

The cash account for Showtime Systems at February 28, 2006, indicated a balance of \$19,144.15. The bank statement indicated a balance of \$31,391.40 on February 28, 2006. Comparing the bank statement and the accompanying canceled checks and memorandums with the records reveals the following reconciling items:

- Checks outstanding totaled \$11,021.50.
- A deposit of \$6,215.50, representing receipts of February 28, had been made too late to appear on the bank statement.
- The bank had collected \$6,300 on a note left for collection. The face of the note was \$6,000.
- A check for \$1,275 returned with the statement had been incorrectly recorded by Showtime Systems as \$2,175. The check was for the payment of an obligation to Wilson Co. for the purchase of office supplies on account.
- A check drawn for \$855 had been incorrectly charged by the bank as \$585.
- Bank service charges for February amounted to \$28.75.

#### Instructions

- Prepare a bank reconciliation.
- Journalize the necessary entries. The accounts have not been closed.

Bank Reconciliation		
Cash balance per bank statement		31,391.40
Add: deposit in transit		6,215.50
Deduct: out checks	11,021.50	
Bank check error (955 - 585)	270	11,291.50
Adj Bal.		26,315.40
Cash balance per books		19,144.15
Add: Collection of N.R.	6,300	
Check error (2,175 - 1,275)	900	7,200
Deduct - Bank ser chg.		28.75
Adj Bal.		26,315.40

Journalize

Date	Account Titles	Ref.	Debit	Credit
	Cash		7100	
	NP			1000
	Interest			300
	Office Supplies			900
	Bank of America		28.75	
	Cash			28.75



The cash account for Pickron Co. at April 30, 2006, indicated a balance of \$13,290.95. The bank statement indicated a balance of \$18,016.30 on April 30, 2006. Comparing the bank statement and the accompanying canceled checks and memorandum with the records revealed the following reconciling items:

- Checks outstanding totaled \$7,169.75.
- A deposit of \$5,189.40, representing receipts of April 30, had been made too late to appear on the bank statement.
- The bank had collected \$3,240 on a note left for collection. The face of the note was \$3,000.
- A check for \$1,960 returned with the statement had been incorrectly recorded by Pickron Co. as \$1,690. The check was for the payment of an obligation to Jones Co. for the purchase of office equipment on account.
- A check drawn for \$1,680 had been erroneously charged by the bank as \$1,860.
- Bank service charges for April amounted to \$45.00.

#### Instructions

- Prepare a bank reconciliation.
- Journalize the necessary entries. The accounts have not been closed.

Bank Reconciliation		
Cash balance per bank statement		18016.30
Deduct: Out Checks	a	7169.75
Add: Deposit Not recorded by bank	b	5189.40
Error in check (1680-1860)	c	180
Balance		16215.95
Cash balance per books		13290.95
Add: DR Interest	c	3000
		240
Deduct: Error	d	270
Service chg.	f	45
Balance		16215.95

General Journal				
Date	Account Titles	Ref.	Debit	Credit
	Cash		3240	
	NR			3000
	INT.			240
	AP. Jones			
	(ser chg) MISC EXP		270	
	Cash		45	
				315

25



Final Exam  
Format!!

Accounting Final Review

Directions: Complete the bank reconciliation below using the information provided.

BANK RECONCILIATION

April 30, 2012

Balance per Bank Statement	\$27,678.25
Balance per Depositor's Records	\$29,424.75
Bank Service Charge	\$15.00
NSF Check/M. Ott	\$450.00
Outstanding Checks	\$1,418.50
Collection of Note Receivable by Bank from Customer	\$4,500.00
Deposits in Transit	\$7,200.00

Use this form to complete the bank reconciliation.

Balance per Bank Statement	\$27,678.25
Add: <u>Out Deposit</u>	<u>+ 7200</u>
Subtotal	
Deduct: <u>Out checks</u>	<u>- 1418.50</u>
Adjusted Balance per Bank Statement	<u>33459.75</u>

Balance per Depositor's Records	\$29,424.75
Add: <u>NR</u>	<u>+ 4500</u>
Subtotal	
Deduct: <u>Ser chg (Misc Exp)</u>	<u>- 15</u>
<u>NSF check</u>	<u>- 450</u>
Adjusted Balance per Depositor's Records	<u>33459.75</u>

General Journal				
Date	Account Titles	Ref.	Debit	Credit
	Cash		4500	
	NR			4500
	Gen chg		15	
	M. off AP		4500	
	Cash			

27