



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF HUMANITIES AND SOCIAL SCIENCES
DEPARTMENT OF HOSPITALITY & TOURISM
UNIVERSITY EXAMINATION FOR DIPLOMA IN:
HOTEL AND INSTITUTIONAL MANAGEMENT (DHIMM14/S14)
BAC 2330: HOSPITALITY ACCOUNTING
END OF SEMESTER EXAMINATION
SERIES: MAY 2016
TIME: 2 HOURS
DATE: Pick Date May 2016

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attempt Choose instruction.

Do not write on the question paper.

SECTION A (Answer ALL the questions)

30 POINTS

QUESTION ONE

a.) The following transactions relate to Sea view restaurant at Tudor in Mombasa.

June 1: Started with sh.400, 000 cash

2: Put sh.280,000 of cash into bank

3: Bought goods for cash sh. 15,000

5: Bought goods on credit from Ken: sh.36, 000 and Ben sh 51,000

7: Sold goods on credit to Wem sh. 11, 000, Paul sh. 18,000

10: Bought furniture on credit to Momo Ltd sh. 50,000

11: Paid salaries in cash sh.30,000

14: Returned goods to: Ben, sh. 6, 000, Ken sh. 8,000

15: Bought equipment by cheque sh. 68,000

25: Received a loan from Alvin sh. 25,000 by cash

28: We paid the following by cheque: Ben sh. 45, 000, Ken sh.10,000

Required:

Enter the above transactions in ledger accounts, balance off and extract a trial balance.

(20 marks)

b.) Write brief notes on the following

- | | | |
|------|-------------------|-----------------|
| i. | Account | (2marks) |
| ii. | Personal account | (2marks) |
| iii. | Real account | (2marks) |
| iv. | Nominal account | (2marks) |
| v. | Double entry rule | (2marks) |

QUESTION TWO

a.) Crystal palace has compiled a record of creditors and debtors. Enter the following items in the daybooks, post to personal accounts and show transfers to general ledger.

2010

- Aug: 1: Credit purchases from Hope sh. 38,000, Nelly sh.50, 000
3: Credit sales to Ruth sh.51, 000, Philip sh.24, 600
5: Credit purchases from: Meja sh.20, 000, David sh.66, 000
8: Credit sales to Greg sh. 30, 070, George sh.25, 000
12: Returns outwards to: Nelly sh. 3,000, Hope sh. 1,600
14: Returns inwards from: Philip sh.1, 800, Ruth sh.2, 200
20: Credit sales to: Philip sh. 18, 000, Greg sh. 42,000
24: Credit purchases from: Hope sh.27, 000, Meja sh.3, 000
31: Returns outwards to David sh. 1, 100, Meja sh. 1,300

(14marks)

b.) State and explain any six external users of accounting information.

(6marks)

QUESTION THREE

a.) Enter the following in three –column cashbook

2009

May 1: Balances bought forward: Cash sh.80, 000, Bank sh.200, 000

3: Bought furniture by cheque sh.20,000

5: Bought goods by cheque sh.70,000

8: Received from Njema sh.19, 000 having allowed him a cash discount of 1,000

9: Paid the following accounts by cheque in each case deducting 10% discount:Muthoni sh.30,000,Salma sh.15,000,Kip sh.26,000

12: Cash sales sh.14, 000: paid postage cash sh. 2,000

16: Received a cheque of 27,500 from Ngondi in full settlement of his account of sh.28,500

20: Received a cheque from the following allowing a discount of 10% in each case Adija sh.18, 000, Adongo sh. 28, 000, Maranga sh. 12,600

25: Took cash to the Bank sh.32,000

28:Paid salaries in cash sh.10,000 and cheque sh.37,000

31: Withdrew cash from bank for office use sh.1, 000

(15marks)

b.) State five reasons as to why customers return part of the goods

(5marks)

QUESTION FOUR

The following trial balance relates to Grace Ltd as at 31st December,2011

Details	Dr (£)	Cr (£)
Capital		49,675
Drawings	28,600	
Cash at bank	4,420	
Cash at hand	112	
Debtors	38,100	
Opening stock	72,410	
Furniture	5,650	
Equipment	7,470	
Sales		391,400
Purchases	254,810	
Returns inwards	2,110	
Carriage inwards	760	
Returns outwards		

Carriage inwards	2,850	
Carriage outwards	1,490	
Sundry expenses	8,200	
Rent	680	
Telephone	39,600	
Wages & salaries	745	
Insurance	392	
Office expenses	216	
postage		
	468,615	468,615
	468,615	468,615

Stock as at 31 December, 2011 was £8,940

Required:

Prepare a trading and profit & loss account for the year ended 31st December 2011 and a balance sheet as at that date.

(20marks)

QUESTION FIVE

a.)

CASH BOOK

	DR	SH		CR	SH
2010			2010		
June 1	Bal b/d	237,900	June 5	Black	15,000

7	Grace	15,800	12	Gray	43,300
16	Silver	9,300	16	Stephen	8,800
28	Brown	30,700	27	Impala club	5,700
30	Biron	62,400	30	Bal c/d	283,300
		<u>356,100</u>			<u>356,100</u>

BANK STATEMENT

	Details	DR	CR	Balance
2010				
June 1	Bal b/d			237,900
7	Cheque		15,800	253,700
8	Black	15,000		238,700
16	Cheque		9,300	248,00
17	Gray	43,300		204,700
18	Stephen	8,800		195,900
28	cheque		30,700	226,600
29	standing order	4,400		222,200
30	john:Trade credit		9,000	231,200
30	bank charges	7,000		224,200

REQUIRED

- i. Prepare an updates cashbook **(6marks)**
- ii. Draw up a bank reconciliation statement as on 30th June 2010 **(8marks)**

b. Explain three differences between the cashbook and bank reconciliation statement **(6marks)**

