

PROBLEM 7-3B

(a) **LOMBARD COMPANY**
Bank Reconciliation
May 31, 2010

Cash balance per bank statement		\$7,964.60
Add: Deposits in transit.....	\$836.15	
Bank error—Lanshek check	290.00	1,126.15
		9,090.75
Less: Outstanding checks		1,106.25
Adjusted cash balance per bank.....		\$7,984.50
Cash balance per books		\$5,681.50
Add: Collection of note receivable		2,550.00
(\$2,500 + \$80 – \$30)		8,231.50
Less: NSF check.....	\$140.00	
Error in May 12 deposit.....	10.00	
Error in recording check No. 1181	27.00	
Check printing charge	70.00	247.00
Adjusted cash balance per books		\$7,984.50

(b)	May 31	Cash.....	2,550	
		Miscellaneous Expense	30	
		Notes Receivable.....		2,500
		Interest Revenue.....		80
		31 Accounts Receivable—K. Uzong	140	
		Cash		140
		31 Sales	10	
		Cash		10
		31 Accounts Payable—N. Habben.....	27	
		Cash		27
		31 Miscellaneous Expense	70	
		Cash		70