

Bank reconciliation

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What you need to know

By the end of this topic you should be able to:

1. **Understand the bank statement:** what it is (the bank's copy of the business's account, sent at regular intervals), what it shows, and what it is used for: checking the bank column of the cash book.
2. **Update the cash book** for items that appear on the bank statement but have not yet been recorded by the business: bank charges, bank interest paid and received, credit transfers, direct debits, standing orders and dividends, and correct any errors found in the cash book.
3. **Understand why a bank reconciliation statement is prepared and prepare one**, dealing with the items that remain different after the cash book is updated: unpresented cheques, uncredited deposits and errors made by the bank.

Understand it

The bank statement

A business records every payment into and out of its bank account in the **bank column of its cash book**. The bank keeps its own record of the same account, and at regular intervals (usually monthly) it sends the business a copy: the **bank statement**. It lists every transaction the bank has processed in that period, with the date, a description, the amount paid out, the amount paid in, and the running balance.

The bank writes the account **from its own point of view**, so the sides are the opposite of the cash book:

	Cash book (business's view)	Bank statement (bank's view)
Money paid in	Debit	Credit
Money paid out	Credit	Debit
Money in the bank	Debit balance (an asset of the business)	Credit balance (the bank owes it to the customer)
Overdraft	Credit balance (a liability of the business)	Debit balance (the customer owes it to the bank, an asset of the bank)

So "the bank statement shows a credit balance of \$900" means the business has \$900 in the bank, and "a debit balance on the bank statement" means an overdraft.

The bank statement is used to **check the cash book**: to find items the business has not recorded yet, to find errors (in the cash book or made by the bank), and to confirm the true bank balance.

Why the two balances differ

On the same date the cash book and the bank statement rarely show the same balance. Every difference falls into one of three groups, and the group decides where it is dealt with.

Group	Examples	Where it is dealt with
1. On the bank statement, not yet in the cash book. The bank processed it and the business only learns of it from the statement.	Bank charges, interest paid, interest received, standing orders, direct debits, credit transfers in or out, dividends received, dishonoured cheques	Update the cash book
2. In the cash book, not yet on the bank statement. The business recorded it, but the bank had not processed it by the statement date. It is only a matter of time.	Unpresented cheques (cheques paid to others, not yet taken to the bank); uncredited deposits (money paid in, also called outstanding lodgements)	Bank reconciliation statement
3. Errors	An error in the cash book (wrong amount, wrong side, a personal payment recorded as a business one)	Update the cash book
	An error by the bank (a charge or payment taken in error, or someone else's receipt put in this account)	Bank reconciliation statement (and ask the bank to correct it)

The rule to remember: **the cash book is corrected for everything the business had not known about or had got wrong; the bank reconciliation statement explains whatever is left.** Items in group 1 never appear in the reconciliation statement, and items in group 2 are never put in the cash book again (they are already there).

Updating the cash book

Each group 1 item is entered in the bank column of the cash book, on the side that matches what happened to the money.

Debit side (money into the bank)	Credit side (money out of the bank)
Credit transfers received (a customer paying directly into the account)	Bank charges
Bank interest received	Bank interest paid (interest on an overdraft)

Debit side (money into the bank)	Credit side (money out of the bank)
Dividends received (income from investments, paid straight into the bank)	Standing orders
Correction of a payment recorded too high, or a receipt recorded too low	Direct debits
	Dishonoured cheques (a customer's cheque the bank refused to pay)
	Credit transfers paid out
	Correction of a receipt recorded too high, or a payment recorded too low

Every one of these entries is half of a double entry, so the other half goes to the ledger: bank charges and interest paid are debited to their expense accounts, a standing order for rent is debited to rent, a credit transfer from a customer is credited to the customer's account, a dividend is credited to dividends received. A **dishonoured cheque** is the reverse of the original receipt: **debit the customer's account** (they owe the money again) and **credit bank**. It does not mean the debt is irrecoverable.

In the cash book the **details** column names the **other account** (Rent, Insurance, the customer's name), not the method of payment ("standing order", "direct debit").

Correcting a cash book error means entering the **difference**:

- a payment of \$573 entered as \$518 (too low by \$55): credit a further \$55;
- a payment entered twice: debit the amount once to cancel the copy;
- a receipt entered on the wrong side: enter **twice** the amount on the correct side, once to cancel the mistake and once to record it properly;
- a payment from the owner's **personal** account entered in the business cash book: debit bank to cancel it (it was never a business payment).

Then balance the account and bring down the **updated balance**. This is the figure for the bank in the statement of financial position: a debit balance is a current asset, a credit balance (overdraft) is a current liability.

Standing orders, direct debits and credit transfers

- A **standing order** is an instruction from the account holder to the bank to pay a **fixed amount** to someone on **fixed dates**, such as monthly rent. The account holder sets it up and changes it.
- A **direct debit** is permission given by the account holder for the **receiver** (the organisation being paid) to collect money from the account. The **amount and dates can vary**, such as an electricity bill.
- A **credit transfer** (bank transfer) moves money **directly from one bank account to another**, without a cheque. A credit transfer received increases the balance; one paid out reduces it.

The bank reconciliation statement

After the cash book has been updated, the only differences left are the group 2 timing items and any bank errors. A **bank reconciliation statement** shows how the two balances agree once those are allowed for. It is **not** an account and not part of the double entry.

Starting from the **bank statement**, ask how each item would change the bank's figure once the bank catches up:

- **Add uncredited deposits:** the bank will add them when they arrive.
- **Deduct unpresented cheques:** the bank will take them out when they are presented.
- **Add back** an amount the bank **took out in error**; **deduct** an amount the bank **put in in error**.
- The result is the **updated cash book** balance.

Nour: Bank reconciliation statement at 31 May 2026

	\$	\$
Balance as shown on the bank statement		1 350
Add: amounts not yet credited		276
		1 626
Less: cheques not yet presented		(593)
Balance as shown in the updated cash book		1 033

The statement can also start from the **cash book** and work to the bank statement. Then every adjustment is reversed: **add** unpresented cheques, **deduct** uncredited deposits, deduct an amount taken out by the bank in error. Both layouts earn full marks; use the one the question asks for.

Handling overdrafts

Treat money in the bank as positive and an overdraft as **negative**, and show negatives in brackets. The same rules then work every time. If the bank statement shows an overdraft of \$134, uncredited deposits of \$715 and unpresented cheques of \$394:

$$-134 + 715 - 394 = 187$$

so the business is **not** overdrawn in its own records: the cash book shows a **debit** balance of \$187. When you are updating an overdrawn cash book, money received **reduces** the overdraft and payments **increase** it.

Why prepare a bank reconciliation statement

- It **explains the difference** between the cash book and the bank statement, and confirms the updated cash book balance is correct.
- It finds **errors**, both in the cash book and on the bank statement.

- It shows which **cheques have not been presented** and which **deposits have not been credited**, so that ones that have been outstanding too long (such as **stale cheques**, too old for the bank to pay) can be followed up.
- It helps to **prevent and discover fraud**, because someone else checks the records against an independent document.
- It gives a **reliable bank balance** for the statement of financial position and for planning.

Preparing one more often (monthly instead of twice a year) finds errors, fraud and old cheques sooner and gives an up-to-date balance more often, but it takes more time, costs more and means updating the cash book more often. A question asking you to advise wants both sides and a clear recommendation.

Key facts and formulas

There is no formula list in the IGCSE Accounting exam, so everything here must be learnt.

Formula	Status
Updated cash book balance = cash book balance + receipts not yet recorded – payments not yet recorded $\pm$ cash book errors	Learn it
Bank statement balance + uncredited deposits – unpresented cheques + bank error taken out – bank error put in = updated cash book balance	Learn it
Updated cash book balance + unpresented cheques – uncredited deposits – bank error taken out + bank error put in = bank statement balance	Learn it
Money in the bank: debit in the cash book, credit on the bank statement; overdraft: the reverse	Learn it
Items on the statement only → cash book; items in the cash book only → reconciliation statement	Learn it
Dishonoured cheque: debit the customer, credit bank	Learn it
The bank figure in the statement of financial position = the updated cash book balance	Learn it

How to do it

We have 52 tagged questions for this topic from 2021 to 2025 (37 different, as many appear on two or three paper variants): 43 one-mark multiple-choice questions from Paper 1 and 9 twenty-mark Paper 2 questions where bank reconciliation is some or all of the question. Each question is one type.

Question type	Questions
Reconcile the two balances (find one from the other, or explain the difference)	23

Question type	Questions
Calculate the updated cash book balance	11
Decide where an item is recorded and how it changes the balance	9
What a bank statement is and what it shows	5
Update the cash book and prepare a reconciliation statement (Paper 2)	4

1. Reconcile the two balances (23 questions)

- 1. Write the starting balance with a sign:** in funds is positive, overdrawn is negative. A **credit** balance on the bank statement is positive; a **debit** balance on the statement is an overdraft.
- 2. Sort the items.** Unpresented cheques, uncredited deposits and bank errors are adjusted here. Anything that updates the cash book (bank charges, standing orders, credit transfers) is already on the statement, so it is **not** an adjustment between the statement and the **updated** cash book.
- 3. Apply the rules in the right direction.**
 - From the bank statement to the cash book: + uncredited deposits, – unpresented cheques, + bank error taken out, – bank error put in.
 - From the cash book to the bank statement: every sign reversed.
- 4. Read off the answer with its side.** Positive: a debit in the cash book, a credit on the bank statement. Negative: the other way round.

For example, a cash book shows a debit balance of \$1 033, with unpresented cheques of \$593 and uncredited deposits of \$276. The bank statement shows $1033 + 593 - 276 = 1350$, a **credit** balance of \$1 350 (the reverse of the Nour statement above).

Variations you will meet:

- "Which way does he get from the statement to the cash book?"** without numbers: add uncredited deposits and subtract unpresented cheques. Options that reverse the two are the usual wrong answers.
- The bank has made an error:** interest or a standing order charged in error, or charged twice, or a wrong amount (\$62 taken instead of \$26 means \$36 too much was taken). Adjust only for the amount the bank got wrong.
- Some items update the cash book and some reconcile:** when asked for the **updated** cash book balance from the statement, bank charges are already in the statement figure, so only the timing items count. Bank charges of \$38 and a direct debit of \$71 are already in a statement balance of \$906, so with an uncredited deposit of \$262 the updated cash book is $906 + 262 = 1168$.
- "Which item explains the difference?"**: work out which record is higher. The cash book is higher than the statement when there are uncredited deposits or payments on the statement not yet in the cash book (bank charges, direct debits). It is lower when there are unpresented cheques or receipts on the statement not yet in the cash book (credit transfers, interest received). The amount must match exactly.
- "By how much is one balance higher than the other?"**: add up the effects, each with its sign.

- **Paper 2, "calculate the bank statement balance and state whether it is a debit or credit balance",** as in 0452/22/F/M/22 Q4 part (b) (counted in this type): work it out, then say "credit" if the business is in funds.

2. Calculate the updated cash book balance (11 questions)

1. **Start from the cash book balance with a sign** (debit positive, credit or overdrawn negative).
2. **Add receipts** found on the statement: credit transfers received, interest received, dividends.
3. **Subtract payments** found on the statement: bank charges, overdraft interest, standing orders, direct debits, dishonoured cheques, transfers paid out.
4. **Correct cash book errors** by the difference (twice the amount for the wrong side).
5. **Ignore** unpresented cheques, uncredited deposits and bank errors: they belong in the reconciliation statement.
6. State the answer as a debit (positive) or credit (negative) balance.

For example, an overdrawn cash book of \$684, a customer's cheque of \$213 dishonoured and a dividend of \$170 received: $-684 - 213 + 170 = -727$, so the updated balance is \$727 **credit**: the business is still overdrawn, by more than before.

Variations you will meet:

- **A payment recorded at the wrong amount** in the cash book: adjust by the difference only.
- **"What figure goes in the statement of financial position?"**: the updated cash book balance, a current asset if debit, a current liability if credit. An item only in the cash book (an uncredited cheque) does not change it.
- **Paper 2, "calculate the corrected bank balance"** after writing up a cash book, as in 0452/23/O/N/23 Q1 part (c) (counted in this type): start from **your own** closing bank balance, adjust for the statement items and cash book errors, and label each line. The alternative is to start from the bank statement and reconcile; both reach the same figure.

3. Decide where an item is recorded and how it changes the balance (9 questions)

1. **Ask where the item appears now**: on the statement only, in the cash book only, or an error (and whose).
2. **Statement only, or a cash book error** → **update the cash book**, with the double entry in the ledger (for example a standing order for rent: credit bank, debit rent). "No entry needed because it was automatic" is wrong.
3. **Cash book only, or a bank error** → **the reconciliation statement**.
4. **Direction**: receipts increase a positive balance and reduce an overdraft; payments do the opposite.

Variations you will meet:

- **"Which items reduce the overdraft in the cash book?"**: anything received (interest received, credit transfers in, dividends). Direct debits, standing orders and charges increase it.
- **A rent received by standing order** (a tenant paying the business) is money **in**: it increases the balance.

- **A table of ticks** (Paper 2): for each item choose "added to" or "deducted from" the bank statement balance, or "debited" or "credited" in the cash book. Each item goes in **one** place only; examiners report many answers ticking both.
- **"Where are these recorded?"**: a bank error goes in the reconciliation statement; a dividend received goes in the cash book.

4. What a bank statement is and what it shows (5 questions)

- **Definition**: a document issued by the bank at regular intervals listing the transactions on the account in that period. Not a statement of account (that comes from a supplier), not a bank reconciliation statement, not a statement of affairs.
- **It is not** a demand for repayment, and it shows a positive balance as a **credit**.
- **Its debit column** holds money leaving the account: cheques paid to suppliers, standing orders, direct debits, bank charges. Its credit column holds money paid in.
- **What it cannot show**: unpresented cheques and uncredited deposits, because the bank does not know about them yet. It does show dishonoured cheques, direct debits and bank charges.
- **Paper 2, "state one use of a bank statement"**: to check the bank column of the cash book (finding items not yet recorded and errors), or to confirm the balance at the bank. A vague "finds errors" without saying where does not earn the mark.

5. Update the cash book and prepare a reconciliation statement (Paper 2, 4 questions)

1. **Sort every item into the three groups** before writing anything. Tick each one as you use it.
2. **Update the cash book** (about 7 marks): start with the balance b/d on the correct side (debit if in funds, credit if overdrawn). Enter each statement-only item and each cash book error on its side, with the other account's name as the details. Balance, and bring down the updated balance with the date. Include dates: a mark is often given for them.
3. **Prepare the reconciliation statement** (about 5 marks) with a heading naming the business and the date. Start from the balance the question says (often the bank statement), with overdrafts in brackets. List uncredited deposits and bank errors under one heading and unpresented cheques under another, named, with subtotals. The last line must equal your updated cash book balance.
4. **Check**: if the final line does not equal the updated cash book balance, an item is in the wrong group or has the wrong sign.

Written parts that come with it:

- **"State two reasons for preparing a bank reconciliation statement"** or "suggest two advantages": use the specific reasons in "Understand it" (explains the difference, errors on the statement or in the cash book, unpresented cheques and uncredited deposits identified, stale cheques, fraud, a correct balance for the financial statements).
- **"State what is meant by a dishonoured cheque"**: a cheque the bank refuses to pay and returns unpaid.
Reasons: the drawer has too little money in the account, the words and figures disagree, it is unsigned, it is out of date.

- **Journal for a dishonoured cheque:** debit the customer, credit bank.
- **"Explain the difference between a standing order and a direct debit":** fixed amount and dates, set by the payer, against variable amount and dates, collected by the receiver.
- **"Explain why an overdraft is a debit balance on the bank statement":** it is money owed **to** the bank, an asset of the bank.
- **"Advise whether to reconcile more often" or "whether to pay off the overdraft with more capital":** two or three points on each side, then a recommendation that follows from them.

Worked examples

The bold codes show where marks are earned, as in Cambridge mark schemes. The number is how many marks.

- **B1** mark for a correct result on its own, with no method needed.

Example 1

A trader compares her cash book with her bank statement at the end of the month. For each item, explain why it causes a difference and state how she should deal with it (in the cash book or in the bank reconciliation statement, and on which side or in which direction). **[8]**

(a) A cheque she wrote to a supplier on the 29th does not appear on the statement. (b) The statement shows a monthly payment collected by a magazine publisher, which she had forgotten to record. (c) She paid in \$615, but the bank recorded the deposit as \$651. (d) A receipt of \$1 000 from a customer was entered in her cash book as \$100.

(a) The supplier has not yet paid the cheque into their bank, so the bank has not taken the money out. **B1** It is an unpresented cheque: deduct it from the bank statement balance in the reconciliation statement. **B1** (b) It is a direct debit that the bank has paid but she has not recorded. **B1** Credit it in the cash book (and debit subscriptions). **B1** (c) The bank has made an error and shown \$36 more than was paid in. **B1** Deduct \$36 from the bank statement balance in the reconciliation statement, and ask the bank to correct it. **B1** (d) The cash book is \$900 too low, an error by the business. **B1** Debit \$900 in the cash book. **B1**

Example 2

The bank column of a trader's cash book showed a debit balance of \$2 418. When he compared it with his bank statement he found:

- a cheque for \$395 from a credit customer had been dishonoured;
- a dividend of \$146 had been paid directly into the bank;
- a direct debit of \$162 for a software licence had not been recorded;
- a receipt of \$287 from a customer had been entered on the credit side of the cash book.

What was the updated balance in the cash book? **[1]**

A \$2 007 B \$2 294 C \$2 581 D \$2 868

The receipt on the wrong side must be cancelled (\$287) and then recorded properly (\$287), so the cash book is debited with $2 \times 287 = 574$.

$$2418 - 395 + 146 - 162 + 574 = 2581$$

Answer C B1. Option B corrects the wrong-side receipt only once; option A ignores it; option D adds it three times.

Example 3

On 31 March a business's updated cash book showed a debit balance of \$486, but its bank statement showed an overdraft of \$377. On comparing them, the business found:

- unpresented cheques of \$254;
- the bank had credited \$143 belonging to another customer to this account;
- some deposits had not yet been credited by the bank.

What was the total of the uncredited deposits? **[1]**

A \$506 B \$863 C \$974 D \$1 260

Starting from the statement and using the letter *D* for the deposits:

$$-377 + D - 254 - 143 = 486 \quad \Rightarrow \quad D = 486 + 377 + 254 + 143 = 1260$$

Answer D B1. Option C adds the bank error back instead of deducting it; option A treats the overdraft as money in the bank; option B is just the gap between the two balances.

Example 4

On 31 October 2026 the bank column of Amara's cash book showed an **overdraft** of \$1 486. Her bank statement on the same date showed a different balance. Comparing the two, she made these notes.

1. A cheque for \$326 received from Tariq Holdings, a credit customer, had been entered in the cash book as \$344.
2. Cheques paid to suppliers, totalling \$1 157, had not yet been presented.
3. The bank had credited her account with \$530 that belonged to another customer.
4. The bank had charged overdraft interest of \$87.
5. A tenant had paid rent of \$445 into her account by standing order.
6. Cheques received and paid in on 31 October, \$698, did not appear on the statement.
7. A direct debit of \$278 for vehicle insurance had been collected.

(a) Update the bank column of Amara's cash book. Balance the account and bring down the balance on 1 November 2026. [6]

(b) Prepare a bank reconciliation statement at 31 October 2026, starting with the balance in the updated cash book. [5]

(c) State whether the balance on the bank statement was a debit or a credit balance, and explain why. [2]

(d) Using notes 5 and 7, explain the difference between a standing order and a direct debit. [2]

Sorting the notes first. Update the cash book: 1 (cash book error: the receipt was \$18 too high), 4, 5, 7. Reconciliation statement: 2 and 6 (timing) and 3 (bank error).

(a)

Amara: Cash book (bank columns)

Date	Details	\$	Date	Details	\$
2026			2026		
Oct 31	Rent received	445	Oct 31	Balance b/d	1 486
	Balance c/d	1 424		Tariq Holdings	18
				Bank interest	87
				Vehicle insurance	278
		1 869			1 869
			Nov 1	Balance b/d	1 424

B1 opening overdraft on the credit side, **B1** rent received, **B1** Tariq Holdings \$18, **B1** bank interest, **B1** vehicle insurance, **B1** balance b/d \$1 424 on the credit side (follows through from your own entries).

(b)

Amara: Bank reconciliation statement at 31 October 2026

	\$	\$
Balance as shown in the updated cash book		(1 424)
Add: cheques not yet presented	1 157	
Bank error: another customer's receipt	530	1 687
		263
Less: amounts not yet credited		(698)
Balance as shown on the bank statement		(435)

B1 \$(1 424), **B1** unpresented cheques \$1 157, **B1** bank error \$530, **B1** amounts not yet credited \$698, **B1** \$(435) (follows through).

Every adjustment is the reverse of the one you would make starting from the bank statement, because this statement works the other way.

(c) A **debit** balance of \$435. **B1** Amara owes the bank money, which is an asset in the bank's records. **B1**

(d) A standing order is set up by the payer (the tenant) to pay a fixed amount on fixed dates. **B1** A direct debit lets the receiver (the insurer) collect from Amara's account, and the amount and dates can vary. **B1**

Common mistakes

- **Putting timing items in the cash book.** Unpresented cheques and uncredited deposits were entered in the cash book when they happened. Entering them again when updating it is the error examiners report most often in the Paper 2 cash book. They belong only in the reconciliation statement.
- **Putting statement-only items in the reconciliation statement.** Bank charges, standing orders and direct debits go in the cash book. Once the cash book is updated, they are not a difference any more.
- **Adjusting in the wrong direction.** Starting from the bank statement, uncredited deposits are **added** and unpresented cheques **deducted**. Examiners report candidates doing the reverse, or adding bank charges to reach a cash book figure.
- **Losing the sign of an overdraft.** An overdraft is negative. Receipts reduce it and payments increase it; the final answer needs its side (credit in the cash book, debit on the statement).
- **Mixing up the two viewpoints.** Money in the bank is a debit in the cash book but a credit on the bank statement. Examiners report candidates not realising a bank statement balance is a credit when the business is in funds.
- **Wrong details in the cash book.** Write the other account ("Rent", "Insurance", the customer's name), not "standing order", "direct debit" or "dishonoured cheque".
- **Answering "find errors" or "prevent fraud" with nothing else.** Examiners want specific reasons: errors **on the bank statement** or **in the cash book**, unpresented cheques identified, a correct balance for the statement of financial position.
- **Confusing a standing order and a direct debit.** The difference is who sets it up and whether the amount and dates are fixed, not "one is electronic".
- **Starting from the wrong figure.** Use the updated cash book balance in the reconciliation statement, not the original one or the total of a column.
- **Treating a bank error as a cash book entry.** If the bank got it wrong, the business's records are right: the error goes in the reconciliation statement.

How to get the marks

- **Updating the cash book:** marks are given per correct entry, with the right amount on the right side and a sensible name. Show the opening balance on the correct side, balance the account, and bring down the balance with the date. The balance mark follows through from your own entries.

- **Reconciliation statement:** give it a heading (the business and "Bank reconciliation statement at" the date). Start with the balance the question names, label each adjustment ("Add: amounts not yet credited", "Less: cheques not yet presented", "Bank error") and name each item. Show overdrafts in brackets. The last line should read "Balance as shown in the (updated) cash book" and is followed through from your cash book.
- **"State"** needs a short answer: one fact per line. Two reasons asked means two, not a list.
- **"Explain"** needs the reason as well as the point: an overdraft is a debit on the statement **because** it is money owed to the bank.
- **"Advise"** (Paper 2, up to 5 marks) wants points on both sides, then a recommendation that follows from them. Without the recommendation you lose a mark.
- **Multiple choice:** work out the number, then the side. Wrong options usually have the right number on the wrong side, or the items applied in the wrong direction.

Quick check

1. An updated cash book shows an overdraft of \$548. The bank statement shows a credit balance of \$139. The only differences are unpresented cheques of \$1 026 and some uncredited deposits. Find the uncredited deposits.
2. A cash book shows a debit balance of \$1 219. The bank statement shows these items not yet in the cash book: a standing order for insurance \$364, bank charges \$44 and interest received \$26. A payment of \$57 to a supplier had also been entered twice in the cash book. What is the updated balance?
3. Explain why money in the bank is shown as a credit balance on a bank statement.
4. Which of these would make a cash book balance **higher** than the bank statement balance? (i) uncredited deposits; (ii) unpresented cheques; (iii) bank charges not yet in the cash book; (iv) a credit transfer received not yet in the cash book.
5. Before updating, a cash book shows a debit balance of \$3 064. A receipt of \$264 from a customer had been entered on the credit side. The only other difference from the bank statement is unpresented cheques of \$517. Find (a) the updated cash book balance and (b) the bank statement balance.

Answers

1. From the cash book to the statement: $-548 - D + 1026 = 139$, so $D = 1026 - 548 - 139 = 339$.
Uncredited deposits were \$339.
2. $1219 - 364 - 44 + 26 + 57 = 894$: a **debit** balance of \$894. The duplicated payment is cancelled with a debit of \$57.
3. The bank holds the money for the customer and must repay it, so to the bank it is a liability, recorded as a credit.
4. (i) and (iii). Uncredited deposits are in the cash book but not yet in the bank's figure; bank charges have reduced the bank's figure but not yet the cash book. (ii) and (iv) make the cash book lower.
5. (a) The wrong-side receipt needs a debit of $2 \times 264 = 528$: $3064 + 528 = 3592$, a debit balance of \$3 592. (b) $3592 + 517 = 4109$: a **credit** balance of \$4 109 on the bank statement.

Past questions to try

- **0452/23/O/N/24 Q1**: parts (a) and (b), updating an overdrawn cash book (with a dishonoured cheque and a personal payment) and reconciling it.
- **0452/22/O/N/22 Q3**: parts (a) to (e), a cash book error, a reconciliation statement and standing orders against direct debits.
- **0452/22/M/J/22 Q1**: part (b), deciding where each item goes.
- **0452/11/M/J/23 Q12**: finding the bank statement balance with a bank error.