

I B.Com EA - Principles of Accountancy - 18BCA13C

Unit - IV Ref. BOOK: - Financial Accounting  
Reddy & Murthy  
Bank Reconciliation Statement - Bills of  
Exchange.

### Meaning of Bank Reconciliation Statement

It is a list in which are indicated the various items that cause a difference between the bank balance as per cash Book and Pass book on any given date.

### Proforma of BRS

### Reason for variation in Balances:-

1. Uncredited cheques
2. Unpresented cheques
3. Errors and omissions.

Problem NO. ① / P. NO. 6.15 / Reddy & Murthy.

Prepare a Bank Reconciliation Statement from the following data as on 31.12.2018.

Balance as per Cash book	Rs. 12500
cheques issued but not presented for payment	900
cheques deposited in bank but not collected.	1200
Bank paid Insurance Premium	500
Direct deposit by a customer	800
Interest on investment collected by bank	200
Bank charges	100.

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## Bill of Exchange:-

"An instrument in writing, containing an unconditional order, signed by the maker, directing a certain person, to pay a certain sum of money only to the order of a certain person."

- Features:-
1. Written document.
  2. Unconditional order.
  3. Signed by the drawer of the bill.
  4. Contains order to pay.
  5. Amount is payable.
  6. Accepted for payment by the party.

## Parties Involved in Bills of Exchange:-

1. Drawer
2. Drawee
3. Payee

## Types of Bills of Exchange:-

1. Trade bills
2. Accommodation bills.

## Problem No. 2 / P.No. 28.31 / R & M.

Grami sold goods to Mani for Rs. 3000 on credit on 1.4.2019. For this purpose Grami drew a bill on Mani for Rs. 3000 for 3 months. Mani accepted the same and returned it to Grami. On maturity, the bill was dishonoured by Mani. Show the entries in the books of

both the parties under each of the following circumstances:-

- i) If Gani retained the bill till maturity
- ii) If Gani discounted the bill by the bank at 18% p.a.
- iii) If Gani endorsed the bill to his creditor Anil;
- iv) If Gani sent the bill to the bank for collection.