

Use the following information for the Quick Studies 12-13 below. (Algo)

CH6
Z CH6 Prob BNKSTMT

[The following information applies to the questions displayed below.]

Organic Food Company's Cash account shows a \$7,200 debit balance and its bank statement shows \$6,350 on deposit at the close of business on August 31.

- a. August 31 cash receipts of \$2,940 were placed in the bank's night depository after banking hours and were not recorded on the August 31 bank statement.
- b. The bank statement shows a \$290 NSF check from a customer; the company has not yet recorded this NSF check.
- c. Outstanding checks as of August 31 total \$2,820.
- d. In reviewing the bank statement, an \$250 check written by Organic Fruits was mistakenly drawn against Organic Food's account.
- e. The August 31 bank statement lists \$190 in bank service charges; the company has not yet recorded the cost of these services.

→ Prepare a bank reconciliation using the above information.

ORGANIC FOOD COMPANY					
Bank Reconciliation					
August 31					
Bank statement balance	\$ 6,350	Book balance			\$ 7,200
Add:		Add:			
Deposit of August 31	\$ 2,940				
Bank error	250				
		3,190			0
		9,540			7,200
Deduct:		Deduct:			
Outstanding checks	2,820	Bank service charges	190		
		NSF check	290		480
Adjusted bank balance	\$ 6,720	Adjusted book balance			\$ 6,720

QS 6-13 (Algo) Entries from bank reconciliation LO P3

→ Prepare any necessary journal entries that Organic Food Company must record as a result of preparing the bank reconciliation. (If no entry is required for a transaction/event, select "No journal entry required" in the first account field.)

No	Transaction	General Journal	Debit	Credit
1	a.	No journal entry required		
2	b.	Accounts receivable	290	
		Cash		290
3	c.	No journal entry required		
4	d.	No journal entry required		
5	e.	Miscellaneous expenses	190	
		Cash		190

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SAMPLE PROBLEM WITH SOLUTIONS