Paul Robbins training and consultancy

Bookkeeping Controls

Bank Reconciliations and The Banking System

Completing Bank Reconciliations – Exam Format Exercise 3

Model Answer

On 01/10/16 Sub Zero Ltd received the following bank statement as at 30/09/16.

BANK STATEMENT				
Date	Details	Paid Out (£)	Paid In (£)	Balance (£)
01/09/16	Balance b/d			364 CR
04/09/16	SO – Manor Properties	765		401 DR
09/09/16	Cheque 170032	89		490 DR
10/09/16	BACS: Maestro Ltd		2,341	1,851 CR
12/09/16	Cheque 170033	328		1,523 CR
15/09/16	Cheque 170034	222		1,301 CR
21/09/16	DD – Phoney Mobiles	41		1,260 CR
25/09/16	Cheque 170035	274		986 CR
26/09/16	Counter Credit		569	1,555 CR
30/09/16	Bank Charges	58		1,497 CR
DD = Direct Debit		SO = Standing Order		

Tasks

1. Check the items on the bank statement against the items in the Cash Book.

2. Update the Cash Book as necessary.

3. Total the Cash Book and clearly show the balance carried down as at 30/09/16 (closing balance) and brought down as at 01/10/16 (opening balance).

4. Prepare the bank reconciliation statement as at 30/09/16.

Cash Book					
Receipts (Debit) Side			Payments (Credit) Side		
Date	Description	Amount (£)	Date	Description	Amount (£)
01/09/16	Balance b/d	364	03/09/16	Refreshments (Chq. 170032)	89
05/09/16	Maestro Ltd (BACS)	2,341	06/09/16	Purchases (Chq. 170033)	328
22/09/16	Howe & Clarke (Cheque)	569	08/09/16	Insurance (Chq. 170034)	222
29/09/16	Lewes Trading (Cheque)	1,340	19/09/16	Purchases (Chq. 170035)	274
30/09/16	J. Choi & Co	723	28/09/16	Office Stationery (Chq. 170036)	102
			30/09/16	Purchases (Chq. 170037)	538
			04/09/16	Manor Properties SO	765
			21/09/16	Phoney Mobiles DD	41
			30/09/16	Bank Charges	58
			30/09/16	Balance c/d	2,920
		5,337			5,337
01/10/16	Balance b/d	2,920			

BANK RECONCILIATION STATEMENT Bank Reconciliation as at: 30/09/16	
Balance as per Bank Statement:	£1,497
Add: Outstanding Lodgements:	
Lewes Trading	£1,340
J. Choi & Co.	£723
Total to Add:	£2,063
Less: Unpresented Cheques:	
Cheque 170036	£102
Cheque 170037	£538
Total to Subtract:	£640
Balance as per Cash Book:	£2,920