Class 12 Key Concepts: **Bank Reconciliation**

**CHAPTER 6**

1. In preparing a bank reconciliation, a service charge shown on the bank statement should be:
   A. Added to the balance per the bank statement.
   B. Deducted from the balance per the bank statement.
   C. Added to the balance per the depositor’s records.
   D. Deducted from the balance per the depositor’s records.
   E. None of the above.

2. The accounting records of Waller Company showed cash of $14,000 at June 30. The balance per the bank statement at June 30 was $15,380. The only reconciling items were deposits in transit of $4,000, outstanding checks totaling $5,600, an NSF check for $200 returned by the bank which Waller had not yet charged back to the customer, and a bank service charge of $20. The preparation of a bank reconciliation should indicate cash owned by Waller at June 30 in the amount of:
   
   $______________

3. An NSF check returned by the bank should be entered in the depositor’s accounting records by a debit to:
   A. Cash.
   B. An expense account.
   C. Accounts Receivable.
   D. Cash Over and Short.
   E. None of the above.

4. While preparing a bank reconciliation, an accountant discovered that a $229 check returned with the bank statement had been recorded erroneously in the accounting records as $292. In preparing the bank reconciliation the appropriate action to correct this error would be to:
   A. Add $63 to the balance per the depositor’s records.
   B. Add $63 to the balance per the bank statement.
   C. Deduct $63 from the balance per the bank statement.
   D. Deduct $63 from the balance per the depositor’s records.
   E. None of the above.
ANSWERS TO CLASS 12 REVIEW QUIZ

1. D
2. $13,780
3. C
4. A