

BANK RECONCILIATION STATEMENT (II)

Example # 15.1: Prepare Bank Reconciliation Statement to find out adjusted balances in both books of Zakirullah Traders on June 30th, 2015?

- a) Unfavorable balance as per Bank Statement Rs. 55,000, while cash book credit balance of Rs. 47,100
- b) Mark-up charged by bank Rs. 600
- c) Check of customer Basher & Company for Rs. 3,500 was dishonored and returned by bank
- d) Dividend collected by bank not recorded in the cash book amounted to Rs. 2,000
- e) Checks issued amounted to Rs. 10,000 but presented to bank for payment worth Rs. 5,800
- f) A checks deposited into the bank of worth Rs. 30,000 but Rs. 10,000 check was not collected by bank

<i>Cash Book</i>	<i>Bank Statement</i>

Zakirullah Traders
Bank Reconciliation Statement
 As on June 30th, 2015

Add:		
Less:		
Adjusted Balance		
Add:		
Less:		
Adjusted Balance		

Example # 15.2: Ms. Fiza Naseem works as a cashier for Pine & Co. Abbottabad. Her responsibilities include entering and maintaining the firm's cash book and preparing a bank reconciliation statement at the end of each month. The firm's cash book for July 2016 which she has just finished entering and balancing for the month end is shown below (Note: for the sake of clarity the cash and discount columns have been omitted from cash book.) A copy of the firm's bank statement from the Star Bank Limited dated 31st July 2016 has just been received and is also illustrated. The numerical difference between the two is; Bank statement Rs. 903.00 minus cash book Rs. 641.70 = Rs. 261.30
This is the difference which Fiza will have to 'reconcile'.

Step 1 – Tick off the items in both cash book and bank statement

Cash Book

Receipts				Payments			
Date	Description	Ref	Bank	Date	Description	Ref	Bank
2011				2011			
July	1		756.20	July	2		50.00
	3		220.00		2		130.00
	15		330.00		2		10.00
	31		63.00		8		27.50
					14		89.00
					14		49.00
					15		250.00
					26		122.00
					31		641.70
Total			1,369.20	Total			1,369.20

Bank Statement

Date	Description	Ref	Dr. Amount	Cr. Amount	Balance
2011					
July	1				756.20 (Cr)
	4			220.00	976.20
	9		50.00		926.20
	14		10.00		916.20
	16		89.00		827.20
	19			330.00	1,157.20
	24		250.00		907.20
	26		122.00		785.20
	30		49.00		736.20
	31		12.95		723.25
	31			179.75	903.00 (Cr)

Step 2 – Enter missing items which are not tick

<i>Cash Book (Bank Column Missing)</i>	<i>Bank Statement (Missing)</i>

Step 3 – Make Bank Reconciliation Statement

Pine & Co. Abbottabad
Bank Reconciliation Statement
 As on July 31st, 2016

<i>Add:</i>		
<i>Less:</i>		

Step 4 – Balance the cash book bank columns to produce an updated balance

Adjust the cash book by recording therein those items which do not appear in it but which are found in the bank statement, thus computing the correct balance of the cash book

Cash Book

Receipts				Payments			
<i>Date</i>	<i>Description</i>	<i>Ref</i>	<i>Bank</i>	<i>Date</i>	<i>Description</i>	<i>Ref</i>	<i>Bank</i>
2016				2016			
July				July			
Total				Total			
Aug							

Example # 15.3: A debit balance of Rs. 14,065 appeared in the cash book of Uzair Nawaz & Co. as on March 31st, 2017 whereas the Bank Statement showed a credit balance of Rs. 27,380 as on that date. Following discrepancies were noted:

- a) Check amounting to Rs. 9,977 had been sent to suppliers and entered in the cash book during March, but had not yet been presented to the Bank
- b) 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
- c) Bank deposit of March 30, for Rs. 1,570 was not shown in Bank Statement
- d) Dividend collections amounting to Rs. 7,000 were credited by bank but these were not recorded in the cash book
- e) Bank services charges for March amounting to Rs. 60 were debited by the bank but these were not recorded in the cash book
- f) The bank debited Rs. 345 for insurance premium paid on March 28, on behalf of company, but it was recorded by company as Rs. 480
- g) A check for Rs. 890 of Asif, a customer, which had been deposited in the bank incorrectly recorded in the cash book as Rs. 980

Cash Book

Bank Statement

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Uzair Nawaz & Co.

Bank Reconciliation Statement

As on March 31st, 2017

Add:		
Less:		

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