BANK RECONCILIATION STATEMENT

as on ....

Particulars	*Plus Items*	*Minus Items*
	₹	₹
Dr. Balance (favourable balance) as per Cash Book	x x x	
Add : 1. Cheques issued or drawn but not yet presented for payment.	x x x	
2. Interest allowed by bank not recorded in Cash Book.	x x x	
3. Amount directly deposited by the customers in our bank account.	x x x	
4. Interest and dividends collected by bank on trader's investments.	x x x	
5. Cheques paid into bank but omitted to be entered in the Cash Book.	x x x	
6. Any wrong credit given by bank in the Pass Book.	x x x	
Less : 1. Cheques paid into bank for collection but not yet credited by bank.		x x x
2. Cheques paid into bank for collection but dishonoured by the bank.		x x x
3. Direct payment made by the bank according to the standing instructions of customers.		x x x

4. Bank Charges and commission charged by bank.		x x x
5. Cheques issued but omitted to be recorded in the Cash Book.		x x x
6. Any wrong debit given by bank in the Pass Book.		x x x
	x x x	x x x
Cr. Balance (favourable balance) as per Pass Book.	x x x	

PRACTICAL QUESTIONS

When Debit Balance (Favourable Balance) as per Cash Book is Given.

Q. 1. Rim Zim Ltd. maintains a current account with the State Bank of India. On 31st March, 2023, the bank column of its cash book showed a debit balance of ₹1,54,300. However, the bank statement showed a different balance as on that date. The following were the reasons for the difference :

		₹
(*i*)	Cheques deposited, but not yet credited by the bank	75,450
(*ii*)	Cheques issued, but not yet presented for payment	80,760
(*iii*)	Bank charges not yet recorded in the cash book	1,135
(*iv*)	Cheques received by the bank directly from trade debtors	1,35,200
(*v*)	Insurance premium paid by the bank as per standing instructions, but not yet recorded in the cash book	15,400
(*vi*)	Dividend collected by the bank, but not yet recorded in the cash book	1,000

Find out the balance as per the bank statement as on 31st March, 2023.

[**Ans.** Cr. Balance as per Pass Book ₹2,79,275.]

Q. 2. The balance of cash at bank as shown by the Cash Book of Pan & Co. on 31st December, 2024, was ₹7,500. On checking the entries in the Cash Book with the Pass Book, it was ascertained that cheques of ₹500 and ₹700 respectively paid in on 30th December, were not credited until the 2nd January following and three cheques of ₹600, ₹800 and ₹1,200 issued on the 28th December were not presented until the 3rd of January.

There was a credit of ₹125 in the Pass Book in respect of interest under date 31st December, which was not entered in the Cash Book. There were also Bank Charges debited in the Pass Book amounting in all to ₹10 which were not entered in the Cash Book.

Prepare a Bank Reconciliation Statement as at 31st December, 2024.

[**Ans.** Cr. Balance as per Pass Book ₹9,015.]

Q. 3. On 30th June, 2024, the bank column of Mohan Kapoor's Cash Book showed a debit balance of ₹12,000. On checking the Cash Book with bank statement you find that :—

1. Cheques paid into Bank ₹8,000, but out of these only cheques of ₹6,500 were cleared and credited by the Bankers upto 30th June.
2. Cheques of ₹9,200 were issued but out of these only cheques of ₹7,000 were presented for payment upto 30th June.

3. The receipt column of the Cash Book has been undercast by ₹200.
4. The Pass Book shows a credit of ₹330 as interest on investments collected by bankers and debit of ₹60 for bank charges.
5. On 29th June a Customer deposited ₹3,000 direct in the bank account but it was entered only in the Pass Book.

Prepare a Bank Reconciliation Statement.

[**Ans.** Cr. Balance as per Pass Book ₹16,170.]

Q. 4. On 30th June 2024, the bank balance as per Sanjay Yadav's Cash Book was ₹1,500. On comparing with the Pass Book the following information was received:—

1. Cheques amounting to ₹7,290 were issued on 28th June, of which one cheque of ₹1,300 was presented in the bank for payment on 4th July.
2. Cheques deposited into bank for ₹10,000, but of these cheques for ₹4,000 were cleared and credited in July.
3. Interest and Dividend on investments ₹580 collected by bank and credited to his account but he did not have any information for this.
4. Life Insurance Premium ₹750 paid by bank according to his standing orders.
5. Bank Charges ₹25 not recorded in the Cash Book.

Prepare a Bank Reconciliation Statement.

[**Ans.** Overdraft (Dr. Balance) as per Pass Book ₹1,395.]

Q. 5. On comparing the Cash Book with Pass Book of Naman it is found that on March 31, 2023, bank balance of ₹40,960 showed by the Cash Book differs from the bank balance with regard to the following :

(*a*) Bank charges ₹100 on March, 31 2023, are not entered in the Cash Book.

(*b*) On March 21, 2023, a debtor paid ₹2,000 into the company's bank in settlement of his account, but no entry was made in the Cash Book of the company in respect of this.

(*c*) Cheques totalling ₹12,980 were issued by the company and duly recorded in the Cash Book before March 31, 2023, but had not been presented at the bank for payment until after that date.

(*d*) ₹3,520 is entered in the Cash Book as paid into bank on March 31st 2023, but not credited by the bank until the following day.

(*e*) No entry has been made in the Cash Book to record the dishonour on March 15, 2023 of a cheque for ₹650 received from Bhanu.

Prepare a Bank Reconciliation Statement as on March 31, 2023.

(NCERT Numerical Q. 5)

[**Ans.** Balance as per Pass Book ₹51,670]

When Credit Balance (Overdraft) as per Cash Book is Given :—

Q. 6. Prepare Bank Reconciliation Statement as on 31st January, 2017, if Cash Book of Mr. Sanjay showed a credit balance of ₹20,100.

(*i*) The bank had paid fire insurance premium of ₹550 which does not appear in the Cash Book.

(*ii*) Cheques for ₹25,000 issued during January, but cheques for only ₹18,500 were presented for payment.

(*iii*) Interest collected by bank ₹740.

(*iv*) Cheques of ₹8,700 were deposited into bank, but cheques for ₹7,000 were cleared till 31st January, 2017.

(*v*) A customer deposited ₹620 directly into bank without informing Mr. Sanjay.

(Chandigarh, 2018)

[**Ans.** Overdraft (Debit) Balance as per Pass Book ₹14,490.]

Q. 7. On 30th June 2024, the Cash Book of a trader shows a bank overdraft of ₹2,500. Following informations are available :—

1. Cheques amounting to ₹14,600 had been paid to the bank, but of these only ₹12,200 were credited in the Pass Book, up to 30th June, 2024.
2. He had also issued cheques amounting to ₹10,000, out of which only ₹3,600 had been presented for payment.
3. A cheque of ₹500 which he had debited to the bank account was not sent to bank for collection by mistake.
4. There is a debit in the Pass Book of ₹10 for Bank Charges and ₹50 for interest.
5. A customer directly paid into his bank ₹1,000, but it was not shown in the Cash Book.
6. Bank has paid insurance premium of ₹400 according to his instructions, but this is not recorded in the Cash Book.

Prepare a Bank Reconciliation Statement.

[**Ans.** Credit Balance as per Pass Book ₹1,540.]

Q. 8. On 31st December, 2024 the Cash Book of Basu showed an overdraft of ₹18,000 with the Bank of India.

The balance did not agree with balance as shown by the Bank Pass Book and you find that Basu had paid into the Bank on 26th December four cheques for ₹10,000; ₹12,000; ₹6,000 and ₹8,000. Of these the cheque for ₹6,000 was credited by the bank in January, 2020. Basu had issued on 24th December three cheques for ₹15,000, ₹12,000, and ₹7,000. The first two cheques were presented to the bank for payment in December and the third in January, 2025.

You also find that on 31st December, 2024, the bank had debited Basu's Account for ₹500 for interest and ₹20 for charges but Basu has not recorded these amounts in his books.

You are required to prepare a Bank Reconciliation Statement as on 31st December, 2024 and ascertain the balance as per bank Pass Book.

[**Ans.** Overdraft as per Pass Book ₹17,520.]

Q. 9. On 31st December, 2024 my Cash Book showed a credit balance of ₹8,800. I had paid into Bank three cheques amounting to ₹6,000 on 24th December of which I found ₹3,200 have been credited in the Pass Book under date 5th January 2025.

I had issued cheques amounting to ₹8,000 before 31st December of which I found ₹2,500 have been debited in the Pass Book after 1st January 2025.

I find a debit of ₹50 in respect of bank charges in the Pass Book which I have adjusted in the Cash Book on 31st Dec. There is a credit of ₹360 for interest on securities in the Pass Book which remains to be adjusted. A cheque of ₹1,200 deposited into bank has been dishonoured. Prepare Bank Reconciliation Statement as on 31st Dec. 2024.

[**Ans.** Overdraft as per Pass Book ₹10,340.]

Hint : Bank Charges ₹50 will **not** be recorded in the bank reconciliation statement because these have already been recorded in the Cash Book prior to 31st Dec. 2024.

When Debit Balance (Overdraft Balance) as per Pass Book is Given:—

Q. 10. My bank Pass Book showed an overdraft of ₹6,500 on 31st March, 2023. This does not agree with the Cash Book balance. From the following particulars ascertain the Cash Book balance :—

Cheques amounting to ₹15,000 were paid into bank in March, out of which, it appears, only cheques amounting to ₹4,500 were credited by bank. Cheques issued during March amounted in all to ₹11,000. Out of these cheques for ₹3,000 were unpaid on 31st March, 2023. The Pass Book stands debited with ₹150 for interest and with ₹30 for bank charges. The bank had paid the annual subscription of ₹100 to my club according to my instructions. The entries for interest, bank charges and subscription have not yet been made in Cash Book.

[**Ans.** Dr. Balance as per Cash Book ₹1,280.]

Q. 11. Prepare the Bank Reconciliation Statement from the following particulars for the period ending 31st December, 2024.

(*a*) Overdraft as per Pass Book on 31-12-2024 ₹7,600.
(*b*) Cheques deposited but not collected by the bank ₹8,560.
(*c*) Incidental charges not recorded in Cash Book ₹80.
(*d*) Cheques were issued for ₹7,800 but only ₹4,400 were presented for payment.
(*e*) Insurance premium paid by bank not recorded in the Cash Book ₹4,200.
(*f*) On 31st December, 2024 cash was deposited in bank ₹385 but the cashier debited the bank column with ₹485 by mistake.

[**Ans.** Dr. Balance as per Cash Book ₹1,940.]

Q. 12. Prepare a Bank Reconciliation Statement from the following particulars :—

On 31st December 2024, I had an overdraft of ₹750 as shown by my Pass Book. I had issued cheques amounting to ₹250 of which ₹200 worth only seem to have been presented for payment. Cheques amounting to ₹100 had been paid in by me on 30th December, but of these only ₹75 were credited in the Pass Book. I also find that a cheque for ₹10 which I had debited to bank account in my books has been omitted to be banked. There is a debit of ₹25 in my Pass Book for interest.

An entry of ₹30 of a payment by a customer direct into the bank appears in the Pass Book. My Pass Book also shows a credit of ₹60 to my account for interest on investments directly collected by my bankers.

[**Ans.** Overdraft as per Cash Book ₹830.]

Q. 13. On 31st January, 2023 the Pass Book of Shri M.L. Gupta shows a debit balance of ₹41,000. Prepare a bank reconciliation statement from the following particulars :—

1. Cheques amounting to ₹15,600 were drawn on 27th January, 2023. Out of which cheques for ₹11,000 were encashed up to 31-1-2023.

2. A wrong debit of ₹800 has been given by the bank in the Pass Book.
3. A cheque for ₹200 was credited in the Pass Book but was not recorded in the Cash Book.
4. Cheques amounting to ₹21,000 were deposited for collection. But out of these, cheques for ₹7,400 have been credited in the Pass Book on 5th February, 2023.
5. A cheque for ₹1,000 was returned dishonoured by the bank and was debited in the Pass Book only.
6. Interest on overdraft and bank charges amounting to ₹100 were not entered in the Cash Book.
7. A cheque of ₹500 debited in the Cash Book omitted to be banked.

[**Ans.** Overdraft as per Cash Book ₹36,000.]

Q. 14. Prepare a Bank Reconciliation Statement on 31st December, 2024 from the following particulars :—

(*a*) *A*'s overdraft as per Pass Book ₹20,000 as at 31st Dec.
(*b*) On 30th December, cheques had been issued for ₹80,000, of which cheques worth ₹15,000 only had been encashed up to 31st December.
(*c*) Cheques amounting to ₹6,500 had been paid into the bank for collection but of these only ₹2,500 had been credited in the Pass Book.
(*d*) The bank has charged ₹700 as interest on overdraft and the intimation of which has been received on 2nd January 2020.
(*e*) The Bank Pass Book shows credit for ₹2,000 representing ₹1,400 paid by debtor of *A* direct into the bank and ₹600 collected direct by bank in respect of interest on *A*'s investment. *A* had no knowledge of these items.
(*f*) *A* cheque for ₹3,600 has been debited in bank column of Cash Book by *A*, but it was not sent to bank at all.

[**Ans.** Overdraft as per Cash Book, ₹78,700.]

When Credit Balance (Favourable Balance) as per Pass Book is given :—

Q. 15. On 31st March, 2025 the Pass Book shows a credit balance of ₹9,000. Prepare a Bank Reconciliation Statement from the following particulars :—

		₹
1.	Cheques issued but not yet presented for payment	7,000
2.	Cheques issued but omitted to be recorded in the Cash Book	3,800
3.	Cheques paid into bank but not yet collected by the bank	2,600
4.	Premium on Life Policy paid by the bank on standing advice	360
5.	Payments received from customers direct by the bank	2,000

[**Ans.** Dr. Balance as per Cash Book ₹6,760.]

Q. 16. From the following particulars, prepare a Bank Reconciliation Statement of Sh. Yadav on 31st December 2024 :—

Balance as per Pass Book on 31st December, 2024 is ₹11,000. Cheques for ₹6,200 were issued during the month of December but of these cheques for ₹900 were presented in the month of January, 2025 and one cheque for ₹500 was not presented for payment. Cheque and cash amounting to ₹5,700 were deposited in bank during