



MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS
2019/2020 ACADEMIC YEAR
FOURTH YEAR FIRST SEMESTER**

**SCHOOL OF TOURISM HOSPITALITY AND
LEISURE STUDIES
BACHELOR OF TOURISM MANAGEMENT**

COURSE CODE: BHM 4103

COURSE TITLE: HOSPITALITY ACCOUNTING

DATE: 13/12/2019

TIME: 1430 - 1630 HRS

INSTRUCTIONS TO CANDIDATES

Answer all question in **SECTION A** and any other three in **SECTION B**

This paper consists of 4 printed pages. Please turn over.

Section A -25 Marks

1.

- a) Discuss any five accounting principles **(10 marks)**
- b) Write up the following transactions in the S Pink sales, purchases and returns day books and post them to the individual relevant accounts in the sales and purchases ledgers. Draw the trial balance to represent the accounts **(15 marks)**

March 2019

- 1 Started business with cash £1,000.
“ 2 Bought goods on credit from A Cliks £296.
“ 3 Paid rent by cash £28.
“ 4 Paid £1,000 of the cash of the firm into a bank account.
“ 5 Sold goods on credit to J Simpson £54.
“ 7 Bought stationery £15 paying by cheque.
“ 11 Cash sales £49.
“ 14 Goods returned by us to A Cliks £17.
“ 17 Sold goods on credit to P Lutz £29.
“ 20 Paid for repairs to the building by cash £18.
“ 22 J Simpson returned goods to us £14.
“ 27 Paid A Cliks by cheque £279.
“ 28 Cash purchases £125.
“ 29 Bought a motor vehicle paying by cheque £395.
“ 30 Paid motor expenses in cash £15.
“ 31 Bought fixtures £120 on credit from R west.

Section B

2.

- a) Information systems play a crucial role in the hotel industry as they facilitate planning, management, overall operations of the hotels as well as policy making. Discuss any five information systems that are commonly used in the hospitality industry **(10 marks)**
- b) Define the following terms as used in hospitality cost control giving examples
- i. Prime cost

- ii. Marginal cost
- iii. Variable cost
- iv. Direct cost
- v. Indirect cost **(5 marks)**

3.

- a) Clearly show a detailed illustration of a hotel income statement and hotel balance sheets formats. **(10 marks)**
- b) Highlight the categories of revenue centers in a hotel **(5 marks)**

4. The following trial balance has been extracted from the ledger of Mr. Yousef, a sole trader.

Mr. Yousef

Trial balance as at 30th June 2018

	£	£
Sales		138,078
Purchases	82,350	
Carriage	5,144	
Drawings	7,800	
Rent, rates and insurance	6,622	
Postage and stationery	3,001	
Advertising	<u>1,330</u>	
Salaries and wages	26,420	
Bad debts	877	
Provision for bad debts		130
Debtors	12,120	
Creditors		6,471
Cash in hand	177	
Cash at bank	1,002	
Stock at at 1 June 19X5	11,927	
Equipment		
At cost	58,000	
Accumulated depreciation		<u>19,000</u>
Capital		<u>53,091</u>
	<u>216,770</u>	<u>216,770</u>

The following additional information as at 31 May 19X6 is available:

- (a) Rent is accrued by £210.
- (b) Rates have been prepaid by £880.
- (c) £2,211 of carriage represents carriage inwards on purchases.
- (d) Equipment is to be depreciated at 15% per annum using the straight line method.
- (e) The provision for bad debts to be increased by £40.
- (f) Stock at the close of business has been valued at £13,551.

Required:

Prepare a trading and profit and loss account for the year ended 30 June 2018 and a balance sheet as at that date. **(15 marks)**

5.

a) Discuss the roles of an accounting department in an hotel industry **(5 marks)**

b) In nearly all hotel departments, food and beverage outlets of a hotel might operate under the following systems:

- i. Manual systems
- ii. Semi- automated systems
- iii. Fully automated systems

Discuss each system giving its advantages and disadvantages **(10 marks)**

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