

**Qno1: The accountant of Atif and Company extracted the following data from its Cash Book (Bank Column) and its Bank Statement on December 31, 2006:**

- i) Balance as per Bank Statement Rs. 41,603
- ii) Balance as per Cash Book Rs. 38,400
- iii) Deposits in transit Rs. 3,200
- iv) Cheque wrongly charged to the Company's Account by the Bank Rs. 4,800
- v) Bank service charges not recorded in the Cash Book Rs. 320
- vi) Shahid Sons' cheque was returned by the bank as dishonored Rs. 960
- ii) A cheque was issued to Javaid for payment of Rs. 821 but was erroneously recorded by the Company as Rs. 504
- viii) The loan granted and credited by the bank was not recorded in the Company books Rs. 8,000
- ix) Outstanding cheques were in the amount of Rs. 4,800

**Required:**

- i) Prepare a Bank Reconciliation Statement for Atif and Company on December 31, 2006. (Adjusted Balance: 44,803)
- ii) Prepare necessary adjusting entries.

**Qno2: The accountant of Faraz Company has extracted the following data from its Cash record and its Bank Statement on May 31, 2007:**

- 1. Balance as per Cash record Rs. 40,000
- 2. Balance as per Bank Statement Rs. 50,000
- 3. Last day deposit not shown in the Bank Statement Rs. 20,000
- 4. Uncleared cheques Rs. 10,000
- 5. Unpresented cheques Rs. 15,000
- 6. Cheque No. 22 for Rs. 1,200 was deposited in the Bank but it was recorded by them as Rs. 2,100
- 7. Direct deposit in the Bank Rs. 12,000 was not recorded in the Cash record
- 8. Cheque deposited for Rs. 6,500 was recorded in the Cash record as Rs. 5,600
- 9. Bank service charges were not recorded in the Cash record Rs. 800
- 10. Promissory Note paid by the bank was not recorded in the Cash record Rs. 5,000
- 11. Dividends collection was credited by the bank but was not recorded in the Cash record Rs. 17,000

**Required:**

- 1. Prepare a Bank Reconciliation Statement on May 31, 2007.
- 2. Prepare necessary journal entries to adjust Faraz Company's record.

**Qno3: M/S Ali Sher's Cash Book showed a debit balance of Rs. 204,520, while the bank statement showed a credit balance of Rs. 163,650, as of 31-1-09.**

The following items were discovered causing the difference in cash and bank balances:

- (i) Bank charges not entered in the Cash Book Rs. 520
- (ii) Cheques issued but not presented Rs. 25,000
- (iii) Promissory note collected by the bank, but remain unrecorded in the firm's books Rs. 46,000
- (iv) Cheques deposited but not shown on the bank statement Rs. 61,350
- (v) Interest credited by the bank, not recorded in the Cash Book Rs. 3,000
- (vi) NSF cheques returned by the bank Rs. 53,000.

**Required:**

Prepare a Bank Reconciliation Statement and also entries to adjust the cash balance in the General Journal. (Adjusted Balance Rs.200,000)

**Qno4: The cash in the bank account for Imam Company at January 31, of the current year indicated a balance of Rs.18,380. The bank statement indicated a balance of Rs.29,106. The comparison of the bank statement with the records revealed the following reconciling items:**

- a) Cheques outstanding totaled Rs.13,442.
- b) A deposit of Rs.6,918 has been too late to appear on the bank statement.
- c) The bank had collected Rs.4,330 on notes receivable with face value of Rs.4,000.
- d) A cheque for Rs.93 issued was erroneously recorded in cash book as Rs.39. The cheque was for the payment to Aleem & Co. for the purchase of Office Equipment.
- e) A cheque drawn for Rs.505 had been erroneously charged by the bank as Rs.550.
- f) Bank service charges for January amounted to Rs.29.

**Required:**

- a) Prepare a bank reconciliation statement.(Rs.22,627)
- b) Record necessary entries in general journal form.

**Qno.5: On September 1, 2010, Sardar Company has a credit balance in the Bank column of its cash book of Rs.70,000 and a debit balance in the Bank statement of Rs.86,000.**

The company found the following errors when preparing its reconciliation statement:

1. **Cheques issued to the following suppliers:**

Supplier	Amount (Rs.)	Date of Issue	Cheque Number
Muhakamuddin Traders	15,000	June 28, 2010	709087
Babar Company	20,000	July 15, 2010	709123
Nadeem & Sons	40,000	August 10, 2010	709224

- Cheque numbers **709087** and **709224** were presented for payment.
- 2. A cheque for **Rs.3,150** was issued but recorded in the company's books as **Rs.2,450**.
- 3. Bank service charges of **Rs.800** were not recorded in the cash book.
- 4. The following cheques were deposited in the bank:

Customer	Date of Deposit	Cheque Number	Amount (Rs.)
Rehman Traders	June 28, 2010	50897	65,000
Aftab Company	July 15, 2010	60876	50,000
Arsalan Bros	August 10, 2010	32567	60,000

- Cheque number **60876** of Aftab Company was returned by the bank marked **NSF (Not Sufficient Funds)**, and other cheques remain uncleared. **BS+**
- 5. Interest on investment credited by the bank, **Rs.125,000**, was not recorded in the cash book.
- 6. A cheque of **Rs.30,670** deposited was incorrectly entered in the company's cash book as **Rs.15,170**.

**Required:**

Prepare a Bank Reconciliation Statement. (Adjusted Balance Rs.19,000)

**Qno.6: The Cash Book of Khalid & Co. showed a debit balance of Rs.19,000, while the Bank Statement on October 31, 2013, showed a balance of Rs.43,000. The following discrepancies were identified:**

1. Dividend collected by the bank on behalf of Khalid & Co. amounting to Rs.30,000.
2. A dishonored cheque of a customer amounting to Rs.6,000.
3. Note paid by the bank on behalf of Khalid & Co. Rs.11,200 (including interest of Rs.1,200).
4. A cheque of Rs.13,400 issued by a customer was erroneously recorded in the Cash Book as Rs.15,200.
5. A customer's cheque of Rs.14,000 deposited in the bank did not appear on the Bank Statement.
6. A cheque issued to a supplier for Rs.36,000 did not appear on the Bank Statement.
7. A cheque issued for rent Rs.14,400 was wrongly entered in the Cash Book as Rs.5,400.

**Required:**

1. Prepare a Bank Reconciliation Statement. (Adjusted Balance: Rs.21,000)
2. Prepare the journal entries required in Khalid & Co.'s books based on the reconciliation.

**Qno7: The following data relate to Zeeshan & Co.:**

1. Balance as per bank statement on December 31, 2016: Rs. 18,552.
2. Balance as per cash book on December 31, 2016: Rs. 6,950.
3. Outstanding cheques: Rs. 9,950.
4. A deposit of December 31, Rs. 16,500, was not shown in the bank statement.
5. Bank collected a note receivable of Rs. 7,115 but not recorded in the cash book.
6. Cheque deposited by a customer directly into the bank but not recorded in the cash book: Rs. 9,501.
7. A cheque drawn by Zahid & Co. was debited by the bank to the account of Zeeshan & Co.: Rs. 450.
8. A cheque of Mateen & Sons for Rs. 1,764 returned with the bank statement as dishonoured.
9. Dividend collected by the bank was not recorded in the cash book: Rs. 4,000.
10. Bank charges: Rs. 250.

**Required:**

- (a) Prepare a bank reconciliation statement on December 31. (Rs. 25,552)
- (b) Prepare adjusting journal entries.

**Qno.8: The accountant of Zulfiqar & Sons extracted the following data from its cash book and its bank statement on January 25, 2017:**

1. Balance as per cash book: Rs. 49,500.
2. Balance as per bank statement: Rs. 54,620.
3. Last day deposit not shown in the bank statement: Rs. 12,500.
4. Direct deposit by customer not recorded in the cash book: Rs. 20,000.
5. Cheques issued but not presented into the bank for payment: Rs. 9,500.
6. Cheques deposited into the bank but not yet credited by the bank: Rs. 7,280.
7. Cash deposited of Rs. 6,500 was recorded in the cash book as Rs. 5,600.
8. Bank charge not recorded in the cash book: Rs. 1,000.
9. Promissory note paid by the bank not recorded in the cash book: Rs. 10,400.
10. Rent collection not recorded in the cash book: Rs. 5,000.
11. Cash deposited Rs. 1,200 but recorded by the bank as Rs. 2,100.

**Required:**

- (i) Prepare a bank reconciliation statement. (Adjusted Balance Rs. 64,000)
- (ii) Prepare adjusting journal entries.

**Qno.9: The following information pertains to Ibrahim & Company as on December 31, 2018:**

1. Balance as per cash book: Rs. 28,500.

2. Balance as per bank statement: Rs. 64,500.
3. Dividend collected by the bank: Rs. 45,000.
4. Notes payable paid by the bank: Rs. 16,800 (including interest of Rs. 1,800).
5. Dishonored cheque of a customer: Rs. 9,000.
6. A cheque of Rs. 20,100 of a customer was erroneously recorded in the cash book as Rs. 22,800.
7. A customer's cheque of Rs. 21,000 deposited into the bank did not appear in the bank statement.
8. Cheque issued to the supplier for Rs. 27,000 did not appear in the bank statement.
9. Cheque issued for rent Rs. 21,600 appeared wrongly in the bank statement as Rs. 8,100.

### Required:

1. Prepare a bank reconciliation statement. (Adjusted Balance Rs.45,000)
2. Pass necessary journal entries in the books of Ibrahim & Company.

### Exam Q.6

The accountant of Urooj Ltd., has extracted the following data from its Cash Book (Bank Column) and the Bank Statement on November 30, 2008:

- a) Credit Balance (O.D.) as per Cash Book Rs.74,000
- b) Debit Balance (O.D.) as per Bank-statement Rs.62,700
- c) Bank Charges not recorded by the Company Rs.1,200
- d) Cheque deposited on November 30, 2008 but not shown on Bank Statement Rs.28,000
- e) Deposit by a customer directly made in company's account, not recorded by the company Rs.50,000
- f) A cheque for purchase of supplies was drawn for Rs.65,000 but was recorded on Company's records as for Rs.56,000
- g) The Company Officer issued a cheque for Rs.5,000 for traveling expenses. This cheque was not recorded by the Company.
- h) Cheque issued during November, but not presented to the bank for payment Rs.4,500

### Required:

- (i) Prepare a Bank Reconciliation Statement showing the corrected balances.
- (ii) Prepare necessary adjusting entries in the General Journal.

ADP/B.Com.-I (4S Petiwala)