BANK RECONCILIATION STATEMENT

1. Select the Correct Answer:

A bank reconciliation statement is prepared by:

Creditors　Bank　Account holder　Debtors

A bank reconciliation statement is prepared with the balance:

Passbook　Cash book　Both passbook & cash book　None

Passbook is a copy of:

Copy of customer Account　Bank column of cash book

Cash column of cash book　Copy of receipts and payments

Unfavourable bank balance means:

Credit balance in passbook　Credit balance in cash book

Debit balance in cash book　None of these

Favourable bank balance means:

Credit balance in the cash book　Credit balance in passbook

Debit balance in the cash book　Both (b) and (c)

A bank reconciliation statement is mainly prepared for:

Reconcile the cash balance of the cash book.

Reconcile the difference between the bank balance shown by the cash book and bank passbook

Both (a) and (b)

None of these

LIVEWORKSHEETS

2. True or False:

Passbook is the statement of account of the customer maintained by the bank.

A business firm periodically prepares a bank reconciliation statement to reconcile the bank balance as per the cash book with the passbook as these two show different balances for various reasons.

Cheques issued but not presented for payment will reduce the balance as per the passbook.

Cheques deposited but not collected will result in increasing the balance of the cash book when compared to passbook.

LIVEWORKSHEETS