



**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 11 printed pages including front page

PART A

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

Answer ALL in the Answer Sheet.

1. Which is not the accounting concepts?
 - A Matching.
 - B Non-going.
 - C Consistency.
 - D Separate legal entity.

2. Which of these statements defines realization principle?
 - A Sale is recognized only after the payment has been made.
 - B Sale is recognized only after the payment has been made.
 - C Sale is recognized only after services or products have been delivered and accepted.
 - D Sale is recognized only after the customer has made the order for products or services.

3.

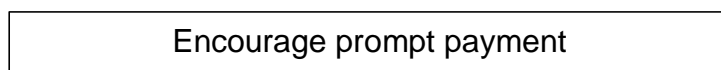


Diagram 1

Which of the incentives below shows the situation in diagram 1?

- A Allowances.
 - B Cash discounts.
 - C Trade discounts.
 - D Unearned income.
-
4. Why an allowance for doubtful debts account is is created?
 - A To estimate the expected number of debtors.
 - B To estimate the expected number of creditors.
 - C To estimate the amount of expected bad debts.
 - D To estimate the amount of expected bad debts recovered.

5. Which of these elements are included in Balance Sheet?
- i. Asset
 - ii. Equity
 - iii. Liabilities
 - iv. Expenses
- A** i, ii
B i, iii
C ii, iv
D i, ii, iii
6. How to compute current ratio?
- A** Total assets divide total liabilities.
B Current assets times current liabilities.
C Current assets divide current liabilities.
D Current assets minus prepayment minus inventories divide current liabilities.
7. Who are the external users of a company's financial statement?
- A** Stockholder.
B Top-Level Manager.
C Departmental Head.
D Member of the board of directors.
8. What happened when the merchandise is returned to a supplier?
- A** Inventory is debited.
B Inventory is credited.
C return inwards is debited.
D return outwards is credited.
9. Why the internal control is important for each company?
- A** Prevent fraud and theft.
B Ignore responsibilities around the employee.
C Allowed other to access to the company's data.
D Making management difficult to supervise their team.

10. Ahmad has bought inventories from Jannah Supermaket for RM3,000.00. The invoice had been given to him on 12/8/2020. If he had been given cash discount term of 2/5, n/15, what is the amount that Ahmad has to pay if he pays on 16/8/2020?

- A RM3,000.
- B RM2,970.
- C RM2,940.
- D RM2,910.

[10 MARKS]

PART B

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

Answer ALL questions in the Answering Booklet.

QUESTION 1

- a. Invoice for the purchase of RM5, 000 of furniture has just been received. The invoice is dated April 3rd with terms of 5/10, n/30. (Assume a hospitality operation uses the net method for recording invoices). Prepare the journal entry:
- i. Receipt of the invoice. (1 marks)
 - ii. If the invoice is fully paid on April 9th. (3 marks)
 - iii. If the invoice is fully paid on April 23rd. (2 marks)
- b. The night audit is a process of auditing where the night auditor reviews all financial activities of the hotel that has taken place in one day. Give three (3) responsibilities of a night auditor in hotel. (3 marks)

QUESTION 2

- a. Give 2 reasons why collection of debt from customer failed. (2 marks)
- b. Briefly explain direct expenses and indirect expenses (4 marks)
- c. Show the journal entry of the following credit card fees transactions
- i. At the end of each day, a hotel total the bankcard drafts and deposits them with cash items into the hotel's checking account. The hotel's credit card drafts total RM3, 000. (1 marks)

- ii. The credit card company charges a 4% fee.

(2 marks)

QUESTION 3

The following information summarizes extract trial balance for Summit Hotel for the year ended 31st December 2019.

| Account | Debit (RM) | Credit (RM) |
|--|------------|-------------|
| Rooms revenue | | 1,200,000 |
| Rooms – Payroll and related expenses | 320,500 | |
| Rooms – Other expenses | 10,780 | |
| Food and beverage revenue | | 650,200 |
| Food and beverage – Payroll and related expenses | 450,295 | |
| Food and beverage – Other expenses | 7,968 | |
| Cost of food sold | 120,888 | |
| Telephone revenue | | 37,950 |
| Telephone – Payroll and related expenses | 12,200 | |
| Telephone – Other expenses | 40,510 | |
| Other Revenue | | 14,700 |
| Administrative and General | 125,900 | |
| Marketing | 222,700 | |
| Property, Operation and Maintenance | 212,000 | |
| Energy Cost | 98,325 | |
| Rent | 80,000 | |
| Property Taxes | 20,000 | |
| Insurance | 100,000 | |
| Property Plant and Equipment | 1,273,172 | |
| Current assets | 71,547 | |
| Current liabilities | | 84133 |
| 10 Year Maybank Loan | | 100000 |
| Capital | | 1,079,802 |
| | 3,166,785 | 3,166,785 |

Required:

Prepare the Statement of Income for Summit Hotel for the year ended 31st December 2019.

(21 marks)

QUESTION 4

Maznah 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 Maznah Hotel in October 2020.

| Date | Purchase | | Sale | |
|------------|----------|------------------------|-------|----------------------------|
| | Unit | Unit cost (RM/unit) | Unit | Selling price (RM/unit) |
| 1 October | 2,500 | 2.50 | | |
| 2 October | 1,500 | 3.00 | | |
| 4 October | | | 2,000 | 6.00 |
| 8 October | | | 1,500 | 6.00 |
| 10 October | 1,000 | 3.25 | | |
| 12 October | | | 1,400 | 7.00 |

Required:

Using FIFO method, **calculate:**

a. closing inventory

(10 marks)

b. cost of goods sold

(6 marks)

c. gross profit

(3 marks)

QUESTION 5

a. Explain two (2) types of internal control.

(4 marks)

b. Give five (5) elements of internal control. Give one (1) principles for each element.

(5 marks)

c. Give three (3) purposes of internal control.

(3 marks)

[70 MARKS]

PART C

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

Answer ALL questions in the Answering Booklet.

QUESTION 1

Maximus Café is a hipster café located in Kulai, Johor. Its vision is to ensure that the café can gain profit and have the ability to pay their debt in the future. As a Senior Accountant in the café, you have been given the task to see the performance of the café. Below are the financial statement for Maximus Café for the year 2019.

| Maximus Café | | | |
|--|----|--------------------|-------------------|
| Income Statement for the Year ended 31 December 2019 | | | |
| | RM | RM | RM |
| Sales | | 850,000.00 | |
| (-)Return Inwards | | (3,200.00) | |
| Net sales | | 846,800.00 | |
| Less: <u>COGS</u> | | | |
| Opening Stock | | 14,000.00 | |
| (+) Purchase | | 428,000.00 | |
| (-) Return Outwards | | (2,000.00) | |
| | | 440,000.00 | |
| (-) <u>Closing Stock</u> | | (10,200.00) | |
| Cost of Sales | | | (429,800.00) |
| GROSS PROFIT | | | 417,000.00 |
| (+) <u>Other Income</u> | | | |
| Rent received | | | 10,000.00 |
| Discount received | | | 520.00 |
| Interest received | | | 380.00 |
| (-) <u>Expenses</u> | | | |
| Interest | | 1,100.00 | |
| Salaries | | 144,000.00 | |
| Wages | | 8,700.00 | |
| Rent | | 120,000.00 | |
| Carriage outwards | | 700.00 | |
| Commission | | 1,200.00 | |
| Water and Electricity | | 6,000.00 | (281,700.00) |
| NET PROFIT | | | 146,200.00 |

Maximus Café
Balance Sheet as at 31 December 2019

| | RM | RM |
|----------------------------|--------------|--------------|
| FIXED ASSETS | | |
| Machine | | 120,000.00 |
| Land & Building | | 1,300,000.00 |
| Equipment | | 180,000.00 |
| Motor vehicle | | 345,000.00 |
| Fixture & Fittings | | 88,000.00 |
| | | 2,033,000.00 |
| CURRENT ASSETS | | |
| Stock | 10,200.00 | |
| Debtors | 30,000.00 | |
| Prepaid expenses | 3,000.00 | |
| Cash | 7,000.00 | |
| Bank | 402,000.00 | 452,200.00 |
| | | 2,485,200.00 |
| OWNER'S EQUITY | | |
| Capital | 2,000,000.00 | |
| (+) Profit | 146,200.00 | |
| | 2,146,200.00 | |
| (-) Drawing | (3,000.00) | |
| | | 2,143,200.00 |
| LONG TERM LIABILITY | | |
| 10% 20 years Maybank Loan | 200,000.00 | |
| Mortgage | 30,000.00 | 230,000.00 |
| | | 230,000.00 |
| CURRENT LIABILITIES | | |
| Creditors | 32,000.00 | |
| Overdraft Bank | 80,000.00 | 112,000.00 |
| | | 2,485,200.00 |

Additional information:

Ratio for Maximus Café for the year 2018 are as follows:

- a. Current ratio : 3.98
- b. Quick ratio : 3.89
- c. Gross profit ratio : 0.41
- d. Return on asset : 0.04
- e. Inventory turnover ratio : 0.21

REQUIRED:

Based on the information given, calculate:

- a. Current ratio. (2 marks)
- b. Quick ratio. (2 marks)
- c. Gross profit ratio. (2 marks)
- d. Net return on assets. (2 marks)
- e. Inventory turnover ratio. (2 marks)
- f. Using the data on 2018 and 2019, compare whether the performance of the café in 2019 is aligned with the visions of the café or not. (6 marks)
- g. Give FOUR (4) objectives of preparing financial ratio analysis. (4 marks)

[20 MARKS]

END OF QUESTION PAPER