



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF HOSPITALITY & TOURISM

DIPLOMA IN HOTEL AND INSTITUTIONAL MANAGEMENT
(DHIM)

BAC 2330: HOSPITALITY ACCOUNTING

SPECIAL/SUPPLEMENTARY EXAMINATIONS

SERIES: FEBRUARY 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) Write up the following transactions in the books of Drift Wood Beach Club and prepare Trial 2013

Aug. 1 st	Commenced business with sh. 150,000
2 nd	Bought goods on credit from Hellen sh. 29,600
3 rd	Paid rent cash sh. 2,800
4 th	Deposited sh. 50,000 of cash into bank
5 th	Sold goods on credit to cliff sh. 5,400
7 th	Bought stationery by cheque sh. 1,500
11 th	Cash sales sh. 4,900
14 th	Goods returned by Cliff sh. 1,400
17 th	Sold goods on credit to Morgan sh. 2,900
20 th	Goods returned to Hellen sh. 1,700
29 th	Bought equipment paying by cheque sh. 39,500
30 th	Bought fixtures on credit from Baraka sh. 10,500

(20 marks)

- b) Discuss the various parties who may find the financial statements prepared by Eden Roc Hotel useful.

(10 marks)

SECTION B (Answer any TWO questions) 40 Marks

QUESTION 2

- a)

TEMPLE POINT RESTAURANT TRIAL BALANCE AS AT 31ST DECEMBER 2012

	Dr.	Cr.
Sales		1,860,000
Purchases	1,187,400	
Returns inwards	20,500	
Return outwards		32,200
Salaries and wages	386,200	
Rent	30,400	
Insurance	7,800	
Motor expenses	66,400	
Office expenses	21,600	
Lighting	16,600	
General expenses	31,400	
Premises	500,000	
Motor vehicles	180,000	

Fixtures	35,000	
Debtors	389,600	
Creditors		173,100
Cash at bank	48,200	
Stock (1 st Jan. 2012)	236,800	
Carriage outwards	20,000	
Drawings	120,000	
Capital		1,263,000
Carriage inwards	<u>31,000</u>	
	<u>3,328,900</u>	<u>3,328,900</u>

Required:

- i) Trading and Profit and Loss and A/C for the year ended 31st December 2012. (8 marks)
- ii) Balance sheet as at that date. (7 marks)
- b) State **FIVE** reasons as to why some of the goods bought from suppliers can be returned to them. (5 marks)

QUESTION 3

- a) Enter the following information in a three-column cashbook:

2010

- May 1st Balances b/f: cash sh. 10,200; Bank sh. 215,600
- 2nd The following paid us by cheque less 5% discount: Hope sh. 90,000; Paul sh. 18,600
- 3rd Cash sales sh. 125,000
- 5th Paid rent by cash sh. 12,000
- 6th We paid the following accounts by cheque less 2 ½ % discount Charles sh. 30,000; Sam sh. 62,000
- 8th Withdrew sh. 20,000 for business use
- 16th Paid wages by cash sh. 14,500
- 20th Bought furniture by cheque sh. 39,000
- 30th Cash sales sh. 11,600
- 30th Bought stationery by cash sh. 5,200

(12 marks)

- b) Write brief notes on the following accounting concepts:
 - i) Matching concept
 - ii) Consistency concept
 - iii) Duality concept
 - iv) Going concern

(8 marks)

QUESTION 4

a) The following information relates to Lion in the Sea Resort. You are required to:

i) Write the cashbook upto date.

(6 marks)

ii) Prepare a bank reconciliation statement as on 31st December 2009.

(8 marks)

Cashbook					
Dr.	£		Cr.		£
2009			2009		
June 1	Bal. b/d	23,790	June 5	Clay	1,500
7	Green	1,580	12	Grey	4,330
26	Saviour	930	16	Sheila	880
28	Brian	3,070	29	Sports Club	570
30	Brook	<u>6,240</u>	30	Bal. c/d	<u>28,330</u>
		<u>35,610</u>			<u>35,610</u>

BANK STATEMENT				
		Dr	Cr.	Balance
2009				
June 1	Bal. b/d			23,790
7	Cheque		1,580	25,370
8	Clay	1,500		23,870
16	Cheque		930	24,800
17	Greg	4,330		20,470
18	Sheila	880		19,590
28	Cheque		3,070	22,660
29	Standing order	440		22,220
30	Traders Credit		900	23,120
30	Bank charge	700		22,420

b) Highlight the steps in preparing a bank reconciliation statement.

(6 marks)

QUESTION 5

- a) Kivulini Ocean Sun View keeps a record of its debtors and creditors. Enter the following information in the journals, post to personal accounts and show transfers to the general ledger

2010

May	1 st	Credit purchases from Rob. Sh. 38,000; Nelly sh. 50,000
	3 rd	Credit sales to: Ray sh. 52,000; Pontif sh. 24,600
	5 th	Credit purchases from Moses sh. 20,000; Dan sh. 18,000
	8 th	Credit sales to: Ken sh. 32,800; Felix sh. 18,500
	12 th	Returns outwards to: Nelly sh. 3,200; Rob sh. 1,800
	14 th	Returns inwards from: Pontif sh. 1,400; Ray sh. 2,800
	20 th	Credit sales to: Pontif sh. 22,300; Grace sh. 31,000
	24 th	Credit purchases from: Felix sh. 50,000; Dan sh. 95,000
	31 st	Returns inwards from: Pontif sh. 2,400; Ray sh. 1,650
	31 st	Returns outwards: Moses sh. 1,380; Dan sh. 2,200

(15 marks)

- b) State and explain **FIVE** source documents; citing the sender, receiver and purpose of the particular document.

(5 marks)