

## II. BANK RECONCILIATION

Instructions: Given the following information, do a bank reconciliation for Linda's Video Showcase and make the Journal Entries necessary to adjust the Cash Account.

### RELEVANT DATA

1. The company's Cash account had a \$1,800 debit balance while the bank statement revealed a \$4,100 balance.
2. Checks No. 9 for \$100, No. 30 for \$800, and No. 34 for \$300 were outstanding.
3. While analyzing the bank statement listing of processed checks, it was discovered that check No. 6 written for \$290 to purchase equipment had been recorded at \$390.
4. Included was a bank debit memo indicating our account had been charged \$195, the amount of a nonsufficient funds check we had deposited from K. Smith plus a related bank charge of \$15.
5. Also included was a credit memo indicating the collection of a \$2,000 Note Receivable by the bank from K. Smith and a related \$15 bank charge.
6. The account earned \$25 interest during the period.
7. Our deposit of \$800, made on February 23, had not been recorded.

Linda's Video Showcase  
Bank Reconciliation  
February 24, 1996

BOOK BALANCE

Adjusted Book Balance

\$3,700

BANK BALANCE

Adjusted Bank Balance

\$3,700

### BANK RECONCILIATION JOURNAL ENTRIES

Feb. 24

DR.

CR.

Feb. 24

DR.

CR.

Hint: Cash was debited for \$2,125 and credited for \$225.