



**KOLEJ YAYASAN PELAJARAN JOHOR
ONLINE FINAL EXAMINATION**

COURSE NAME : HOSPITALITY ACCOUNTING
COURSE CODE : DHM3143
EXAMINATION : NOVEMBER 2020
DURATION : 6 HOURS

INSTRUCTION TO CANDIDATES

1. This examintaion paper consists of **THREE (3)** parts PART A (10 Marks)
: PART B (70 Marks)
PART C (20 Marks)
2. Please refer to the detailed instructions in this question paper.
3. Students are allowed to refer to resources such as lecture notes, books, internet or any other relevant resources.
4. Answer ALL questions in the answer sheet which is A4 size paper (or other paper with the consent of the relevant lecturer).
5. Write your details as follows in the upper left corner for each answer sheet:
 - i. Student Full Name
 - ii. Identification Card (I/C) No.
 - iii. Class Section
 - iv. Course Code
 - v. Course Name
 - vi. Lecturer Name
6. Each answer sheet must have a page number written at the bottom right corner.
7. Answers should be handwritten, neat and clear.

DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO

*This examination paper consists of **9** printed pages including front page*

PART A

This part contains **TEN (10)** questions.

Answer ALL in the Answer Sheet.

1. Which of this qualitative characteristic is a fundamental qualitative characteristic of useful financial information?
 - A Relevance.
 - B Verifiability.
 - C Comparability.
 - D Understandability.

2. Which of this method show the method of reporting cash flows from operating activities?
 - i. Direct method
 - ii. Indirect method
 - iii. Net method
 - iv. Cost method
 - A i, ii
 - B i, iii
 - C ii, iv
 - D i, ii, iii

3.

Cash discount ending period is computed at the beginning of next month

Diagram 1

Which best defines diagram 1?

- A Trade discount.
- B Discount on end of month.
- C Discount on date of invoice.
- D Discount on receipt of goods.

4. Which of these are indirect expenses?
- i. Rent
 - ii. Insurance
 - iii. Utility
 - iv. Cost of Sales
- A** i, ii
B i, iii
C ii, iv
D i, ii, iii
5. If the closing stock of Kedai Serbanika Fatimah is understated by RM20,000, what is the effect on the gross profit?
- A** Gross profit will increase by RM20,000.
B Gross profit will increase by RM40,000.
C Gross profit will decrease by RM20,000.
D Gross profit will decrease by RM40,000.
6. A firm has a higher asset turnover ratio than the industry average
What does the above statement implies?
- A** Firm is more profitable than other firms in the industry.
B Firm is using assets more efficiently than other firms in the industry.
C Firm has higher spending on new fixed assets than other firms in the industry.
D Firm is more likely to avoid insolvency in the short run than other firms in the industry.
7. Which of this are not the techniques of financial statement analysis?
- A** Trend analysis.
B Credit flow analysis.
C Segmental analysis.
D Comparative analysis.

8. When will the inventory increases?
- A There are sales and return inwards.
 - B There are sales and return outwards.
 - C There are purchase and return inwards.
 - D There are purchase and return outwards.
9. Which area is incurred specifically in hospitality industries?
- A Large business size.
 - B Low cash transactions.
 - C Low employee turnover.
 - D Inventory products been taken care in good shape.
10. Krish has purchased machines from Appocolypse Factory for RM10,000.00. The invoice had been given to him on 2/8/2020 and the goods are received on 10/8/2020. If he had been given cash discount term of 5/20, n/60 ROG, what is the amount that Krish has to pay if he pays on 29/8/2020?
- A RM8,000.00
 - B RM9,500.00
 - C RM10,000.00
 - D RM10,500.00

[10 MARKS]

PART B

This part contains of **FIVE (5)** questions.

Answer ALL questions in the Answering Booklet.

QUESTION 1

- a. In a hotel industry, there are two revenue centers available namely major revenue center and minor revenue center. Give one (1) example for each of them.
(1 marks)
- b. For a one-day operation, the operation of Statesman Hotel has recorded the following amounts: room sales RM150, 000; room allowances RM2, 400, food sales RM78, 000, food allowance RM5,200 and cost of food held for sale RM25, 300. Compute the net food sales and the gross profit on food.
(5 marks)
- c. Give four (4) responsibilities of accounting department in hotel.
(4 marks)

QUESTION 2

- a. Briefly explain bad debt
(2 marks)
- b. Show the journal entry of the bad debts transactions
- i. Assume that a hospitality company uses the direct write off method to record an uncollectible receivable of RM45,000
(2 marks)
- ii. Assume that a hospitality company uses the allowance method to record an uncollectible receivable of RM66,000
(2 marks)

- c. Gives five (5) expenses that exist in room division department in a hotel industry.

(5 marks)

QUESTION 3

The following information summarizes extract trial balance for food and beverage department at Newton Hotel for the year ended 31 December 2019.

Account	Debit (RM)	Credit (RM)
Salaries and Wages	177,214	
Employee Benefits	26,966	
China, Glassware and Silver	7,779	
Kitchen Fuel	2,074	
Laundry and Dry Cleaning	5,182	
Licenses	800	
Operating Supplies	11,409	
Uniforms	2,568	
Cost of Food Sales	144,400	
Cost of Beverages Sales	40,510	
Cost of Employee Meals	9,200	
Other Revenue		6,400
Other Cost of Sales	2,600	
Food Sales		360,000
Beverage Revenues		160,000
Food Allowance	1,700	
Beverage Allowance	130	
Property Plant and Equipment	318,217	
Long Term loan		50,000
Current assets	21,500	
Current liabilities		24,000
Capital		171,849
	772,249	772,249

Required:

Prepare the Food and Beverage Department's Income Statement Schedule for the Newton Hotel for the year ended 31st December 2019.

(21 marks)

QUESTION 4

Daud Hotel had started its business on October 2020 and started purchasing inventories during the same month. The information below shows data of inventories bought and sold by Daud Hotel in October 2020.

5 October 2020	: Purchased 200 units of goods for RM20.00 per unit
12 October 2020	: Sold 120 units of goods for RM35.00 per unit
19 October 2020	: Bought 90 units of goods for RM18.00 per unit
23 October 2020	: Bought 30 units of goods for RM19.00
30 October 2020	: Sold 150 units of goods for RM38.00

Using LIFO method, **calculate:**

- a. closing inventory (10 marks)
- b. cost of goods sold (4 marks)
- c. gross profit (2 marks)

QUESTION 5

- a. In Hospitality industry, there are many principles of internal control that need to be implemented. Explain four (4) of the principles of internal control (8 marks)
- b. Give four (4) categories of control activities in internal control (4 marks)

(70 MARKS)

PART C

This part contains **ONE (1)** question.

Answer ALL questions in the Answering Booklet.

QUESTION 1

The following is the information on Kingsman Café and Golden Café for the year 2019.

	Kingsman (RM)	Golden (RM)
Sales revenue	950,000	1,500,200
Less: Cost of Sales	(690,000)	(1,028,300)
Earning Income, Before Interest and Tax	260,000	471,900
Less: Interest	(30,000)	(100,200)
Income before tax	230,000	371,700
Less: Income tax	(69,000)	(231,510)
Net Income After Interest and Tax	161,000	140,190

	RM	RM
Fixed assets	799,400	899,400
Current assets	152,800	152,990
Long Term Liabilities	200,000	150,000
Current Liabilities	80,000	90,000
Total stockholders' equity	672,200	812,390

Additional information:

a) Prepayments are as follows:

Kingsman Café: RM15,280

Golden Café: RM15,299

b) Inventories are as follows:

Kingsman Café: RM53,480

Golden Café: RM53,546.50

Required:

Based on the information given, **calculate** for Kingsman Café and Golden Café:

- a. Current ratio (4 marks)
- b. Quick ratio. (4 marks)
- c. Gross profit ratio. (4 marks)
- d. Net profit ratio. (4 marks)
- e. Using liquidity ratio, which Café is better? Justify your answer. (4 marks)

[20 MARKS]

END OF QUESTION PAPER