

**KEY TO UNSOLVED QUESTIONS IN PRINCIPLES**  
**& PRACTICE OF ACCOUNTING BOOK**  
**BANK RECONCILIATION STATEMENT**  
**SOLUTIONS**

**TEST YOUR KNOWLEDGE**

**ANSWERS/HINTS**

**True and False**

1. False : Bank Reconciliation Statement reconciles bank column of cash book with the balance in the pass book i.e. customer account in the books of bank.
2. True : These are the three broad categories.
3. False : Adjusting the cash book is mandatory when bank reconciliation is done at the end of the financial year.
4. False : Debit balance as per cash book should be represented by credit or favourable balance in pass book.
5. False : Bank charges are example of the transactions that bank carries out by itself and the same has not been recorded in the cashbook until statement is obtained from the bank.
6. True : Overcasting is an example of an error.
7. True : Since the cheques issued would have been recorded as payments and bank balance was credited in cash book, we need to add it back as the same is not yet deducted from our bank balance.
8. False : Bank charges should be added when we start with credit or favourable balance in pass book as bank would have debited the charges.
9. True : Since, we don't know the causes of difference, matching the two statements is only efficient way to identify the difference.
10. False : Cheques deposited but not yet cleared should be subtracted from debit or unfavourable balance in pass book.
11. True : Cheques issued but not yet presented should be added back to a debit balance in cash book to arrive at pass book balance i.e. ₹ 50,000 + ₹ 60,000 = ₹ 1,10,000.
12. False : Overcasting of credit side means excessive payments are recorded and hence would lower the bank balance.
13. True: ₹ 25,000 payment is recorded as a receipt and hence it will have to be adjusted twice (once to nullify and then once to record actual payment) hence causing the difference of double amount.
14. True : It is an example of a payment instructed by customer to be directly debited by bank, and hence credited in the cash book.
15. True : Reconciliation statement can be prepared in either of the two formats.
16. False : Bank rarely makes mistakes, and hence differences that relate to errors are generally made in cash book.
17. False : We need to deduct ₹81,600 (i.e. both cheque returned & charges) from debit balance in cash book to arrive at balance as per pass book.
18. False : Interest allowed by bank is mostly recorded in cash book after the entry has been made in the pass book or bank statement.
19. True : In absence of any reconciliation, the accountants can mis-utilize the funds temporarily by recording the entry without actual depositing the cash.
20. False : Timing differences relate to the transactions that are recorded in cash book and pass book in two different periods.

**ANSWER TO Q. No. 1****Bank Reconciliation Statement as on .....**

<b>Particulars</b>	<b>Amounts (in ₹)</b>
Balance as per Cash Book	2,40,000
Add:	
Cheques issued but not presented in the bank	1,36,000
Interest credited by bank	1,250
Less:	
Cheques deposited in bank but not yet cleared	(90,000)
Bank Charges	(300)
<b>Balance as per pass book</b>	<b>2,86,950</b>

**ANSWER TO Q. No. 2****Adjusted Cash Book**

<b>Dr.</b>		<b>Cr.</b>	
<b>Particulars</b>	<b>Amount (in ₹)</b>	<b>Particulars</b>	<b>Amount (in ₹)</b>
To Balance b/d	6,000	By Bank A/c	1,500
To Dividend A/c	4,000	By Balance c/d	8,700
To Wrong Posting	200		
	<b><u>10,200</u></b>		<b><u>10,200</u></b>

**Bank Reconciliation Statement as on 31<sup>st</sup> December**

<b>Particulars</b>	<b>Amounts (in ₹)</b>
Balance as per Adjusted Cash Book	8,700
Add: Cheques issued but not presented	7,000
Wrong credit by bank	2,000
Less:	
Cheques deposited in bank were not cleared	(10,000)
<b>Balance as per Pass Book</b>	<b>7,700</b>

**ANSWER TO Q. No. 3****Adjusted Cash Book**

Dr.

Cr.

Particulars	Amount (in ₹)	Particulars	Amount (in ₹)
To Balance b/d	2,30,000	By Debtors A/c	2,000
		By Party A/c	30,000
		By Trade Subscription A/c	15,000
		By Balance c/d	1,83,000
	<b><u>2,30,000</u></b>		<b><u>2,30,000</u></b>

**Bank Reconciliation Statement as on 31<sup>st</sup> March**

Particulars	Amounts (in ₹)
Balance as per Adjusted Cash Book	1,83,000
Add:	
Cheques issued but not presented	7,000
Bank credited by mistake	7,000
Less:	
Wrong debit by bank	(20,000)
<b>Balance as per Pass Book</b>	<b>1,77,000</b>

**ANSWER TO Q. No. 4****Bank Reconciliation Statement as on 31<sup>st</sup> December**

<b>Particulars</b>	<b>Amount (₹)</b>
Bank overdraft as per cash book	(22,45,900)
Add:	
Cheque issued but not presented	6,60,000
Subsidy received by bank directly	14,25,000
Bills for collection credited by bank	8,36,000
Less:	
Interest debited by bank	(2,78,700)
Cheque deposited but not cleared	(13,50,000)
Amount wrongly debited by bank	(7,40,000)
<b>Overdraft per passbook</b>	<b>(16,93,600)</b>

**ANSWER TO Q. No. 5****Bank Reconciliation Statement as on .....**

<b>Particulars</b>	<b>Amount (₹)</b>
Balance as per cash book	1,500
Add:	
Cheque issued but not presented	150
Interest allowed by bank	50
Dividend collected by bank	50
Less:	
Cheque deposited but not cleared	(100)
<b>Balance as per passbook</b>	<b>1,650</b>

**ANSWER TO Q. No. 6****Bank Reconciliation Statement as on 31<sup>st</sup> March**

<b>Particulars</b>	<b>Amount (₹)</b>
Bank overdraft as per cash book	(5,000)
Add :	
Cheque issued but not presented	12,00,000
Wrongly credited by bank	30,68,000
Less :	
Cheque deposited but not cleared	(20,00,000)
Interest credited by bank	(10,00,000)
Bank charges	(2,500)
Balance as per pass book	<b>12,60,500</b>

**ANSWER TO Q. No. 7****Bank Reconciliation Statement of X as on .....**

<b>Particulars</b>	<b>Amounts (in ₹)</b>
Balance as per pass book	5,000
Add:	
Interest debited by Bank but no advice received	380
Insurance premium paid by bank as per standing instruction	1,600
Cash sales were wrongly recorded in the Bank Column of the cash-book	90,000
Less:	
Bills for collection credited by the Bank but no advice was received by X	(83,000)
Wrong credit given by the bank	(4,000)
<b>Balance as per cash book</b>	<b>9,980</b>

**ANSWER TO Q. No. 8****Bank Reconciliation Statement as on March 31**

<b>Particulars</b>	<b>Amount (₹)</b>
Balance as per cash book	11,500
Add:	
Cheque issued but not presented (Ramesh's cheque)	1,500
Less:	
Cheque deposited but not cleared (Goyal and Patel's cheque)	(9,800)
<b>Balance as per passbook</b>	<b>3,200</b>



**ANSWER TO Q. No. 9****Bank Reconciliation Statement as on 31<sup>st</sup> December, 2021**

<b>Particulars</b>	<b>Amounts (in ₹)</b>
Bank Overdraft as per Cash Book	(6,340)
Add:	
Cheques issued but not cashed	11,68,000
Interest on investment collected by the bank and credited in the Pass Book	12,00,000
Less:	
Interest on overdraft for	(160)
Bank charges debited in the Pass Book	(400)
Cheques paid into bank but not cleared	(22,17,000)
<b>Balance as per Pass Book</b>	<b>1,44,100</b>

**ANSWER TO Q.NO. 10**

**Dr** **Adjusted Cash Book (Bank Column only)** **Cr**

<b>Particulars</b>	<b>₹</b>	<b>Particulars</b>	<b>₹</b>
To bal b/d	8,000	By under casting	100
To wrong Carry forward	3,052	By party A/c	9000
To party A/c	150	By party A/c	131
		By bal c/d	1971
	<b><u>11,202</u></b>		<b><u>11,202</u></b>

**Bank Reconciliation Statement as on 31<sup>st</sup> December**

<b>Particulars</b>	<b>Amount (₹)</b>
Bank Overdraft as per adjusted cash book	1,971
Less: Cheques deposited, but not cleared	(9,200)
Bank overdraft as per pass book	7,229

**ANSWER TO Q. No. 11****Bank Reconciliation Statement of Ram as on June 30**

<b>Particulars</b>	<b>Amounts (in ₹)</b>
Balance as per pass book	1,50,000
Add:	
Cheques deposited in bank but not yet cleared (1,12,500 + 50,000)	1,62,500
Wrong recording in Cash book	160
Debit in Pass book	100
Less:	
Wrong credit by bank	(1,00,000)
<b>Balance as per Cash Book</b>	<b>2,12,760</b>

**ANSWER TO Q. No. 12****Bank Reconciliation Statement as on 31<sup>st</sup> December, 2021**

<b>Particulars</b>	<b>Amounts (in ₹)</b>
Bank Overdraft as per Cash Book	(9,340)
Add:	
Cheques issued but not presented	4,630
Dividend collected by bank	38
Less:	
Cheque dishonoured	(730)
Cheques paid into bank but not cleared	(1,250)
<b>Overdraft as per Pass Book</b>	<b>6,652</b>

**ANSWER TO Q. No. 13****Bank Reconciliation Statement of Mr. Gadbadwala****as on 31st Dec., 2021**

<b>Particulars</b>		<b>Amount (₹)</b>
Balance as per the Cash Book		8,36,400
Add:		
Mistake in bringing forward ₹15,260 debit balance as credit balance on 18th Dec., 2021		30,520
Cheques issued but not presented :		
Issued	11,514	
Cashed	7,815	3,699
Dividends directly collected by bank		25,000
Cheque recorded twice in the Cash Book		3,50,000
Deposit not recorded in the Bank column		1,50,000
Less:		
Wrong casting in the Cash Book		(10,000)
Cheques issued but not entered in the Bank column		(1,31,000)
Subscription paid by the bank directly		(1,000)
<b>Balance as per the Pass Book</b>		<b>12,53,619</b>

**ANSWER TO Q. No. 14****Bank Reconciliation Statement as on 31<sup>st</sup> December, 2021**

<b>Particulars</b>	<b>Amounts (in ₹)</b>
Balance as per Pass Book	10,392
Add:	
Draft deposited but not credited	13,500
Wrong debit to company account	7,400
Trade subscription paid by bank	1,500
Less:	
Transport subsidy received by bank	(42,500)
<b>Overdraft as per Cash Book</b>	<b>9,708</b>

**ANSWER TO Q. No. 15****Adjusted Cash Book as on 31.3.2022**

<b>Particulars</b>	<b>Amount ₹</b>	<b>Particulars</b>	<b>Amount ₹</b>
To Balance b/d	32,50,000	By Bank charges	12,500
To Dividend	1,25,000	By Insurance premium	15,900
		By Trade receivables (cheque dishonoured)	1,30,000
		By Cash A/c (wrongly recorded cash sales)	2,55,000
		By Balance c/d	29,61,600
	<b>33,75,000</b>		<b>33,75,000</b>

**Bank Reconciliation Statement as on 31.3.2022**

<b>Particulars</b>	<b>Amount ₹</b>
Bank balance as per the cash book	29,61,600
Add: Cheques issued but not yet presented for payment	35,62,000
Wrong credit given by bank	1,50,000
Less: Cheques deposited but not yet credited by bank	(44,75,000)
Balance as per the pass book	21,98,600

The bank balance of ₹ 29,61,600 will appear in the trial balance as on 31st March, 2022.

**ANSWER TO Q. No. 16****Bank Reconciliation Statement as on March 31**

<b>Particulars</b>	<b>Amount (₹)</b>
Balance as per cash book	1,47,500
Add:	
Cheque issued but not presented (Simmi and Shilpa's cheque)	29,000
Less:	
Cheque deposited but not cleared (Jyoti and Anil's cheque)	33,000
<b>Balance as per passbook</b>	<b>1,43,500</b>



**ANSWER TO Q. No. 17****Bank Reconciliation Statement as on 31<sup>st</sup> December, 2021**

<b>Particulars</b>	<b>Amounts (in ₹)</b>
Bank Overdraft as per Cash Book	(6,340)
Add:	
Amount received directly by bank	1,740
Interest collected by bank	1,200
Wrong credit by bank	2,000
Less:	
Interest entered in pass book	(160)
<b>Overdraft as per Pass Book</b>	<b>1,560</b>

**ANSWER TO Q.18.****Adjusted Cash Book (Bank Column)**

<b>Date</b>	<b>Particulars</b>	<b>Amount ₹</b>	<b>Date</b>	<b>Particulars</b>	<b>Amount ₹</b>
	To Party A/c	16,000		By Balance b/d	4,062
	To Customer A/c (Direct deposit)	1,17,400		By Bank charges	580
	To Balance c/d	11,242		By Customer A/c (B/R dishonoured)	1,40,000
		<b>1,44,642</b>			<b>1,44,642</b>

**Bank Reconciliation Statement as on 30th September, 2021**

<b>Particulars</b>	<b>Amount in ₹</b>
Overdraft as per Cash Book	(11,242)
Less: Cheque deposited but not credited by bank	(13,14,000)
Add: Cheques issued but not presented for payment	13,26,000
Add: Credit by Bank erroneously on 6th September	20,000
Balance as per bank statement	20,758

**ANSWER TO Q.19.****Adjusted Cash Book (Bank column)**

<b>Date</b>	<b>Particulars</b>	<b>Amount in ₹</b>	<b>Date</b>	<b>Particulars</b>	<b>Amount in ₹</b>
Dec. 30	To Balance b/d	4,610	Dec. 30	By Party a/c (Cheque dishonoured)	73,000
	To Dividend	3,80,000		By Bank interest and charges	4,200
				By Trade Subscription	10,000
			Dec. 31	By Balance c/d	2,97,410
		<b>3,84,610</b>			<b>3,84,610</b>

**Bank Reconciliation Statement as at 30th December, 2021**

<b>Particulars</b>	<b>Amount ₹</b>
Balance per cash book	2,97,410
Add: Cheques issued but not yet presented	6,30,000
Deduct: Cheques deposited but not cleared	(2,50,000)
Deduct: Cheque wrongly charged by bank	(27,000)
Balance as per the bank statement	6,50,410

**ANSWER TO Q. No. 20****Bank Reconciliation Statement as on March 31**

<b>Particulars</b>	<b>Amount (₹)</b>
Balance as per cash book	2,370
Add: Cheque issued but not presented (780 + 730)	1,510
Interest collected by bank	200
Less: Cheque deposited but not cleared (1050 + 340)	(1,390)
Premium paid by bank	(250)
Bank charges	(10)
<b>Balance as per pass book</b>	<b>2,430</b>

**ANSWER TO Q. No. 21****Bank Reconciliation Statement as on March 31**

<b>Particulars</b>	<b>Amount (₹)</b>
Balance as per pass book	1,50,000
Add: Cheque recorded in cash book	5,000
Cheque deposited but not cleared	22,000
Bank charges	250
Less:	
Cheque issued but not presented	(48,000)
Amount not recorded in cash book	(15,700)
Interest credited by bank	(1,500)
<b>Balance as per cash book</b>	<b>1,12,050</b>

**ANSWER TO Q.22****IN THE BOOKS OF GOPI****ADJUSTED CASH BOOK (Bank Column)**

<b>Dr.</b>		<b>Cr.</b>	
<b>Receipts</b>	<b>Amount in ₹</b>	<b>Payments</b>	<b>Amount in ₹</b>
To Balance b/d	44,50,000	By Insurance premium A/c	27,000
To Dividend A/c	40,000	By error of undercasting	5,000
To Rent A/c	6,00,000	By Bank charges	1,500
To Bill receivable A/c (60,000 – 1,000)	59,000	By Bill payable	2,00,000
		By Balance c/d	<b>49,15,500</b>
	<b>51,49,000</b>		<b>51,49,000</b>

**Bank Reconciliation Statement as on 30th June, 2021**

<b>Particulars</b>	<b>Amount in ₹</b>
Adjusted balance as per cash book (Dr.)	49,15,500
Add: Cheques issued but not presented for payment till 30th June, 2021	6,00,000
Less: Cheques paid into bank for collection but not collected till 30th June, 2021 (11,05,000 – 5,50,000)	(5,55,000)
<b>Balance as per pass book</b>	<b>49,60,500</b>

**ANSWER TO Q. No. 23****Bank Reconciliation Statement as on March 31**

<b>Particulars</b>	<b>Amount (₹)</b>
Overdraft as per pass book	(32,675)
Add:	
Cheque deposited but not cleared	26,000
Bank charges	150
Less:	
Cheque issued but not presented	(18,513)
Interest collected by bank	(1,200)
<b>Overdraft as per cash book</b>	<b>(26,238)</b>

**ANSWER TO Q. No. 24****Bank Reconciliation Statement as on March 31**

<b>Particulars</b>	<b>Amount (₹)</b>
Balance as per cash book	60,000
Add:	
Cheque issued but not presented	11,00,000
Amount deposited by debtor	5,00,000
Less:	
Cheque deposited but not cleared (11,40,000 + 5,00,000)	(16,40,000)
Cheque dishonoured	(4,00,000)
Bank charges	(2,000)
<b>Overdraft as per pass book</b>	<b>(3,82,000)</b>



**ANSWER TO Q. No. 25****Bank Reconciliation Statement as on March 31**

<b>Particulars</b>	<b>Amount (₹)</b>
Balance as per pass book	10,00,000
Add:	
Cheque received but not sent to bank	11,20,000
Insurance premium paid by bank	60,000
Cheque entered twice in cash book	10,000
Credit side of bank column short	2,000
Bill discounted dishonoured	5,00,000
Less:	
Cheque issued but not presented	(5,00,000)
Cheque deposited not recorded in cash book	(5,00,000)
Bank charges recorded twice	(2,000)
<b>Balance as per cash book</b>	<b>16,90,000</b>

**ANSWER TO Q.NO. 26****Bank Reconciliation Statement of Mr. Anil as on 31<sup>st</sup> December**

<b>Particulars</b>	<b>Amount (₹)</b>
<b>Overdraft balance as per pass book</b>	<b>(6,000)</b>
<b>Add:</b>	
Cheques deposited into bank but not yet credited	9,000
Bank commission	30
<b>Less:</b>	
Cheque issued but not yet presented to bank for payment	(5,500)
Wrong recording in cash book	(2,000)
<b>Credit balance as per cash book</b>	<b>(4,470)</b>

**ANSWER TO Q.NO. 27****Bank Reconciliation Statement as on 31<sup>st</sup> March**

<b>Particulars</b>	<b>Amount (₹)</b>
<b>Debit balance as per cash book</b>	<b>37,20,000</b>
<b>Add:</b>	
Cheque issued but not yet presented	7,20,000
Dividend received by bank not entered in cash book	5,00,000
Interest allowed by bank	12,500
<b>Less:</b>	
Cheques deposited into bank but not yet collected	(15,40,000)
Bank charges	(2,000)
A cheque deposited into bank was dishonoured	(3,20,000)
House tax paid by bank	(3,50,000)
<b>Credit balance as per pass book</b>	<b>27,40,500</b>

**ANSWER TO Q.NO. 28****Bank Reconciliation Statement of Mr. P. Roy as on 31<sup>st</sup> December**

<b>Particulars</b>	<b>Amount (₹)</b>
<b>Bank Balance as per Cash Book</b>	<b>75,000</b>
<b>Add:</b>	
Cheques issued but not presented for payment (₹3,000, ₹4,000 & ₹1500 respectively)	8,500
Collection by Bank from a Customer	8,000
<b>Less:</b>	
Cheques deposited but not credited in the Pass Book	(11,000)
Bank charges not recorded in the cash book	(30)
<b>Balance as per Pass Book</b>	<b>80,470</b>

**ANSWER TO Q.NO. 29****Bank Reconciliation Statement of Mr. Suresh as on 31<sup>st</sup> January**

<b>Overdraft as per Cash Book</b>	<b>(11,515)</b>
<b>Less:</b>	
Cheques deposited but not cleared (7,000 - 4,000)	(3,000)
Bank commission charged by the Bank	(45)
<b>Add:</b>	
Cheque issued but not presented for payment (15,000 - 9,000)	6,000
Direct deposit by a customer	6,400
Interest on investment credited in the Pass Book only	1,400
Withdrawals of ₹ 3,000 recorded in the Cash Book as ₹ 5,000	2,000
<b>Bank balance as per Pass Book (Cr.)</b>	<b>1,240</b>

**ANSWER TO Q.NO. 30****Bank Reconciliation Statement as on 31<sup>st</sup> March**

Particulars	Amount (₹)
<b>Overdraft as per Pass Book</b>	<b>(8,800)</b>
<b>Less:</b> Cheques issued but not presented till 31st March	(5,800)
Transfer from fixed deposit	(2,000)
Direct deposit by M/s Rajesh Traders	(400)
<b>Add:</b> Cheques deposited but not cleared (5,800 - 2,000)	3,800
Dividend collected excess recorded (1,520 - 1,250)	270
Interest on overdraft	930
Corporation tax paid	1,200
<b>Overdraft as per Cash Book</b>	<b>(10,800)</b>

**ANSWER TO Q.NO. 31****In the Books of Mr. D**

Dr			Cr		
Adjusted Cash Book (Bank Column only)					
Date	Particulars	Amount	Date	Particulars	Amount
31 Mar	To Dividend A/c	90	31 Mar	By Balance b/d	3,630
	To Error (under casting in debit side)	300		By Electric Charges A/c (Cheque drawn for ₹ 182 wrongly recorded as ₹ 128 )	54
	To Balance c/d	3,732		By S. Gupta's A/c	210
				By Bank Interest	228
		<b><u>4,122</u></b>			<b><u>4,122</u></b>

**Bank Reconciliation Statement of Mr. D as at 31<sup>st</sup> March**

Particulars	Amount (₹)
<b>Overdraft as per Adjusted Cash Book</b>	<b>(3,732)</b>
Less: A cheque for ₹ 126 wrongly debited by Bank.	(126)
A lodgement not credited by Bank	(1,080)
Add: A cheque was issued in favour of Rath Associates not debited by Bank	1,560
<b>Overdraft as per Pass Book</b>	<b>(3,378)</b>

**ANSWER TO Q.NO. 32**

<b>Dr.</b>	<b>Adjusted Cash Book (Bank column)</b>		<b>Cr.</b>
<b>Particulars</b>	<b>Amount</b>	<b>Particulars</b>	<b>Amount</b>
	<b>₹</b>		<b>₹</b>
To Interest received	400	By Balance b/d	5,000
		By collection charges	100
		By Bank interest	300
To Balance c/d	5,400	By customer (cheque dishonoured)	400
	<b><u>5,800</u></b>		<b><u>5,800</u></b>

**Bank reconciliation statement as on 31<sup>st</sup> March**

<b>Particulars</b>	<b>Amount (₹)</b>
Bank Overdraft as per adjusted cash book	(5,400)
Less: Cheques deposited, but not cleared	(1,200)
Add: cheques issued but not encashed	2,400
Bank overdraft as per pass book	(4,200)



**ANSWER TO Q.NO. 33****Bank Reconciliation Statement of Shri Gupta as on 31<sup>st</sup> March**

Particulars	Amount (₹)
<b>Bank overdraft as per cash book</b>	<b>(30,000)</b>
<b>Less :</b> Cheques deposited but not collected	(300)
Debit in the pass book for interest on overdraft and bank charges not recorded in the cash book (2,000 + 600)	(2,600)
Credit side of the bank column of the cash book undercast	(100)
Cheques issued to creditor not recorded in the cash book	(1,000)
<b>Add :</b> Cheques wrongly recorded in the credit side of the cash book	2,000
Cheques issued but not yet presented for payment	4,000
Dividend collected by the bank but not recorded in the cash book	500
<b>Bank overdraft as per pass book</b>	<b>(27,500)</b>

**ANSWER TO Q.NO. 34****Bank Reconciliation Statement of Ajay Ghosh as on 31<sup>st</sup> March**

<b>Particulars</b>	<b>Amount (₹)</b>
<b>Overdraft as per cash book</b>	<b>(3,458)</b>
<b>Less :</b>	
Cheques entered in cash book but not banked	(1,000)
Cheques deposited but not collected	(500)
Cheques deposited but dishonoured	(300)
<b>Add :</b>	
Cheques issued, not presented for payment	1,200
Bill collected, not entered in cash book	3,000
<b>Overdraft as per pass book</b>	<b>(1,058)</b>

**ANSWER TO Q.NO. 35****Bank Reconciliation Statement of Mr. Sircar**

<b>Particulars</b>	<b>Amount (₹)</b>
<b>Overdraft as per cash book</b>	<b>(1,970)</b>
Less : Cheques deposited with the bank but not yet credited in pass book	(8,505)
Add : Cheques issued but not yet presented to bank for payment	12,500
Interest on fixed deposit credited by bank under standing instructions	650
<b>Balance as per pass book</b>	<b>2,675</b>

**ANSWER TO Q.NO.36****Bank Reconciliation Statement of Shri Mehta as on 31st March**

Particulars	Amount (₹)
<b>Bank balance as per bank statement (overdraft)</b>	<b>(1,65,000)</b>
Less: Cheques issued but not presented for payment	(87,500)
Add: Cheques deposited with the bank but not collected	1,05,000
Cheques recorded in cash book but not sent to bank for collection	20,000
<b>Bank balance as per adjusted cash book (overdraft)</b>	<b>(1,27,500)</b>

**Adjusted Cash Book**

Dr.		(Bank Column)		Cr.	
Date	Particulars	₹	Date	Particulars	₹
31.3	To Balance b/d (balancing fig.)	29,600	31.3	By Bank charges	200
	To Customer	35,000		By Customer	30,100
	To Balance c/d (calculated from BRS)	1,27,500		By Drawings (insurance premium paid by bank)	1,800
				By Error (overdraft balance carried over as debit balance)	1,60,000
		<b><u>1,92,100</u></b>			<b><u>1,92,100</u></b>

**ANSWER TO Q.NO. 37:****Bank Reconciliation Statement of Ajay Ghosh as on 31<sup>st</sup> March**

<b>Particulars</b>	<b>Amount (₹)</b>
<b>Overdraft as per cash book</b>	<b>3,458</b>
Less :	
Bill collected but omitted to be entered in pass book	(300)
Pay off of bills payable not entered in cash book	(600)
Bank charges	(30)
Interest on overdraft	(170)
Add :	
Direct deposit of rent into bank	340
<b>Overdraft as per pass book</b>	<b>(4,218)</b>

**ANSWER TO Q.NO. 38:****Bank Reconciliation Statement of the trader as on 31<sup>st</sup> March**

<b>Particulars</b>	<b>Amount (In ₹)</b>
<b>Overdraft as per cash book</b>	<b>(15,280)</b>
Less: Cheques deposited with the bank but not yet credited by bank	(20,000)
Bank charges not yet recorded in the cash book	(680)
Add:	
Interest on securities collected by the bank	2,560
Dividend collected by the bank	2,000
Cheques issued but not yet presented	74,800
<b>Balance as per pass book</b>	<b>43,400</b>

**ANSWER TO Q.NO. 39:****Bank Reconciliation Statement of Mr. Gupta as on 31<sup>st</sup> March**

<b>Particulars</b>	<b>Amount (In ₹)</b>
<b>Debit Bank Balance</b>	<b>4,800</b>
Less: Cheques deposited but not yet credited by bank	(3,610)
Bank charges appearing in pass book but not yet recorded in cash book	(40)
Add:	
Cheques issued but not yet presented by payees for payment in the bank	2,050
Collections made by the bank and appearing in pass book but not yet recorded in cash book	1,000
<b>Balance as per pass book</b>	<b>4,200</b>

**ANSWER TO Q.NO. 40:****Bank Reconciliation Statement of the trader as on 31<sup>st</sup> March**

<b>Particulars</b>	<b>Amount (In ₹)</b>
<b>Overdraft as per cash book</b>	<b>(1,800)</b>
Less: Cheques deposited with the bank on 31 <sup>st</sup> March, but credited by bank on 1 <sup>st</sup> April	(9,200)
Bank Charges debited by bank	(230)
Add:	
Cheques issued but not yet presented for payment	8,500
Dividend collected by bank on behalf of the trader	5,000
Wrong entry in cash book	1,000
<b>Balance as per pass book</b>	<b>3,270</b>



<b>REVISION TEST PAPER /MOCK TEST PAPERS</b>
--

<b>RTP NOV 2021</b>
---------------------

**Solution 5:****Bank Reconciliation Statement as on 31st March, 2022**

Particulars	Details ₹	₹	Amount ₹
Credit balance as per the pass book			15,65,000
Add: Cheques deposited into bank but not yet collected	A: 5,15,000		
	B: 12,500	5,27,500	
Bank charges debited by the bank		350	5,27,850
Less: Cheques issued but not presented for payment	X: 60,000		20,92,850
	Y: 3,84,000	4,44,000	
Direct deposit of cash in bank by Z		1,816	
Interest allowed by the bank		4,500	(4,50,316)
Debit balance as per the cash book			16,42,534

<b>RTP MAY 2021</b>
---------------------

**Solution 5:**

(i) **Cash Book as on 31.3.2022**  
(After making necessary adjustments)

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
To Balance b/d	32,50,000	By Bank charges	12,500
To Dividend	1,25,000	By Insurance premium	15,900
		By Trade receivables (cheque dishonoured)	1,30,000
		By Cash A/c (wrongly recorded cash sales)	2,55,000
		By Balance c/d	29,61,600
	33,75,000		33,75,000

**Bank Reconciliation Statement as on 31.3.2022**

Particulars	Details	Amount ₹
Bank balance as per the cash book		29,61,600
<i>Add:</i> Cheques issued but not yet presented for payment	35,62,000	
Wrong credit given by bank	1,50,000	37,12,000
		66,73,600
<i>Less:</i> Cheques deposited but not yet credited by bank		(44,75,000)
Balance as per the pass book		21,98,600

The bank balance of ₹ 29,61,600 will appear in the trial balance as on 31st March, 2022.

**Note:** Cash sales should have been recorded by passing the following entry:

Cash A/c	Dr	2,55,000
To Sales A/c		2,55,000

But it has been wrongly debited to Bank A/c, so following rectification entry has been passed:

Cash A/c	Dr.	2,55,000
To Bank A/c		2,55,000

<b>RTP NOV 2020</b>
---------------------

**Solution 5:****Bank Reconciliation Statement as at 31.03.2022**

		₹
Balance as per Pass Book		10,000
Add: Cheque wrongly credited to another customer's A/c	500	
Error in carrying forward	3,000	
Cheque recorded twice	<u>350</u>	<u>3,850</u>
		13,850
Less: Excess credit for cash deposit	9	
Undercasting of withdrawal column	100	
Wrong credit	<u>1,000</u>	<u>(1,109)</u>
Balance as per Cash Book		<u>12,741</u>

**RTP MAY 2020****Solution 5:****Bank Reconciliation Statement as on 31st March, 2022**

Particulars	Details ₹	Amount ₹
Debit balance as per Cash Book		18,60,000
<i>Add:</i> Cheque issued but not yet presented to bank for payment	3,60,000	
Dividend received by bank not entered in cash book	2,50,000	
Interest credited by bank	<u>6,250</u>	<u>6,16,250</u>
		24,76,250
<i>Less:</i> Cheques deposited into bank but not yet collected	7,70,000	
Bank charges debited by Bank	1,000	
Cheque deposited into bank was dishonoured	1,60,000	
House tax paid by bank	<u>1,75,000</u>	<u>(11,06,000)</u>
Credit balance as per Pass Book		<u>13,70,250</u>

<b>RTP NOV 2019</b>
---------------------

**Solution 5:****(i) Cash Book (Bank Column)**

Date	Particulars	Amount	Date	Particulars	Amount
<b>2021</b>		₹	<b>2021</b>		₹
Sept. 30			Sept. 30		
	To Party A/c	32,000		By Balance b/d	8,124
	To Customer A/c (Direct deposit)	2,34,800		By Bank charges	1,160
	To Balance c/d	22,484		By Customer A/c (B/R dishonoured)	2,80,000
		2,89,284			2,89,284

**(ii) Bank Reconciliation Statement as on 30th September, 2021**

Particulars	Amount
	₹
Overdraft as per Cash Book	22,484
<i>Add:</i> Cheque deposited but not collected upto 30 <sup>th</sup> Sept., 2021	26,28,000
	26,50,484
<i>Less:</i> Cheques issued but not presented for payment upto 30 <sup>th</sup> Sept., 2021	(26,52,000)
Credit by Bank erroneously on 6th Sept.	(40,000)
Overdraft as per bank statement	41,516

**MTP-1-NOV 2021****Solution 1(c):****Ayodhya Ltd.****Bank Reconciliation Statement as on 31.3.2022**

<b>Particulars</b>	<b>₹</b>
Balance as per cash book	3,60,000
Add : Cheque issued but not presented	2,04,000
Interest credited	<u>4,500</u>
	5,68,500
Less : Bank charges	<u>(900)</u>
Balance as per pass book	<u>5,67,600</u>

<b>MTP-2-NOV 2021</b>
-----------------------

**Solution 2(a):**

<b>Bank Reconciliation Statement of Satyam Traders as on 31<sup>st</sup> March, 2022</b>		
Particulars	Amount	Amount
Balance as per Cash Book		4,12,200
Add:		
Mistake in bringing forward ₹18,500/-debit	37,000	
Balance as credit balance on 22nd March		
Cheques issued but not presented	13,500	
Issued = ₹42,000 less cashed ₹ 28,500 = ₹13,500/-		
Dividend directly collected but not entered in cash book	35,000	
Cheques recorded twice in the cash book	1,29,000	
Wrongly credited cheque by bank	25,000	
Discount amount wrongly entered in bank column	500	
<b>TOTAL</b>		<b>2,40,000</b>
Less:		
Wrong casting in cash book on 12th March, 2021	12,000	
Cheque issued and not entered in the Bank Column	85,000	
Fire Insurance premium paid directly by bank	20,000	
Cheque dishonored not recorded in books	5,000	
Credit card payment not recorded in cash book	2,500	
Cheque wrongly deposited by bank in savings account	2,000	
Bank charges debited not recorded in cash book	200	
<b>TOTAL</b>		<b>(1,26,700)</b>
<b>Balance as per the Passbook</b>		<b>5,25,500</b>
No effects of cheque deposit directly and dishonored in the same Month. Alternatively figure of ₹ 32,000/- can be added as well as deducted from balance as per cash book.		

**MTP-1-MAY 2021****Solution 2(b):****(i) Cash Book (Bank Column)**

Date	Particulars	Amount	Date	Particulars	Amount
2021		₹	2021		₹
Sept. 30	To Party A/c	64,000	Sept. 30	By Balance b/d	16,248
	To Customer A/c (Direct deposit)	4,69,600		By Bank charges	2,320
	To Balance c/d	44,968		By Customer A/c (B/R dishonoured)	5,60,000
		5,78,568			5,78,568

**(ii) Bank Reconciliation Statement as on 30th September, 2021**

Particulars	Amount
	₹
Overdraft as per Cash Book	44,968
<i>Add:</i> Cheque deposited but not collected upto 30 <sup>th</sup> Sept., 2021	52,56,000
	53,00,968
<i>Less:</i> Cheques issued but not presented for payment upto 30 <sup>th</sup> Sept., 2021	(53,04,000)
Credit by Bank erroneously on 6th Sept.	(80,000)
Credit balance as per bank statement	83,032

**Note:** Bank has credited Sameer by 80,000 in error on 6<sup>th</sup> September, 2021. If this mistake is rectified in the bank statement, then this will not be deducted in the above statement along with ₹53,04,000 resulting in credit balance of ₹ 3,032 as per pass-book.



<b>EXAMINATION QUESTIONS</b>
------------------------------

<b>JULY 2021</b>
------------------

**Solution 2(b):****Bank Reconciliation Statement as on 31<sup>st</sup> March, 2022**

<b>Particulars</b>	<b>Amount ₹</b>
Balance as per Pass Book (Dr.)	(3,500)
<i>Add:</i> Cheques deposited but returned on 24 <sup>th</sup> March, 2022	2,500
Discounted bill from Mr. Balaji dishonoured	5,000
Wrong debit in Cashbook	1,500
	5,500
<i>Less:</i> Bill Collected by bank (2,500 + 500)	(3000)
Balance as per Cash book (Dr. / Favourable)	2,500

<b>JANUARY 2021</b>
---------------------

**Solution 1(c):****Adjusted Cash Book as on 31st December, 2021**

Particulars	₹	Particulars	₹
To Balance b/d	1,98,000	By Bank charges	34,000
To Debtors	1,00,000	By Debtor (cheque dishonour)	5,000
		By Balance c/d	2,59,000
	2,98,000		2,98,000

**Bank Reconciliation Statement as on 31st December, 2021**

Particulars	₹	₹
Balance as per adjusted cash book	45,000	2,59,000
ADD: Cheque issued but not presented	<u>4,000</u>	<u>49,000</u>
Payment not effected by bank		3,08,000
LESS: Cheque deposited but not cleared	25,000	<u>25,000</u>
Balance as per Bank pass book		2,83,000

<b>NOVEMBER 2020</b>
----------------------

**Solution 2(a):****(i) Adjusted Cash Book as on 31-03-2022**

Particulars	₹	Particulars	₹
To Interest on deposit	1,000	By balance b/d	98,700
To Customer a/c- Cheque returned	1,500	By bank charges & interest (35 + 2,860)	2,895
To Balance c/d	1,03,595	By customer a/c - cheque dishonoured	500
		By Discount allowed (1,00,000 -96,000)	4,000
	1,06,095		1,06,095

**(ii) Bank Reconciliation Statement as on 31st March, 2022**

Particulars	₹	₹
Overdraft as per Adjusted Cash book		1,03,595
<u>Add :</u>		
Cheque deposited but not credited in the bank	2,600	
Cheque returned 'out of date' by the bank	3,500	<u>6,100</u>
<u>Less:</u>		1,09,695
Cheques issued but not presented in the bank	(7,400)	
Cheque deposited in another account wrongly credited to this account by the bank	(1,550)	
Cheque drawn in this a/c wrongly debited to another A/c	<u>(800)</u>	(9,750)
Overdraft balance as per Bank Statement		99,945

<b>NOVEMBER 2019</b>
----------------------

Solution 2(a):

## Cash Book (Bank Column)

Date	Particulars	Amount	Date	Particulars	Amount
<b>2021</b>		₹	<b>2021</b>		₹
Sept.30	To Party A/c	18,000	Sept. 30	By Balance b/d	8,062
	To Customer A/c (Direct deposit)	1,15,400		By Bank charges	280
	To B/R collected	59,000		By Customer A/c (B/R dishonoured)	1,60,000
	To Balance c/d	1,75,942		By Bills payable	2,00,000
		3,68,342			3,68,342

## Bank Reconciliation Statement as on 30th September, 2021

Particulars	Amount
	₹
Overdraft as per Cash Book	1,75,942
Add: Cheque deposited but not collected up to 30 <sup>th</sup> Sept., 2021	11,14,000
	12,89,942
Less: Cheques issued but not presented for payment up to 30 <sup>th</sup> Sept., 2021	(13,46,000)
Credit by Bank erroneously on 6 <sup>th</sup> Sept.	(30,000)
Balance as per bank statement	86,058

MAY 2019

**Solution 2(a):****Bank Reconciliation Statement as on 30th June 2021**

	Particulars	Amount	Amount
	Overdraft as per Pass Book (Dr. Balance)		25,000
Add:	Cheques issued but not presented ₹ (34,000 - 20,000)	14,000	
	Cheques deposited into the Bank by Customer but not entered in Cash Book	400	
	Bank charges written twice in Cash Book	<u>80</u>	<u>14,480</u>
			39,480
Less:	Cheques received, recorded in cash Book but not sent to the Bank	4,000	
	Cheques sent to the Bank but not collected	6,000	
	Direct payment made by the bank not recorded in the Cash book	600	
	Interest on Overdraft charged by Bank	1,600	
	Insurance charges not entered in Cash Book	70	
	Credit side of bank column of Cash Book was undercast	<u>2,000</u>	<u>(14,270)</u>
	Overdraft as per Cash Book		25,210

