.

You are required to:

- (i) Ascertain the amended cash book balance as on 31st January, 2022
- (ii) Prepare a Bank Reconciliation Statement from the amended cash book as on 31st January 2022

**PREVIOUS YEARS EXAM QUESTIONS**

**Question 1**

**Exam June 23**

When you proceed to reconcile the Bank Account starting with 'Debit' Cash Book balance, how is the following dealt with and why?

- i. Cheques issued but not presented for payment.
- ii. Cheques deposited but not yet credited.
- iii. Bank charges charged by the Bank not recorded in the Cash Book.
- iv. Interest allowed by the Bank not recorded in the Cash Book.

**Question 2**

**Exam Dec 24**

On comparing the Cash Book of Shivam with the Bank Pass Book for the year ended 31st March, 2024, following discrepancies were noticed:

- i) Cheques of 85,000 deposited into the bank on 25th March, cheques amounting to 25,000 were collected on 5th April.



- ii) Cheques amounting to 38,000 drawn on 28th March, of which a cheque for ₹8,000 was presented on 3rd April.
- iii) A cheque for 4,000 entered in Cash Book but omitted to be banked on 31st March.
- iv) A bill receivable for 18,000 previously discounted (discount 90) with the bank had been dishonoured but advice was received on 3rd April.
- v) A cheque of 20,000 wrongly credited in the Pass Book on 29th March was reversed on 2nd April.
- vi) Bank had wrongly debited 15,000 in the account on 31st March and reversed it on 10th April, 2024.

Prepare a Bank Reconciliation Statement as on 31st March, 2024, if the Balance as per Cash Book on 31st March, 2024 was 1,82,500.

**Question 3**

**Exam June 15**

The Cash book of PRARTHANA show 8,364 as the balance at bank as on 31st March, 2015 but you find that this does not agree with the balance as per the Bank Pass Book.

On scrutiny, you find the following discrepancies:

- i. On 15th March, the payments side of the Cash Book was undercast by 100.
- ii. A cheque for 131 issued on 25th March, was recorded in the cash column.
- iii. One deposit of? 150 was recorded in the Cash Book as if there is not Bank Column therein.
- iv. On 18th March, the debit balance of 1,526 as on the previous day, was brought forward as a credit balance. .
- v. Of the total cheques amounting to 11,514 drawn in the last week of March, cheques aggregating 7,815 were encashed in March.
- vi. Dividends of 250 collected by the Bank and subscription of 100 paid by it, were not recorded in the-Cash Book.
- vii. One outgoing cheque of 350 was recorded twice in the Cash Book. Required:

Prepare a Bank Reconciliation Statement as on 31st March, 2015

**Question 4**

**Exam Dec 23**

On 30th September, 20 3, Shri Sachin Chatterji's Cash Book shows that he had an overdraft off 400 on his current account at the bank. On checking the Cash Book with Bank Statement, you find the following :

- i) Cheques issued ₹ 1,500 had been entered in the Cash Book but had been presented into Bank ₹ 1,000.
- ii) Dividend amounting to ₹ 150 had been directly deposited into bank.
- iii) Bank had credited interest on Bank Deposit off i70 but the same had been debited in the Cash Book on 6th October, 2023.



- iv) Bank charge off 50 shown in the bank statement but the same had not been entered in the Cash Book.
- v) A cheque is issued to N.K. Chatterjee for 50 was replaced when out of date. It was entered again in the Cash Book. No other entry being made. Both the cheques were included in the total of unpresented cheques shown above.
- vi) The receipt side of the Cash Book had been overcast by ₹ 20.
- vii) A cheque for ₹ 20 had been entered as a receipt in the Cash Book instead of as a payment.
- viii) A cheque drawn for ₹ 8 had been incorrectly entered in the Cash Book as 88.

You are required to prepare-

- a) Adjusted Cash Book; and
- b) Bank Reconciliation Statement as on 30.9.2023.