BANK RECONCILIATION Introduction:- 1.The possible explanations are:- (a) Errors in calculation, or recording income and payments, are more likely to have been made by yourself than by the bank, but it is possible that the bank has made a mistake too.(ii) Similarly, you might have made some payments by cheques, and reduced the balance in your account accordingly in the record that you keep, but the person who receives the cheque might not bank it for a while.When a bank prepares your bank statement: (i) There might be some cheques that you have received and paid into the bank, but which haven't yet been 'cleared' and added to your account so although your own records show that some cash has been added to your account, it hasn't yet been acknowledged by the bank, although it will be added in a very short time when the cheques is eventually cleared.The bank might deduct such amounts, which you are not informed about until you received the bank statement.Why might your own estimate of your bank balance be different from the amount shown on your bank statement?2.3.