ACCOUNTANCY

BANK RECONCILIATIO N STATEMENT

ONE SHOT

ALL CONCEPTS + NUMERICALS

PRAGYAAN COMMERCE

BANK RECONCILIATION STATEMENT

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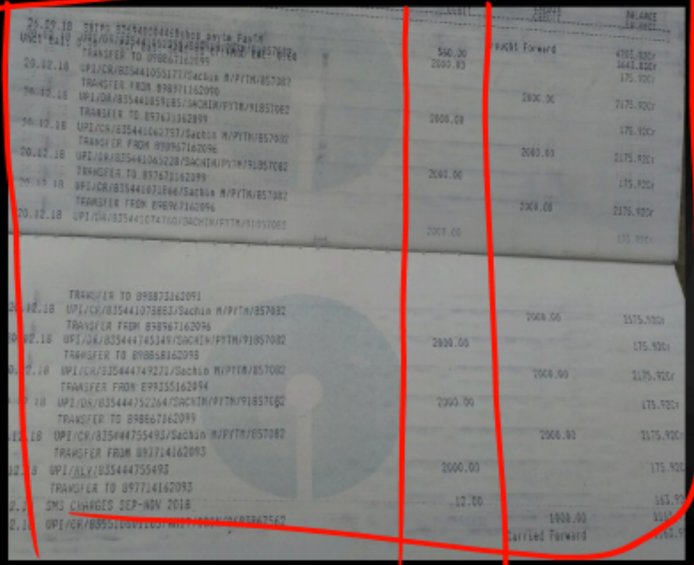
MEANING OF BANK RECONCILIATION STATEMENT

Bank Reconciliation Statement is a statement prepared by the account holder on a particular date to reconcile the bank balance as per Cash Book with the balance as per Bank Statement or Bank Pass Book showing entries because of which differences between the two balances exist.

ताजा फल स्टोर

A/c

ताजा फल स्टोर (Passbook)



Dr
-ve

SBI

Cr
Liabilities
Dr

Cr
+ve

Cash Book

+ve
Dr

Cr (-ve)

Date	particulars	₹	Date	particulars	₹

Taza Phal Store

Cash Book

To Cash	50L	By Cash	5L
		By bal c/d	45L
	50L		50L

SBI

TPS (PB)

To Cash	5L	By Cash	50L
To RST	2L		
To bal c/d	43L		
	50L		50L

Same

NEED AND IMPORTANCE OF BANK RECONCILIATION STATEMENT

1. It brings out the errors if any, committed either in the Cash Book or in the Bank Statement or Pass Book.
2. Undue delay in the clearance of cheques deposited is known from the reconciliation.
3. Regular reconciliation discourages embezzlements.
4. Reconciliation helps in verifying the accuracy of entries recorded in the Cash Book.
5. It shows actual bank balance.

CAUSES OF DIFFERENCES IN THE CASH BOOK AND PASS BOOK BALANCE

(a) Differences caused by Time gap in recording transactions.

(b) Differences caused by errors committed in recording transactions.

Differences caused by Time Gap in recording transactions:

	CB	PB
• Cheques issued but not yet presented for payment in the Bank.	- Cr -	X
• Cheques paid into the bank for collection but not yet credited by the bank. (Collected / Cleared)	+ Dr	X
• Cheques paid (Deposit) into the bank for collection but dishonoured by the bank	+ Dr	X
• Interest charged by the bank on Overdraft (Interest charged)	X	Dr -
• Bank Charges and Commission charged by the bank	X	Dr -
• Direct deposit by customers into the bank	X	Cr +
• Interest and dividend collected by the bank	X	Cr +
• Direct payment made by the bank on behalf of customers	X	Dr -

TPS

CB — Dr (+), Cr (−)

Passbook — Cr (+), Dr (−)

Statement

1/4/2025 to 30/4/25

28/4/2025 → 1/5/2025

Deposit

Differences caused by Errors Committed in Recording Transactions

FPS

(1) Errors committed in recording transactions by the firm : Sometimes the firm may commit errors while recording entries in the Cash book. Such errors may be:

- (i) Cheque issued to a creditor but omitted to be recorded in the Cash Book.
- (ii) Cheques deposited into the bank but omitted to be recorded in the Cash Book.
- (iii) Error in totalling or balancing the bank column of the Cash Book.

(2) Errors committed in recording transactions by the bank :

Sometimes the bank commits an error and records a wrong entry in the customer's account which causes a difference between the bank balance shown by the cash book and the balance shown by the pass book.

CB PB

5L 4.5L X

✓ ✓

Cash Book

Dr
52

Cr

passbook

Cr bal

Dr bal
1L

Pass Book ✓

Cr bal
+ve

Dr bal
-ve

Cash Book ?

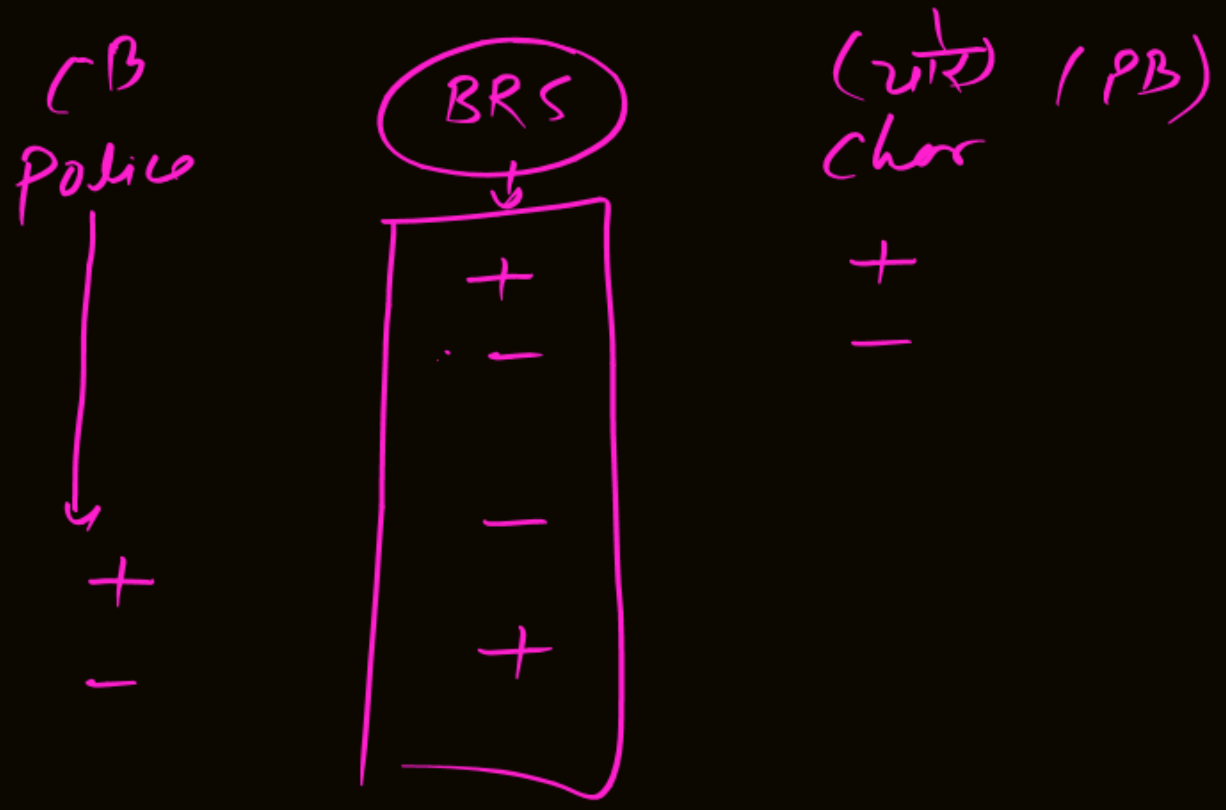
Dr balance

Credit
Bal

Dr bal
Assets

Cr balance
Liabilities

	1	2	3	4
Balance given → police ✓	Cash Book Dr bal	Cash Book Cr bal	PB Dr bal	PB Cr bal
Balance not given chor (चोर)	Passbook: Dr, Cr	Passbook: Cr, Dr	CB: Dr, Cr	CB: Cr, Dr


CB
Police
BRS
(चोर) (PB)
Chor
+
−
+
−
−
+
+
−

BRS

(CB)(P)	BRS	(PB)(C) ?
X	+	++
	−	− -
+	−
−	+

BRS (As on 31/3/2025)

particular	₹
Balance given as per Cash book (Dr bal)	50,000
Cheque Deposited but not collected	(10000)
Cheque Issued but not present for payment	5000
Interest Allowed by Bank but not recorded in CB	1000
Bank charged Annual charges	(200)
Balance as per passbook (Cr bal)	45800

56
46

Balance given (police) ✓ $+$ $-$

BRS $\boxed{+ \quad - \quad - \quad +}$

Balance given (chor) ? $+$ $-$

Cash Book shows a Debit balance of Rs. 12,500. On comparing the Cash Book with the Pass Book, following discrepancies were noted:

(i) Cheques issued but not yet presented for payment. 6,000

(ii) Cheques deposited in the bank but not collected. 9,000

(iii) Bank paid insurance premium. 5,000

(iv) Bank charges. 300

(o) Directly deposited by a customer. 8,000

(vi) Interest on investment collected by bank.2,000

(vii) Cash discount allowed of Rs. 200 was recorded on the debit side of the Bank column. Prepare Bank Reconciliation Statement.

BRS

(As on 31/03/2025)

particular	₹
Balance as per Cash Book (Dr bal)	12500
+ Cheque Issued but not present	6000
- Cheque Deposit but not collected	(9000)
- Insurance premium paid by Bank	(5000)
- Bank charges	(300)
+ Directly Deposit in the Bank	8000
+ Interest on Investment Collected by Bank	2000
- Discount wrongly Dr in Bank column	(200)
Balance as per pass book (Cr bal)	14000

18500
-16500
400

On 31st January, 2025, Naresh had an overdraft of Rs. 40,000 as shown by his Cash Book in the bank column. Cheques amounting to Rs. 10,000 had been deposited by him but were not collected by the bank by 31st January, 2025. He issued cheques of Rs. 7,000 which were not presented to the bank for payment up to that day. There was also a debit in his Pass Book of Rs. 600 for interest and Rs. 500 for bank charges.

BRS

(As on 31/01/2025)

Balance as per Cash Book (OD)	(40000)
- Cheque Deposited but not collected	(10000)
+ Cheque Issued but not present	7000
- Interest charged by Bank	(500)
- Bank charges	(600)
	(44100)
Balance as per pass book (Dr bal)	

51100

7000

44100

From the following information, prepare Bank Reconciliation Statement as on 31st March, 2024:

(i) Bank overdraft as per Pass Book. 36,000

(ii) Cheques issued but not presented for payment. 19,700

(iii) Cheques deposited with bank but not collected. 25,000

(iv) Cheques entered in Cash Book but not banked. 9,000

(v) Directly deposited to bank by a customer. 11,000

BRS
(As on 31/03/2024)

Bal as per Passbook (O/D) (Dr bal)	(36000)
− Cheque Issued but not presented	(19700)
+ Cheque Deposited but not collected	25000
+ Cheque Dr in CB but not sent to Bank	9000
− Directly Deposit in the Bank	(11000)
Balance as per Cashbook (Cr bal)	(32700)

2000

47
19
56700
(34000)
22700

CB (Chor) BRS PB (P)

BRS

CB ± PB

Prepare Bank Reconciliation Statement from the following particulars on 31st July, 2025:

(i)Credit Balance as per the Pass Book Rs. 50,000.

(ii) Three cheques for Rs. 6,000, Rs. 3,937 and Rs. 1,525 issued in last week of July, 2025were presented for payment to the bank in August, 2025.

(iii) Two cheques of Rs. 500 and Rs. 650 sent to the bank for collection were not entered in the Pass Book by 31st July, 2025.

(iv) The bank charged Rs. 460 for its commission and allowed interest of Rs. 100 which were not mentioned in the Bank Column of the Cash Book.

(BRS As on 31/03/2025)

Bal As per Passbook (Cr bal)	50000
− Cheque Issued but not present for Payment (6000 + 3937 + 1500)	(11437)
+ Cheque Deposited but not collected	1150
+ Bank Charges	460
− Interest Allowed by the Bank	(100)
Balance As per Cash Book (Dr bal)	40073

51610
11537
40073