

# [Cash reconciliation](https://assignbuster.com/cash-reconciliation/)

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Reconciling Bookkeepers Errors Cash reconciliation is a control a company adopts to ensure the cash in its accounts equals to what is recorded in the books of account (Finney & Miller, 1965). The new bookkeeper made numerous errors in recording the transactions.
The first error the new bookkeeper records a deposit of $ 200 as $ 2, 000. This error will result to the bank statement reflecting a less figure of $ 1, 800 while the company’s cash account reflects an excess of $ 1, 800. This error is reconciled by deducting $ 1, 800 from the cash account.
The second error the bookkeeper records a deposit of $ 530 as $ 350. This error will result to the bank statement having highest figure as compared to the cash account by $ 150. This error is reconciled by adding the $ 150 to cash account.
The third error the bookkeeper recorded a payment of $ 250 as $ 25 from customer, but the bank noticed the error and deposited the right amount. With this error the bank statement will reflect a high balance than what the cash account reflects. This error can be reconciled by the bookkeeper adding $ 225 which is the difference of she received and what she recorded.
The fourth error was committed by the bank when they were clearing a check of $ 255 but instead cleared $ 225. This error will result to the bank statement reflecting a higher balance as compared to what is being reflected on the company’s books of account. This can be reconciled by the bookkeeper adding the difference of $ 25 to the cash account.
The fifth error the bookkeeper wrote a check of $ 369 but recorded $ 396. This will have an impact on the cash account since it will reflect a lower balance to that reflected by the bank statement. This error can be reconciled by adding the difference of $ 27 to the cash account.
References
Finney, H., & Miller, H. (1965). Principles of accounting, (6th ed.). Englewood Cliffs, N. J.: Prentice-Hall.