



TECHNICAL UNIVERSITY OF MOMBASA

Faculty of Business & Social Studies

DEPARTMENT OF HOSPITALITY & TOURISM

DIPLOMA IN CATERING AND ACCOMMODATION MANAGEMENT

BAC 2231: HOSPITALITY ACCOUNTING

SUPPLEMENTARY/SPECIAL EXAMINATIONS

SERIES: FEBRUARY 2013

TIME: 2 HOURS

INSTRUCTIONS:

- This paper consists of **TWO** Sections **A** and **B**.
- Section **A** is **Compulsory**. Answer **ALL** questions.
- Answer any **TWO** questions in Section **B**.
- ***This paper consists of Four printed pages.***

SECTION A (Compulsory) 30 Marks

QUESTION 1

- a) Enter the following transaction in the ledger accounts, balance off the accounts and extract a trial balance: (20 marks)

2010 June 1 st	John started business with cash sh. 45,000
2 nd	Purchased goods for cash sh. 15,000
3 rd	Purchased furniture and paid by cheque sh. 5,000
5 th	Sold goods to Walia on credit worth sh. 4,000
8 th	Goods purchased from Amrit on credit sh. 7,000
10 th	Goods returned to Amrit sh. 1,000
12 th	Sold goods for cash sh. 8,500
15 th	Goods returned by Walia sh. 200
18 th	Cash received from Walia sh. 3,760 and discount allowed to him wash sh. 40
21 st	Withdrew from the bank for private use sh. 1,000
21 st	Withdrew from the bank for use in the office sh. 5,000
25 th	Paid telephone sh. 400
28 th	Paid Amrit in full statement of his account sh. 5,940 by cash
30 th	Paid stationary of sh. 200 in cash, rent of sh. 1,000 in cash and salaries to staff of sh. 2,500

- b) Explain **FIVE** differences between Financial Accounting and Management Accounting in a business enterprise. (10 marks)

SECTION B (Answer any TWO questions) 40 Marks

QUESTION 2

- Enter the following transaction in a three-column cashbook (20 marks)
2007

June 1 st	Started business with sh. 25,000 at bank
2 nd	Bought goods by cheque sh. 3,800
3 rd	Bought goods from Mashal for sh. 5,000
4 th	Sold goods to AB & Co. sh. 2,600
5 th	Cashed a cheque for office use sh. 2,000
6 th	Bought goods from XY & Co. sh. 7,400
7 th	Sold goods to Kariuki sh. 3,700
8 th	Paid expenses in cash sh. 300
10 th	Sold goods for cash sh. 2,500
11 th	Paid Marshall by cheque the amount due to him less 5% discount
12 th	Received from AB & Co. a cheque of the amount due less 4% cash discount
13 th	Paid expenses in cash sh. 250
17 th	Paid XY & Co. by cheque deducting cash discount of 3%
20 th	Received cash from Kariuki discount allowed being 2.5%
30 th	Paid wages in cash sh. 1,000
30 th	Banked all the cash in hand keeping a balance of sh. 500

Give an explanation on the **THREE** types of cashbook including their formats.

QUESTION 3

- a) From the trial balance given below, prepare a Trading and Profit and Loss Account for the period ended 31st December, 2003 and a Balance Sheet as at that date:

Details	Dr	Cr
Sales		350,000
Purchases	160,000	
Cash at bank	290,000	
Return inwards	5,000	
Carriage inwards	20,000	
Carriage outwards	14,000	
Salaries and wages	10,000	
Debtors	56,000	
Creditors		90,000
Stock	35,000	
Machinery	265,000	
Rent		25,000
Discount received		18,000
Light and heating	12,000	
Buildings	240,000	
Advertising	13,000	
Drawings	30,000	
capital	6 67,000	
	<u>1,150,000</u>	<u>1,150,000</u>

Stock on 31st August 2005 was valued at sh. 50,000. The shown Trial balance was extracted from the books of Baite Traders on 31st August 2005.

Required:

Prepare trading, profit and loss account for the year ended 31st August 2005 and balance sheet as at that date. **(14 marks)**

- b) State the main purposes of final accounts to a business enterprise. **(6 marks)**

QUESTION 4

Enter the following in the books, post to personal accounts and show transfers to the general ledger

1995

- July 1st Credit purchase from; Hill sh. 38,000, Nerman sh. 5,000, Senior sh. 1,060
3rd Credit sales to: Rigby sh. 5,100, Philips 2,460, Thompson sh. 3,560
5th Credit purchase from: Morton sh. 2,000, Cook sh. 1,800, Edward sh. 4,100, Davies sh. 600
8th Credit sales to: Green sh. 3,070, George sh. 2,500, Ferguson sh. 1,850

- 12th Return outwards to: Norman sh. 3,000, Senior sh. 160
- 14th Return inward from: Philips sh.1,880, Power sh. 3,100, Lee sh. 4,200
- 24th Credit purchase from: Ferguson sh. 5,500, Erick sh. 9,000
- 31st Return inward from: Philips sh. 270, Fligby sh. 300
- 31st Return outwards to: Cook sh. 130, Davies sh. 110

(20 marks)

QUESTION 5

- a) The petty cashier operates on an imprest of sh. 15,000 per month. On 1st Jan, 2008 he had a balance of sh. 500 and received reimbursement to restore the flat. The following payments were made during the month:

- Jan 2nd Travelling sh. 200 and postage sh. 400
- 5th Tea leaves for staff tea sh. 400
- 10th Stationery sh. 2,500
- 15th Sundry expenses sh. 1,000
- 18th Stamps sh. 500
- 24th Cleaning sh. 300 and busfare sh. 350
- 29th Travelling sh. 600, stationery sh. 1,500 and tea leaves sh. 600
- 31st Omondi a creditor sh. 3,000

Required:

Prepare a petty cashbook using analysis column for travelling stationery, sundry expenses and ledger accounts. **(15 marks)**

- b) Explain the accounting equation and using specific examples elaborate on each element. **(5 marks)**