

Qno.1: The following information pertains to Salim & Co:

- (i) The balance on May 31 Bank Statement is Rs.16,870 (Cr.)
- (ii) Withdrawal of Cash Rs.90 from bank for personal use by Salim has not been recorded in Cash book.
- (iii) The cheques issued by Salim that have not yet been cleared by the bank total Rs.3,160.
- (iv) The cheques of Rs.28 to pay for freight was wrongly recorded on cash book as Rs.82.
- (v) A deposit for Rs.1,496 was made on May 31st which does not appear on bank statement.
- (vi) Issued a cheque for Rs.5,885 to pay for merchandise purchase. The bank statement showed payment of correct amount but it was erroneously recorded on Cash book as Rs.8,585.
- (vii) A Customer's cheque for Rs.58 was returned with the remarks N.S.F.
- (viii) Deposited a Customer's cheque for Rs.9,640 was shown on the bank statement as Rs.6,940.
- (ix) The Bank collected for Salim Rs.1,760 including interest Rs.160 on a note left for collection.

Cash in Bank

May 1, Balance	Rs. 2,540	May 31, Withdrawals	Rs. 28,400
May 31, Deposits	Rs. 39,400		

Required: Prepare on May 31st:

1. A Bank Reconciliation Statement and compute the Adjusted Balances of cash in Bank & Bank. (Adjusted Balance: Rs.17,906)
2. Give the necessary Adjusting Journal Entries.
3. Compute bank balance as per Cash Book at May 31.

Qno.2: Following is the information provided by Walyat & Co. at April 30, 2005:**Cash in Bank**

April 1, Balance	Rs.3,500	April 30, Withdrawals	Rs. 16,950
April 30, Deposits	Rs. 27,100		

- (i) The Bank Statement showed a debit balance (overdraft) of Rs.8,500.
- (ii) Deposits in transit Rs.80,000.
- (iii) A debit memo for Rs.1,500 accompanied the Bank Statement for locker rent. The bank had erroneously charged this to Walyat & Co. instead of Wilyat & Sons.
- (iv) The bank charged Rs.100 for service.
- (v) Outstanding cheques Rs.48,000.
- (vi) A direct remittance in bank account of Rs.8,000 by a customer.
- (vii) Dividend collected by the bank on behalf of the company Rs.3,000 but was not recorded in the Cash Book.

(viii) A cheque for Rs.720 of Azeem, a customer, which had been deposited in the bank was erroneously recorded in the cash book as Rs.270.

Required: Prepare a Bank Reconciliation Statement.(Adjusted Balance: Rs.25,000)

Q.no.3:The accountant of Fayyaz Co., has extracted the following data from its Cash record & its Bank Statement on November 30, 2008:

- (i) Bank overdraft as per Cash Book Rs.106,400
- (ii) Bank overdraft as per Pass Book Rs.10,000
- (iii) Issued a cheque for Rs.50,000 to a supplier (after the expiry of discount period), but it was wrongly entered in Cash Book as Rs.49,000.
- (iv) A debit Memo for Rs.5,000 accompanied the Bank-Statement for locker rent; the bank had erroneously charged this to Fayyaz Co., instead of Faiz Co.
- (v) Deposited a customer's cheque for Rs.78,400 (after discount deduction) but it was wrongly recorded in Cash Book as Rs.80,000 as if it were received after discount period.
- (vi) A customer's cheque for Rs.200,000 deposited directly in bank was by mistake entered into cash column of the Cash Book.
- (vii) Issued a cheque for purchase of Supplies for Rs.10,000 was recorded on company's record as Rs.1,000.
- (viii) Mark-up charged by bank was not recorded by the company; Rs.2,000.
- (ix) Three cheques totaling Rs.20,000 were issued to suppliers, but only one cheque for Rs.5,000 was presented to the bank by the last day of the month.
- (x) Four cheques totaling Rs.120,000 were sent to the bank for collection but only one cheque for Rs.20,000 was cleared & credited by the bank.

Required:

- a) Prepare Bank Reconciliation Statement for November 30, 2008.(Adjusted Balance Rs.80,000)
- b) Pass necessary adjusting entries.

Q.no.4: 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.(Adjusted Balance -39,200)
- (ii) Prepare necessary adjusting entries in the General Journal.

Q.no.5: The following information pertains to Aziz Traders for September 30, 2009:

- Balance as per bank statement Rs. 220,050
- Balance as per cash book Rs. 191,025
- (i) Proceeds of depositors note collected by the bank..... Rs.?
- (ii) Deposit in transit Rs. 12,474
- (iii) Outstanding cheques Rs. 23,195
- (iv) Bank Error detected Rs. 675 from Aziz account for a cheque actually written for Rs. 6,750

Required: Prepare:

- (i) A Bank Reconciliation Statement. (Adjusted Balance Rs.202,354)
- (ii) Adjusting entry or entries.

Q.no.6: During the process of completing the bank reconciliation of Rahim Co. on July 31, 2011, the following facts were discovered:

- Cash Book Balance Rs. 560,000
- Bank Statement Balance (DR) Rs. 430,000
- (i) A cheque for Rs. 51,000 deposited into bank was wrongly entered into bank statement for Rs. 15,000.
- (ii) L/C documents retired but not recorded in cash book Rs. 450,000.
- (iii) Bank charged markup on Running Finance Rs. 3,600.
- (iv) Cash withheld Rs. 50,000 was recorded in cash book but

withholding Tax Rs. 1,000 not recorded.

(v) Bank credited excess L/C margin charged Rs. 9,200.

(vi) M/s Asim Co. paid Rs. 135,000 through online.

(vii) Cheque of Zulfiqar Co. returned Rs. 80,000 by bank. And bank charged Rs. 450.

(viii) Rahim Co. paid to Irfan Co. Rs. 50,000 through online but not recorded in cash book.

(ix) Bank charged commission Rs. 650.

(x) Bank debited Rs. 92,500 against L/C margin but not recorded in cash book.

(xi) Uncleared cheques Rs. 850,000.

(xii) Unpresented cheques Rs. 430,000.

Required: Prepare:

(i) A Bank Reconciliation Statement.

(ii) Adjusting entry or entries.

Q.no.7: A comparison of the cash book (bank column) of Shamir & Co. and the bank account for the month of April 2011 revealed the following:

(i) Balance as per Cash Book, April 30, was Rs.495,000

(ii) Balance as per Bank Statement, April 30, was Rs.950,000

(iii) Bill pay charges not recorded by the company Rs.10,000

(iv) The bank paid a standing order for insurance of Rs.9,000

(v) The bank received direct credit transfer, a payment of Rs.120,000 from Yahya.

(vi) Uncleared cheques Rs.150,000.

(vii) Promissory note paid by the bank was not recorded in the Co.'s cash record of Rs.100,000 (including bank charges Rs.10,000).

(viii) Dividends collection as credited by the bank was not recorded in the Co.'s cash record of Rs.170,000.

(ix) A cheque was issued to Ahmed for payment of Rs.12,000 but was erroneously recorded by the company as Rs.21,000.

(x) Unpresented cheques Rs.400,000.

(xi) Transaction Charges Rs.15,000 not recorded in Cash Book.

(xii) Zakat deducted Rs.40,000 and markup credited Rs.60,000 by the bank.

(xiii) Withdrawal of Cash Rs.20,000 from the bank for personal use by Shamir was not recorded in the cash book.

(xiv) Rent earned Rs.40,000 was collected and credited by the Bank but was not recorded in the Cash Book.

Required:

Prepare Adjusting Entries in General Journal.(Adjusted Balance: Rs.700,000)

Q.no.8:

(a) Answer the following:

1. Why is a bank reconciliation statement prepared?
2. Is the bank reconciliation statement a part of financial statements?
3. Briefly explain:
 - o **i)** Outstanding cheque
 - o **ii)** Unpresented cheque
 - o **iii)** NSF cheque

(b) The information listed below is available in reconciling bank balances for the Sona Chandi Co. on December 31, 2013:

1. The bank statement at December 30 indicated a balance of Rs.10,034.70; however, the bank account showed a balance of Rs.12,761.94.
2. Cash receipts of Rs.5,846.20 deposited into the bank at December 31 did not appear among the deposits.
3. Out of the cheques issued in December, two cheques amounting to Rs.1,938.56 were not included among the paid cheques.
4. A service charge of Rs.40 by error was deducted by the bank from the account of Sona Chandi Co. instead of another account.
5. The paid cheque returned by the bank disclosed an error that a cheque of Rs.504 had been recorded as Rs.50.40 in the cash book.
6. A cheque for Rs.220 was returned by the bank marked as an NSF cheque.
7. On December 31, the company received a memorandum from the bank indicating that a note of Rs.1,904 had been collected.
8. A debit memo for Rs.10 was enclosed with paid cheques for the issuance of the company's cheque book.

4. Required:

1. Prepare a bank reconciliation statement.(Adjusted Balance: Rs.13,982.34)
2. Prepare the adjusting entries for Sona Chandi Co.

Q.no.9: The following information is available for preparing the bank reconciliation statement of Yousuf & Co. on March 9, 2015:

1. Credit balance as per Cash Book: Rs.8,420
2. Debit balance as per Bank Statement: Rs.48,000

3. Cheques issued in favor of suppliers: Rs.35,000, out of which presented cheques were for Rs.28,000.
4. Cheques deposited into the bank: Rs.75,000, out of which cheques for Rs.40,000 were cleared.
5. A cheque issued for Rs.4,500 to a supplier was not entered in the company's books.
6. The bank charged interest on an overdraft of Rs.500, which was not recorded by the company.
7. The bank credited the account Rs.1,500 as a dividend.
8. A cheque issued to a supplier for Rs.8,750 was wrongly entered in the business records as Rs.5,870.
9. A bank dishonored a cheque from a customer, which was deposited into the bank for Rs.5,100. The bank debited Rs.100 as bank charges.
5. **Required:**
 1. Prepare a Bank Reconciliation Statement.(Adjusted Balance: Rs.20,000)
 2. Prepare adjusting entries to update the business record.

Q.no.10: The following information pertains to Ibrahim & Co. as on February 29,2016:

1. Balance as per cash book Rs.16,766.95.
2. Balance as per bank statement ?
3. A deposit of Rs.4,017.15 made after banking hours on February 29, does not appear in the bank statement.
4. Note receivable collected by bank Rs.4,545.00 not shown in cash book.
5. Bank charges Rs.7.65 was not entered into cash book.
6. A cheque of Rs.835.02 issued for purchase of office equipment erroneously entered in cash book as Rs.853.02.
7. Cheques issued but yet not paid by bank Rs.640.80; Rs.861.12; Rs.301.05.
8. A cheque of Rs.180 deposited but returned by bank marked NSF.

Required:

1. Prepare a schedule showing additions to and deductions from the balance per cash book to arrive at the adjusted balances. (Adjusted Balance Rs.21142.3)
2. Determine the balance per bank statement. (Rs.18928.12)
3. Prepare adjusting entries.

Q.no.11: A comparison of the cash book Shaheer & Co. and the bank statement for the month of July 2018 revealed the following:

1. Balance as per bank statement Rs. 900,000.
2. Balance as per cash book Rs. 500,000.
3. Bill payable met by the bank but not recorded into cash book Rs. 10,000.
4. Promissory note paid by the bank not recorded into cash book Rs. 100,000 (including interest expense Rs. 10,000).
5. The bank received a direct transfer of Rs. 132,000 from a customer, Usman.
6. The bank paid for insurance Rs. 20,000 but not recorded by Co.
7. Uncleared cheques Rs. 200,000.
8. Dividend collected by bank not recorded in cash book Rs. 150,000.
9. Transaction charges Rs. 15,000 not recorded into cash book.
10. A cheque was issued to Amir for payment of Rs. 13,000 but erroneously recorded by Co. as Rs. 31,000.
11. Unpresented cheques Rs. 400,000.
12. Rent earned Rs. 30,000 was collected and credited by the bank but not recorded in cash book.
13. Zakat deducted Rs. 30,000 and mark-up credited Rs. 70,000 by the bank.
14. Withdrawal of cash Rs. 25,000 from the bank for personal use not recorded in the cash book.

Required:

- (a) Prepare a schedule showing additions to and deductions from the balance as per cash book to determine the adjusted balance. (Adjusted Balance Rs. 700,000)
- (b) Prepare adjusting general journal entries in the books of the company.

Q.no.12: A comparison of cash and bank records of M/S Abid and Ashraf revealed the following information on 31st December 2020:

1. Balance as per bank statement Rs. 6,019.
2. Balance as per cash book Rs. 18,579.
3. Two cheques amounting to Rs. 1,300 and Rs. 3,640 were issued to suppliers; only the first cheque of Rs. 1,300 was presented for payment.
4. The bank statement accompanying a cheque of Sarim Bros. for Rs. 8,000 marked as NSF.

5. The bank statement showed a debit of Rs. 600 and Rs. 200 being Zakat and charges for collection respectively.
6. Collection of dividend by bank Rs. 600 and note receivable of Rs. 5,000 not recorded in cash book.
7. A cheque of Rs. 7,300 issued to Akram & Sons for purchase of office equipment was entered by the cashier as Rs. 3,700 in the cash book.
8. Four cheques totaling Rs. 12,400 were sent to the bank for collection, but only one cheque of Rs. 1,200 was collected and credited by the bank.
9. Bank statement showed a payment of Rs. 2,000 as insurance premium and note payable of Rs. 5,000 but not recorded in cash book.
10. A cash deposit of Rs. 16,000 into the bank has been recorded by the cashier as Rs. 600 in the cash book.
11. Late deposit of Rs. 6,600 does not appear in the bank statement.

Required:

- (a) Prepare a bank reconciliation statement on 31st December 2020.(Adjusted Balance: Rs.20179)
- (b) Pass necessary adjusting entries.