

Inv. B - 1997

Match the appropriate term (letters A through M) with the items in 43 through 51. Write the correct identifying letter of the best response on your answer sheet.

- | | |
|------------------------------|----------------------------|
| A. bank statement | H. postdated check |
| B. blank endorsement | I. petty cash |
| C. checking account | J. petty cash slip |
| D. dishonored check | K. refused check |
| E. electronic funds transfer | L. restrictive endorsement |
| F. endorsement | M. special endorsement |
| G. laser transfer | |

43. A bank account from which payments can be ordered by a depositor
44. An endorsement consisting only of the endorser's signature
45. An endorsement indicating a new owner of a check
46. A check with a future date on it
47. An itemized record of all the transactions occurring in a depositor's account over a given period, usually a month
48. A check that a bank refuses to pay
49. The general term for a signature or stamp on the back of a check transferring ownership
50. Limits how a check may be handled and protects checks from being cashed by anyone except the payee
51. A computerized cash payments system that uses electronic impulses to transfer funds

2011 D2 - Group 8

For questions 26 through 36, refer to the document below and write the identifying letter of the best response on your answer sheet.

No. 2607 \$ <u>584.00</u>		Thompson Lighting Services	No. 2607
Date <u>January 16, 2011</u>		3027 Macomb St, Ste 400	
To <u>Premium Supply Co.</u>		Nelbert, TX 77777	<u>January 16, 2011</u>
For <u>supplies</u>		Pay to the Order of <u>Premium Supply Co.</u>	<u>\$584.00</u>
Bal Brought Fwd	<u>9,250.00</u>	<u>Five hundred eighty-four and no/100</u> -----DOLLARS	
Deposits <u>Jan. 15</u>	<u>5,883.00</u>	First State Bank	
Total	<u>15,133.00</u>	Nelbert, Texas	
This Check	<u>584.00</u>	For <u>Invoice # 540067</u>	<u>Gail Thompson</u>
Bal to Carry Fwd	<u>14,549.00</u>	⌚:111777777:⌚ 11333 38 1782	

26. The payee is
- | | |
|-------------------------------|---------------------|
| A. Thompson Lighting Services | C. First State Bank |
| B. Premium Supply Co. | D. Gail Thompson |
27. The drawer is
- | | |
|-------------------------------|---------------------|
| A. Thompson Lighting Services | C. First State Bank |
| B. Premium Supply Co. | D. Gail Thompson |
28. The drawee is
- | | |
|-------------------------------|---------------------|
| A. Thompson Lighting Services | C. First State Bank |
| B. Premium Supply Co. | D. Gail Thompson |

- *29. The check stub balance immediately after check #2606 was written was
- | | | |
|------------|------------|-------------|
| A. zero | C. \$6,870 | E. \$14,549 |
| B. \$5,883 | D. \$9,250 | F. \$15,133 |
30. Checks should be
- | | |
|----------------------|-----------------------|
| A. typewritten | D. computer-generated |
| B. written in ink | E. either A or B only |
| C. written in pencil | F. either A, B, or D |
31. When writing a check for payment, which of the following should be prepared first?
- | | |
|-------------------|----------------------------|
| A. the check stub | C. the check endorsement |
| B. the check | D. the bank reconciliation |
32. Only authorized persons may sign a check. An authorized person is the person(s) who
- A. is listed on the company's website.
 - B. the bank personnel designate for each account.
 - C. signed the signature card for the account when the account was opened.
 - D. is selected by the FDIC.
33. A system that allows banks to transfer funds among accounts quickly and accurately without the exchange of checks is called
- A. Paperless Monetary Exchange System
 - B. Electronic Funds Transfer System
 - C. E-bank Money Transport System
 - D. Internet Funds Exchange
34. In an effort to protect a check from alteration some businesses prepare checks using a check-writing machine which ___?___ the amount of the check in words on the Dollars line.
- | | |
|-------------------------|----------------------------------|
| A. endorses | C. uses a special dye to encrypt |
| B. paints a hologram of | D. perforates |
35. Which of the following statements about a voided check is false?
- A. If an error is made while writing a check, that check is not used.
 - B. Corrected checks look suspicious to banks so the incorrect check is voided and a new check is prepared.
 - C. A voided check may be placed in a special file or it may be folded and stapled to the check stub.
 - D. A voided check is not journalized for purposes of internal control of cash.
36. Determining that the balance shown in the checkbook agrees to the balance of the Cash In Bank account is called
- | | |
|--------------------------|---------------------------|
| A. proving the ledger | D. proving cash |
| B. the Schedule of Cash | E. reconciling petty cash |
| C. a bank reconciliation | |

Inv. A - 1997

The information in this group refers to the July 31 bank reconciliation for Wilson Electric. Indicate how each of the items in 40 through 45 would be handled on the bank reconciliation using the following code. Write the correct identifying letter for each on your answer sheet.

- A. added to the balance per bank statement**
- B. deducted from the balance per bank statement**
- C. added to the balance of the general ledger cash account**
- D. deducted from the balance of the general ledger cash account**

- 40. Deposits of July 30 in the amount of \$1,600 that have not reached the bank as of July 31
- 41. A customer's check for \$140 that was deposited on July 20 was returned NSF by the bank (the return has not been recorded by Wilson Electric)
- 42. Bank service charge for July amounts to \$8.70
- 43. Included with the bank statement was check #941 for \$560 as payment of an account payable. In comparing the canceled check with the cash disbursement journal, it was discovered that the check was incorrectly entered and posted for \$650.
- 44. Outstanding checks as of July 31 amount to \$2,437.
- 45. The bank improperly charged a check of the Wilson Carpet Co. for \$65 to Wilson Electric's bank account. After notification, the bank will correct the error on the August bank statement.

Use the above data to solve question number 46. Write the correct amount on your answer sheet.

- 46. If the balance per the bank on July 31 is \$8,427.50, what was the balance in the general ledger cash account before reconciliation?

Inv. A - 1998

The facts that follow are needed to prepare a bank reconciliation as of March 31. None of the information was known by the company until the bank statement was received. For questions 21 through 24 use the following code to indicate how each item should be handled:

- A. addition to the bank statement balance**
- B. deduction from the bank statement balance**
- C. journal entry to increase the Cash account**
- D. journal entry to decrease the Cash account**
- E. no action is necessary**

- 21. The service charge by the bank was \$12.
- 22. There were two outstanding checks, totaling \$5,300.
- 23. A \$620 NSF check from a customer was deducted from the company's bank account and returned to the company.
- 24. Check #214 was drawn for \$826 but was erroneously recorded in the company's books as \$862.

Inv. B - 1998

For questions 41 and 42, write the correct amount on your answer sheet.

Data: Bank Service Charge for January is \$15

Deposits in transit on January 31 are \$1,870

Reconciled bank balance on January 31 is \$3,080

An error on Ck #167 was discovered. It cleared the bank as \$205 but was recorded in the accounting records as \$250. The check was written in January.

Outstanding checks on January 31 are \$3,440

41. Given the above facts, what was the amount that was printed on the bank statement as the closing balance for January 31?
42. What was the balance in the cash account in the accounting records prior to reconciling the bank statement?

District 1 & 2 - 1998

Refer to Table 3 on page 10. Complete the bank reconciliation and prove cash for November 1997 in the forms below. Answer questions 75 through 80 by writing the correct amount on your answer sheet.

Mango Company Bank Reconciliation November 30, 1997	
Bank Statement Balance	A. _____
Outstanding Deposits	B. _____
Outstanding Checks	C. _____
Reconciled Balance	D. _____

Mango Company Cash Proof November 30, 1997	
Beginning Cash in Bank	E. _____
Cash Receipts	F. _____
Cash Payments	G. _____
Ending Cash in Bank	H. _____

75. What is the amount of Item B above?
76. What is the amount of Item C above?
77. What is the amount of Item D above?
78. What is the amount of Item E above?
79. What is the amount of Item F above?
80. What is the amount of Item G above?

Table 3
(for questions 75 through 80)

Mango Company Bank Reconciliation October 31, 1997	
Bank Statement Balance	726.88
Outstanding Deposits	7,487.25
Outstanding Checks: 612.50 and 305.00	917.50
Reconciled Balance	7296.63

The following information was obtained from Mango Company's special journals for November 1997. Only two columns are presented here, but all information for these two columns is complete and accurate. The column totals are not included.

Cash Receipts Journal: Cash in Bank Debit Column
5,482.79
6,874.98
8,598.70

Cash Payments Journal: Cash in Bank Credit Column	
11.47	14.50
85.42	2,500.00
10,871.00	1,800.00
1,500.00	1,200.00
583.90	243.80
687.50	477.53

The following is the bank statement received for November 1997.

<i>The First National Bank of MyTown, Texas</i>			
STATEMENT			
Mango Company 607 Pearl Street MyTown, Texas 77777		Account # 01-443-07 Date: November 30, 1997	
			Balance 10-31-97
			726.88
			Amount of Deposits
			19,845.02
			Amount of Checks
			19,215.09
			Balance 11-30-97
			1,356.81
Deposits:	7,487.25	5,482.79	6,874.98
Checks:			
612.50	11.47	687.50	2,500.00
305.00	1,500.00	583.90	1,800.00
10,871.00	85.42	14.50	243.80

Group 9

The cash account and bank records of Doberman Co. show the following related items for 2000:

1. The January 31 bank reconciliation indicates that deposits in transit total \$20,615. During February the general ledger account Cash shows deposits of \$79,150, but printed on the February 29th bank statement were only \$64,285 in deposits.
2. The January 31 bank reconciliation also reported outstanding checks of \$1,400. During the month of February, Doberman Company's books show that \$80,485 of checks were issued, yet the bank statement dated February 29th showed that \$73,850 of checks cleared the bank during that month.
3. In April, deposits per the bank statement totaled \$58,600, deposits per books were \$71,370, and deposits in transit on April 30 were \$36,560.
4. In April, cash disbursements per books were \$69,762, checks clearing the bank were \$69,791, and outstanding checks on April 30 were \$3,697.

There were no other miscellaneous bank debits or credits, and no errors were made by either the bank or Doberman Co. Assume that all items in transit or outstanding for one month cleared the bank in the month immediately following.

For questions 62 through 66 write the correct amount on your answer sheet.

62. What were the deposits in transit on February 29?
63. What were the outstanding checks on February 29?
- *64. What were the deposits in transit on March 31?
- *65. What were the outstanding checks on March 31?
- *66. If the ending bank statement balance on March 31, 2000 was \$68,769, what is the ending balance of Cash in Bank on April 30, 2000?

2007 Inv. B - Group 7

It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. For questions 42 and 43, write the correct amount on your answer sheet.

Data: Bank Service Charge for February is \$8.50

Deposits in transit on February 28 are \$4,690.22 and \$3,218.76

Reconciled bank balance on February 28 is \$9,216.48

Outstanding checks on February 28 are \$12.50, \$3,497.59, and \$4,284.35

- * 42. Given the above facts, what was the amount that was printed on the bank statement as the closing balance for February 28?
43. What was the balance in the cash account in the accounting records prior to reconciling the bank statement?

Regional 2010 – Group 4

It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. Reconcile the bank statement using the following T-account form. (The form will not be reviewed by graders.)

Mason's Bar-b-Que			
Bank Reconciliation			
December 31, 2009			
Bank Statement Balance, 12/29		Checkbook Balance, 12/31	
Add:		Add:	
Deduct:		Deduct:	

On December 31, Mason received the company bank statement dated Dec. 29 and reviewed it along with other accounting records and found the following facts:

- The ending bank balance was \$3,213.84
- The following checks were written in November, were outstanding in November, and still did not appear on this bank statement:
 - check #5103...\$264.18
 - check #5104...\$436.98
- The following checks were written in December and did not appear on this bank statement:
 - check #5206...\$4,298.16
 - check #5209...\$18.14
 - check #5207...\$264.29
 - check #5210...\$639.74
- The bank charged \$22.25 for the month's service charge
- A check in the amount of \$64.37 from Surewill Taaket that Mason deposited on Dec. 20 was returned by the bank for insufficient funds. The bank charged Mason's account \$25 for handling the NSF check. No journal entry has been made yet by Mason for the NSF check or its related fee.
- A deposit of \$4,628.10 made on Dec. 31 does not appear on the bank statement.
- A check Mason wrote in early December for \$285 made out to Restaurant Supply Co. was lost in the mail and never found. Mason requested a stop payment order, which cost \$28.50 and was issued by Mason's bank on Dec. 29. Mason needs to record this fee and the voided check in the checkbook. He plans to write a replacement check on Jan. 2.
- Mason's review of the bank statement reminded him that he had used the debit card on this account to make a \$62.42 payment at Corner Grocery and forgot to record it in the company checkbook.
- Mason was shocked when the review of the bank statement revealed an electronic funds transfer to a vendor for \$895 that he forgot to record in the company checkbook.

For question #22 write the correct amount on your answer sheet.

- * 22. What was the checkbook balance on December 31, before the reconciliation was prepared?

2021 District – Group 6

It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. The company is not notified in advance regarding NSF activity or bank charges but rather discovers this information when the bank statement is received. There were no math errors in the check stubs.

Bank Statement	
Balance on November 30, 2020	5,335.17
Deposits	14,118.48
Checks	14,242.76
NSF check	511.00
NSF fee	35.00
Bank Service Charge	27.00
Balance on December 30, 2020	?

Summary of Items Recorded in Check Stubs Before Reconciliation	
Reconciled Balance on December 1, 2020	?
Deposits Made Dated December 2020	15,664.98
Checks Written Dated December 2020	12,459.20
Balance on Last Check Stub for December 2020	?

The company's accountant compared the company's check stubs and the December 30 bank statement and summarized the following information:

Findings from the Comparison of Check Stubs to Bank Statement	
Deposits not on the bank statement	4,290.30
Checks not on the bank statement	965.80

For questions 45 through 48, write the correct amount on your answer sheet.

45. What was the amount printed on the bank statement as the closing balance for December 2020?

46. What is the reconciled bank balance that should appear on the Balance Sheet dated December 31, 2020?

47. What was the balance recorded in the check stubs prior to the preparation of the December bank reconciliation?

*48. What was the reconciled balance recorded in the check stubs on the first check stub for December 2020?

2021 Inv. A – Group 4

It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. The company does not know the amount of any bank charges until the bank statement is received.

Data: Bank Service Charge for December is \$16.50

Deposits in transit on December 31 are \$1,347.19 and \$2,040.16

Reconciled bank balance on December 31 is \$2,463.69

Outstanding checks on December 31 are \$864.10, \$29.15 and \$2,610.04

For questions 19 and 20, write the correct amount on your answer sheet.

- *19. Given the above facts, what was the amount that was printed on the bank statement as the closing balance for December?
- 20. What was the balance in the cash account in the accounting records prior to reconciling the bank statement for December?