



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF HOSPITALITY & TOURISM

DIPLOMA IN HOTEL AND INSTITUTIONAL MANAGEMENT
(DHIM)

BAC 2330: HOSPITALITY ACCOUNTING

END OF SEMESTER EXAMINATIONS

SERIES: APRIL 2015

TIME: 2 HOURS

INSTRUCTIONS:

- This paper consists of Sections **A** and **B**.
- Section **A** is **Compulsory**. Answer any **TWO** questions in Section **B**.
- Mobile phones are not allowed into the examination room.
- Cheating leads to disqualification.
- *This paper consists of Five printed pages.*

SECTION A (Compulsory) 30 Marks

QUESTION 1

- a) The following transactions relate to Power Shop. Enter the information in ledger accounts and prepare a Trial Balance as at 31st January 2012

Jan.	1 st	Started business with sh. 35,000 in cash
	2 nd	Put sh. 28,000 of cash into the bank
	4 th	Bought goods on credit from: Judah sh. 3,600; Samson sh. 3,400
	5 th	Bought stationery on credit from Sparrow Ltd sh. 1,900
	6 th	Sold goods on credit to: Walter sh. 900; Paul sh. 1,600
	8 th	Paid rent by cheque sh. 1,500
	11 th	Paid salaries in cash sh. 1,200
	14 th	Returned goods to Judah sh. 400; Samson sh. 600
	15 th	Bought equipment by cheque sh. 7,000
	18 th	Received loan from Henry by cheque sh. 6,000
	21 st	Received cheques from Walter sh. 900 and Paul sh. 1,500
	30 th	Received a further loan from Henry sh. 2,000

(20 marks)

- b) Discuss any **FIVE** roles Accounting plays in a Hospitality organization.

(10 marks)

SECTION B (Answer any TWO questions) 40 Marks

QUESTION 2

- a) Record the following items in the Journal, post to personal account and transfer totals to the General ledger

2013

Dec.	1 st	Credit purchases from: Hill sh. 38,000; Norman sh. 50,000
	3 rd	Credit Sales to: Ruth sh. 51,000; Felix sh. 24,600
	5 th	Credit purchases from Moses: sh. 20,000; David sh. 6,600
	8 th	Credit sales to: Grace sh. 30,700; George sh. 25,000
	12 th	Returns outwards to: Norman sh. 3,000; Hill sh. 1,600
	14 th	Returns inwards from P. Ruth sh. 1,800; Felix sh. 4,200
	24 th	Credit purchases from: Faith sh. 55,000; Elsie sh. 90,000
	31 st	Returns inwards from: Grace sh. 2,700; George sh. 3,000
	31 st	Returns outwards to: Moses sh. 1,300; David sh. 1,100

- b) For comparability purposes, accountants must adhere to some rules/concepts. Discuss any **FOUR** of these rules.

(8 marks)

QUESTION 3

a)

Cashbook					
Dr.	£		Cr.		£
2010			2010		
July 1	Bal. b/d	237,900	July 5	Blake	1,500
7	Grace	1,580	12	Gray	43,300
16	Silvia	9,300	16	Steve	8,800
28	Brown	30,700	29	Orange Club	5,700
30	Black	<u>62,400</u>	30	Bal. c/d	<u>283,300</u>
		<u>356,100</u>			<u>356,100</u>

BANK STATEMENT					
		Dr	Cr.		Balance
2010					
July 1	Bal. b/d				237,900
7	Cheque		15,800		253,700
8	Blake	1,500			238,700
16	Cheque		9,300		248,000
17	Gray	4,330			204,700
18	Steve	8,800			195,900
28	Cheque		30,700		226,600
29	Standing order	4,400			222,200
30	Trade credit: John		9,000		231,200
30	Bank charges	7,000			224,200

Required:

From the above information prepare:

- i) Un updated cashbook. **(6 marks)**
- ii) A Bank Reconciliation Statement as on 31st July 2010. **(8 marks)**

b) State any **SIX** reasons as to why the bank balance according to the above **TWO** statements differ. **(6 marks)**

QUESTION 4

- a) The following is a Trial Balance of Saviour as at 31st May 2009. Draw up a Trading, and Profit and Loss Account for the Year ended 31st May 2009 and a Balance Sheet as at that date. **(15 marks)**

	Dr.	Cr.
Stock (1 st May 2008)	181,600	
Sales		923,400
Purchases	691,850	
Carriage inwards	4,200	
Carriage outwards	15,700	
Returns outwards		6,400
Salaries	102,400	
Rent & rates	30,150	
Communication expenses	6,240	
Commissions payable	2,160	
Insurance	4,050	
Sundry expenses	3,180	
Buildings	200,000	
Debtors	143,200	
Creditors		81,600
Fixtures	28,500	
Cash at bank	29,700	
Cash in hand	1,150	
Drawings	76,200	
Capital	<u> </u>	<u>508,880</u>
	<u>1,520,280</u>	<u>1,520,280</u>

Stock as at 31st May 2009 was sh. 223,900.

- b) Write brief notes on the Accounting Equation. **(5 marks)**

QUESTION 5

a) From the following information, prepare a Three Column Cashbook.

2013

July	1 st	Bal. b/d cash 10,200; Bank sh. 220,600
	3 rd	Received money from the following by cheque less 5% discount: James sh.100,000; Simon sh. 21,000
	3 rd	Cash sales paid directly into bank sh. 13,200
	5 th	Paid rent by cheque sh. 8,600
	6 th	Paid the following by cheque less 2.5% discount: Jim 40,000; Karen sh. 22,000
	8 th	Withdrew cash from bank for business use sh. 20,000
	10 th	Cash sales sh. 18,200
	12 th	Paid wages by cash sh. 25,000
	20 th	Bought fixtures by cheque sh. 35,000
	24 th	Received a loan of sh. 15,400 from Dorcas
	30 th	Cash sales sh. 12,700
	31 st	Bought stationery by cash sh. 850

(14 marks)

b) Discuss the importance of a cashbook to an organization.

(6 marks)