**E5.8** **(**[**LO 3**](https://jigsaw.vitalsource.com/books/9781119591344/epub/OPS/c05.xhtml?favre=brett#c05-feafxd-0011)**), AP** The following information pertains to Lance Company.

1. Cash balance per bank, July 31, $7,328.
2. July bank service charge not recorded by the depositor $38.
3. Cash balance per books, July 31, $7,364.
4. Deposits in transit, July 31, $2,700.
5. $2,016 collected for Lance Company in July by the bank through electronic funds transfer. The collection has not been recorded by Lance Company.
6. Outstanding checks, July 31, $686.

**Instructions**

1. Prepare a bank reconciliation at July 31, 2022.
2. Prepare a tabular analysis for the adjustments at July 31 on the books of Lance Company. Use the following column headings: Cash, Accounts Receivable, Revenues, and Expenses. Include margin explanations for the changes in revenues and expenses.

**P5.3** **(**[**LO 3**](https://jigsaw.vitalsource.com/books/9781119591344/epub/OPS/c05.xhtml?favre=brett#c05-feafxd-0011)**), AP** On July 31, 2022, Keeds Company had a cash balance per books of $6,140. The statement from Dakota State Bank on that date showed a balance of $7,690.80. A comparison of the bank statement with the Cash account revealed the following facts.

1. The bank service charge for July was $25.
2. The bank collected $1,520 for Keeds Company through electronic funds transfer.
3. The July 31 receipts of $1,193.30 were not included in the bank deposits for July. These receipts were deposited by the company in a night deposit vault on July 31.
4. Company check No. 2480 issued to L. Taylor, a creditor, for $384 that cleared the bank in July was incorrectly entered in the cash payments record on July 10 for $348.
5. Checks outstanding on July 31 totaled $1,860.10.
6. On July 31, the bank statement showed an NSF charge of $575 for a check received by the company from W. Krueger, a customer, on account.

**Instructions**

1. Prepare the bank reconciliation as of July 31.

a. Adjusted cash bal. $7,024.00

1. Prepare a tabular analysis for the necessary adjustments at July 31. Use the following column headings: Cash, Accounts Receivable, Accounts Payable, Revenues, and Expenses. Include margin explanations for the revenues and expenses.

**E5.7** **(**[**LO 3**](https://jigsaw.vitalsource.com/books/9781119591344/epub/OPS/c05.xhtml?favre=brett#c05-feafxd-0011)**), AP** At April 30, the bank reconciliation of Back 40 Company shows three outstanding checks: No. 254 $650, No. 255 $700, and No. 257 $410. The May bank statement and the May cash payments record are given here.

| **Bank Statement****Checks Paid** |
| --- |
| **Date** | **Check No.** | **Amount** |
| 5-4 | 254 | $650 |
| 5-2 | 257 |  410 |
| 5-17 | 258 |  159 |
| 5-12 | 259 |  275 |
| 5-20 | 260 |  925 |
| 5-29 | 263 |  480 |
| 5-30 | 262 |  750 |
| **Cash Payments Record****Checks Issued** |
| **Date** | **Check No.** | **Amount** |
| 5-2 | 258 | $159 |
| 5-5 | 259 |  275 |
| 5-10 | 260 |  925 |
| 5-15 | 261 |  500 |
| 5-22 | 262 |  750 |
| 5-24 | 263 |  480 |
| 5-29 | 264 |  360 |

**Instructions**

Using Step 2 in the reconciliation procedure, list the outstanding checks at May 31.