

PROBLEMS BANK RECONCILIATION STATEMENT I (1-5)

Problem # 14.1: From the following particulars prepare a Bank Reconciliation Statement to find out the causes of difference in two balances as on August 31st, 2016 for Four Star (Pvt.) Ltd.

i) Bank Overdraft as per Bank Statement	Rs. 17,000
ii) Check issued but not encashed during the August	Rs. 2,200
iii) Dividends on shares collected by banker	Rs. 2,300
iv) Interest charged by the bank recorded twice in the Cash Book	Rs. 500
v) Check deposited as per Bank Statement not entered in Cash Book	Rs. 3,400
vi) Credit side of the Bank column in Cash Book cast short	Rs. 1,000
vii) Clubs dues paid by bank as per standing instruction not recorded in Cash Book ...	Rs. 1,200
viii) Uncredited check due to outstation	Rs. 3,900

Cash Book (Bank Column Missing)

iii) Dividend 2,300	vi) Cast short 1,000
iv) Interest error 500	vii) Dues paid 1,200
v) Deposited 3,400	

Bank Statement (Missing)

i) Balance 17,000	viii) Uncredited 3,900
ii) Uncashed Check 2,200	

Four Star (Pvt.) Ltd.

Bank Reconciliation Statement

As on August 31st, 2016

i) Bank Overdraft as per Bank Statement (Dr)		Rs. 17,000
Add:		
ii) Check Issued but not encashed	2,200	
iii) Dividend on shares collected by bank	2,300	
iv) Interest charged recorded twice	500	
v) Check deposited not entered cash book	3,400	8,400
		25,400
Less:		
vi) Credit side of bank column in cash book cast short	1,000	
vii) Clubs dues paid by bank	1,200	
vii) Uncredited check due to outstation	3,900	(6,100)
Balance as per Cash Book (Cr)		Rs. 19,300

Problem 14.2: From the following particulars, you are required to find out the errors in cash book and bank statement by using missing method and prepare Bank Reconciliation Statement as on 31-12-2016, for Chand Bibi Ltd

- i. Bank balance overdraft as per cash book 80,000
- ii. Check recorded for collection but not sent to the bank 10,000
- iii. Credit side of the cash book cast short 1,000
- iv. Premium on proprietor's Life Insurance Policy (LIP) paid on standing order 5,000
- v. Bank Charges recorded twice in the cash book 100
- vi. Customer's check returned by the bank as dishonored 4,000
- vii. Bill Receivable collected by the bank directly on the behalf of company 20,000
- viii. Check received entered twice in the cash book 6,000
- ix. Check issued but dishonored on technical grounds 3,000
- x. A checks deposited into the bank of worth Rs. 45,000 but Rs. 8,000 check was not collected by bank

Cash Book

v. Twice recording 100	i. Balance	80,000
vii. Direct collection 20,000	iii. Cast short	1,000
ix. Dishonored check 3,000	iv. Life Insurance Policy	5,000
	vi. Dishonored check	4,000
	viii. Twice recording	6,000

Bank Statement

ii. Not send check	10,000
x. Uncredited	8,000

Chand Bibi Ltd**Bank Reconciliation Statement**

As on December 31st, 2016

i. Balance As per Cash Book (Cr)		80,000
Add:		
iii. Credit side of the cash book cast short	1,000	
iv. Premium on Life Insurance Policy paid on standing order	5,000	
vi. Customer's check returned by the bank as dishonored	4,000	
viii. Check received entered twice in the cash book	6,000	
ii. Check recorded for collection but not sent to the bank	10,000	
x. Check was not collected by bank	8,000	34,000
		114,000
Less:		
v. Bank Charges recorded twice in the cash book	100	
vii. Bill Receivable collected by the bank directly on the behalf of company	20,000	
ix. Check issued but dishonored on technical grounds	3,000	(23,100)
Balance As per Bank Statement (Dr)		Rs. 90,900

Problem 14.3: From the following particulars, find out the errors in cash book and bank statement and prepare Bank Reconciliation Statement as on 31-05-2016 for Ammar Ahmed Sugar Mill Ltd.

- i. Balance as per bank statement overdraft of Rs. 2,118
- ii. The debit side of the cash book had been undercast by Rs. 300
- iii. A check for Rs. 182 drawn for the payment of telephone bill had been entered in the cash book as Rs. 281 but was shown correctly in the bank statement
- iv. A check for Rs. 210 by the customer having been deposited into bank was dishonored by the bank
- v. A check was credited twice in Cash Book for worth Rs. 3,000
- vi. A Dividend of worth Rs. 90 had been collected by the bank but not recorded in the cash book
- vii. Checks Rs. 3,000 drawn in December but only 1,200 presented for payment
- viii. Interest amounting 228 had been debited by the bank but not entered in the cash book
- ix. A check for Rs. 2,077 was issued by the company for purchase of merchandise and was paid by the bank but not recorded in company's book.
- x. A check for Rs. 10,500 issued to Salman & Co. for purchase of Equipment was not encashed.

<i>Cash Book</i>		<i>Bank Statement</i>	
ii. Undercast	300	iv. Dishonored	210
iii. Error in C/B	99	viii. Interest	228
v. Credited twice	3,000	ix. Not recorded	2,077
vi. Dividend	90		

Ammar Ahmed Sugar Mill Ltd.

Bank Reconciliation Statement

As on May 31st, 2016

i. Balance As per Bank Statement (Dr)		Rs. 2,118
Add:		
vii. Unpresented	1,800	
x. Not encashed	10,500	
ii. Undercast	300	
iii. Error in C/B	99	
v. Credited twice	3,000	
vi. Dividend	90	15,789
		17,907
Less:		
iv. Dishonored	210	
viii. Interest	228	
ix. Not recorded	2,077	(2,515)
Balance As per Cash Book (Cr)		Rs. 15,392

Problem 14.4: Prepare Bank Reconciliation Statement for the month of December, 2007 by missing method using T accounts (for cash book and for bank statement) and Reconciliation Statement

The cash book of M/S Universal Trading Company shows a cash book balance of Rs. 102,568 in Soneri bank Ltd. as of 31-12-2007. In January, 2008 the firm received a bank statement for the month of December, 2007 showing a credit balance of Rs. 118,068. Comparison of bank statement with the cash revealed the following anomalies

- (i) Check issued totaling Rs. 115,250 recorded in cash book but not appeared in the bank statement
- (ii) Check received from customers amounting to Rs. 75,850 deposited and properly accounted for in the cash book was not credited by bank
- (iii) Check received from the following customers were returned unpaid by the bank
 - (a) Check from Ghazi Autos received on 5-12-2007 for Rs. 1,200
 - (b) Check from Rahil Bros. received on 20-12-2007 for Rs. 18,500
 - (c) Check form Akmal Sons was received on 27-12-2007 for Rs. 2,000
- (iv) Excise duty debited by bank Rs. 200
- (v) Bank charges debited by bank Rs. 1,200
- (vi) Charged commission on collection of outstation check by bank of worth Rs. 800

Cash Book

Balance	102,568	(iii) Unpaid Checks:
		(a) Ghazi Autos 1,200
		(b) Rahil Bros 18,500
		(c) Akmal 2,000
		(iv) Excise duty 200
		(v) Bank charges 1,200
		(vi) Charged commission 800

Bank Statement

(i) Not Appear	115,250	Balance	118,068
		(ii) Uncredited check	75,850

M/S Universal Trading Company**Bank Reconciliation Statement**

As on December 31st, 2007

Balance As per Cash Book (Dr)		Rs. 102,568
Add:		
(i) Not Appeared Check		115,250
		217,818
Less:		
(iii) Unpaid Checks:		
(a) Ghazi Autos	1,200	
(b) Rahil Bros	18,500	
(c) Akmal	2,000	
(iv) Excise duty	200	
(v) Bank charges	1,200	
(vi) Charged commission	800	
(ii) Uncredited check	75,850	(99,750)
Balance As per Bank Statement (Cr)		Rs. 118,068