

Bank Reconciliation Statement

Select the Correct Answer

Question 1.

A bank reconciliation statement is prepared by

- (a) Creditors
- (b) Bank
- (c) Account holder in a bank
- (d) Debtors

▼ [Answer](#)

Answer: (c) Account holder in a bank

Question 2.

A bank reconciliation statement is prepared with the balance

- (a) Passbook
- (b) Cash book
- (c) Both passbook and cash book
- (d) None of these

▼ [Answer](#)

Answer: (c) Both passbook and cash book

Question 3.

Passbook is a copy of:

- (a) Customer account
- (b) Bank column of cash book
- (c) Cash column of cash book
- (d) Receipts and payments

▼ [Answer](#)

Answer: (a) Customer account

Question 4.

Unfavourable bank balance means

- (a) Credit balance in passbook
- (b) Credit balance in cash book
- (c) Debit balance in cash book
- (d) None of these

▼ [Answer](#)

Answer: (b) Credit balance in cash book

Question 5.

Favourable bank balance means :

- (a) Credit balance in the cash book
- (b) Credit balance in passbook
- (c) Debit balance in the cash book
- (d) Both (b) and (c)

▼ Answer

Answer: (d) Both (b) and (c)

Question 6.

A bank reconciliation statement is mainly prepared for

- (a) Reconcile the cash balance of the cash book
- (b) Reconcile the difference between the bank balance shown by the cash book and bank passbook
- (c) Both (a) and (b)
- (d) None of these

▼ Answer

Answer: (b) Reconcile the difference between the bank balance shown by the cash book and bank passbook

Fill in the blanks

Question 1.

Passbook is a copy of as it appears in the ledger of the bank.

▼ Answer

Answer: customer account

Question 2.

When money is withdrawn from the bank, the bank the account of the customer.

▼ Answer

Answer: debit

Question 3.

Normally, the cash book shows a debit balance, passbook shows balance.

▼ Answer

Answer: credit

Question 4.

Favourable balance as per the cash book means balance in the bank column of the cash book.

▼ Answer

Answer: debit

Question 5.

If the cash book balance is taken as starting point the items which make the cash book balance smaller than the passbook must be for the purpose of reconciliation.

▼ Answer

Answer: added

Question 6.

If the passbook shows a favourable 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.

▼ [Answer](#)

Answer: deducted

Question 7.

When the cheques are not presented for payment, favourable balance as per the cash book is than that of the passbook.

▼ [Answer](#)

Answer: lower/less

Question 8.

When a banker collects the bills and credits the account passbook overdraft shows balance.

▼ [Answer](#)

Answer: less/lower

Question 9.

If the overdraft as per the passbook is taken as the starting point, the cheques issued but not presented are to be in the bank reconciliation statement.

▼ [Answer](#)

Answer: added

Question 10.

When the passbook balance is taken as the starting point items which makes the passbook balance than the balance in the cash book must be deducted for the purpose of reconciliation.

▼ [Answer](#)

Answer: higher

[State whether each of the following statements is True or False.](#)

Question 1.

Passbook is the statement of account of the customer maintained by the bank.

▼ [Answer](#)

Answer: True

Question 2.

A business firm periodically prepares a bank reconciliation statement to reconcile the bank balance as per the cash book with the passbook as these two show different balances for various reasons.

▼ [Answer](#)

Answer: True

Question 3.

Cheques issued but not presented for payment will reduce the balance as per the passbook.

▼ [Answer](#)

Answer: False

Question 4.

Cheques deposited but not collected will result in increasing the balance of the cash book when compared to passbook.

▼ [Answer](#)

Answer: True

Question 5.

Overdraft as per the passbook is less than the overdraft as per cash book when there are cheques deposited but not collected by the banker.

▼ [Answer](#)

Answer: False

Question 6.

The debit balance of the bank account as per the cash book should be equal to the credit balance of the account of the business in the books of the bank.

▼ [Answer](#)

Answer: True

Question 7.

Favourable bank balance as per the cash book will be less than the bank passbook balance when there are unrepresented cheques for payment.

▼ [Answer](#)

Answer: True

Question 8.

Direct collections received by the bank on behalf of the customers would increase the balance as per the bank passbook when compared to the balance as per the cash book.

▼ [Answer](#)

Answer: True

Question 9.

When payments made by the bank as per the standing instructions of the customer, the balance in the passbook will be more when compared to the cash book.

▼ [Answer](#)

Answer: False

