

Topic 4: Reconciliations

Activity 1

Explanation:

- Enter the bank balance in the Bank account.
Enter the balance on the bank statement in the bank reconciliation statement.
- Cancel the R/D cheque of C. Cele in the Bank account.
- Enter the outstanding deposit in the bank reconciliation statement.
- The CRJ is overcast by R720. Reverse it in the CPJ (on the credit side of the Bank account).
- The direct deposit appears on the bank statement, but not in the Bank account. Enter it in the Bank account.
- The debit order appears on the bank statement, but not in the Bank account. Enter it in the Bank account.
- a) Cheque no. 239: The cheque is older than 6 months, so has become stale. Cancel the cheque in the Bank account (CRJ – debit side).
b) Cheque no. 537: This is an outstanding cheque. Enter it in the bank reconciliation statement.
c) Cheque no. 549: This is an outstanding cheque. Enter it in the bank reconciliation statement.
- Bank charges of R160 (R96 + R64) and interest on the overdraft of R120 appear on the bank statement. Enter these in the Bank account.
- There is an error of R54 on the bank statement. Correct it in the bank reconciliation statement.
- The Cash Payments Journal is undercast by R540. Correct it in the Bank account (credit side).

Answer:

General Ledger of Woodhill Traders

Dr.			BANK					Cr.	
2020 Aug.	1	Balance	1	1 340	2020 Aug.	31	Debtors Control: C. Cele	2	1 200
	31	Debtors Control: B. Baloyi	5	2 000			Sales	4	720
		Donations (stale cheque 239)	7a	1 280			Insurance	6	2 880
		Balance	c/d	1 000			Bank charges	8	160
							Interest on overdraft	8	120
							Trading stock	10	540
				5 620					5 620
					Sep.	1	Balance	b/d	1 000

Woodhill Traders

BANK RECONCILIATION STATEMENT AS AT 31 AUGUST 2020

	Debit	Credit
Debit balance according to the bank statement	10 830	
Credit outstanding deposit		13 040
Debit outstanding cheques:		
No. 537	316	
No. 549	2 840	
Debit amount wrongly debited by bank	54	
Credit balance according to the Bank account		1 000
	14 040	14 040

Activity 2

Please note – the CRJ and CPJ in this activity includes only the columns used in the activity and does not represent the correct, complete layout of these journals.

CASH RECEIPTS JOURNAL OF THABO TRADERS – JULY 2021

Doc.	Day	Details	Fol.	Bank	Sundry accounts		
					Amount	Fol.	Details
	31	Totals		41 666	41 666		
		First Bank		112	112		Interest on current account
		Co Cafe		4 800	4 800		Rent income
				<u>46 578</u>	<u>46 578</u>		

CASH PAYMENTS JOURNAL OF THABO TRADERS – JULY 2021

Doc.	Day	Details	Fol.	Bank	Sundry accounts		
					Amount	Fol.	Details
	31	Totals		43 430	43 430		
		First Bank (195 + 96 + 78)		369	369		Bank charges
		Metro Council		1 430	1 430		Water and electricity
		Unsure Insurers		580	580		Insurance
		D. Dunn (R/D cheque)		344	344		Debtors Control
				<u>46 153</u>	<u>46 153</u>		

General Ledger of Thabo Traders

Dr.					BANK					Cr.	
2021 Jul.	31	Balance	b/d	9 876	2021 Jul.	31	Total payments			46 153	
		Total receipts		46 578		31	Balance	c/d		10 301	
				<u>56 454</u>						<u>56 454</u>	
Aug.	1	Balance	b/d	10 301							

Thabo Traders

BANK RECONCILIATION STATEMENT AS AT 31 JULY 2021

	Debit	Credit
Credit balance according to the bank statement		8 261
Credit outstanding deposit		9 540
Debit outstanding cheques		
No. 453	1 920	
No. 454	5 580	
Debit balance according to the Bank account	10 301	
	<u>17 801</u>	<u>17 801</u>

Activity 3

Please note – the CRJ and CPJ in this activity includes only the columns used in the activity and does not represent the correct, complete layout of these journals.

CASH RECEIPTS JOURNAL OF ROSE FLORISTS – MAY 2023

Doc.	Day	Details	Bank	Sales	Cost of sales	Debtors Control	Discount allowed	Sundry accounts		
	31	Totals	30 082	15 540	10 360	6 972	174	7 744		
B/S		A. Adams	190			200	10			
B/S		Rose Radebe	7 000					7 000		Capital
B/S		Child Welfare (stale cheque 300)	180					180		Donation
			37 452	15 540	10 360	7 172	184	14 924		

CASH PAYMENTS JOURNAL OF ROSE FLORISTS – MAY 2023

Doc.	Day	Details	Bank	Trading stock	Debtors Control	Creditors Control	Discount received	Sundry accounts		
								Amount		Details
	31	Totals	31 380	8 454	118	5 102	126	17 832		
B/S		First Bank	708					708		Bank charges
B/S		First Bank	506					506		Interest on overdraft
B/S		Second Bank	2 700					2 700		Insurance
B/S		Flower Nursery (R/D cheque)	1 120		1 120					
B/S		B. Basson (R/D cheque)	852		852					
			37 266	8 454	2 090	5 102	126	21 746		

General Ledger of Rose Florists

Dr.					BANK					Cr.				
2023 May	31	Total receipts		37 452	2023 May	31	Balance	b/d		8 062				
		Balance	c/d	7 876		31	Total payments			37 266				
				45 328						45 328				
					Jun.	1	Balance	b/d		7 876				

Rose Florists

BANK RECONCILIATION STATEMENT AS AT 31 MAY 2023

	Debit	Credit
Debit balance according to the bank statement	9 304	
Credit outstanding deposit		3 970
Debit outstanding cheques		
No. 520	300	
No. 527	1 400	
No. 530	842	
Credit balance according to the Bank account		7 876
	11 846	11 846

Activity 4

High Wifi Dealers

BANK RECONCILIATION STATEMENT AS AT 30 SEPTEMBER 2023

	Debit	Credit
Credit balance according to the bank statement		8 720
Credit outstanding deposit		1 100
Credit outstanding cheques		
No. 0240	96	
No. 0248	492	
No. 0319	396	
No. 0320	136	
No. 0323	340	
Credit amount wrongly debited by bank		420
Debit balance according to the Bank account	8 780	
	10 240	10 240

Activity 5

1. **Procedure:**

Cancel the cheque in the CRJ:
Debit Bank, credit Donations

Explanation:

The cheque is older than 6 months, so has become stale.

2. The cheque should appear in the bank reconciliation statement for July 2022 as an outstanding cheque.

3. Debit the Bank account in the Balance Sheet.
Credit the Creditors Control account in the Balance Sheet.

4.

Thabo's Traders
BANK RECONCILIATION STATEMENT AS AT 30 JUNE 2022

	Debit	Credit
Credit balance according to the bank statement		26 000
Credit outstanding deposit		35 750
Debit outstanding cheques		
No. 880	4 565	
No. 899	20 250	
Debit balance according to the Bank account	36 935	
	61 750	61 750

Activity 6

No.	No entry	Entry in Cash Receipts Journal		Entry in Cash Payments Journal		Entry in bank reconciliation statement	
		Amount	Details	Amount	Details	Amount	Details
1		88	Interest on current account	248	Bank charges		
2				680	Insurance		
3	x						
4						1 230	Outstanding cheque
5				2 400	Drawings	2 400	Outstanding cheque
6		1 250	Bad debt recovered				
7		250	Rates (lost cheque)	500	Rates	500	Outstanding cheque
8						8 900	Outstanding deposit
9		690	Donations (stale cheque)				
10				870	Debtors Control (R/D cheque)		
11		30	Creditors Control				

Activity 7

Please note – the CRJ and CPJ in this activity includes only the columns used in the activity and does not represent the correct, complete layout of these journals.

CASH RECEIPTS JOURNAL OF SUNSHINE TRADERS – AUGUST 2023

Doc.	Day	Details	Fol.	Bank	Sundry Accounts	
					Amount	Details
	31	Totals	b/f	407 400		
B/S		C. Cele		2 175	2 175	Debtors Control
B/S		First Bank		750	750	Interest on fixed deposit
511		Child Welfare (cheque 511 cancelled)		14 250	14 250	Donation
				<u>424 575</u>		

CASH PAYMENTS JOURNAL OF SUNSHINE TRADERS – AUGUST 2023

Doc.	Day	Details	Fol.	Bank	Sundry Accounts	
					Amount	Details
	31	Totals	b/f	459 675		
B/S		B. Baloyi (R/D cheque)		10 275	10 275	Rent income
B/S		Unsure Insurers		1 725	1 725	Drawings
B/S		First Bank		1 425	1 425	Bank charges
B/S		First Bank		1 050	1 050	Interest on overdraft
503		Blackwood Traders (cheque 503 correction)		4 050	4 050	Creditors Control
553		Child Welfare		18 750	18 750	Donation
				<u>496 950</u>		

General Ledger of Sunshine Traders

Dr.					BANK				Cr.	
2023 Aug.	1	Balance	b/d	22 500	2023 Aug.	31	Total payments	CPJ	496 950	
	31	Total receipts	CRJ	424 575						
		Balance	c/d	49 875						
				<u>496 950</u>					<u>496 950</u>	
					Sep.	1	Balance	b/d	<u>49 875</u>	

Sunshine Traders

BANK RECONCILIATION STATEMENT AS AT 31 JULY 2023

	Debit	Credit
Debit balance according to the bank statement	25 125	
Credit outstanding deposit		80 700
Debit outstanding cheques		
No. 529	41 625	
No. 541	38 400	
No. 549	6 675	
No. 553	18 750	
Credit balance according to the Bank account		49 875
	<u>130 575</u>	<u>130 575</u>

Activity 8

General Ledger of Sun Traders

Dr.					Cr.				
BANK									
2023 Feb.	1	Balance		54 660	2023 Feb.	28	Insurance (Unsure Insurance)		11 750
	28	Debtors Control: S. Smit		9 600			Drawings (Unsure Insurers)		4 250
		Repairs (cheque 396 correction)		1 980			Debtors Control: B. Baloyi (R/D cheque)		11 650
		Donation (stale cheque 102)		340			Trading stock (cheque 433 correction)		5 000
							Bank charges		1 150
							Interest on overdraft		600
							Donation (cheque 444)		2 500
							Balance	c/d	29 680
				66 580					66 580
Mar.	1	Balance	b/d	29 680					

Sun Traders

BANK RECONCILIATION STATEMENT AS AT 28 FEBRUARY 2023

	Debit	Credit
Credit balance according to the bank statement		26 410
Credit outstanding deposit		48 900
Credit amount wrongly debited (cheque 997)		1 250
Debit outstanding cheques		
No. 429	23 000	
No. 443	2 250	
No. 410	19 130	
No. 444	2 500	
Debit balance according to the Bank account	29 680	
	76 560	76 560

Activity 9

Please note – the Creditors Ledger in this activity includes only the columns used in the activity and does not represent the correct, complete layout of these journals.

Silver Suppliers

CREDITORS RECONCILIATION STATEMENT ON 31 MARCH 2020

Balance as per Statement of Account	65 880
Invoice 110	(3 960)
Invoice 208	(1 260)
Invoice 401	18 000
Balance as per Creditors Ledger account	78 660

Creditors Ledger of Woodhill Traders

SILVER SUPPLIERS

Details	Debit	Credit	Balance
Balance			69 780
Discount cancelled		4 380	74 160
Invoice 309		4 500	78 660

Activity 10

Please note – the Creditors Ledger in this activity includes only the columns used in the activity and does not represent the correct, complete layout of these journals.

Peters Traders

CREDITORS RECONCILIATION STATEMENT ON 31 OCTOBER 2020

Balance as per Statement of Account	36 070
Invoice 684	5 400
Returns (Debit note DN18)	(400)
Balance as per Creditors Ledger account	41 070

Creditors Ledger of Peters Traders

CABANA WHOLESALERS

Details	Debit	Credit	Balance
Balance			40 800
Invoice 532		180	40 980
Interest		90	41 070

Activity 11

Please note – the Creditors Ledger in this activity includes only the columns used in the activity and does not represent the correct, complete layout of these journals.

Tulane Traders

CREDITORS RECONCILIATION STATEMENT ON 31 SEPTEMBER 2020

Balance as per Statement of Account	54 720
Payment (cheque 579)	(24 000)
Invoice 4480 correction	300
Balance as per Creditors Ledger account	31 020

Creditors Ledger of Tulane Traders SILVER STAR WHOLESALERS

Details	Debit	Credit	Balance
Balance			33 870
Interest		750	34 620
Invoice 4567		15 600	50 220
Credit note CN 279	9 600		40 620
Invoice 279 cancelled	9 600		31 020

Activity 12

Creditors Ledger of Bargain Traders PROSPEROUS SUPPLIERS

Date	Details	Fol.	Debit	Credit	Balance
2020 Apr. 30	Incorrect balance				138 032
	Correction on Invoice 724		4 032		134 000
	Correction on Invoice 340		19 400		114 600
	Interest on overdue account			360	114 960

Bargain Traders

CREDITORS RECONCILIATION STATEMENT ON 30 APRIL 2020

Balance as per Statement of Account	103 680
Discount allowed (omitted) on payment of R62 640 on 13 April	** (6 960)
Credit note 138	(3 360)
Invoice 830 issued after 29 April	21 600
Balance as per Creditors Ledger account	114 960

$$** \quad R62\,640 \times \frac{10}{90} = R6\,960$$

Activity 13

Creditors Ledger of Hikers' Paradise
CAMPING WHOLESALERS

Date		Details	Fol.	Debit	Credit	Balance
2026 May	31	Balance				18 580
		Invoice 334 correction (R10 800 – R9 000)			1 800	20 380
		Debit note 75 correction (R1 000 – R800)			200	20 580

Hikers' Paradise
CREDITORS RECONCILIATION STATEMENT ON 31 MAY 2026

	Debit
Balance as per Statement of Account	31 500
Discount on 9 May	(500)
Invoice 369	2 780
Payment	(12 000)
Discount 31 May	(1 200)
Balance as per Creditors Ledger account	20 580