



**STUDYDADDY**

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## \*Problem 7-6A

The bank portion of last month's bank reconciliation for Yap Ltd. at February 28 was as follows:

<b>YAP LTD. Bank Reconciliation February 28</b>		
Cash balance per bank		\$14,368
Add: Deposits in transit		2,530
		<u>16,898</u>
Less: Outstanding cheques		
#3451	\$2,260	
#3470	1,535	3,795
Adjusted cash balance		<u><u>\$13,103</u></u>

The adjusted cash balance per bank agreed with the cash balance per books after the bank reconciliation on February 28. The March bank statement showed the following:

<b>YAP LTD. Bank Statement March 31</b>				
Date	Description	Amounts Deducted from Account (Debits)	Amounts Added to Account (Credits)	Balance
Feb. 28	Opening balance			14,368
Mar. 1	Cheque, No. 3451	2,260		12,108
1	Deposit		2,530	14,638
2	Cheque, No. 3470	1,535		13,103
4	Deposit		1,221	14,324
9	Cheque, No. 3471	1,427		12,897
10	Returned cheque—NSF, R. Aubut	550		12,347
10	NSF fee	40		12,307
15	EFT, loan payment	1,062		11,245
19	Cheque, No. 3472	1,641		9,604
26	Deposit		2,567	12,171
31	EFT, collection on account from M. Boudreault		230	12,401
31	Bank service charges	49		12,352
31	Debit and credit card fees	65		12,287

Yap's cash receipts and payments for the month of March showed the following:

**Cash Receipts**

**Cash Payments**

\$4,813

\$3,375

**Additional information:**

1. The EFT loan payment should have been recorded by the company on March 15, but this entry was not recorded. The payment included \$62 of interest and a \$1,000 payment on the loan principal.
2. The bank made an error processing cheque #3472.
3. The EFT collection was not previously recorded.
4. Bank service charges (\$49) and debit and credit card fees (\$65) were not previously recorded.

Calculate the unadjusted cash balance per books at March 31, prior to reconciliation.

Unadjusted balance March 31 \$

What is the amount of the deposits in transit at March 31?

Deposit in Transit \$

What is the amount of the outstanding cheques at March 31?

Outstanding cheques \$

Prepare the bank reconciliation at March 31.

**YAP LTD.  
Bank Reconciliation  
March 31**

Balance per bank state \$

Add :

Deposits in transit \$

Error in recording cheques

Less :  Outstanding cheques

Adjusted cash balance

\$

Balance per books

\$

Less  :

Service charges

\$

NSF cheque and fee&#

EFT loan payment

Adjusted cash balance

\$

Prepare any adjusting journal entries required from the reconciliation. **(Credit account titles are indented when the amount is entered. Do not indent manually. If no entry is required, for the account titles and enter 0 for the amounts.)**

Date	Account Titles and Explanation	Debit	Credit
Mar. 31	Cash <input type="text"/>	<input type="text"/>	<input type="text"/>
	Accounts Receivable <input type="text"/>	<input type="text"/>	<input type="text"/>
	(To record EFT collections)		
31	Bank Charges Expense <input type="text"/>	<input type="text"/>	<input type="text"/>
	Cash <input type="text"/>	<input type="text"/>	<input type="text"/>
	(To record bank charges and fees)		
31	Accounts Receivable <input type="text"/>	<input type="text"/>	<input type="text"/>
	Cash <input type="text"/>	<input type="text"/>	<input type="text"/>
	(To record NSF cheque and fee)		
31	Bank Loan Payable <input type="text"/>	<input type="text"/>	<input type="text"/>
	Interest Expense <input type="text"/>	<input type="text"/>	<input type="text"/>
	Cash <input type="text"/>	<input type="text"/>	<input type="text"/>
	(To record EFT loan payment)		

**Question Attention**



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