Bank Reconciliation Statement

(Theory)

Meaning of Bank Reconciliation Statement

A statement that is prepared to reconcile the balances shown by the cash book and the pass book is BRS. It is prepared by finding the causes of difference between the two balances.

Importance of Bank Reconciliation Statement

- It ensures the accuracy of the balances shown by the pass book and the cash book.
- It ~~provides~~ helps to check the accuracy of the entries made in cash book and pass book.
- It helps to detect and rectify any errors committed in both the books.
- It helps to ~~identify~~ update the cash book by ~~discussing~~ discovering some entries not yet recorded.
- ~~It In~~ It indicates any undue delay in the collection and clearance of cheques.

Reasons for Disagreement between Cash Book & Pass Book

- Cheques issued but not presented for payment
- Cheques paid or deposited but not collected and credited by the bank.
- Interest credited by the bank but not recorded in cash book.
- Bank charges, interest on overdraft etc. debited by the bank but not recorded in cash book.
- Expenses paid by the bank as per the instruction of customer.
- Dividend collected by the bank.

- Amount directly deposited into the bank by customers or ~~debtors~~ but not recorded in cash book.
- Cheque sent into bank for collection was dishonoured.
- Recording the false amount in the debit / credit side of the pass book.

Chapter-11

BANK RECONCILLATION STATEMENT (Numericals)

Home work Problems

HW-1 When cash book balance is given

Bank Reconciliation statement

Particulars	Amount	Amount
Balance as per cash book		15,000
Add:		
b. Cheque issued but not presented for payment	4,500	
c. Interest provided by the bank	250	4,750
Less:		
d. Bank charges charged by the bank	110	
e. Cheque sent into bank for collection but not collected yet.	6,500	
f. Life insurance premium paid by the bank	500	(7,110)
Balance as per pass book		13,640

Working Note

CB	PB	Result
−	+	+
−	+	+
+	−	−
+	−	−
+	−	−

HW-2

Bank Reconciliation Statement

Particulars	Amount	Amount
Balance as per cash book		9,130
Add:		
b. Cheque issued but not presented for payment	7,300	
e. Interest collected by the bank	625	7,925
Less:		
c. Cheque paid into bank but not collected.	2,900	
d. Bank charges charged by bank	700	
f. Cheque received and debited in Cash Book.	2,000	(5,600)
Balance as per ~~cash~~ pass book		11,455

Working Note

CB	PB	Result
−	+	+
+	−	−
+	−	−
−	+	+
+	−	−

HW-3

Bank Reconciliation Statement

Particulars	Amount	Amount
Balance as per cash book		25,000
Add:		
a. Cheque issued but not full amount presented in the bank	3,000	
d. Interest collected by the bank	2,400	5,400
Less:		
b. Cheque deposited but not collected	240	
c. Cheque deposited but ~~only~~ partial amount credited in pass book.	1,800	
e. Electricity bill paid by the bank	2,000	(4,040)
Balance as per pass book		26,860

Working note

CB	PB	Result
−	+	+
+	−	−
+	−	−
−	+	+
+	−	−

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HW-4

Bank Reconciliation statement

Particulars	Amount	Amount
Balance as per cash book		17,500
Add:		
b. Cheque issued to the creditor but not presented in the bank	4,500	
e. Interest collected by the bank	1,240	
f. Deposited by customer into bank	950	6690
Less:		
c. Cheque debited in cash book but not sent bank for collection.	3,400	
d. Bank charges debited by the bank	540	(3940)
Balance as per pass book		20250

Working Note

C.B.	P.B.	Result
−	+	+
+	−	−
+	−	−
−	+	+
−	+	+

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HW-5

When pass book balance is given

Bank Reconciliation Statement

Particulars	Amount	Amount
Balance as per pass book		42,600
Add:		
c. Cheque paid into bank but not collected	18,300	
d. Bills receivable sent to bank for collection but not credited by the bank.	7,250	
e. Insurance premium paid by the bank	560	26,110
Less:		
a. Cheque drawn but not cleared		(18,400)
Balance as per cash book		50,310

Working Notes

C.B.	P.B.	Result
−	+	−
+	−	+
+	−	+
+	−	+

HW-6

Bank Reconciliation Statement

Particulars	Amount	Amount
Credit Balance as per pass book		8,700
Add:		
b. Cheque issued and debited by the bank but not recorded in cash book.	6,300	
d. Cheque received and debited in cash book but dishonoured by the bank	1,750	8,050
Less:		
c. Cheque paid into bank and omitted to record in cash book.	4,800	
e. Bank charge recorded twice in cash book.	1,240	(6,040)
Balance per cash book		10,710

Working Notes

C.B.	P.B.	Result
+	−	+
−	+	−
+	−	+
−	+	−

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HW-7

Bank Reconcilation Statement

Particulars	Amount	Amount
Balance as per pass book		16,610
Add:		
b. Life insurance premium and telephone charges paid by the bank.	6,150	
d. Cheque debited in cash book and not sent into bank for collection.	62.40	
e. ~~Dib~~ Debit side of cash book was over cast	410	12,800
Less:		
c. Cheque deposited and credited by the bank but recorded partial amount in cash book.		(3600)
Balance as per cash book		25810

Working Notes

CB	PB	Result
+	−	+
−	+	−
+	−	+
+	−	+

HW-8

When overdraft as per cash book is given:

Bank Reconciliation statement

Particulars	Amount	Amount
Bank overdraft as per cash book		(6,730)
Add:		
b. Cheques issued but not presented into bank for payment	2,240	
d. Bank charge recorded twice in cash book	75	2,315
Less:		
c. Cheques deposited but not collected by the bank	1,875	
e. Interest on overdraft debited by the bank	300	
f. Cheque received but not sent to bank for collection	830	(3,005)
Bank overdraft as per pass book		(7,420)

Working Notes

CB	PB	Result
−	+	+
+	−	−
−	+	+
+	−	−
+	−	−

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HW-9

Bank Reconciliation Statement

Particulars	Amount	Amount
Bank overdraft as per cash book		(12,500)
Add:		
b. Interest on investment collected and credited by the bank	3,420	
d. Cheques issued but not cashed	3,440	~~6,860~~
e. Dividend collected by bank	710	7570
Less:		
c. Cheques sent into bank for collection but not credited	6,850	
~~e. Dividend collected by the bank but not entered in cash book~~	~~710~~	
f. Cheque sent into bank for collection was dishonoured	1,500	(8350) ~~(9,060)~~
Bank overdraft as per pass book		(13,280)

Working Note

CB	PB	Result
−	+	+
+	−	−
−	+	+
−	+	+
+	−	−

Bank Reconciliation Statement

Particulars	Amount	Amount
Bank overdraft as per cash book		(5,630)
Add:		
b. Two cheques issued but only one cheque was presented for payment	8,000	
e. A customer directly deposited into bank	3,540	~~11,540~~
f. Cheque issued by Sanju was dishonoured	800	12,340
Less:		
c. Cheques deposited into bank but wrongly credited into pass book.	900	
d. Insurance premium paid by the bank as per the instruction of the customer ~~of~~	810	(1,710)
~~f. Cheque issued by Sanju was dishonoured by the bank~~	~~800~~	~~(2,510)~~
Balance as per pass book		~~(5~~ 5,000 ~~3,400~~

Working Note

CB	PB	Result
−	+	+
+	−	−
+	−	−
−	+	+
−	+	+

When overdraft as per pass book is given:

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Bank Reconciliation Statement

Particulars	Amount	Amount
Bank overdraft as per pass book		(30,500)
Add:		
~~c. Cheque paid into bank but not collected~~	~~6~~	
c. Cheque paid into bank but not collected	16,530	
d. Cheque received from debtor was dishonored	1,240	~~17,770~~
e. Interest on overdraft debited by the bank	600	~~18,410~~ 18,370
Less:		
a. Cheque drawn on Asadh was not encashed	6,700	
b. Dividend collected and credited by bank.	5,800	(12,500)
~~e. Interest on overdraft debited by bank~~	~~600~~	~~(13,100)~~
~~Bank~~		
Bank overdraft as per cash book		(24,630) ~~(25,830)~~

Working Notes

CB	PB	Result
–	+	–
–	+	–
+	–	+
+	–	+
+	–	+

Bank Reconciliation Statement

Particulars	Amount	Amount
Balance as per pass book		(15,520)
Add:		
b. Cheques paid into bank but not credited	9,610	
c. Interest on overdraft debited by bank	320	
f. Interest on investment recorded twice in cash book	1,500	5,430
Less:		
d. Deposited by customer directly into bank	5,000	
e. Dividend collected by bank	1,000	(6,000)
Bank overdraft as per cash book		(16090)

Working Notes

CB	PB	Result
+	−	+
+	−	+
−	+	−
−	+	−
+	−	+

HW-13

Bank Reconciliation statement

Particulars	Amount	Amount
Bank overdraft as per pass book		(17,100)
Add:		
b. Cheques paid into bank but partially credited		11,200
Less:		
c. Amount wrongly credited in pass book	2,400	
d. Bank charges recorded twice in cash book	120	
e. Cheque received from Anil was not entered in cash book	2,100	
f. Cheques issued but not fully presented.	2,000	(6620)
Bank overdraft as per cash book		(12,520)

Working Notes

CB	PB	Result
+	−	+
−	+	−
−	+	−
−	+	−
−	+	−

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Bank Reconciliation Statement

Particulars	Amount	Amount
Balance as per pass book		20,350
Add:		
a. Telephone charges paid by the bank	2,700	
b. Bank charges debited by the bank	300	
e. Cheque received from Bipin recorded in cash book but not recorded in pass book	13,500	16,500
Less:		
c. Interest credited in pass book but not recorded in cash book.	4,300	
d. Cheque received from Bimal but not recorded in cash book.	2,700	
f. Issued a cheque to Sailesh, Tripura Stationery and ABC ~~Stationery~~ Advertising Agency.	28210	(35,210)
Balance as per cash book		~~16,40~~ 1640

Working Notes

CB	PB	Result
+	−	+
+	−	+
−	+	−
−	+	−
+	−	+
−	+	−

HW-15

Bank Reconciliation Statement

Particulars	Amount	Amount
Balance as per cash book		18,510
Add:		
d. Issued a cheque to Hari but not presented for payment		2,900
Less:		
a. Insurance premium paid by the bank but not recorded in pass book	720	
b. Bank charges charged by the bank but not recorded in cash book	220	
c. Cheque received from Ram and Shyam not recorded in pass book	3,570	(4510)
Balance as per Pass Book		7,390

Working Note

CB	Rest PB	Result
+	−	−
+	−	−
+	−	−
−	+	+

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Determination of adjusted balance

HW-16

Bank Reconciliation Statement

Particulars	Amount	Amount
Balance as per cash book		332,850
Add:		
d. Interest on deposit collected by bank	10,000	
g. A customer directly deposited into bank	72,000	82,000
Less:		
e. Debit EFT	60,000	
f. Electricity bills paid by the bank	4,000	(64,000)
~~e f~~		
Adjusted Balance		350,850
Balance as per pass book		330,850
Add:		
b. Deposit in transit	~~80,000~~	80,000
Less:		
c. Outstanding cheque	~~60,000~~	(60,000)
Adjusted Balance		350,850

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HW-17

Bank Reconciliation Statement

Particulars	Amount	Amount
Balance as per ~~pass~~ cash book		17,250
Add:		
d. Deposit appers on bank but not recorded by the company	887	
g. Bank directly collected customer's note	315	1202
Less:		
b. A bank service charge appears in bank statement.	25	
f. A customer's cheque was returned by the bank marked as NSF.	140	(165)
Adjusted Balance		18,287
Balance as per pass book		18,862
Add:		
e. A deposit made late does not appear in the bank statement		645
Less:		
c. Cheques written by the company have not been cleared at the bank		(1,220)
Adjusted Balance		18,287

HW-18

Bank Reconciliation Statement

Particulars	Amount	Amount
Bank overdraft as per cash book		(100,000)
Add:		
~~c. Rent income collected by the bank~~	~~15,000~~	
~~h. A customer directly deposited into bank~~	~~32,000~~	~~47,000~~
~~Less:~~		
~~b. Service charge~~	~~5,000~~	
Add:		
c. Rent income collected by bank	15,000	
f. Note receivable was collected by bank	22,000	
h. A customer directly depocited into bank	32,000	69,000
Less:		
b. Service charge	5,000	
g. Debit EFT	40,000	(45,000)
Adjusted Balance		(76,000)
Overdraft as per pass book		(131,000)
Add:		
e. Cheque deposited but not credited by bank		70,000
Less:		
d. Outstanding cheque		(15,000)
Adjusted Balance		(76,000)

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