

Grade 12 Accounting: Reconciliations & Creditors Study Guide

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Free Study Resources for South African Matric Learners

1. Bank Reconciliation

Reconciles the Cash Journals (bank account in books) with the Bank Statement.
Differences arise due to TIMING (outstanding items) or ERRORS.

Outstanding Deposits (deposits not yet on bank statement)

Add to bank statement balance when reconciling.

Outstanding Cheques/EFTs (issued but not yet presented to bank)

Subtract from bank statement balance when reconciling.

Bank Statement items not in Cash Journals

- Bank charges: update Cash Payments Journal (CPJ)
- Interest on overdraft: update CPJ
- Interest received: update Cash Receipts Journal (CRJ)
- Stop order/debit order not recorded: update CPJ or CRJ

2. Debtors & Creditors Reconciliation

Debtors Control Reconciliation

The Debtors Control account balance in the General Ledger must equal the total of all individual debtor balances in the Debtors Ledger.

If they differ: find missing entries, errors, or differences in individual accounts.

Creditors Reconciliation

Reconcile Creditors Control (GL) with suppliers statements:

- Invoices received but not recorded -> update CPJ or Purchases Journal
- Payments made but not reflected on statement -> note as outstanding
- Credit notes not recorded -> update Returns Journal

3. Petty Cash

Imprest system: petty cash fund restored to fixed amount each period.

Petty Cash Journal records small cash payments.

Replenishment: CPJ entry debiting various expense accounts, crediting bank.

TIP A common error: forgetting to update the Cash Journals for bank statement items. Always check both sides: bank statement vs the books. Adjust the books for items on statement, adjust statement for outstanding items.