

QUESTION 1: BANKRECONCILIATION

(60 marks; 50 minutes)

1.1 SLOGAN TRADERS

The following information relates to Slogan Traders for May 2023. The official bank statement from UK Bank is issued on the 28th of each month.

REQUIRED:

- 1.1.1 Complete the Cash Journals for May 2023. (12)
- 1.1.2 Calculate the correct bank balance on 31 May 2023. (5)
- 1.1.3 Prepare the Bank Reconciliation Statement for May 2023. (10)
- 1.1.4 Refer to the outstanding deposit of R24 400. Provide TWO solutions to avoid this problem in future. (4)

INFORMATION:

A. Extract from the Bank Reconciliation Statement on 30 April 2023:

Credit balance on Bank statement	R9 500
Outstanding deposits: 12 April 2023	24 400
28 April 2023	36 600
Outstanding EFT: No. 321	37 900
Favourable balance as per Bank account	?

Note:

- The outstanding deposit of R24 400 on the Bank Reconciliation Statement was in respect of sales. It also did not appear on the Bank Statement for May. An investigation revealed that the bookkeeper never deposited the money. It was decided to write-off the deposit.
 - The outstanding deposit of R36 600 appeared on the Bank Statement for May 2023.
 - EFT 321 appeared on the May 2023 Bank statement.
- B. **Provisional totals from the Cash Journals on 31 May 2023:**
- Cash Receipts Journal, R232 030
 - Cash Payments Journal, R102 500

C. The following information on the May 2023 Bank Statement received from UK Bank did not appear in the May Cash Journals:

- A direct payment of R108 000 appeared on the Bank Statement. This was the final repayment on the loan.
- A deposit from M Martin for R14 500 for her monthly rent.
- EFT 444 for R13 200 was paid to Jannie Traders for trading stock. After an investigation it was discovered that the bookkeeper neglected to record this.
- EFT Fees, R878
- Cash handling fees, R215
- Service fees, R409
- Interest on positive bank balance, R216.
- Debit orders:
 - R7 800 for insurance
 - R5 760 for water and electricity
- EFT 474 payment for R5 262 was in favour of Silverton Radiators. The bank duplicated this EFT in the bank account. The bank will rectify this error.
- Paid the creditor electronically R14 300 for settlement of the account.
- A bank error of R7 900 was reflected as a deposit on the statement. The bank will rectify the error.

D. The following information appeared in the May 2023 Cash Journals but did not appear on the Bank Statement for May 2023:

- EFT 323 for R45 165.
- Outstanding deposit, R27 660
- Balance per Bank Statement on 31 May 2023, R?.

