



<b>Class: XI</b>	<b>Department: Commerce</b>
<b>Worksheet No:</b>	<b>Chapter: Bank Reconciliation Statement</b>

Multiple Choice Questions:

1. Pass book of the account holder is a copy of
- A. the bank column of the cash book of the account holder.
  - B. the cash column of the cash book of the account holder.
  - C. the identity card of the account holder.
  - D. the relevant account in the books of a bank.

Ans: D. the relevant account in the books of a bank.

2. Bank reconciliation Statement is prepared to
- A. to know the payment made through cheques
  - B. to know the errors in the Pass Book
  - C. to compare the Cash Book with Pass Book and ascertain the difference.
  - D. to know the cash withdrawn from bank.

Ans: C. to compare the Cash Book with Pass Book and ascertain the difference.

3. Debit Balance in the Pass book indicates:

- A. Bank Balance
- B. Overdraft.

Ans: B. Overdraft.

4. Debit Balance in the Cash Book is equivalent to:

- A. Overdraft as per Pass Book
- B. Credit Balance as per Pass Book
- C. Overdraft as per Cash Book.
- D. None of these

Ans: B. Credit Balance as per Pass Book

5. Bank Reconciliation Statement is prepared

- A. at the end of accounting year
- B. at the end of a month
- C. every fortnight
- D. whenever bank statement is received and the balance is different from bank column.

Ans: whenever bank statement is received and the balance is different from bank column.

6. A customer directly deposited Rs.12,000 in our bank account. This entry will be recorded by the bank in

- A. debit of Cash book
- B. Credit of cash book
- C. Debit of pass Book
- D. Credit of Pass Book

Ans: D. Credit of Pass Book

7. The passbook shows a balance of Rs.3,000 (Dr) and there are cheques deposited of Rs.800 not yet credited and cheques issued but not presented Rs.500, then the balance in the Cash book will be

- A. Balance as per CB Rs.3,300
- B. Overdraft as per CB Rs.2,700
- C. Bank Balance as per CB Rs.4,300
- D. Overdraft as per CB Rs.1,700

Ans: B. Overdraft as per CB Rs.2,700

8. Cash Book bank balance was Rs.1,790 (Dr) when compared with bank statement, bank charge of Rs.140 was not recorded in Cash book and the bank did not credit a cheque of Rs.820. What will be the bank balance as per Pass Book?

- A. Rs.830
- B. Rs.1,110
- C. Rs.2,750
- D. Rs.2470

Ans: A. Rs.830

9. Mohan's bank balance as per cash Book was Rs.2,500. A bank charge of Rs.650 was recorded twice in cash book and a cheque deposit of Rs.1,000 was recorded as Rs.1,200. What will be the balance as per Bank Statement?

- A. Pass Book balance Rs.4,150
- B. Pass Book Overdraft Rs.2,950
- C. Pass Book Balance Rs.2,950
- D. Pass book overdraft Rs.4,000.

Ans: C. Pass Book Balance Rs.2,950

10. The bank statement shows overdrawn balance of Rs.8,000. There were unpresented cheques of Rs.3,000 and insurance premium paid by bank on standing advice Rs.2,000. What will be the cash book balance after reconciliation?

- A. Rs.13,000(Cr)
- B. Rs.7000(Dr)
- C. Rs.3,000 (Dr)
- D. Rs.9,000 (Cr)

Ans: D. Rs.9,000 (Cr)

PRACTICAL PROBLEMS:

11. Prepare BRS as on 31st July 2020

- (i) Balance as per Cash Book is Rs. 25,000 as on 31st July 2020.
- (ii) Cheques for Rs. 15,000 were deposited into the Bank in the month of July but only cheques for Rs.11,000 were credited by the bank till 31st July 2020
- (iii) Cheques issued for Rs. 13,000 in July, out of which a cheque for Rs. 3,800 was presented for payment on 3rd August.
- (iv) Bank charged Rs. 50 as Bank charges and credited interest of Rs. 370.
- (v) A customer directly deposited Rs. 1,550 in firm's bank A/c.
- (vi) Bank paid the Insurance Premium of Rs. 1,200 as per standing instructions 25.07.2020.

BRS as on 31.7.2020

Particulars	Dr	Cr
BB as per CB	25,000	
Cheques deposited but not credited		4,000
Cheques issued but not presented	3,800	
Bank charges		50
Interest credited by bank	370	
Direct deposit	1,550	
Insurance premium paid on instruction		1,200
BB as per PB		25,470
	30,720	30,720

12. Prepare a Bank Reconciliation Statement on 31 Dec. 2019 for the following:

- (i) Overdraft as per pass book 7,600
- (ii) Cheques deposited but not collected by bank 8,560
- (iii) Incidental charges paid by bank but not recorded in cash book 80
- (iv) Cheques issued but not presented for payment 3,400
- (v) Insurance premium paid by bank not recorded in cash book 4,200
- (vi) On 31st December cash deposited in bank Rs. 385 but the cashier debited the bank column with Rs. 485 by mistake.

BRS as on 31.12.2019

Particulars	Dr	Cr
OD as per PB	7,600	
Cheques deposited but not credited		8,560
Incidental charges		80
Cheques issued but not presented	3,400	
Insurance premium paid on instruction		4,200
Receipt side of CB overcast		100
BB as per CB	1,940	
	12,940	12,940

13. Draw up a reconciliation statement if favourable balance of pass book is Rs. 15,000:
- On 31st March 2016 Ramesh had issued cheques amounting to Rs. 8,000 of which cheques amounting to Rs. 3,200 have been presented for payment.
  - A cheque of Rs.2,200 paid by him into bank of 26th March is not credited in the pass book.
  - He had also received a cheque for Rs. 500 which although entered by him in the bank column of cash book, was omitted to be paid into the bank.
  - On 30th March a cheque for Rs.1,570 received by him was paid into bank but the same was omitted to be entered in cash book.
  - There was a credit of Rs. 150 for interest in the pass book and a debit of Rs. 25 for bank charges.

BRS as on 31.3.2020

Particulars	Dr	Cr
BB as per PB		15,000
Cheque issued not presented for payment	4,800	
Cheques deposited not yet credited		2,200
Cheque omitted to be banked		500
Cheque deposit not entered in CB	1,570	
Interest credited by bank	150	
Bank charge debited by bank		25
BB as per CB	11,205	
	17,725	17,725

14. Prepare bank reconciliation statement of Shri Bhandari as on December 31, 2020

- The Payment of a cheque for Rs. 550 was recorded twice in the passbook.
- Withdrawal column of the passbook under cast by Rs. 200
- A Cheque of Rs. 200 has been debited in the bank column of the Cash Book but it was not sent to bank at all.
- A Cheque of Rs. 300 debited in the passbook was recorded in CB as Rs.30.
- Rs. 500 in respect of dishonoured cheque was entered in the passbook but not in the cash book.

Overdraft as per passbook is Rs. 20,000.

BRS as on 31.3.2020

Particulars	Dr	Cr
OD as per PB	20,000	
Cheque paid recorded twice in PB/overcast		550
Passbook Debit undercast	200	
Cheque recorded in CB not sent to bank		200
CB credit undercast/error in CB		270
Dishonoured cheque not recorded in CB		500
OD as per CB		18,680
	20,200	20,200

15. Raghav & Co. has two bank accounts. Account No. I and Account No. II. From the following particulars relating to Account No. I, find out the balance on that account of December 31, 2019 according to the cash book of the firm.

- (i) Overdraft as per Passbook Rs. 18,990.
- (ii) Cheques paid into bank prior to December 31, 2019, but not credited for Rs. 10,000.
- (iii) Transfer of funds from account No. II to account no. I recorded by the bank on December 31, 2019 but entered in the cash book after that date for Rs. 8,000.
- (iv) Cheques issued prior to December 31, 2019 but not presented Rs. 7,429.
- (v) Bank charges debited by bank not entered in the cash book for Rs. 200.
- (vi) Interest Debited by the bank not entered in the cash book Rs. 580.
- (vii) A debit balance of Rs.320 was carried forward to the next page as Rs.230 credit.
- (viii) Bank wrongly allowed interest of Rs.500, which was corrected by them on 4<sup>th</sup> Jan 2020.
- (ix) An amount of Rs.750 withdrawn from the bank for personal use was recorded in the cash column of cash book.
- (x) Bills Receivable of Rs.1,200 was discounted in November is now dishonoured with a noting charge of Rs.30 was not recorded in CB.
- (xi) A customer with same name withdrew Rs.1,000 from his account, bank debited our account by mistake.

BRS as on 31.12.2019

Particulars	Dr	Cr
OD as per PB	18,990	
Cheques deposited not yet credited		10,000
Transfer of fund to the account	8,000	
Cheque issued not presented for payment	7,429	
Bank charges debited by bank		200
Interest Debited by the bank		580
Debit Balance wrongly carried forward	550	
Bank wrongly allowed interest	500	
Cash withdrawn not recorded/Undercast		750
B/R dishonoured with noting charge		1,230
Wrong debit by bank		1,000
OD as per CB		21,709
	35,469	35,469

16. On December 31, 2019, the cash book of Mittal Bros. Showed an overdraft of Rs. 6,920. From the following particulars prepare a Bank Reconciliation Statement and ascertain the balance as per passbook.

- (1) Debited by bank for Rs. 200 on account of Interest on overdraft and Rs. 50 on account of charges for collecting bills.
- (2) Cheques drawn but not encashed before December, 31 2019 for Rs. 4,000.
- (3) The bank has collected interest and has credited Rs. 600 in passbook.
- (4) A bill receivable for Rs. 700 previously discounted with the bank had been

dishonoured and debited in the passbook.

(5) Cheques paid into bank but not collected and credited before December 31, 2019 amounted Rs. 6,000.

BRS as on 31.12.2019

Particulars	Dr	Cr
OD as per CB		6,920
Interest on OD.		200
Bill collection charges		50
Cheques drawn not yet encashed	4,000	
Interest credited in PB	600	
B/R dishonoured		700
Cheque deposited not yet credited		6,000
OD as per PB	9,270	
	13,870	13,870

17. From the following particulars, prepare the bank reconciliation statement of Shri Krishan as on March 31, 2019.

(a) Balance as per pass book is Rs. 10,000.

(b) Bank collected a cheque of Rs. 500 on behalf of Shri kannan another customer but wrongly credited it to Shri Krishan's account.

(c) Bank recorded a cash book deposit of Rs. 1,900 as Rs. 1,909

(d) Withdrawal column of the passbook under cast by Rs. 100.

(e) The credit balance of Rs. 1,500 in the pass-book was recorded as debit balance the next day.

(f) The payment of a cheque of Rs. 350 was recorded twice in the pass book.

(g) The pass-book showed a credit for a cheque of Rs. 1,000 deposited by Shri Kishan.

BRS as on 31.12.2019

Particulars	Dr	Cr
BB as per PB		10,000
Wrong credit by bank	500	
Wrong recording by bank/PB receipt overcast	9	
Withdrawl side of PB undercast	100	
PB credit balance brought forward as debit		3,000
Payment recoded twice in PB/overcast		350
Cheque deposited into bank	1,000	
BB as per CB	11,741	
	13,350	13,350

18. The Cash Book of Mr. Sharma showed a balance of Rs. 3,560 as on 31st Mar. 2020 at the Bank where as Pass Book showed a balance of Rs. 2,430 Comparison of the Cash Book and Pass Book revealed the following.

(i) The Bank has debited Mr. Sharma with Rs. 460, the annual premium of his life policy according to his standing instructions and Rs. 20 as Bank charges.

(ii) Mr. Sharma paid into the Bank cheques totaling Rs. 3,100 on Mar. 26th 2020 of which those for Rs. 2,500 were collected in April. One cheque for Rs. 200 was returned dishonoured on 2<sup>nd</sup> April. 2020.

(iii) The Bank has credited Mr. Sharma by Rs. 1,600, the proceeds of a bill.

(iv) Cash collected on 31st Mar. 2020 totaling Rs. 850 was entered in the Cash Book in the Bank column on the same date but banked on 10.4.2020.

(v) Mr. Sharma issued cheques totaling Rs. 2,300 in the month of March out of which cheques for Rs. 1000 have been presented for payment till 31st Mar..

BRS on 31.3.2020

Particulars	Dr	Cr
BB as per CB	3,560	
Life insurance Premium		460
Bank charges		20
Cheques deposited not collected		2,500
Cheque dishonoured		200
Procedds from B/R	1,600	
Cash collected deposited in April		850
Cheques issued not presented	1,300	
BB as per PB		2,430
	6460	6460

19. The following is the summary of a cash book for December, 2019.

**Cash Book (Bank Column)**

	RS		Rs
Receipts	13221	Balance b/d	6849
Balance c/d	4986	Payments	11,358
	18207		18207

All receipts are banked and payments are made by cheques. On investigation the following are observed:

(i) Bank charges of Rs. 1,224 entered in the bank statement have not been entered in cash book.

(ii) Cheques drawn amounting to Rs. 2,403 have not been presented to the bank for payment.

(iii) Cheques received totaling Rs. 6,858 have been entered in the cash book and deposited in the bank, but have not been credited by the bank until Jan, 2020.

(iv) A cheque for Rs. 198 has been entered as a receipt in the cash book instead of as payment.

- (v) A cheque for Rs. 225 has been debited by the bank in error.  
 (vi) A cheque received for Rs. 720 has been returned by the bank and marked "NO funds available", no adjustment had been made in the cash book.  
 (vii) During December, an amount of Rs. 558 was credited by the bank and no entry is made in the cash book.  
 (viii) A cheque drawn for Rs. 54 has been incorrectly entered in the cash book as Rs.594.  
 Prepare a bank reconciliation statement as on Dec. 31, 2019.

BRS on 31.12.2019

Particulars	Dr	Cr
OD as per CB		4,986
Bank charges not recorded in CB		1,224
Cheques drawn not presented	2,403	
Cheques deposited not collected		6,858
Cheque paid recorded as receipt		396
Wrong debit by bank		225
Cheque dishonoured		720
Credit entry by the bank	558	
Cheque drawn incorrectly recorded/Overcast	540	
OD as per PB	10,908	
	14,409	14,409