

Find the difference. Explain the correction.

Fictional practice case · 10–15 minutes · USD

New public teaching sample. Not a client file, student submission or issued class assignment. Use paper or a spreadsheet; no software purchase is required.

1. Compare the records

Both records start at **\$10,000**. The bank statement ends at **\$11,690**. The draft cash ledger ends at **\$11,040**.

Fictional bank statement — October

Date	Description	Cash movement
Oct 3	Customer receipt	\$3,500.00
Oct 5	Office rent	-\$1,200.00
Oct 8	Software subscription	-\$180.00
Oct 12	Utilities	-\$400.00
Oct 31	Bank service charge	-\$30.00

Draft cash ledger — October

Date	Description	Cash movement
Oct 3	Customer receipt	\$3,500.00
Oct 5	Office rent	-\$1,200.00
Oct 8	Software subscription	-\$180.00
Oct 12	Utilities	-\$400.00
Oct 20	Vendor payment (bill V-104)	-\$500.00
Oct 8	Software subscription (second entry)	-\$180.00

2. Supporting facts

The software invoice and bank evidence confirm one \$180 payment. Bill V-104 is valid but remains unpaid: there is no payment confirmation or bank withdrawal. The supported \$30 bank charge has not been recorded in the ledger.

3. Your task

1. Explain the \$650 difference using three specific items.
2. Write each correction and its effect on the cash balance.
3. Show the corrected balance and write a two-sentence reviewer handoff.

Check your reasoning.

Attempt the exercise before reading this page. A matching balance alone is not enough: use the supplied supporting facts.

Required corrections

1. **Unpaid bill shown as paid: add \$500 to cash.** A bill does not prove a payment. Correct the erroneous payment in the practice ledger while retaining the valid unpaid bill in accounts payable. Check that V-104 remains outstanding and cash was not reduced.
2. **Duplicate software payment: add \$180 to cash.** The second entry understates cash and can duplicate an expense. Verify the invoice and bank evidence, then correct only the duplicate in this practice ledger. Check that one \$180 payment/expense remains.
3. **Missing bank charge: subtract \$30 from cash.** Omitting a supported charge overstates cash. Record a \$30 bank-service expense against cash. Check its date, amount and supporting statement before marking it reconciled.

$\$11,040 + \$500 + \$180 - \$30 = \$11,690$.

Corrected ledger \$11,690 – bank statement \$11,690 = **\$0 difference**. No unexplained balancing adjustment is needed.

Example reviewer handoff

"I corrected an unpaid bill recorded as a payment, one duplicate software payment and a missing bank charge using the supplied evidence. October cash is \$11,690 and agrees to the bank statement; bill V-104 remains unpaid."

Sample self-check — 10 points

Work to demonstrate	Points
Identify three supported differences	3
Correct direction and amount for each item	3
Ending balance \$11,690 and difference \$0	2
Clear handoff; retain the unpaid bill	2

Optional practice: explain why deleting every item absent from a statement is unsafe. Real reconciliations can include valid outstanding transactions; investigate evidence and obtain appropriate review before changing real books.

Learning reference: [Intuit — Fix issues at the end of a reconciliation](#). Educational practice, not a recommendation to alter a real account.