

plumber. He is building an addition on his house and needs some carpentry work. The two men agree to exchange services free of charge.

2. The personal chequing account record and the bank statement for the account of Paul Swartz for the month of June are shown below and on the next page. Paul Swartz's bank reconciliation statement for May is also shown.

- A. From these records, using the form in your Workbook, reconcile the bank account of Paul Swartz as of June 30.
- B. State what entry or entries are necessary to bring the personal record to the true bank balance.

Paul Swartz's previous reconciliation.

PAUL SWARTZ BANK RECONCILIATION MAY 31, 20-			
Personal Record		Bank Statement	
Latest balance	200.75	Latest balance	450.75
		Deduct:	
		Outstanding cheques	
		#44 100-	
		#45 150-	250-
True balance	<u> 200.75</u>	True balance	<u> 200.75</u>

Paul Swartz's personal record.

CHEQUE NO.	DATE	CHEQUE ISSUED TO	AMOUNT OF CHEQUE	✓	AMOUNT OF DEPOSIT	BALANCE FORWARD	
						1200	75
46	20- Jun-2	Rowlands Garage	237.50			963	25
47	4	Joanne's Clothes	92.50			870	75
48	9	Provincial Treasurer	9 -			861	75
49	15	Rockway Gardens	7.73			854	02
50	20	The Examiner	5.50			848	52
51	20	Daily Times	6.30			842	22
	27	Salary			1740 -	2582	22
52	30	Marigold Apartments	875 -			1707	22

Bank statement sent to Paul Swartz.

GENERAL BANK			
STATEMENT OF ACCOUNT WITH PAUL SWARTZ			
CHEQUES	DEPOSITS	DATE	BALANCE
Balance forward		May 31	1 450.75
100.00		June 1	1 350.75
150.00		June 4	1 200.75
237.50		June 9	963.25
92.50 9.00		June 16	861.75
7.73		June 20	854.02
	1 740.00	June 27	2 594.02
5.50		June 30	2 588.52
S.C. 1.75		June 30	2 586.77

3. Answer the following questions about J.C. Waters's bank reconciliation statement as shown below.

J.C. WATERS BANK RECONCILIATION STATEMENT MARCH 31, 20--	
Balance per bank statement	\$2 046.75
Add late deposit, March 31	<u>271.50</u>
	\$2 318.25
Less outstanding cheques	
#418 \$ 62.80	
#522 103.40	
#523 <u>41.90</u>	208.10
True balance	<u>\$2 110.15</u>
Balance per Cash account	\$2 186.85
Less bank charges \$ 5.40	
NSF cheque - Walker <u>71.30</u>	76.70
True balance	<u>\$2 110.15</u>

- Does the \$2046.75 represent the bank balance at the beginning or at the end of the month?
- Why do you think the March 31 deposit was not included in the bank balance?
- How does Waters know that there are three cheques outstanding? Why are they subtracted?
- Is \$2186.85 the cash balance at the beginning or at the end of the month?
- What is an NSF cheque? Why is it subtracted from the Balance per Cash account?
- A certified cheque for \$200 payable to R. Smit is still outstanding. Why is it not part of the outstanding cheques on the bank reconciliation statement?