

Bank Reconciliation Statement

1 (a) State **two** benefits of preparing a bank reconciliation statement.

(2)

1

2

(b) Define the following terms.

(3)

Term	Definition
Unpresented cheques	
Outstanding lodgements	
Dishonoured cheque	

2 Daya provided the following information at 30 April 2021.

	\$
Cash book (bank) balance	863 Dr
Unpresented cheques	640
Outstanding lodgements	1 485

A standing order, \$320, processed by the bank had not been entered in the cash book.

Prepare a bank reconciliation statement at 30 April 2021.

Daya
Bank Reconciliation Statement at 30 April 2021

	\$
Updated balance in bank per cash book	

- 3 On 30 April 2019 Sanit received his bank statement, which showed a debit balance of \$600. On the same day his cash book showed a credit balance of \$1 358.

After checking the cash book against the bank statement, he identified the following errors and omissions.

- Bank charges of \$32 had not been entered in the cash book.
- A direct debit for \$165 for insurance had not been entered in the cash book.
- A credit transfer for \$410 from Kamil had been entered in error on the wrong side of the cash book.
- A cheque paid to a supplier for \$315 had not yet been presented for payment.
- Money deposited in the bank, \$180, was not on the bank statement.

- (a) Prepare an updated cash book at 30 April 2019. Balance the cash book on that date and bring the balance down on 1 May 2019.

(5)

Cash Book (bank column)

Date 2019	Details	\$	Date 2019	Details	\$

(b) Prepare a bank reconciliation statement at 30 April 2019.

(6)

Sanit

Bank reconciliation statement at 30 April 2019

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(c) Define the terms:

(i) standing order

(2)

.....

.....

.....

(ii) direct debit.

(2)

.....

.....

.....

4 At the close of business on 30 September 2017 the business bank account of Finn Bar showed a balance of £2 314.73 (Dr).

On the same date he received a bank statement that showed a balance of £2 795.73 (Cr).

On investigation he identified the following reasons for the difference.

- Bank charges for the month of September 2017 of £84 had been debited directly by the bank but had not yet been recorded in the cash book.
- An error had occurred when balancing the cash book: the bookkeeper had overcast the total of the debit entries by £160.
- The bank statement included a direct debit for insurance of £750, which had not been recorded in the cash book.
- Cash takings of £1 485.55 banked on 30 September 2017 had not yet appeared on the bank statement.
- Two cheques sent to suppliers during the month of September 2017 had not yet been presented for payment:
 - Cheque No: 196 B Hope £261.55
 - Cheque No: 199 F Faith £399.00
- A customer, S King, had paid his account of £2 300 by credit transfer directly into Finn Bar's bank account. This had not yet been recorded in the cash book.

(a) Prepare the updated bank account for the month of September 2017 and bring down the corrected balance on 1 October 2017.

(5)

Bank Account

Date	Details	£		Date	Details	£

(b) Prepare a bank reconciliation statement at 30 September 2017.

(5)

Finn Bar
Bank Reconciliation Statement
At 30 September 2017

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....