

Question 1

Mary Kay has prepared her cashbook for the month of April 2010:

Cash Book					
Dr			Cr		
Date	Narrative	\$	Date	Narrative	\$
1 April	Balance b/f	14,500	1 April	Cheque 1437	450
3 April	Cheque 345	3,650	1 April	Cheque 1438	600
5 April	Cheque 95464	1,200	1 April	Cheque 1439	750
12 April	Cheque 741	1,100	1 April	Cheque 1440	150
29 April	Cheque 6532	3,000	12 April	Cheque 1441	250
			12 April	Cheque 1442	350
			27 April	Cheque 1443	395
			27 April	Cheque 1444	165
			27 April	Cheque 1445	245
			30 April	Balance c/f	20,095
		<u>23,450</u>			<u>23,450</u>
1 May	Balance b/f	20,095			

Mary Kay received her bank statement on 26 April 2010:

High Street Bank Plc 54 The Bank, London, LL3 9WR					
To: Mary Kay	Account No. 34563244	26 April 2010			
STATEMENT OF ACCOUNT					
Date	Details	Paid out \$	Paid in \$	Balance \$	
2010					
1 April	Opening balance				14,500 C
4 April	1437	450			14,050 C
5 April	1438	600			13,450 C
8 April	345		3,650		17,100 C
10 April	95464		1,200		18,300 C
11 April	Standing order - L.S.F	750			17,550 C
12 April	1439	750			16,800 C
14 April	Direct debit - D Gravity	750			16,050 C
17 April	1441	250			15,800 C
18 April	BACS transfer		3,500		19,300 C
20 April	1442	350			18,950 C
20 April	741		1,100		20,050 C
24 April	Bank charges	500			19,550 C

D = Debit C = Credit

Required:

Prepare for Mary Kay a bank reconciliation for the month of April and update the cash

Question 2

The draft accounts for the year ended October 31, 2018 of Thomas P. Lee, a garage proprietor the balance at bank according to the cash book was \$894.68 in hand.

Subsequently the following discoveries were made:

- (1) Cheque number 176276 dated 3 September 2018 for \$310.84 in favour of G Lowe Limited has been correctly recorded in the bank statement, but included in the cash book payments as \$301.84.
- (2) Bank commission charged of \$169.56 and bank interest charged of \$109.10 have been entered in the bank statement on 23 October 2018, but not included in the cash book.
- (3) The recently received bank statement shows that a cheque for \$29.31 received from T Andrews and credited in the bank statements on 9 October 2018 has now been dishonoured and debited in the bank statement on 26 October 2018. The only entry in the cash book for this cheque records its receipt on 8 October 2018.
- (4) Cheque number 177145 for \$15.10 has been recorded twice as a credit in the cash book.
- (5) Amounts received in the last few days of October 2018 totalling \$1,895.60 and recorded in the cash book have not been included in the bank statements until 2 November 2018.
- (6) Cheques paid according to the cash book during October 2018 and totalling \$395.80 were not presented for payment to the bank until November 2018.
- (7) Traders' credits totalling \$210.10 have been credited in the bank statement on 26 October 2018, but not yet recorded in the cash book.
- (8) A standing order payment of \$15.00 on 17 October 2018 to Countryside Publications has been recorded in the bank statement but is not mentioned in the cash book.

Required:

Prepare a bank reconciliation statement as at 31 October 2018 for Thomas P Lee