KOLEJ YAYASAN PELAJARAN JOHOR
ONLINE FINAL EXAMINATION

COURSE NAME	:	**HOSPITALITY ACCOUNTING**
COURSE CODE	:	**DHM3143**
EXAMINATION	:	**DECEMBER 2021**
DURATION	:	**3 HOURS**

INSTRUCTION TO CANDIDATES

1. This examintaion paper consists of **TWO (2)** parts :   PART A (10 Marks)

    PART B (90 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 of **TEN (10)** questions.

Answer ALL in the Objective Answer Paper.

1. Which of these users is the user of managerial accounting?

    A Supplier.

    B Manager.

    C Shareholder.

    D Government.

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.

> 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 is the major revenue center?

    A Room.

    B Telephone.

    C Newsstand.

    D Recreation center.

5. Which fraud happens in receiving and inventory?

   A   Use excess moisture in items priced by weight.

   B   Use garbage cans to smuggle items out of the back door.

   C   Remove cash and adjust register readings or voiding sales.

   D   Make out cheques for invoices already paid and cash the cheques for personal use.

6. Which of these **is not** the method of how to compute inventory control?

   A   First In First Out

   B   Last In Last Out

   C   Last In First Out

   D   Weighted average cost method

7. Krish has purchased machines from Appocolypse Factory for RM10,000.00. The invoice had been given to him on 2/8/2019 and the goods are received on 10/8/2019. 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 30/8/2019?

   A   RM8,000.00

   B   RM9,500.00

   C   RM10,000.00

   D   RM10,500.00

8.

> 1/20, n/40

Diagram 2

Diagram 2 above shows the term of discount for one company. What does 20 represents?

   A   Net/ full amount paid.

   B   Percentage of discount.

   C   No. of days after invoice date that the invoice must be paid.

   D   No. of days after invoice date during which the discount may be taken.

9. Why is internal control 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. Which of these are the reasons why bad debt occur?

   i. Customers passed away

   ii. Customers' bankrupt

   iii. Customers' disappear and lost contact

   iv. Customers' able to pay the debt

   A i, ii

   B i, iii

   C ii, iv

   D i, ii, iii

[10 MARKS]

PART B

This part contains **SIX (6)** questions.

Answer ALL questions in Answering Booklet.

QUESTION 1

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

(4 marks)

ii.   Give are five (5) elements of internal control. Give one (1) principles for each
        elements

(5 marks)

QUESTION 2

a.   For a one-month operation, the operation of Statesman Hotel has recorded the
        following amounts: room revenues 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 gross profit.

(6 marks)

b.   Assume a hospitality operation uses the gross method for recording invoice and
        treats discounts as nonrevenue items. An invoice for storeroom fridge
        provisions totaling RM700 is received at 3 October 2021. The credit terms are
        2/10, n/30.

        i.   Record the receipt of the invoice

(2 marks)

        ii.   Record the payment of the invoice if paid at 15 October 2021

(3 marks)

        iii.   Record the payment of the invoice if paid at 10 October 2021

(5 marks)

QUESTION 3

Lumia Zero Hotel had started its business on August 2021 and started purchasing inventories in August 2021. The information below shows data of inventories bought and sold by Lumia Zero Hotel in September 2021:

Date	Purchases @ cost price per unit	Sales	Sales Price
Sept 5	140 units @ RM15.50		
12		80 units	RM19.00/unit
19	60 units @ RM16.00		
23	30 units @ RM 17.00		
28		100 units	RM20.00/unit

Required

Using Last in First Out method, **calculate:**

a.   Closing inventory.

(10 marks)

b.   Cost of goods sold.

(4 marks)

c.   Gross profit.

(2 marks)

QUESTION 4

The following information summarizes trial balance for food and beverages department at Kokoro Hotel for the year ended 31 December 2021.

Account	Debit (RM)	Credit (RM)
10 years Maybank Loan		800,000
Beverage Allowance	130	
Beverage Revenues		160,000
Capital		646,602
Cash and Bank	315,000	
China, Glassware and Silver	7,779	
Cost of Beverages Sales	40,510	
Cost of Employee Meals	9,200	
Cost of Food Sales	144,400	
Creditor and other Payable		48,000
Debtor	26,200	
Employee Benefits	26,966	
Food Allowance	1,700	
Food Sales		360,000
Kitchen Fuel	2,074	
Laundry and Dry Cleaning	5,182	
Licenses	800	
Music and Entertainment	1,500	
Operating Supplies	11,409	
Other Cost of Sales	2,600	
Other Revenue		6,400
Property, Land and Equipment	1,245,770	
Salaries and Wages	177,214	
Uniforms	2,568	
	2,021,002	2,021,002

Required:

Prepare the Food and Beverage Department's Income Statement Schedule for the Kokoro Hotel for the year ended 31 December 2021.

(20 marks)

QUESTION 5

You are provided with the following information regarding current assets and current liabilities of Radiant Restaurant for the periodic years:

Balance sheets, December 31	*Year 2019*	*Year 2020*
Assets	**RM**	**RM**
Cash	910	1,420
Credit card	492	624
Account receivable	528	616
Food inventory	1,460	1,390
Prepaid expenses	380	450
Land	3,200	3,200
Building	31,580	32,320
Equipment	6,664	7,320
Furnishings	1,666	1,830
Accumulated depreciation	(11,370)	(12,450)
	35,510	36,720
Liabilities & Stockholders' Equity		
Accounts payable	1,670	1,250
Bank note payable	490	360
Income tax payable	1,250	1,260
Accrued expenses payable	710	750
Mortgage payable (current)	1,040	1,210
Long term mortgage payable	19,200	18,090
Common stock	1,000	1,000
Retained earnings	10,150	12,800
Liabilities & Stock holders' equity	35,510	36,720

Income Statement (Condensed)	RM	RM
For the Year Ending 31 December 2020		
Sales revenue		74,260
Cost of sales	30,190	
Operating expenses	38,120	
Total Operating Costs		(68,310)
Operating income, before interest		5,950
Interest expenses		(1,940)
Income before tax		4,010
Income tax		(1,260)
Net income		2,750

Required

From the information given, calculate the following:

a. Current ratio for years 2019 and 2020.

(4 marks)

b. Quick ratio (Acid test ratio) for years 2019 and 2020.

(4 marks)

c. Total assets to total liabilities for Year 2019 and 2020.

(4 marks)

d. Net return on total assets for Year 2020.

(3 marks)

e. According to liquidity ratio above, which year is better? Justify your answer.

(5 marks)

QUESTION 6

a. Explain two (2) types of expenses with examples

(4 marks)

b. At the end of each day, a hotel totals the non-bank credit card drafts and deposits them with cash items into the hotel's checking account. The hotel's credit card drafts total RM75, 000. The credit card company charges 5% for fees.

i. Record the receipt of the invoice

(2 marks)

ii. Record the payment of the invoice made

(3 marks)

[90 MARKS]

END OF QUESTION PAPER