

Term: II



Session 2023-2024

Name: _____

Date: _____

Bank Reconciliation Statement

Term: II



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Practice Question

Group 1

Question 1

The bank columns of Kang-Dae's cash book had a debit balance brought down of \$1310 on 1 June 2017. The bank statement at the same date showed a credit balance of \$790.

When Kang-Dae compared the cash book with the bank statement he found the following.

Items on the bank statement not in the cash book

- bank charges, \$60
- credit transfer, \$540, from Nigel, a credit customer
- standing order for rent payable, \$1000
- direct debit paid to electricity company, \$400

Items in the cash book not on the bank statement

- cheque to Hachiro, a supplier, \$700
- cash paid in, \$620

Kang-Dae also discovered that a payment, \$320, for insurance had been entered in the cash book twice in error.

REQUIRED

(a) State what is meant by a 'bank statement'.

.....

.....[1]

(b) Update the bank columns of Kang-Dae's cash book on 1 June 2017. Balance the cash book and bring down the balance.

Kang-Dae
Cash book (bank columns only)

Date	Details	\$	Date	Details	\$
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[7]

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(c) Prepare the bank reconciliation statement at 1 June 2017.

Kang-Dae
Bank reconciliation statement at 1 June 2017

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.....[6]

(d) State **two** differences between a bank overdraft and a bank loan.

1

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2

.....[2]

(e) Name the section of the statement of financial position where a 5-year bank loan would appear.

.....[1]

[Total: 17]

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Group 2

Question 1

- (a) Alan sells goods on credit to Vicky. During July four documents were issued. Complete the table below, using a tick (✓) to show who issued each document.

Document	Alan	Vicky
Invoice		
Credit note		
Debit note		
Statement of account		

[4]

On 1 July 2012 Alan's insurance account showed a prepayment of \$200.
On 1 September 2012 he paid insurance of \$1320 for the year to 31 August 2013.

- (b) Prepare the insurance account for the year ended 30 June 2013. Balance the account and bring down the balance on 1 July 2013.

Insurance account

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..... [5]

On 1 July 2012 Alan had stationery valued at \$60. During the year ended 30 June 2013 Alan bought stationery, \$810.
On 30 June 2013 he had stationery valued at \$110.

- (c) Prepare the stationery account for the year ended 30 June 2013. Balance the account and bring down the balance on 1 July 2013.

Stationery account

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..... [5]

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(d) Alan produces a monthly bank reconciliation statement. Name **one** other account or statement which he might prepare to check for errors in the books of account.

..... [1]

On 1 August 2013 Alan’s cash book showed a debit balance of \$1690 while his bank statement showed a credit balance of \$1634. The following items appeared on the statement but not in the cash book.

	\$
Bank charges	61
Direct debit (water rates)	205
Standing order (rent)	1000
Credit transfers received - Diga	658
- Howat	512

The following items were in the cash book but not on the bank statement.

	\$
Cash sales deposited	1112
Cheque to supplier - Nash	701
- Zamir	451

(e) Update Alan’s cash book. Bring down the updated bank balance on 1 August 2013.

Cash Book (bank columns only)

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..... [7]

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(b) From the information given on page 8 and the entries in the cash book, make the entries in the following accounts in Walek's ledger to record the transactions for September 2012.

Walek
Sales account

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Purchases account

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Wages account

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Lashki account

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Sharon account

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Yovell account

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Bruton account

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At 30 September Walek had recorded the cash sales in his cash book, but had not deposited the money in the bank. The cheque payable to Bruton dated 29 September was not cleared by the bank until 6 October.

The bank statement at 30 September showed a balance at the bank of \$2510.

REQUIRED

(c) Prepare a bank reconciliation statement for Walek at 30 September 2012.

Walek
Bank Reconciliation Statement 30 September 2012

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(d) Explain why items are recorded on the opposite side of the cash book to that on which they appear on the bank statement.

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[Total: 27]