

23 Lecture - MGT101

Important Mcqs

1. **What is the purpose of a bank reconciliation statement?**

- A. To reconcile the bank balance with the book balance.
- B. To reconcile the bank balance with the cash balance.
- C. To reconcile the book balance with the cash balance.
- D. To reconcile the bank balance with the credit balance.

Answer: A

2. **What is an outstanding deposit in a bank reconciliation statement?**

- A. A deposit made in the bank but not yet credited by the bank.
- B. A deposit made in the bank but not yet debited by the bank.
- C. A deposit made in the book but not yet credited by the bank.
- D. A deposit made in the book but not yet debited by the bank.

Answer: A

3. **What is an outstanding check in a bank reconciliation statement?**

- A. A check issued by the bank but not yet cleared.
- B. A check issued by the book but not yet cleared by the bank.
- C. A check issued by the bank but not yet debited by the bank.
- D. A check issued by the book but not yet credited by the bank.

Answer: B

4. **When preparing a bank reconciliation statement, which balance is used as the starting point?**

- A. Bank balance.
- B. Book balance.
- C. Cash balance.
- D. Credit balance.

Answer: B

5. **Which of the following items would be added to the book balance in a bank reconciliation statement?**

- A. Bank service charges.
- B. Deposits in transit.
- C. Outstanding checks.
- D. NSF checks.

Answer: B

6. **Which of the following items would be deducted from the bank balance in a bank reconciliation statement?**
- A. Bank service charges.
 - B. Deposits in transit.
 - C. Outstanding checks.
 - D. NSF checks.

Answer: A

7. **Which of the following items would be deducted from the book balance in a bank reconciliation statement?**
- A. Bank service charges.
 - B. Deposits in transit.
 - C. Outstanding checks.
 - D. NSF checks.

Answer: C

8. **What is an NSF check?**
- A. A check issued by the bank but not yet cleared.
 - B. A check issued by the book but not yet cleared by the bank.
 - C. A check that has been dishonored by the bank due to insufficient funds.
 - D. A check that has been dishonored by the book due to insufficient funds.

Answer: C

9. **What is the purpose of a bank statement?**
- A. To record all transactions made by the bank.
 - B. To record all transactions made by the book.
 - C. To reconcile the bank balance with the book balance.
 - D. To reconcile the bank balance with the cash balance.

Answer: A

10. **Which of the following errors would cause the book balance to be greater than the bank balance in a bank reconciliation statement?**
- A. Failure to record a deposit in the book.
 - B. Failure to record a check in the book.
 - C. Recording a deposit in the book but not yet credited by the bank.
 - D. Recording a check in the book but not yet cleared by the bank.

Answer: A