

# CHAPTER 11 Cash Control and Banking Activities

## Study Guide

### Section Assessment

**Section 1** Read Section 1 on pages 281–285 and complete the following exercises on page 286.

- ☐ Reinforce the Main Idea
- ☐ Math for Accounting
- ☐ Problem 11-1 Preparing a Deposit Slip and Writing Checks

**Section 2** Read Section 2 on pages 287–294 and complete the following exercises on page 295.

- ☐ Reinforce the Main Idea
- ☐ Math for Accounting
- ☐ Problem 11-2 Analyzing a Source Document

### Chapter Assessment

**Summary** Review the Chapter 11 Visual Summary on page 296 in your textbook.

- ☐ Key Concepts

**Review and Activities** Complete the following questions and exercises on page 297 in your textbook.

- ☐ After You Read: Answering the Essential Question
- ☐ Vocabulary Check
- ☐ Concept Check

**Standardized Test Practice** Complete the exercises on page 298 in your textbook.

**Computerized Accounting** Read the Computerized Accounting information on page 299 in your textbook.

- ☐ Making the Transition from a Manual to a Computerized System
- ☐ Peachtree Q&A
- ☐ QuickBooks Q&A

**Problems** Complete the following End-of-Chapter Problems for Chapter 11 in your textbook.

- ☐ Problem 11-3 Handling Deposits
- ☐ Problem 11-4 Maintaining the Checkbook
- ☐ Problem 11-5 Reconciling the Bank Statement
- ☐ Problem 11-6 Reconciling the Bank Statement
- ☐ Problem 11-7 Reconciling the Bank Statement
- ☐ Problem 11-8 Reconciling the Bank Statement Using the Account Form



### Challenge Problem



**Real-World Applications and Connections** Complete the following applications on pages 304–305 in your textbook.



- ☐ Case Study
- ☐ Global Accounting
- ☐ 21<sup>st</sup> Century Skills
- ☐ Making It Personal
- ☐ H.O.T Audit

## Working Papers for Section Problems

### Problem 11-1 Preparing a Deposit Slip and Writing Checks (textbook p. 286)

|   |  |  |  |
|---|--|--|--|
|  <b>First Bank of the Cape</b><br>HYANNIS, MA 02601                            |  | DOLLARS CENTS  |  |
| Date _____ 20____<br>Checks and other items are received for deposit subject to the terms and conditions of this bank's collection agreement.                   |  | CASH _____<br>CHECKS (List Singly) _____<br>1 _____<br>2 _____<br>3 _____<br>4 _____<br>5 _____<br>6 _____<br>7 _____<br>8 _____ |  |
| <br><b>Peabody</b><br>CARDS AND GIFTS<br>113 Old Cape Road<br>Dennis, MA 02638 |  | BE SURE EACH ITEM IS ENDORSED<br><b>TOTAL</b> _____  |  |
| ⑆0111 016021 749 2454⑆  |  |  |  |

|   |  |  |  |                            |  |
|---|--|--|--|----------------------------|--|
| \$ _____ No. 41<br>Date _____ 20____<br>To _____<br>For _____   |  | <br><b>Peabody</b><br>CARDS AND GIFTS<br>113 Old Cape Road<br>Dennis, MA 02638                                    |  | <b>41</b><br>51-160<br>111 |  |
| DATE _____ 20____   |  | PAY TO THE ORDER OF _____ \$ _____   |  |                            |  |
| DOLLARS CENTS<br>Balance brought forward <b>1,641 96</b><br>Add deposits _____<br>Total _____<br>Less this check _____<br>Balance carried forward _____ |  | _____ DOLLARS<br> <b>First Bank of the Cape</b><br>HYANNIS, MA 02601<br>MEMO _____<br>⑆0111 016021 749 2454⑆ 41 |  |                            |  |

|   |  |  |  |                            |  |
|---|--|--|--|----------------------------|--|
| \$ _____ No. 42<br>Date _____ 20____<br>To _____<br>For _____   |  | <br><b>Peabody</b><br>CARDS AND GIFTS<br>113 Old Cape Road<br>Dennis, MA 02638                                  |  | <b>42</b><br>51-160<br>111 |  |
| DATE _____ 20____   |  | PAY TO THE ORDER OF _____ \$ _____   |  |                            |  |
| DOLLARS CENTS<br>Balance brought forward _____<br>Add deposits _____<br>Total _____<br>Less this check _____<br>Balance carried forward _____ |  | _____ DOLLARS<br> <b>First Bank of the Cape</b><br>HYANNIS, MA 02601<br>MEMO _____<br>⑆0111 016021 749 2454⑆ 42 |  |                            |  |

### Problem 11-2 Analyzing a Source Document (textbook p. 295)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

## Working Papers for End-of-Chapter Problems

### Problem 11-3 Handling Deposits (textbook p. 300)

(1)

PLEASE ENDORSE HERE

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE  
RESERVED FOR FINANCIAL INSTITUTION USE ★ (D)

PLEASE ENDORSE HERE

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE  
RESERVED FOR FINANCIAL INSTITUTION USE ★ (D)

PLEASE ENDORSE HERE

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE  
RESERVED FOR FINANCIAL INSTITUTION USE ★ (D)

(2)

**First National Bank**  
LITTLE ROCK, AR

Date           20          

Checks and other items are received for deposit subject to the terms and conditions of this bank's collection agreement.

**Wilderness Rentals**  
Center Street  
Little Rock, AR 72219

⑆0631 02948⑆ 7008 497⑆

BE SURE EACH ITEM IS ENDORSED

|                      | DOLLARS | CENTS |
|----------------------|---------|-------|
| CASH                 |         |       |
| CHECKS (List Singly) |         |       |
| 1                    |         |       |
| 2                    |         |       |
| 3                    |         |       |
| 4                    |         |       |
| 5                    |         |       |
| 6                    |         |       |
| 7                    |         |       |
| 8                    |         |       |
| <b>TOTAL</b>         |         |       |

(3)

\$                                  No. 651

Date           20          

To                                 

For                                 

|                         | Dollars | Cents |
|-------------------------|---------|-------|
| Balance brought forward | 3,306   | 54    |
| Add deposits            |         |       |
| Total                   |         |       |
| Less this check         |         |       |
| Balance carried forward |         |       |

**Wilderness Rentals**  
Center Street  
Little Rock, AR 72219

DATE           20          

PAY TO THE ORDER OF    \$                                 

**First National Bank**  
LITTLE ROCK, AR

MEMO   

⑆0631 02948⑆ 7008 497⑆ 651



651  
63-294  
631



Analyze:



\_\_\_\_\_



\_\_\_\_\_

**Problem 11-4 Maintaining the Checkbook** (textbook p. 300)

|                         |                  |   |  |               |
|-------------------------|------------------|---|--|---------------|
| \$ _____                | <b>No. 504</b>   | <br><b>Hot Suds Car Wash</b><br>248 Seventh Avenue<br>Colorado Springs, CO 80943 | <b>504</b>   | 2-1116<br>710 |
| Date _____              | 20 _____         |   |  |               |
| To _____                |                  |   |  |               |
| For _____               |                  |   |  |               |
|                         | Dollars    Cents |   | DATE _____ 20 _____  |               |
| Balance brought forward | <b>3,486</b>     | <b>29</b>   | PAY TO THE ORDER OF _____ \$ _____   |               |
| Add deposits            |                  |   |  |               |
|                         |                  |   | _____ DOLLARS  |               |
| Total                   |                  |   |  <b>American Bank</b><br>COLORADO SPRINGS, CO |               |
| Less this check         |                  |   | MEMO _____   |               |
| Balance carried forward |                  |   | ⑆071001116⑆ 323 0019⑈ 504  |               |

|                         |                  |   |  |               |
|-------------------------|------------------|---|--|---------------|
| \$ _____                | <b>No. 505</b>   | <br><b>Hot Suds Car Wash</b><br>248 Seventh Avenue<br>Colorado Springs, CO 80943 | <b>505</b>   | 2-1116<br>710 |
| Date _____              | 20 _____         |   |  |               |
| To _____                |                  |   |  |               |
| For _____               |                  |   |  |               |
|                         | Dollars    Cents |   | DATE _____ 20 _____  |               |
| Balance brought forward |                  |   | PAY TO THE ORDER OF _____ \$ _____   |               |
| Add deposits            |                  |   |  |               |
|                         |                  |   | _____ DOLLARS  |               |
| Total                   |                  |   |  <b>American Bank</b><br>COLORADO SPRINGS, CO |               |
| Less this check         |                  |   | MEMO _____   |               |
| Balance carried forward |                  |   | ⑆071001116⑆ 323 0019⑈ 505  |               |

|                         |                  |   |  |               |
|-------------------------|------------------|---|--|---------------|
| \$ _____                | <b>No. 506</b>   | <br><b>Hot Suds Car Wash</b><br>248 Seventh Avenue<br>Colorado Springs, CO 80943 | <b>506</b>   | 2-1116<br>710 |
| Date _____              | 20 _____         |   |  |               |
| To _____                |                  |   |  |               |
| For _____               |                  |   |  |               |
|                         | Dollars    Cents |   | DATE _____ 20 _____  |               |
| Balance brought forward |                  |   | PAY TO THE ORDER OF _____ \$ _____   |               |
| Add deposits            |                  |   |  |               |
|                         |                  |   | _____ DOLLARS  |               |
| Total                   |                  |   |  <b>American Bank</b><br>COLORADO SPRINGS, CO |               |
| Less this check         |                  |   | MEMO _____   |               |
| Balance carried forward |                  |   | ⑆071001116⑆ 323 0019⑈ 506  |               |

|                         |                  |   |  |               |
|-------------------------|------------------|---|--|---------------|
| \$ _____                | <b>No. 507</b>   | <br><b>Hot Suds Car Wash</b><br>248 Seventh Avenue<br>Colorado Springs, CO 80943 | <b>507</b>   | 2-1116<br>710 |
| Date _____              | 20 _____         |   |  |               |
| To _____                |                  |   |  |               |
| For _____               |                  |   |  |               |
|                         | Dollars    Cents |   | DATE _____ 20 _____  |               |
| Balance brought forward |                  |   | PAY TO THE ORDER OF _____ \$ _____   |               |
| Add deposits            |                  |   |  |               |
|                         |                  |   | _____ DOLLARS  |               |
| Total                   |                  |   |  <b>American Bank</b><br>COLORADO SPRINGS, CO |               |
| Less this check         |                  |   | MEMO _____   |               |
| Balance carried forward |                  |   | ⑆071001116⑆ 323 0019⑈ 507  |               |

### Analyze:

(1)

(2)

**Problem 11-5** (concluded)**(3)**

## GENERAL JOURNAL

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| DATE | DESCRIPTION | POST.<br>REF. | DEBIT | CREDIT |
|------|-------------|---------------|-------|--------|
| 1    |             |               |       |        |
| 2    |             |               |       |        |
| 3    |             |               |       |        |
| 4    |             |               |       |        |
| 5    |             |               |       |        |
| 6    |             |               |       |        |

**(4)**

## GENERAL LEDGER (PARTIAL)

ACCOUNT Cash in BankACCOUNT NO. 101

| DATE   | DESCRIPTION | POST.<br>REF. | DEBIT | CREDIT | BALANCE |        |
|--------|-------------|---------------|-------|--------|---------|--------|
|        |             |               |       |        | DEBIT   | CREDIT |
| 20--   |             |               |       |        |         |        |
| Oct. 1 | Balance     | ✓             |       |        | 205000  |        |
| 30     |             | G3            |       | 40500  | 96000   |        |
|        |             |               |       |        |         |        |
|        |             |               |       |        |         |        |
|        |             |               |       |        |         |        |
|        |             |               |       |        |         |        |

ACCOUNT Miscellaneous ExpenseACCOUNT NO. 512

| DATE   | DESCRIPTION | POST.<br>REF. | DEBIT | CREDIT | BALANCE |        |
|--------|-------------|---------------|-------|--------|---------|--------|
|        |             |               |       |        | DEBIT   | CREDIT |
| 20--   |             |               |       |        |         |        |
| Oct. 1 | Balance     | ✓             |       |        | 49500   |        |
| 17     |             | G2            | 1000  |        | 60500   |        |
|        |             |               |       |        |         |        |
|        |             |               |       |        |         |        |
|        |             |               |       |        |         |        |
|        |             |               |       |        |         |        |

**Analyze:** \_\_\_\_\_

\_\_\_\_\_

# **Problem 11-6 Reconciling the Bank Statement** (textbook p. 301)

(1)

|                         |                |       |
|-------------------------|----------------|-------|
| \$ _____                | <b>No. 888</b> |       |
| Date _____              | 20__           |       |
| To _____                |                |       |
| For _____               |                |       |
|                         | Dollars        | Cents |
| Balance brought forward | 2,551          | 34    |
| Add deposits            |                |       |
|                         |                |       |
| Total                   |                |       |
| Less this check         |                |       |
| Balance carried forward |                |       |

(2)

## **BANK RECONCILIATION FORM**

PLEASE EXAMINE YOUR STATEMENT AT ONCE. ANY DISCREPANCY SHOULD BE REPORTED TO THE BANK IMMEDIATELY.

- Record any transactions appearing on this statement but not listed in your checkbook.
- List any checks still outstanding in the space provided to the right.

3. Enter the balance shown on this statement here.

4. Enter deposits recorded in your checkbook but not shown on this statement.

5. Total Lines 3 and 4 and enter here.

6. Enter total checks outstanding here.

7. Subtract Line 6 from Line 5. This adjusted bank balance should agree with your checkbook balance.

|  |  |
|--|--|
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

| CHECKS OUTSTANDING |        |  |
|--------------------|--------|--|
| Number             | Amount |  |
|                    |        |  |
|                    |        |  |
|                    |        |  |
|                    |        |  |
|                    |        |  |
|                    |        |  |
|                    |        |  |
|                    |        |  |
|                    |        |  |
|                    |        |  |
|                    |        |  |
|                    |        |  |
|                    |        |  |
| <b>TOTAL</b>       |        |  |

**Problem 11-6** (continued)

(3)

## GENERAL JOURNAL

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| DATE | DESCRIPTION | POST. REF. | DEBIT | CREDIT |
|------|-------------|------------|-------|--------|
| 1    |             |            |       |        |
| 2    |             |            |       |        |
| 3    |             |            |       |        |
| 4    |             |            |       |        |
| 5    |             |            |       |        |
| 6    |             |            |       |        |
| 7    |             |            |       |        |

(4)

## GENERAL LEDGER (PARTIAL)

ACCOUNT *Cash in Bank*ACCOUNT NO. *101*

| DATE   | DESCRIPTION | POST. REF. | DEBIT | CREDIT | BALANCE      |
|--------|-------------|------------|-------|--------|--------------|
|        |             |            |       |        | DEBIT CREDIT |
| 20--   |             |            |       |        |              |
| Oct. 1 | Balance     | ✓          |       |        | 308950       |
|        |             |            |       |        |              |
|        | 30          | G6         |       | 6864   | 255134       |
|        |             |            |       |        |              |
|        |             |            |       |        |              |

ACCOUNT *Accounts Receivable—Podaski Systems Inc.*ACCOUNT NO. *115*

| DATE   | DESCRIPTION | POST. REF. | DEBIT | CREDIT | BALANCE      |
|--------|-------------|------------|-------|--------|--------------|
|        |             |            |       |        | DEBIT CREDIT |
| 20--   |             |            |       |        |              |
| Oct. 1 | Balance     | ✓          |       |        | 1950         |
|        |             |            |       |        |              |
|        | 10          | G4         | 1800  |        | 6244         |
|        | 18          | G5         |       | 6244   |              |
|        |             |            |       |        |              |
|        |             |            |       |        |              |

ACCOUNT *Miscellaneous Expense*ACCOUNT NO. *507*

| DATE    | DESCRIPTION | POST. REF. | DEBIT | CREDIT | BALANCE      |
|---------|-------------|------------|-------|--------|--------------|
|         |             |            |       |        | DEBIT CREDIT |
| 20--    |             |            |       |        |              |
| Oct. 10 |             | G4         | 2000  |        | 2000         |
|         |             |            |       |        |              |
|         | 25          | G6         | 1000  |        | 5000         |
|         |             |            |       |        |              |
|         |             |            |       |        |              |

### Analyze:

(1)

\$ \_\_\_\_\_ No. 1772

Date October 31 20\_\_

To \_\_\_\_\_

For \_\_\_\_\_

|                         | Dollars | Cents |
|-------------------------|---------|-------|
| Balance brought forward | 13,462  | 96    |
| Add deposits            |         |       |
|                         |         |       |
| Total                   |         |       |
| Less this check         |         |       |
| Balance carried forward |         |       |

(2)

PLEASE EXAMINE YOUR STATEMENT AT ONCE. ANY DISCREPANCY SHOULD BE REPORTED TO THE BANK IMMEDIATELY.

- Record any transactions appearing on this statement but not listed in your checkbook.
  - List any checks still outstanding in the space provided to the right.
  - Enter the balance shown on this statement here.
  - Enter deposits recorded in your checkbook but not shown on this statement.
  - Total Lines 3 and 4 and enter here.
  - Enter total checks outstanding here.
  - Subtract Line 6 from Line 5. This adjusted bank balance should agree with your checkbook balance.
- |  |  |
|--|--|
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

[illegible]

**Problem 11-7** (concluded)**(3)**

## GENERAL JOURNAL

PAGE \_\_\_\_\_

| DATE | DESCRIPTION | POST.<br>REF. | DEBIT | CREDIT |
|------|-------------|---------------|-------|--------|
| 1    |             |               |       |        |
| 2    |             |               |       |        |
| 3    |             |               |       |        |
| 4    |             |               |       |        |
| 5    |             |               |       |        |
| 6    |             |               |       |        |
| 7    |             |               |       |        |

**(4)**

## GENERAL LEDGER (PARTIAL)

ACCOUNT *Cash in Bank*ACCOUNT NO. *101*

| DATE    | DESCRIPTION | POST.<br>REF. | DEBIT | CREDIT | BALANCE |        |
|---------|-------------|---------------|-------|--------|---------|--------|
|         |             |               |       |        | DEBIT   | CREDIT |
| 20--    |             |               |       |        |         |        |
| Oct. 30 | Balance     | ✓             |       |        | 1346296 |        |
|         |             |               |       |        |         |        |
|         |             |               |       |        |         |        |
|         |             |               |       |        |         |        |
|         |             |               |       |        |         |        |
|         |             |               |       |        |         |        |

ACCOUNT *Miscellaneous Expense*ACCOUNT NO. *512*

| DATE    | DESCRIPTION | POST.<br>REF. | DEBIT | CREDIT | BALANCE |        |
|---------|-------------|---------------|-------|--------|---------|--------|
|         |             |               |       |        | DEBIT   | CREDIT |
| 20--    |             |               |       |        |         |        |
| Oct. 30 | Balance     | ✓             |       |        | 61047   |        |
|         |             |               |       |        |         |        |
|         |             |               |       |        |         |        |
|         |             |               |       |        |         |        |
|         |             |               |       |        |         |        |
|         |             |               |       |        |         |        |

**Analyze:** \_\_\_\_\_

# **Problem 11-8 Reconciling the Bank Statement** **Using the Account Form** (textbook p. 302)

**SNB** Security National Bank  
 3001 Porterfield Street, Durham, NC 27704

Job Connect  
 4457 Market Street  
 Kingston, NC 28150

FDIC

Account Number: 555113

Statement Date: 10/18/20--

| Balance<br>Last Statement | Deposits & Other Credits |        | Checks & Other Debits |        | Balance<br>This Statement |
|---------------------------|--------------------------|--------|-----------------------|--------|---------------------------|
|                           | No.                      | Amount | No.                   | Amount |                           |
| 452.46                    | 1                        | 288.66 | 4                     | 396.54 | 344.58                    |

| Description     | Checks &<br>Other Debits | Deposits &<br>Other Credits | Date  | Balance |
|-----------------|--------------------------|-----------------------------|-------|---------|
| Balance Forward |                          |                             | 09/15 | 452.46  |
| Check           | 105.00                   |                             | 09/18 | 347.46  |
| Check           | 59.71                    |                             | 09/22 | 287.75  |
| Check           | 87.00                    |                             | 09/29 | 200.75  |
| Check           | 45.41                    |                             | 09/29 | 155.34  |
| Deposit         |                          | 288.66                      | 10/06 | 444.00  |
| Returned Check  | 68.42                    |                             | 10/13 | 375.58  |
| Service Charge  | 7.00                     |                             | 10/13 | 368.58  |
| Service Charge  | 10.00                    |                             | 10/15 | 358.58  |
| Service Charge  | 14.00                    |                             | 10/18 | 344.58  |

PLEASE EXAMINE YOUR STATEMENT CAREFULLY. DIRECT ALL INQUIRIES IMMEDIATELY.

### Analyze: