

Accountancy

Bank Reconciliation Statement

- Q1.** Which of the following is/are cause of difference of balance between cash book & the pass book? **1 Mark**
- A Errors committed in recording transactions by the firm.
B Errors committed in recording transactions by the bank. C Natural calamities.
D Both (A) & (B).
- Q2.** A business receives its bank statement showing the closing balance as ₹ 8,500 overdrawn. It is found that there were unpresented cheques amounting to ₹ 2,000 and uncredited deposits amounted to ₹ 1,500. Overdraft as per Cash Book is: **1 Mark**
- A ₹ 5,000 B ₹ 8,000 C ₹ 9,000 D ₹ 12,000
- Q3.** Bank reconciliation is prepared by _____. **1 Mark**
- A Sole Proprietor concern. B Partnership firm. C Corporate bodies.
D All the three.
- Q4.** The credit balance as per the cash book indicates _____. **1 Mark**
- A Cash balance B Bank overdraft C Bank balance D None of the above
- Q5.** Credit balance in bank pass book means _____. **1 Mark**
- A Bank overdraft B Bank Balance C Balance as per Cash book
D Total of bank A/c
- Q6.** Overdraft means _____ balance of Pass Book. **1 Mark**
- A Debit B Credit C Closing D Opening
- Q7.** If the cheque is not presented for the payment up to the date of the preparation of the Bank Reconciliation Statement then the balance as per pass book will be _____. **1 Mark**
- A Higher than the balance shown by the cash book by the amount of unpresented cheque.
B Same as shown by the cash book. C Twice the balance shown by the cash book.
D Lower than the balance shown by the cash book by the amount of unpresented cheque.
- Q8.** Credit entry in pass book at any point of time means _____. **1 Mark**
- A Amount withdrawn from customers a/c. B Amount deposited in customer a/c.
C Both A and B. D None of these.
- Q9.** Mr. A issued cheques worth Rs. 10,000 in March 2014 out of which cheque worth Rs. 7,000 only were presented for payment by 31st March, 2014. While reconciling bank and cash book balance as on 31st March, 2014, how much would be added to balance as per cash book to arrive at balance as per Pass book. **1 Mark**
- A Rs. nothing B Rs. 7,000 C Rs. 3,000 D Rs. 10,000
- Q10.** Bank charges amounting to Rs.5000 was not entered in the cash book. Identify the correct adjustment in cash book. **1 Mark**
- A Bank charges will be debited in cash book. B Bank charges will be added to cash book balance.
C Bank charges will be credited in cash book. D Bank charges need no adjustment in cash book.
- Q11.** Favourable balance means. **1 Mark**
- A Credit balance in the cash book. B Credit balance in pass book. C Debit balance in cash book.

D Both (B) and (C).

- Q12.** A bank reconciliation statement is prepared to ascertain the causes of differences between: **1 Mark**
- A** The balance as shown by the cash column of Cash Book with the balance of the Pass Book.
 - B** The balance as shown by the bank column of Cash Book with the balance of the Pass Book.
 - C** The balance as shown by the cash column of the Cash Book with that shown by its bank column.
 - D** The balance as shown by the Cheque Book and Pass Book.
- Q13.** One outgoing Cheque of Rs. 112 recorded in the Cash Book but omitted to be sent to creditor. When the balance as per Cash Book is the starting point _____. **1 Mark**
- A** Rs. 112 to be added
 - B** Rs. 112 to be subtracted
 - C** No adjustment is required
 - D** None of these
- Q14.** When balance as per cash book is the starting point, cheque deposited but not cleared are ____ for the purpose of reconciliation of balance with bank passbook **1 Mark**
- A** Deducted from cash as per cash book.
 - B** Added to the cash as per cash book.
 - C** Deducted from balance as per bank passbook.
 - D** Kept in abeyance for some time.
- Q15.** A bank reconciliation statement is prepared by the _____. **1 Mark**
- A** Customer of the bank
 - B** Bank
 - C** Reserve bank of India
 - D** Both A & B
- Q16.** Bank Reconciliation Statement is prepared to ascertain the causes of the difference between _____ and _____. **1 Mark**
- A** The balance as per the bank column of the cash book, the balance as per pass book.
 - B** Per the cash column of cash book, the balance as per the pass book.
 - C** Cash, bank column in the cash book.
 - D** None of the above.
- Q17.** A bank reconciliation statement is prepared with the balances of _____. **1 Mark**
- A** Cash book
 - B** Pass book
 - C** Either cash book or pass book
 - D** Both cash book and pass book
- Q18.** Entry on credit side of bank pass book implies _____. **1 Mark**
- A** cash withdrawn
 - B** cash/cheque deposited in bank
 - C** business expenses
 - D** personal expenses
- Q19.** Which one of these is not a cause of difference in balance as per pass book and as per cash book? **1 Mark**
- A** Errors in cash book.
 - B** Errors in pass book.
 - C** Cheques deposited and cleared.
 - D** Cheques issued but not presented for payment.
- Q20.** Bank Reconciliation Statement is prepared by matching: **1 Mark**
- A** Entries in Pass Book with entries in bank columns of Cash Book.
 - B** Entries in Pass Book with entries in cash columns of Cash Book.
 - C** Entries in Pass Book with entries in bank columns and cash columns of Cash Book,
 - D** None of the above.
- Q21.** A debit balance in the depositor's cash book will be shown as _____. **1 Mark**
- A** A debit balance in the bank statement.
 - B** A credit balance in the bank statement.
 - C** An overdrawn balance in the bank statement.
 - D** None of the above.
- Q22.** A bank reconciliation statement is prepared with the balance of _____. **1 Mark**
- A** Cash book
 - B** Pass book
 - C** Either (A) or (B)
 - D** Neither (A) nor (B)
- Q23.** Entry on the credit side of pass book implies _____. **1 Mark**
- A** Withdrawal
 - B** Deposit
 - C** Expenses
 - D** Liability
- Q24.** If the cash book balance is taken as starting point, the items which make the cash book balance smaller than the pass book must be _____ for the purpose of reconciliation. **1 Mark**

A Deducted **B** Added **C** No effect **D** Lower

- Q25.** A Bank reconciliation statement reconciles the - **1 Mark**
A Ledger with the journal. **B** Petty cash book with the bank account.
C Day books with the bank statement. **D** Bank statement with the cash book.
- Q26.** The proper treatment on the bank reconciliation of a note collected by the bank for the depositor is to show it as an _____. **1 Mark**
A Addition to the balance as per cash book. **B** Deduction from the balance as per cash book.
C Deduction from the balance as per pass book. **D** Addition to the balance as per pass book.
- Q27.** Bank Reconciliation statement is _____. **1 Mark**
A Ledger account **B** Part of the cash book **C** A separate statement
D A sub division of the journal
- Q28.** The purpose of preparing a Bank Reconciliation Statement is to _____. **1 Mark**
A Ascertain the difference between the pass book balance and the bank statement balance.
B Correct errors in the cash book or errors in the bank statement.
C Amend the balance of the bank statement of the firm.
D Amend the balance of the cash book of the firm.
- Q29.** Which of the following will not require adjustment in the Cash Book balance? **1 Mark**
A Cheque issued but not presented for payment. **B** Cheque deposited but not cleared.
C Cheque wrongly credited by bank. **D** All of the above.
- Q30.** When the balance as per Pass Book is the starting point, direct payments by bank are _____. **1 Mark**
A Added in the bank reconciliation statement. **B** Subtracted in the bank reconciliation statement.
C Not required to be adjusted in the bank reconciliation statement. **D** None of the above.
- Q31.** A bank reconciliation statement is prepared to find out the causes of the difference between: **1 Mark**
A The balance as shown by the cash column of the cash book with the balance shown by its bank column.
B The balance as shown by the cash column of the cash book with the balance shown by the pass book.
C The balance shown by the bank column of the cash book with the balance shown by the pass book.
D None of the above.
- Q32.** If the pass book shows a favorable balance and if it is taken as the starting point for the purpose of bank reconciliation statement then cheques issued but not presented for payment should be _____ to find out cash balance. **1 Mark**
A Added **B** No effect **C** Deducted **D** Increased
- Q33.** While preparing a Bank Reconciliation Statement taking the balance as per Cash Book as the starting point, cheques deposited but omitted to be recorded are: **1 Mark**
A Added **B** Subtracted **C** Not required to be adjusted
D None of these
- Q34.** Payment done by the account holder through issuing a cheque is entered in: **1 Mark**
A The Pass Book at the time of issuing the cheque.
B The Pass Book at the time of presenting the cheque to the bank for payment.
C The Cash Book at the time of issuing the cheque. **D** Both (b) and (c).
- Q35.** Mr. X issued cheques worth Rs.15,000 in 2014 out of which cheques worth Rs.10,000 only were presented for payment by 31st March, 2014. While reconciling bank and cash book balance as on 31st March, 2014 how much would be added to balance as per cash book to arrive at balance as per Pass book. **1 Mark**
A Rs.15,000 **B** Rs.10,000 **C** Rs.5,000 **D** Rs.7,500

Q36. **1 Mark**

An amount of Rs.2,500 is debited twice in the bank column of cash book. When credit balance as per pass book is the starting point which one of these adjustments would be done at the time of reconciliation?

- A** Add Rs.2,500 to balance as per pass book. **B** Deduct Rs.2,500 to balance as per pass book.
C Add Rs.5,000 to balance as per pass book. **D** Deduct Rs.5,000 to balance as per pass book.

Q37. Which of the following is not a part of Double Entry System?

1 Mark

- A** Cash Book. **B** Trial Balance. **C** Journal.
D Bank Reconciliation Statement.

Q38. A Bank Reconciliation Statement is prepared by _____.

1 Mark

- A** Bank **B** Creditors **C** Debtors **D** Business Firm

Q39. Which of the following is/are cause of difference of balance between cash book & the pass book?

1 Mark

- A** Cheques issued presented for payment and paid by bank.
B Cheques deposited for collection and collected. **C** Bank charges not entered in the cash book.
D All of the above.

Q40. Overdraft as per Cash Book is ₹ 10,000. Cheques deposited but not credited ₹ 2,500. Cheques issued but not encashed ₹ 3,500. What is the balance as per Pass Book?

1 Mark

- A** Balance ? 9,000 **B** Overdraft ? 9,000 **C** Overdraft ? 11,000 **D** Balance ? 11,000

Q41. Who prepares the bank reconciliation statement?

1 Mark

- A** Business enterprises **B** Statutory Auditor **C** Customer **D** Reserve Bank of India

Q42. The difference in the balances of the cash book and the pass book can be because of _____.

1 Mark

- A** Error in recording the entries either in the cash book or pass book.
B Same entry recorded in either of the book earlier and in the other book later
C Debit balance of cash book is the credit balance of pass book. **D** Both (a) and (b).

Q43. Bank reconciliation sometimes points to the need for adjusting entries. Invariably how should it be done?

1 Mark

- A** The reconciliation of the ending balance per the bank statement to the adjusted cash balance.
B The reconciliation of the cash balance per the company records to the adjusted cash balance.
C Both a and b **D** None of the above.

Q44. Which of the following is/are cause of difference of balnce between cash book & the pass book?

1 Mark

- A** Cheques deposited into bank and collected by bank. **B** Dishonour of cheques/bill discounted.
C

Cheques received and entered in the cash book deposited into the bank on which bank has collected the amount.

- D** All of the above.

Q45. Bank Reconciliation Statement is prepared:

1 Mark

- A** At the end of each week. **B** At the end of each month. **C** At the end of the accounting year.
D Whenever a bank statement is received.

Q46. Pass Book of the account holder is a copy of:

1 Mark

- A** The bank columns in the Cash Book of the account holder.
B The relevant account in the books of a bank. **C** The cash columns in the Cash Book of a customer.
D None of the above.

Q47. The difference in the balance of both the cashbook and the passbook can be because of.

1 Mark

- A** Errors in recording the entries either in the cash-book or pass-book
B Omission of same entry in both cash-book and pass book
C Debit balance of cash book is the credit balance of pass-book **D** All of the above

Q48. Debit balance in cash book means _____.

1 Mark

- A** Overdraft as per pass book. **B** Overdraft as per cash book. **C** Credit balance as per pass book.
D Debit balance as per day book.
- Q49.** When money is withdrawn from the bank, the bank _____ the account of the customer. **1 Mark**
A Credit **B** Debit **C** Give no effect **D** Make addition to
- Q50.** Which of the following transactions will result in higher balance in the barik. column of Cash Book in comparison to Pass Book? **1 Mark**
A Cheques issued but not presented for payment. **B** Interest allowed by bank.
C Bank charges entered twice in Cash Book. **D** Cheques paid into bank for collection but not yet credited.
- Q51.** While preparing a Bank Reconciliation Statement taking the balance as per Cash Book as the starting point, dishonour of Discounted B/R are: **1 Mark**
A Added **B** Subtracted **C** Nor required to be adjusted
D None of these
- Q52.** Normally, the cash book shows a debit balance. Pass book shows _____ balance. **1 Mark**
A Credit **B** Debit **C** Nil **D** No effect
- Q53.** Bank reconciliation statement points out _____. **1 Mark**
A Credibility of the balance shown in pass book. **B** Savings account. **C** Fixed deposit account.
D Recurring deposit account.
- Q54.** Favourable balance as per cash book means which of the following? **1 Mark**
A Cr. balance in cash book. **B** Dr. balance in cash book. **C** Bank overdraft.
D Dr. balance in pass book.
- Q55.** The payment side of the cash book is undercast by Rs.200. When overdraft as per pass book is the starting point, to get the overdraft as per cash book _____. **1 Mark**
A Rs. 200 will be deducted. **B** Rs. 200 will be added. **C** Rs. 400 will be added.
D Rs. 400 will be deducted.
- Q56.** Debit balance as per pass book means _____. **1 Mark**
A Bank Overdraft. **B** Debit Balance in Pass Book. **C** Cash Balance with Bank.
D None of these.
- Q57.** Difference in balance as per pass book and balance as per cash book due to _____ is not termed as timing difference. **1 Mark**
A Cheque issued but not presented for payment. **B** Dishonour of a discounted bill.
C Direct payment by the bank/ customers. **D** Overcasting of bank pass book.
- Q58.** Pass Book is _____ of account holder's transaction with the Bank. **1 Mark**
A An extract **B** A Balance Sheet **C** A balance **D** A mode
- Q59.** A cheque of Rs. 112 received from a debtor recorded in the cash book but omitted to be banked. When balance as per Cash Book is the starting point. **1 Mark**
A Rs. 112 to be added **B** Rs. 112 to be subtracted **C** No adjustment is required
D None of these
- Q60.** A bank reconciliation is a _____. **1 Mark**
A Formal financial statement that lists all of the a firm's bank account balances.
B Merger of two banks that previously were competitors.
C Statement sent monthly by a bank to a depositor that lists all deposits, cheques paid and other credits and charges to the depositor's account for the month.
D

Schedule that accounts for differences between a firm's cash balance as shown on bank statement and the balance shown in its personal ledger cash account.

- Q61.** Cash receipt of Rs.5100 was wrongly posted to bank column of cash book as Rs.510. Bank balance as per cash book will be _____. **1 Mark**
A More by Rs.510 B More by Rs.5100 C Less by Rs.510 D Rs.5100
- Q62.** Some of the transaction that is dependent on bank statement are _____. **1 Mark**
A Collection charges. B Dividends received. C Pre-scheduled payments.
D All of the above.
- Q63.** Debit balance in bank passbook is called _____. **1 Mark**
A Debit balance B Credit balance C Balanced D Overdraft
- Q64.** Entry in debit side of bank pass book implies _____. **1 Mark**
A Cash withdrawn. B Cash/ cheque deposited in Bank. C Business Receipts.
D Personal Receipts.
- Q65.** When overdraft as per pass book is the starting point, bank charges of Rs 100 recorded twice in cash book will be _____. **1 Mark**
A Added by Rs 100 B Added by Rs 200 C Deducted by Rs 100 D Deducted by Rs 200
- Q66.** Debit balance as per cash book means _____. **1 Mark**
A Cash Balance B Overdraft C Excess of Expenditure D None of these
- Q67.** Which of the following is true about bank reconciliation statement - **1 Mark**
A
Bank reconciliation statement need not to be prepared where the balance of cash book and pass book matches.
B Bank reconciliation statement is to be prepared necessarily as per the Income tax Act, 1961.
C Bank reconciliation statement is prepared on yearly basis
D Bank reconciliation statement is to be prepared and supplied by bank.
- Q68.** One outgoing cheque of Rs. 112 recorded as Rs. 121 in the Cash Book. (Note: This cheque was presented in the Bank). When the balance as per Cash Book is the starting point. **1 Mark**
A Rs. 112 to be subtracted. B Rs. 121 to be subtracted. C Rs. 9 to be added.
D Rs. 112 to be added.
- Q69.** A bank reconciliation statement is prepared with the balance of _____. **1 Mark**
A Pass book B Cash book C Both pass book and cash book
D None of the above
- Q70.** An extract of customer's account maintained by bank is _____. **1 Mark**
A Cash book B Pass book C Sales book D Purchase book
- Q71.** Which is caused by the time gap? **1 Mark**
A Errors committed in recording transactions by the bank.
B Errors committed in recording transaction by the firm.
C Cheque issued by the bank but not yet presented for payment. D All of the above.
- Q72.** Which of the following will not be considered while preparing an Amended Cash Book? **1 Mark**
A Cheques issued but not presented for payment. B Cheques deposited but not credited by bank.
C Any wrong entry in the Pass Book. D All of the above.
- Q73.** How many ways are there to prepare Bank Reconciliation Statement? **1 Mark**
A Three B Two C One D Five
- Q74.** **1 Mark**

When debit balance as per cash book is the starting point, direct deposits by customers are

_____.

- A** added **B** Subtracted **C** Not required to the adjusted
D None of these

Q75. A bank pass book is a copy of the _____. **1 Mark**

- A** Cash column of a customers cash book. **B** Bank column of a customers cash book..
C Customer's account in the banks ledger. **D** Customer's account in the suppliers ledger.

Q76. Balance shown in the Balance Sheet is of **1 Mark**

- A** Cash Book. **B** Pass Book. **C** Adjusted Cash Book. **D** None of these

Q77. Which of these types of errors are not detected during bank reconciliation? **1 Mark**

- A** Cash embezzlement by the Cashier. **B** Cheque deposited but not credited by bank.
C Casting mistakes in bank column of cash book.
D Interest or commission charged by the bank but not accounted for in cash book.

Q78. Credit balance in the pass book represents _____. **1 Mark**

- A** Overdraft **B** Bank Balance **C** Loan Borrowed **D** Nil balance

Q79. The payment side of cashbook is Undercast by Rs 200 when overdraft as per passbook is the starting point _____. **1 Mark**

- A** Rs. 200 will be deducted **B** Rs. 200 will be added **C** No effect will be in the pass book
D None of these

Q80. When the pass book balance is taken as the starting point, items which makes the pass book balance _____ than the balance in the cash book must be deducted for the purpose of reconciliation. **1 Mark**

- A** Lower **B** Higher **C** Equal **D** None of the above

Q81. _____ is a statement which is prepared as on a particular date to reconcile the bank balance as per cash book with balance as per pass book by showing all the causes of difference between the two. **1 Mark**

- A** A bank statement. **B** A bank reconciliation statement. **C** Income Statement.
D Position statement.

Q82. Cash book balance was ₹ 1,790 (Dr.). When compared with the bank statement, it was identified that unrepresented cheques were ₹ 1,040 and deposits not credited were ₹ 820. Balance of the bank statement will: **1 Mark**

- A** ₹ 70 (Dr.) **B** ₹ 1,570 (Cr.) **C** ₹ 2,010 (Cr.) **D** ₹ 3,650 (Cr.)

Q83. Statement showing the causes of disagreement between the balance of cash book & pass book is known as _____. **1 Mark**

- A** Bank Reconciliation Statement **B** Statement of Balance sheet **C** Statement of profit & loss
D All of the above

Q84. Bank charges ₹ 5,000 debited twice in pass book. What should be done in BRS if overdraft as per cash book is starting point? **1 Mark**

- A** ₹ 5,000 must be deducted. **B** ₹ 5,000 must be added. **C** ₹ 10,000 must be deducted.
D ₹ 10,000 must be added.

Q85. A Bank Reconciliation Statement is mainly prepared to _____. **1 Mark**

- A** Reconcile the cash balance of the cash book.
B Reconcile the difference between the bank balance shown by the cash book and bank pass book.
C Both (A) and (B). **D** None of the above.

Q86. Bank Reconciliation Statement is prepared by: **1 Mark**

- A** Creditors. **B** Debtors. **C** Bank. **D** Account holder.

- Q87.** The proper treatment of outstanding cheques on a bank reconciliation when balance as per cash book is the starting point is _____.
- 1 Mark**
- A** Addition **B** Deduction **C** Ignore **D** None of the above
- Q88.** Bank statement must tally with the balance of _____.
- 1 Mark**
- A** Sales book **B** Purchase book **C** Cash book **D** Journal proper
- Q89.** Favorable balance as per Cash Book means _____.
- 1 Mark**
- A** Dr. Balance in the Pass Book. **B** Cr. Balance in the Cash Book.
C Dr. Balance in the bank column of the Cash Book. **D** All the above.
- Q90.** Bank Reconciliation Statement is prepared by _____.
- 1 Mark**
- A** Trader **B** Bank **C** Employee **D** Student
- Q91.** Difference of cash book & pass book arise because of _____.
- 1 Mark**
- A** Transactions only recorded by bank **B** Due to time gap **C** Error committed in bank & cash book
D All of the above
- Q92.** Base of reconciliation statement is _____.
- 1 Mark**
- A** Balance shown in Cash Book. **B** Balance shown in Pass Book. **C** Either A or B.
D Neither A nor B.
- Q93.** Bank Reconciliation Statement is:
- 1 Mark**
- A** A part of Double Entry System. **B** Not a part of Double Entry System. **C** Part of Bank Statement.
D None of these.
- Q94.** Which of these statement is false?
- 1 Mark**
- A** Bank Reconciliation statement makes use of cash book.
B Bank Reconciliation statement is a memorandum statement.
C Bank Reconciliation statement is a part of Balance sheet.
D
- Bank Reconciliation statement is prepared to reconcile Cash at bank with Balance as per Bank pass book.
- Q95.** Which one of these is true about a bank reconciliation statement?
- 1 Mark**
- A** It is a part of memorandum statement. **B** It is a part of cash book. **C** It is a part of ledger.
D It is a part of bank documentation.
- Q96.** Unfavorable bank balance means _____.
- 1 Mark**
- A** Credit balance in the cash book. **B** Credit balance in the pass book. **C** Debit balance in the cash book.
D Favorable balance in the cash book.
- Q97.** The credit balance as per Cash Book is ₹ 1,500. Cheques for ₹ 400 were deposited but were not collected. The cheques issued but not presented were ₹ 100, ₹ 125 and ₹ 350. Balance as per Pass Book will be:
- 1 Mark**
- A** ₹ 1,100 Debit. **B** ₹ 1,625 Debit. **C** ₹ 2,175 Credit. **D** ₹ 1,625 Credit.
- Q98.** In case of an enterprise having an overdraft facility, the bank reconciliation statement treats all the cheques deposited but not cleared in the cash book to be _____.
- 1 Mark**
- A** Added **B** Deducted **C** To be revealed only in pass book
D To be revealed only in cash book
- Q99.** Current account shows ₹ 1,000 as overdrawn. When bank statement is received, it was identified that one of debtors has deposited ₹ 400 into the account and bank charges of ₹ 20 had been debited to the account. Bank Statement balance is:
- 1 Mark**
- A** ₹ 1,420 (Dr.) **B** ₹ 620 (Dr.) **C** ₹ 4,300 (Cr.) **D** ₹ 1,700 (Dr.)

- Q100.** When a banker collects the bills and credits the amount, passbook overdraft shows _____ balance than before. **1 Mark**
- A** Lower **B** Profit **C** Higher **D** None of the Above
- Q101.** Non-reconciliation of bank balance will result in _____. **1 Mark**
- A** non-reflection of true balance of cash with bank. **C** tax avoidance.
B non-disclosure of true and fair view of profit and loss a/c.
D all the three.
- Q102.** A bank reconciliation statement is prepared by _____. **1 Mark**
- A** Creditors **B** Bank **C** Account holder in a bank
D Debtors
- Q103.** Debit entry in pass book at any point of time means _____. **1 Mark**
- A** Amount deposited by the customer. **B** Amount withdrawn by the customer.
C Amount deposited in customers a/c. **D** Amount withdrawn/ deducted from customers a/c.
- Q104.** Bank Reconciliation Statement is prepared: **1 Mark**
- A** To know the payments made through cheques. **B** To know the errors in the Pass Book.
C To compare the Cash Book with Pass Book and ascertain the differences. **D** None of the above.
- Q105.** Favourable balance as per cash book means _____. **1 Mark**
- A** Debit balance in the bank column of the cash book. **B** Debit balance in the pass book.
C Credit balance in the bank column in the cash book. **D** None of the above.
- Q106.** The proper treatment of unrecorded deposits (deposits in transit) on a bank reconciliation is to show them as an _____. **1 Mark**
- A** Addition per book balance of cash. **B** Deduction per book balance of cash.
C Addition per bank statement balance. **D** Deduction per bank statement balance.
- Q107.** A cheque of Rs.5000 in favour of Mr. X was wrongly credited by the bank in Mrs. X a/c as Rs.550. While reconciling the bank balance of Mrs. X, bank balance as per bank pass book will be _____. **1 Mark**
- A** Short by Rs.5000. **B** More by Rs.550. **C** Short by Rs.550. **D** More by Rs.5050.
- Q108.** A Bank Reconciliation Statement is prepared with the help of _____. **1 Mark**
- A** Cash Book **B** Pass Book **C** Either Cash Book or Pass Book
D Her NeitCash Book or Pass Book
- Q109.** A bank reconciliation is prepared by the _____. **1 Mark**
- A** Bank **B** Creditors **C** Business Entity **D** Supplier
- Q110.** _____ is a statement which is prepared as on a particular date to reconcile the bank balance as per cash book with balance as per pass book by showing all the causes of difference between the two. **1 Mark**
- A** A bank statement. **B** A bank reconciliation statement. **C** Income Statement.
D Position statement.
- Q111.** When a cheque received on a particular date is not deposited the same day into bank, it is entered in _____. **1 Mark**
- A** Cash column on the debit side. **B** Bank column on the debit side. **C** Cash column on the credit side.
D Cash column on the debit side and credit side.
- Q112.** A pass book is a copy of _____. **1 Mark**
- A** A customers account in the banks books. **B** Cash book relating to discount column.
C Cash book relating to cash column. **D** Firms receipts and payments.
- Q113.** **1 Mark**

When cheque deposited by the firm is dishonoured & entry is not made what is the effect on Cash book?

- A The balance as per the passbook would be less than the cash book balance.
- B The balance as per the cash book would be less than the pass book balance.
- C The balance as per the passbook would be equals to the cash book balance. D None of the above.

Q114. When balance as per Cash Book is the starting point, interest charged by Bank is _____. **1 Mark**

- A Added in the bank reconciliation statement. B Subtracted in the bank reconciliation statement.
- C Not required to be adjusted in the bank reconciliation statement. D None of the above.

Q115. A bank reconciliation statement is: **1 Mark**

- A A part of Cash Book. B A part of Pass Book. C A statement prepared by the bank.
- D A statement prepared by a customer.

Q116. The proper treatment on the bank reconciliation of a note collected by the bank for the depositor is to show it as an _____. **1 Mark**

- A Addition per Book Balance of Cash. B Deduction per Book Balance of Cash.
- C Addition per Bank Statement Balance. D Deduction per Bank Statement Balance.

Q117. Pass book is a/an _____ of account holder's transaction with the bank. **1 Mark**

- A Extract B Estimate C Balance D Model

Q118. When the balance as per Cash Book is the starting point, direct deposit by customer is _____. **1 Mark**

- A Added B Subtracted C Not required to be adjusted
- D Neither of the two

Q119. A debit balance in the depositors Cash Book will be shown as _____. **1 Mark**

- A A debit balance on the Bank Statement. B A credit balance on the Bank Statement.
- C An overdrawn balance on the Bank Statement. D None of the above.

Q120. An enterprise take cash book balance as the base for preparation of bank reconciliation statement. Some of the bank charges have been put. These charges will be _____. **1 Mark**

- A Added in cash book. B Deducted in cash book. C Nothing is to be done for this entry.
- D None of the above.

Q121. The biggest factor in determining the price of a mortgage is: **1 Mark**

- A The lender. B The interest rate. C The down payment.
- D The total cost of the home.

Q122. A bank reconciliation statement is prepared with the balance of: **1 Mark**

- A Cash Book. B Pass Book. C Either Cash Book or Pass Book.
- D Neither Cash Book nor Pass Book.

Q123. When businessman pays money to bank it is known as _____. **1 Mark**

- A Withdrawal B Deposit C Expenses D Liability

Q124. In bank reconciliation statement the account of outstanding cheques is added to ____ book balance of cash. **1 Mark**

- A Adjusted B Unadjusted C Understand D Overstated

Q125. The proper treatment on the bank reconciliation of an NSF cheque of a customer that is returned with the bank statement is to show it as a(an) _____. **1 Mark**

- A Addition per book balance of cash. B Deduction per book balance of cash.
- C Addition per bank statement balance. D Deduction per bank statement balance.

Q126. **1 Mark**

An amount of Rs. 1000 is debited twice in the pass book. When overdraft as per the cash book is the starting point _____.

- A** Rs. 1000 will be deducted. **B** Rs. 1000 will be added. **C** Rs. 2000 will be deducted.
D Rs. 2000 will be added.

Q127. Find out the Bank Balance as per Cash Book from the following particulars: **1 Mark**

1. Overdraft as per Pass Book = ₹ 5,000.
2. Cheques deposited into the bank but not credited = ₹ 2,000

- A** Favourable Balance = ₹ 3,000 **B** Overdraft = ₹ 3,000 **C** Favourable = ₹ 7,000
D Overdraft = ₹ 7,000

Q128. Mohan's bank reconciliation statement shows cheques deposited but not credited by bank of ₹ 3,800 and cheques issued but not presented by suppliers of ₹ 3,500. His bank balance as per Cash Book is ₹ 25,000. Balance as per pass book statement is: **1 Mark**

- A** ₹ 25,000 **B** ₹ 24,700 **C** ₹ 25,300 **D** ₹ 32,30

Q129. Overdraft as per cash book means _____. **1 Mark**

- A** Credit balance in the cash column of the cash book.
B Credit balance in the bank column of the cash book. **C** Neither of the two.
D Both (a) and (b).

Q130. Following details are related to a firm's banking transactions at 31st March, 2019. Balance as per bank statement ₹ 22,650; uncleared lodgements ₹ 3,110; unpresented cheques ₹ 6,290. Bank credit recorded twice by bank in error as ₹ 650. Which balance for cash at bank should appear in the Balance Sheet as at 31st March, 2019? **1 Mark**

- A** ₹ 18,820. **B** ₹ 20,120. **C** ₹ 25,180. **D** ₹ 26,480.

Q131. Which of the following accounts is increased by credit entries? **1 Mark**

- A** Bank overdraft. **B** Purchase account. **C** Goodwill account. **D** Sales return account.

Q132. Bank reconciliation sometimes points to the need for adjusting entries. Invariably how should it be done? **1 Mark**

- 1 The reconciliation of the ending balance as per the bank statement to the adjusted cash balance.
- 2 The reconciliation of the cash balance as per the company records to the adjusted cash balance.
- 3 Both a and b. **4** None of the above.

Q133. Debit balance in the Cash Book is equivalent to: **1 Mark**

- A** Overdraft as per Pass Book. **B** Credit balance as per Pass Book. **C** Overdraft as per Cash Book.
D None of these.

Q134. When balance as per cash book is the starting point, bank charges not recorded in cash book are _____. **1 Mark**

- A** Subtracted **B** Not required to be adjusted **C** Added
D None of the above

Q135. Difference in balance as per pass book and balance as per cash book due to _____ is termed as difference arising due to errors in recording the transaction. **1 Mark**

- A** Cheque issued but not presented for payment. **B** Dishonour of a discounted bill.
C Direct payment by the bank/ customers. **D** None of these.

Q136. A Pass Book is a copy of: **1 Mark**

- A** A customer's account in the bank's books. **B** Cash Book relating to bank column.
C Cash Book relating to cash column **D** Firm's receipts and payments.

Q137. If the overdraft as per the pass book is taken as the starting point, the cheques issued but not presented are to be _____ in the bank reconciliation statement. **1 Mark**

- A** Added **B** Deducted **C** No effect **D** Equated

- Q138.** Bank Reconciliation Statement is prepared so that the difference between the undermentioned balances can be reconciled: **1 Mark**
- A** Difference in the balance in the bank and the cash balance.
B Difference in the balances in the Pass Book in the beginning and at the end.
C Difference in the Pass Book and Cash Book balances. **D** None of the above.
- Q139.** Bank reconciliation statement is prepared to reconcile _____. **1 Mark**
- A** Difference in trial balance. **B** The balance of personal A/c.
C Cash at bank as per cash book with balance as per bank statement. **D** Balance in suspense A/c.
- Q140.** A bank reconciliation statement is prepared by: **1 Mark**
- A** Bank. **B** Customers of the bank. **C** Creditors. **D** Auditor.
- Q141.** A bank reconciliation statement is a statement prepared to reconcile _____. **1 Mark**
- A** Trial balance. **B** Profit as per books of account with the profit as per Income-tax returns.
C Cash balance as per cash book with bank balance as per pass book.
D Bank balance as per cash book with bank balance as per bank pass book.
- Q142.** A Bank Reconciliation Statement is prepared to know the causes for the difference between: **1 Mark**
- A** The balance as per cash column of Cash Book and the Pass Book.
B The balance as per bank column of Cash Book and the Pass Book.
C The balance as per bank column of Cash Book and balances as per column of Cash Book.
D Neither of the above.
- Q143.** **1 Mark**
- A bank reconciliation statement is a statement prepared to reconcile_____.
- A** Cash balance as per cash book and bank balance as per pass book
B Bank balance as per cash book and bank balance as per pass book **C** Both (A) & (B)
D None of the above
- Q144.** Which of the following is/are cause of difference of balance between cash book & the pass book? **1 Mark**
- A** Interest and dividend received by the bank and entered in cash book.
B Amount directly deposited in the bank account by customer recorded in cash book.
C Bank charges not entered in the cash book. **D** All of the above.
- Q145.** While preparing a Bank Reconciliation Statement taking the balance as per Cash Book as the starting point, Debit balance of Rs. 112 brought forward as credit balance of Rs. 121 is: **1 Mark**
- A** Rs. 112 to be Added. **B** Rs. 121 to be Added. **C** Rs. 233 to be Added.
D Rs. 112 to be Subtracted.
- Q146.** When a cheque is deposited _____. **1 Mark**
- A** Bank pass book will be credited. **B** Bank pass book will be debited.
C Bank column in cash book is debited. **D** Bank column in cash book is credited.
- Q147.** _____ is a copy of the clients account in the bank's ledger. **1 Mark**
- A** Cash book **B** Pass book **C** Cheque book **D** Pay-in-slip book
- Q148.** The businessman prepares the _____ and the _____ is prepared by the bank. **1 Mark**
- A** Pass book, Cash book. **B** Cash book, Pass book. **C** cash book, cash book. **D** Pass book, Pass book.
- Q149.** Deposit column of pass book showed a wrong entry of Rs. 112. When the balance as per Cash Book is the starting point _____. **1 Mark**
- A** Rs. 112 to be added. **B** Rs. 112 to be subtracted. **C** No adjustment is required.
D None of these.
- Q150.** When the overdraft as per Cash Book is the starting point, a cheque of Rs.1,00,000 deposited into Bank but not recorded in Cash Book will be: **1 Mark**

- A** Deducted by Rs. 1,00,000. **B** Added by Rs.1,00,000. **C** Added by Rs.2,00,000.
D Deducted by Rs. 2,00,000.

- Q151.** What is true about a reconciliation Statement? It is a statement _____. **1 Mark**
A Sent by the bank when we have made an error.
B Sent by the bank when the account is overdrawn. **C** Drawn up by the bank to verify the cash book.
D Drawn up by us to verify our cash book balance with the bank statement balance.
- Q152.** Passbook is a copy of _____ as it appears in the ledger of the bank. **1 Mark**
A Debtor's account **B** Customer's account **C** Creditor's account **D** None of the above
- Q153.** A copy of customer's account in the ledger of the bank is called _____. **1 Mark**
A Pass Book **B** Cash Book **C** Advice **D** Balance Statement
- Q154.** Withdrawal column of the Pass Book showed a wrong entry of Rs. 112. When the balance as per Cash Book is the starting point _____. **1 Mark**
A Rs. 112 to be added **B** Rs. 112 to be subtracted **C** No adjustment is required
D None of these
- Q155.** Which of these statements is true about a bank pass book? **1 Mark**
A Pass book contains a copy of bank column of the customer's cash book.
B Pass book is a copy of customer's account in bank's books.
C Pass book contains a copy of cash column of customer's cash book.
D Pass book contains a copy of Customer's current account in cash book.
- Q156.** When the cheques are not presented for payment, favourable balance as per the cash book is _____ than that of the pass book. **1 Mark**
A Equal **B** Less **C** More **D** None of the above
- Q157.** How would deposits in transit be handled when reconciling the ending cash balance as per the bank statement to the correct adjusted cash balance? **1 Mark**
A Added to the balance as per the bank statement.
B Subtracted from the balance as per the bank statement.
C Added to the balance as per company records. **D** Ignored.
- Q158.** A Trial balance may not agree in case of _____. **1 Mark**
A Non-recording of a transaction at all. **B** Correct amount posted to wrong a/c but correct side.
C Wrong balancing of accounts. **D** Entering wrong amount in the subsidiary books.
- Q159.** Unfavourable balance as per cash book means which of the following? **1 Mark**
A Cr. balance in pass book. **B** Dr. balance in cash book. **C** Bank overdraft.
D None of the above.
- Q160.** Which of the following errors/ omissions are not a part of Bank reconciliation process? **1 Mark**
A Wrong totaling of Bank column of Cash book. **B** Wrong totalling of Cash column of Cash book.
C Posting wrong amount in Bank Column of Cash book.
D Omission to carry forward balance in bank column of cash book.
- Q161.** Bank column of cash book showed bank balance of Rs.8750. While reconciling the bank balance it was noticed that bank column of cash book was undercast by Rs.90, bank draft charges of Rs.50 and Telephone charges of Rs.550 paid by the bank directly as per standing instruction were not accounted for in the Cash book. Find the adjusted balance of cash as per cash book. **1 Mark**
A 9000 **B** 8240 **C** 8600 **D** 8890
- Q162.** _____ is the reason for bank pass book showing higher balance than Cash book. **1 Mark**
A Cheque issued but not paid. **B** Cheque deposited but not cleared. **C** Direct payment made by Bank.
D Interest charged by Bank.

- Q163.** If we take balance as per pass book, _____ will be deducted to get balance as per cash book. **1 Mark**
A Interest given by bank. **B** Interest charged by bank. **C** Cheque deposited but not cleared.
D Payments made by the bank under standing instructions.
- Q164.** From following which is the way to prepare Bank Reconciliation Statement. **1 Mark**
A Without adjusting cash book balance. **B** Before adjusting cash book balance. **C** Both of the above
D None of the above
- Q165.** Unfavourable bank balance means: **1 Mark**
A Credit balance in the Cash Book. **B** Credit balance in the Pass Book. **C** Debit balance in the Cash Book.
D Favourable balance in the Cash Book.
- Q166.** Credit balance as per bank a/c implies _____. **1 Mark**
A Cash balance **B** Overdraft **C** Excess of expenditure **D** None of these
- Q167.** Which of the following is not the salient features of bank reconciliation statement? **1 Mark**
A Reconciliation is done by the bankers.
B Reconciliation statement will help in finding the person doing any fraud.
C Any undue delay in the clearance of cheques will be shown up by the reconciliation.
D All of above.
- Q168.** Difference in balance as per pass book and balance as per cash book due to _____ is termed as difference arising due to errors in recording the transaction. **1 Mark**
A Omission in cash book. **B** Omission in pass book. **C** Wrong posting in cash/ pass book.
D All the three.
- Q169.** When businessman takes money from bank out of its account it is known as _____. **1 Mark**
A Withdrawal **B** Deposit **C** Expenses **D** Liability
- Q170.** The proper treatment on the bank reconciliation of a debit memorandum issued by the bank is to show it as a/ an _____. **1 Mark**
A Addition to book balance of cash. **B** Deduction from book balance of cash.
C Addition to bank statement balance. **D** Deduction from bank statement balance.
- Q171.** Collection charges and incidental charges are first reflected in _____. **1 Mark**
A Pass book **B** Cash book **C** Bank Statement **D** None of the above
- Q172.** Unfavourable bank balance means _____. **1 Mark**
A Credit balance in pass book. **B** Debit balance in cash book. **C** Debit balance in pass book.
D None of these.
- Q173.** Which of these errors or omission are part of Bank Reconciliation? **1 Mark**
A Wrong totaling of bank column of cash book. **B** Showing sale of asset as sale of trading goods.
C Both A & B. **D** None of the above.
- Q174.** If we take balance as per cash book, _____ will be added to get balance as per pass book. **1 Mark**
A Interest given by bank. **B** Interest charged by bank. **C** Cheque deposited but not cleared.
D Payments made by the bank as per standing instructions.
- Q175.** Cash receipt of Rs.5100 was wrongly posted to credit side bank column of cash book as Rs.510. bank balance as per cash book will be _____. **1 Mark**
A More by Rs.510 **B** More by Rs.5100 **C** Less by Rs.510 **D** Rs.5100
- Q176.** Unfavourable balance as per pass book means which of the following? **1 Mark**
A Dr. balance in cash book. **B** Cr. balance in pass book. **C** Bank overdraft.
D None of the above.

- Q177.** Debit balance in the Pass Book means _____ . **1 Mark**
- A** Favourable balance in the Cash Book. **B** Unfavourable balance in the Cash Book.
C Favourable balance in the Pass Book. **D** Unfavourable balance in the Pass Book.
- Q178.** When drawing up a bank reconciliation statement, if you start with a debit balance as per the pass book, the cheques issued but not presented for payments should be _____ . **1 Mark**
- A** Subtracted **B** Not required to be adjusted **C** Added
D None of these
- Q179.** Unfavourable balance as per bank pass book means _____ . **1 Mark**
- A** Bank overdraft **B** Debit balance in pass book **C** Debit balance in cash book
D Both A and B
- Q180.** The purpose of preparing a bank reconciliation statement is to _____ . **1 Mark**
- A**
Ascertain that the difference between the cash book balance and the bank statement balance has been accounted for.
B Correct errors in the cash book or errors in the bank statement.
C Amend the balance of the bank statement of the firm.
D Amend the balance in the cash book of the firm.
- Q181.** The balance of cash book shows _____ **1 Mark**
- A** Net income **B** Cash in hand **C** Net expenditure **D** cash received
- Q182.** Which of the following is/are significance of Bank Reconciliation Statement? **1 Mark**
- A**
It highlights the causes of difference between the bank balance as per cash book and the balance as per pass book.
B It helps in finding out actual position of the bank balance.
C It reduces the chance of fraud by the staff dealing in cash. **D** All of the above.
- Q183.** If balance in the bank statement shows ₹ 3,000 (Dr.) and there are deposits of ₹ 800 not yet credited and unpresented cheques totalling ₹ 500, the balance in the Cash Book should be: **1 Mark**
- A** ₹ 3,300 (Cr.) **B** ₹ 2,700 (Cr.) **C** ₹ 4,300 (Cr.) **D** ₹ 1,700 (Dr.)
- Q184.** Which of the following error results in unadjusted cash book balance? **1 Mark**
- A** Outstanding cheques. **B** Unpresented cheques. **C** Deposit in transit.
D Omission of Bank charges.
- Q185.** Which of the following are the salient features of bank reconciliation statement? **1 Mark**
- A** Any undue delay in the clearance of cheque will be shown up by the reconciliation.
B Reconciliation statement will help in finding the person doing any fraud.
C It helps in finding out the actual position of the bank balance. **D** (a), (b) and (c).