



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 Mwambi enterprises:

June 1: Started business with sh.500, 000 cash

2: Put sh.250, 000 of cash into bank

3: Cash purchases sh. 15,000

5: Bought goods on credit from Dan: sh.35, 000 and Jerry sh. 52,000

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

10: Bought furniture on credit from ABC Ltd sh. 50,000

11: Paid salaries in cash sh.20, 000

14: Returned goods to: Dan sh. 6, 000, Jerry 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: Dan sh. 45, 000, Jerry sh. 10,000

Required:

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

(20 marks)

b) Discuss any FIVE Parties who may find accounting information useful.

(10 Marks)

(14marks)

a.) State and explain any six external users of accounting information.(6marks)

QUESTION TWO

a.) Enter the following in three –column cashbook

2009

May 1: Balances brought forward: Cash sh.91, 000, Bank sh.220, 000

3: Bought a machinery paying cash sh.35,000

5: Bought goods by cheque sh.40,200

8: Received from Rehema sh.29,000 having allowed him a cash discount of 1,000

9: Paid the following accounts by cheque in each case deducting 10% discount:Njeri sh.30,000, Rono sh.15,000, Kim sh.26,000

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

16: Received a cheque of 27,500 from Terry 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 Halima sh.18, 000, Ann sh. 28,000, Maranga sh. 12,600

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

28: Paid salaries in cash sh.20,000 and cheque sh.25,000

31: Deposited sh.1,000 of cash in hand into the bank.

(15marks)

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

(5marks)

QUESTION THREE

The following trial balance relates to joy co as at 30th September 2008

Details	Dr (£)	Cr (£)
Capital		49,675
Drawings	28,600	
Cash at bank	4,420	
Cash at hand	112	
Debtors	38.100	
Stock(30 th sept 2007)	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

Stock as at 30th September 2008, was £8,940

Required:

Prepare a trading and profit & loss account for the year ended 30th September 2008 and a balance sheet as at that date. (20marks)

QUESTION FOUR

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
		356,100			356,100

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	Credit transfer		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. State any SIX accounting concepts/rules followed by accountants (6marks)

QUESTION FIVE

- a.) Cool Breeze 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 Henry sh.38, 000, Nelly sh.50, 000
3: Credit sales to Rahab sh.51, 000, Passy 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, Henry sh. 1,600
14: Returns inwards from: Passy sh.1, 800, Rahab sh.2, 200
20: Credit sales to: Passy sh. 18, 000, Greg sh. 42,000
24: Credit purchases from Henry sh.27, 000, Meja sh.3, 000
31: Returns outwards to: David sh. 1, 100, Meja sh. 1,300

(15 Marks)

- b)Discuss FIVE roles of Accounting to an organization.

(5 Marks)