

Accounting 212

Unit seven: The control of cash (Bank Reconciliation Statement)



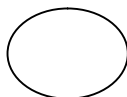
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الرقم التسلسلي



Chapter Six: The Control of Cash.

(Bank Reconciliation Statement).

Key term introduced

Bank Reconciliation Statement: مذكرة تسوية البنك	Bank Service charges: مصروفات خدمات بنكية
Causes : أسباب	Loan repayments: أقساط القرض
Origin (source): منشأ - مصدر	Until : حتى
Deposit in transit : إيداعات بالطريق	Bank charges: مصروفات بنكية
Treatment : معالجة	(N.S.F) : عدم كفاية الرصيد
Outstanding checks: شيكات معلقة	Add : إضافة - يضاف
Unpresented check: شيكات مصدره حالياً	Less : طرح - يطرح
Interest earned: فوائد محصلة	Deducted : يطرح - يخصم
Accountant error: أخطاء المحاسب	Adjusted cash balance: رصيد التوازن للنقدية
Dividend received: فوائد الأسهم	Refers to drawer: مرجع لساحبه
	Note receivable: ورقة قبض

***** Mostly the balance of Bank Statement does not agree with the balance of Company's records. Our references to knowledge the Cash Balance are:**

- 1. Cash Balances in the business records.**
- 2. Balance of Bank Statements.**

(Name of the company)
 Bank Reconciliation Statement
 For the month of

Balance as per Bank Statement		*****
ADD:	***	
.....	***	
LESS:	***	*****
.....	***	
Adjusted Bank Balance -----		***
	-----	▶ *****
Balances as per depositor's records		*****
ADD:	***	
.....	***	
.....	***	
.....	***	
.....	***	
.....	***	
LESS:	***	*****
.....	***	
.....	***	
.....	***	
.....	***	
.....	***	

Adjusted Cash Balance ----->		****
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*** Often, does not match the bank statement balance and the book balance of cash for the following reasons:

First: Items recorded in the company not record in Bank Statement as:

a). Deposits in transit: إبداعات بالطريق: متحصلات نقدية تم إضافتها على رصيد

النقدية الشركة ولكن لم تظهر بكشف البنك بسبب ما.

b). Outstanding checks (Unpresented check): *الشيكات المعقولة: شيكات سلمت للمستفيدين

وخصمت قيمتها من رصيد النقدية بالشركة، ولكن لم يقدموها للبنك لصرفها.

c). Accountant error.

* أخطاء محاسبية: كتسجيل الرقم بالزيادة أو بالنقصان

خطوات معالجة الأخطاء:

1.

2.

3.

4.

Exercise 1:

Complete the following table by using (/) mark :

No.	Transaction articles	Indicate which of the following treatment should be			
		Bank Statement Balance		Cash Balance	
		Add	Less	Add	Less
1	Deposits in transit.				
2	Outstanding checks				
3	Check drawn for BD69 for buying supplies entered in cash as BD96.				
4	Check drawn for BD87 for buying equipment entered in the cash as BD78.				
5	Cash of BD100 received from Jamal (Acc. Receivable) entered in the cash as BD1000.				
6	Unpresented checks BD1756.				

Exercise 2:

From the following information prepare a Bank reconciliation statement and make the necessary Journal entries for AL- Hadeel Est. for March 31st, 2012.

1. Balance as per Bank Statement, BD 27,125
2. Balance as per Cash Book, BD27,732
3. Deposit in transit, BD880.
4. Outstanding checks: No.162, BD125, No.524 BD130.
5. Check drawn for BD69 for buying supplies entered in cash book as BD96.
6. Check drawn for BD87 for buying equipment entered in the cash as BD78.

.....

Balance as per bank statement		
Add:		
Less:		
Adjusted Bank Balance		
Balance as per Cash Book		
Add:		
Less:		
Adjusted Cash Balance		

General Journal

Date	Details	Debit	Credit

Second: Items recorded in the Bank Statement not record in company as:

a). **Deposits made directly by the bank** such as: Interest earned.- Rent received
Dividends - Collections from Account Receivable – Note receivable.
* التحصيلات المباشرة: يستلم البنك نقدية بالنيابة عن العميل فيضيفها لرصيده وتتأخر المذكرات في الوصول إلى المنشأة.

b). **Items paid directly by the bank** such as: Bank service charges-
Loan repayments - Note payable -Rent exp.

* الخصومات المباشرة: يخصم البنك مبالغ من رصيد العميل و يرسل مذكرة له. وعادة ما تتأخر بعض المذكرات في الوصول إلى المنشأة.

c) **N.S.F (No Sufficient Found).**

* الشيكات المرتدة لعدم كفاية الرصيد: شيكات أضيفت قيمها على الرصيد الدفترى ومن ثم قدمت للبنك لتحصيلها غير أن البنك لم يضيفها على رصيد الشركة لديه لعدم كفاية رصيد الساحب.

d). **Bank error.**

* أخطاء بنكيه: أخطاء يرتكبها البنك في رصيد الشركة لديه، كإضافة أو خصم مبالغ، أو خطأ في تسجيل إيداعات أو خصومات.

Exercise 3:

Complete the following table by using (/) mark :

No.	Transaction articles	Indicate which of the following treatment should be			
		Bank Statement Balance		Cash Balance	
		Add	Less	Add	Less
1	Debit memo for bank service charge				
2	Credit memo for bank Interest on saving account.				
3	NSF check.				
4	Credit memo for rent earned				
5	Debit memo for loan repayment				
6	Credit transfer received by bank not entered in book.				
7	Note of BD180 collected by bank.				
8	Bank service charges.				
9	Dividend received by the bank not entered in cashbook BD50				

10	Check of BD488 drawn by Khalid returned “refers to drawer” not entered in cash book.				
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Exercise 4:

From the following information prepare a Bank reconciliation statement and make the necessary Journal entries for AL- Hadee Est. for the month ended at March 31st,2011

1. Balance per Bank Statement, BD 47,218
2. Balance per Cash Book, BD47215
3. Note receivable of BD480 collected by the bank.
4. Dividends received by the bank not entered in cashbook BD50.
5. Bank service charges of BD5.
6. NSF check of Ahmad of BD540.
7. The bank recorded a deposit of BD224 as 242.

The answer:

.....

Balance as per bank statement		
Add:		
Less:		
Adjusted Bank Balance		
Balance as per Cash Book		
Add:		
Less:		
Adjusted Cash Balance		

General Journal

Date	Details	Debit	Credit

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Exercise 7:

The following information for Hayfa Est., On March, 2010:

1. Cash per book BD447.
2. Balance per bank statement BD100.
3. Unpresented checks BD79.
4. Deposit not entered by the bank BD546.
5. Dividend received by the bank not entered n cash book BD50.
6. Check drawn for BD672 for buying furniture entered inn books as BD762.
7. Bank charges not entered in books BD27.
8. Check returned "refer to drawer" not entered in the book BD83.
9. Credit transfer received by the bank not entered in the books BD90.

Required:

1. Prepare the bank reconciliation statement.
2. Prepare journal entries.

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Exercise 8:

The following information is needed to prepare Bank Reconciliation statement for Wedad Est. at December 31st, 2011.

1. Cash as per bank statement was BD7800 and cash as per the cash account was BD7792.
2. Bank service charge BD12.
3. Check of BD488 drawn by Khalid refers to drawer.
3. Cash receipts of BD2166 on December 31st were not deposited until January.
4. Unpresented checks of BD1756.
5. Credit bank memo of BD250 for Rent earned not entered in cash book.
6. Note receivable of BD1200 collected by bank not entered in the cash.
7. Check of BD46 drawn for buying supplies entered as BD64.
8. Dividend received by the bank not entered in cash book BD50.
9. Bank drawn check by mistake from our account of BD600.

Required:

- a). Prepare Bank Reconciliation at 31st Dec.2011.
- b). Prepare the necessary Journal entries.

Exercise 9:

On July 31st, 2010 Nada Co. cash account balance was BD 8377.600 and bank statement balance of BD8800. Other differences between the Cash account and bank statement are as follows:

1. A deposit of BD1500 made on July 31st was not included on the bank statement:
2. The bank statement shows the following data:
 - a) NSF checks by Jehad Co. of BD160.
 - b) Rent revenue collected by the bank of BD400.
 - c) The bank drawn check of BD660 from our account by mistake.
 - d) Bank interest for BD75.
 - e) A bank service charge of BD35 the bank wrote in error.
 - f) Bank adds a Check of BD652 an error.
 - g) Cash of BD1890 collected by the bank from Ahmed and a collection charge for BD5, not entered in cash book.
3. Check drawn for BD284 for buying office supplies entered in the book as BD248.
4. Outstanding checks on July 31 totaled BD246.
5. Check drawn for BD504 for buying Equipment entered in book as BD50.400.
6. Check drawn for BD245 for buying Store Supplies entered in book as BD254.

Required:

1. Prepare a Bank Reconciliation as of July 31.2010.
2. Prepare entries in journal form as required by the reconciliation.

Exercise 10:

On July 31st 2011, Al Najma Est. has the following information concerning bank account:

1. At July 31, cash per the bank statement was BD21466, and Cash per the accounting records, BD20920.
2. The check deposited BD3122 did not appear on the Bank statement.
3. Check refers to drawer not entered in cash book BD112.
4. Credit transfer of BD250 received by bank from Ali not entered in cash book.
5. Check drawn for BD46 for buying Supplies entered in book as BD64.
6. The bank drawn a check of BD550 an error.
7. A deposit of BD1,818 dated July 31st, recorded in the bank statement as BD1881.
8. Notes Receivable of BD3000 Collected by the Bank
9. Unpresented checks of BD1024.
10. Bank service charges for July of BD7.
11. Check drawn for BD853 for buying office equipment was entered in cash as BD835.

Required:

- 1. Prepare Bank Reconciliation at July 31st, 2011.**
- 2. Prepare entries in journal form as required by the reconciliation.**

