Worksheet: Bank Reconciliation Statement

Q1: State whether each of the following statements is True or False

1. Passbook is the statement of account of the customer maintained by the bank.
2. 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.
3. Cheques issued but not presented for payment will reduce the balance as per the passbook.
4. Cheques deposited but not collected will result in increasing the balance of the cash book when compared to passbook.
5. Overdraft as per the passbook has positive balance
6. The debit balance of the bank account maintained by bank is negative balance.
7. Cash book balance of bank will be less when there are cheques deposited but not collected by the banker.
8. Direct collections received by the bank on behalf of the customers would increase the balance as per the bank passbook when compared to the balance as per the cash book.
9. When payments made by the bank as per the standing instructions of the customer, the balance in the passbook will be more when compared to the cash book.

10 Credit Balance as per cash book is negative balance

Q2 Select the correct alternative (MCQ)

Question 1.
When cheque is not paid by the bank, it is called.
(a) Honoured
(b) Endorsed
(c) Dishonoured
(d) a & b

Question 2.
A bank reconciliation statement is prepared by?
(a) Banker
(b) Accountant of the business
(c) Auditors
(d) Registrar

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Question 3.
Bank reconciliation statement compares a bank statement with _____
(a) Cash payment journal
(b) Cash receipt journal
(c) Financial statements
(d) Cashbook

Question 4.
The balance on the debit side of the bank column of cash book indicates?
(a) The total amount has drawn from the bank
(b) Cash at bank
(c) The total amount overdraft in the bank
(d) None of above

Question 5.
Bank statement also called?
(a) Pass book
(b) Cash book
(c) Credit book
(d) Debit book

Question 6.
The main purpose of preparing a bank reconciliation statement is?
(a) To know the bank balance
(b) To know the balance of bank statement
(c) To correct the cash book
(d) To identify causes of difference between cash book and bank statement

Question 7.
Bank reconciliation statement is?
(a) Part of bank statement
(b) Part of the cash book
(c) A separate statement
(d) a sub-division of journal

Question 8.
Uncollected checks are also known as?
(a) Outstanding checks
(b) Uncleared checks
(c) Outstation checks
(d) Both b & c

Question 9.
Favourable balance means?
(a) Credit balance in the cash book
(b) Credit balance in Bank statement
(c) Debit balance in cash book
(d) both b and c

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Question 10.
Unfavourable balance means?
(a) Credit balance in the cash book
(b) Credit balance in Bank statement
(c) Debit balance in cash book
(d) Debit balance in petty cash book

Question 11.
Which of the following items is not a reason for difference between bank balance as per cash book and pass book?
(a) Dishonoured check
(b) Cheques deposited but not yet cleared
(c) Credit sales
(d) Cheques issued but not yet presented for payment

Question 12.
Credit balance in bank pass book means?
(a) Bank overdraft
(b) Bank balance
(c) Balance as per cash book
(d) None

Question 13.
A Bank Reconciliation Statement is:
(a) A part of cash book
(b) A part of pass book
(c) A statement prepared by bank
(d) A statement prepared by a customer

Question 14.
A pass book is a copy of
(a) A customer's account in the bank's books
(b) Cash book relating to bank column
(c) Cash book relating to cash column
(d) Firm's receipts and payments

Question 15.
A bank reconciliation statement is prepared with the balance of:
(a) Cash book
(b) Pass book
(c) Either cash book or pass book
(d) Neither cash book nor pass book

Question 16.
Unfavourable bank balances means:
(a) Credit balance in the cash book
(b) debit balance in the pass book
(c) Debit balance in the cash book
(d) both a and b

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Question 17.
The main purpose of preparing a bank reconciliation statement is?
(a) To know the bank balance
(b) To know the balance of bank statement
(c) To correct the cash book
(d) To identify causes of difference between cash book and bank statement

Question 18.
In cash book, the favourable balance indicates
(a) Credit Balance
(b) Debit Balance
(c) Bank Overdraft
(d) Adjusted Balance

Question 19.
On the bank statement, cash deposited by the company is known as
(a) Credit
(b) Debit
(c) Liability
(d) Expense

Q3: In transactions written below, which balance out of Cashbook and pass book will be MORE as on 31st March 2021 and by what amount ?

Sno.	Transactions	Cash book	Pass book	Amount
1.	Cheques of Shyam ₹ 9,000 and of Mohan ₹ 15,000 were deposited in the bank but were not collected up to 31st March, 2021			
2.	Out of the total cheques of ₹ 10,000 issued, cheques aggregating ₹3,000 were presented in March, 2021, cheques aggregating ₹ 4,000 were presented in April, 2021 and the remaining have not been presented yet			
3.	Out of the total cheques amounting to ₹ 5,000 deposited, cheques aggregating ₹ 1,500 were credited in March, 2021, and balance cheques were credited in April, 2021			
4.	Receipts side of Cash Book was under casted by ₹ 500.			
5.	Out of ₹ 41,000 paid in by cheques into the bank on 25th March, cheques amounting to ₹ 15,000 were collected on 5th April.			

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Sn0	Transactions	Cash book	Pass book	Amount
6	Bank had wrongly debited ₹ 10,000 in the account on 31st March and reversed it on 10th April, 2021			
7	Two cheques one from Shyam for ₹ 5,150 and another from Kailash for ₹ 12,500 were collected by bank in the first week of April, 2021 although they were banked on 25th March, 2021			
8	Withdrawal column of the Pass Book under casted by ₹ 100			
9	Credit balance of ₹ 1,500 as on Page 10 of the Pass Book was recorded on Page 11 as a debit balance.			
10	Payment of a cheque of ₹ 350 was recorded twice in the Pass Book.			
11	Payments side of the Cash Book had been undercast by ₹ 1,500.			
12	A cheque for ₹ 7,500 drawn on his Savings Account has been shown as drawn on his Current Account.			
13	A wrong debit of ₹ 800 has been given by the bank in the Pass Book.			
14	Cheques amounting to ₹ 8,000 drawn on 25th March, 2021 of which cheques of ₹ 5,000 were encashed on 2nd April, 2021.			
15	Cheques amounting to ₹ 15,600 were drawn on 27th March, 2021. Out of which cheques for ₹ 11,000 were encashed up to 31st March, 2021.			

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