

Problem 1

Little-Bug Corp International publishes children’s books. Following are facts you need to prepare Little-Bug Corp’s August bank reconciliation:

Balance per company records at end of month	\$217,932.36
Bank service charge for the month	132.00
NSF check returned with bank statement	4,321.98
Note collected by the bank during the month	135,000.00
Outstanding checks at month end	94,660.71
Interest on note collected during the month	13,500.00
Balance per bank at end of month	432,671.97
Deposit in transit at month end	23,967.12

Worksheet 1

Ending balance per bank statement	\$	432,671.97
Add:		-
Deduct:		-
Correct cash balance	\$	-

Ending balance per company records	\$	217,932.36
Add:	\$	-
	-	-
Deduct:	\$	-
	-	-
Correct cash balance	\$	-

Solution 1

Ending balance per bank statement		\$	432,671.97
Add:			
Deposits in transit			23,967.12
Deduct:			
Outstanding checks			(94,660.71)
Correct cash balance		\$	<u>361,978.38</u>

Ending balance per company records		\$	217,932.36
Add:			
Customer note collection	\$	135,000.00	
Interest earnings		13,500.00	148,500.00
Deduct:			
NSF check returned	\$	4,321.98	
Service charges		132.00	(4,453.98)
Correct cash balance		\$	<u>361,978.38</u>