



SCHOOL OF HOSPITALITY AND TOURISM

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FINAL EXAMINATION

SEMESTER DEC 2016~JAN 2017

COURSE	:	HOSPITALITY ACCOUNTING
COURSE CODE	:	DHM 3143
TIME / DURATION	:	3 HOURS
EXAMINATION	:	MAY 2017

INSTRUCTION TO CANDIDATES

1. This examination paper consists of **3 PARTS**:
PART A (20 MARKS)
PART B (60 MARKS)
PART C (20 MARKS)

2. Answer **ALL** questions for Part A and B. Answer **TWO (2) question only** for Part C

3. Candidates are not allowed to bring any material to examination room **EXCEPT** with the permission from invigilator.

4. Please check to make sure that this examination pack consist of:
 - i. Question paper
 - ii. OMR form
 - iii. Answering Booklet

THERE ARE 11 PAGES OF QUESTIONS, INCLUDING THIS PAGE

SECTION A (Total 20 Marks)**MULTIPLE CHOICE QUESTIONS**

- INSTRUCTIONS : There are **TWENTY (20)** questions in this section
- : Answer **ALL** questions
- : Choose the **BEST ANSWER** from the option given

Please use the OMR sheet provided

1. The following are example of an **external user** of a company's financial statement
_____.

 - A. Member of the board of directors
 - B. Stockholder
 - C. Departmental Head
 - D. Top-Level Manager

2. Which of this are internal users of accounting?
 - A. Government
 - B. Manager
 - C. Shareholder
 - D. Supplier
3. Which of this is the major revenue centre?
 - A. food
 - B. telephone
 - C. newsstand
 - D. laundry
4. Net Revenue – Cost of Food Sold = _____
 - A. Net profit
 - B. Gross Income
 - C. Net Income
 - D. Gross profit

5. What is the realization principle for revenue centre?
- A. Sale is recognized only after the customer have made the order for products or services
 - B. Sale is recognized only after services or products have been delivered and accepted
 - C. Sale is recognized only after the payment have been made
 - D. Sale is recognized only after invoice have been issued

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

Which category of discount does the situation above fall?

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

7. 2/10, n/15

Diagram above shows the term of discount for one company. What are 15 represents for?

- A. net
 - B. percentage of discount
 - C. No of days after invoice date during which the discount may be taken
 - D. No of days after invoice date that the invoice must be paid
8. An RM200 invoice dated October 16 with cash discount terms of 2/10, n/30. Compute the amount paid if the payment made during the discount period.
- A. RM2
 - B. RM4
 - C. RM196
 - D. RM204

9. **Working capital** is computed by _____.
- A. Adding current assets to current liabilities
 - B. Subtracting current liabilities from current assets
 - C. Dividing total assets by total liabilities
 - D. Subtracting current assets from current liabilities
10. Which of these is LIFO method?
- I Last batch received from purchased is used as the item for sales
 - II First batch received from purchased is used as the item for sales
 - III Known as Last in First Out
 - IV Known as Last in Float Out
- A I and II
 - B I and III
 - C I and IV
 - D None of the above
11. Which of the following is used in Accounting Ratio?
- I Current Ratio
 - II Margin
 - III Inventory Turnover
 - IV Mark-Up
- A I and II
 - B I and III
 - C I, III, and IV
 - D All the above
12. Which of the following is a financial reporting centre in a hospitality business
- A. Administrative and general
 - B. Marketing
 - C. Property operation and maintenance
 - D. Telephone

13. Current ratio is computed by
- A. Adding current assets to current liabilities
 - B. Dividing current assets by current liabilities
 - C. Subtracting current assets from current liabilities
 - D. Subtracting current liabilities from current liabilities
14. Which of the following are non-fixed charges?
- A. Depreciation and amortization
 - B. Interest expenses
 - C. Rent expenses
 - D. Utility expense
15. An RM100 invoice dated March 6 with terms of 2/10, n/30 ROG. If the goods are received on March 11, what will be the discount period?
- A. March 6 to March 16
 - B. March 11 to March 21
 - C. March 6 to April 6
 - D. March 12 to March 22
16. Which are the problems **OCCUR** uniquely in hospitality industry?
- A. Inventory products
 - B. Small business size
 - C. Credit transactions
 - D. Low employee turnover
17. Revenue centre consists of TWO (2) categories namely _____ and _____.
- A. Rooms; telephone
 - B. Laundry; telephone
 - C. Food and beverage; rooms
 - D. Valet; beauty saloon

18. Below are different categories of minor revenue centers EXCEPT _____
- A. Recreation
 - B. Laundry
 - C. Rooms
 - D. Newsstand
19. A room sales total RM123,500 and room allowances total RM1,500. Calculate how much are the net revenue of room sales realize by the room department.
- A. RM122,000
 - B. RM123,500
 - C. RM125,000
 - D. RM127,000
20. Pak Majid has purchase furniture from Bala Factory for RM8, 500.00. The invoice had been given to him on 2/8/2016. If he had been given cash discount term of 5/15, n/60 EOM, what is the amount Pak Majid have to pay if he pays on 15/9/2015?
- A. RM8, 075
 - B. RM8, 080
 - C. RM8, 020
 - D. RM8, 110

SECTION B (Total 60 Marks)**SHORT ESSAYS QUESTION**

INSTRUCTIONS : There are **FIVE (5)** questions in this section

: Answer **ALL** questions

Please use the answer booklet provided

QUESTION 1

- a) De Rock Hotel purchase new office furniture set at a list price of RM5, 000 and a trade discount of 5%. What will be the discounted amount?

[2 marks]

- b) Calculate the amount of the cheque remitted to pay for invoice date 21st September 2016, terms 3/10 n 30 ROG, invoice amount RM8, 500. The goods was received on 30th September 2016 and the payment made on 5 October 2016

[3 marks]

- c) Calculate the amount of the cheque remitted to pay for invoice date 23rd September 2016, terms 1/15 n/30 EOM, invoice amount RM9, 000. The goods was received on 24th October 2016 and the payment made on 15th December 2016

[3 marks]

- d) Calculate the amount of the cheque remitted to pay for invoice date 31st August 2016, terms 3/15, n/30 ROG, invoice amount RM9, 000. The goods was received on 2nd September 2016 and the payment made on 16th September 2016

[2 marks]

QUESTION 2

The following information summarizes various general ledger accounts of the food and beverage department Legendary Hotel for the year ended 31st August 2016.

	<u>Debit</u>	<u>Credit</u>
Room sales		RM1,043,900
Allowance	RM2,700	
Other Employee benefits	RM3,864	
Reservation Expense	RM7,288	
Contract Cleaning	RM13,200	
Other operating income		RM36,000
Laundry and Dry Cleaning	RM11,706	
Linen	RM7,742	
Commissions	RM4,124	
Operating Supplies	RM12,619	
Other Operating Expenses	RM6,875	
Payroll Taxes	RM18,716	
Salaries and wages.	RM159,304	
Uniforms	RM3,032	

REQUIRED:

Prepare the room department income statement for the Legendary Hotel for the year ended 31st August 2016

[18 marks]

QUESTION 3

Below are the inventories for Clean n Clear Trading for the year ended 31 August 2016. Given that there are opening balances of inventory for 5 units at RM48

Bought		Sold	
2016		2016	
January	10 units at RM50 each	May	9 units at RM60 each
June	10 units at RM46 each	October	11 units at RM75 each
December	10 units at RM55 each		

Requirement:

Using Last in First out Method (LIFO), find:

1. Closing inventory
2. Total Cost of inventory
3. Total Profit for the current year

(15 marks)

QUESTION 4

Give 2 examples of methods in committing frauds in cash funds areas

(2 marks)

QUESTION 5

The following is the extractions of Income Statement and Balance Sheet for Becky Ltd for the year ended 31 October 2016

	RM
Sales	430,000.00
Cost of Sales	150,000.00
Average Inventory	100,000.00
Total expenses	250,000.00
Current Assets	115,000.00
Fixed Assets	325,000.00
Current Liabilities	25,000.00
Owners' equity	150,000.00
Long-Term Liabilities	200,000.00

Based on the information given, find:

- a) Mark-up
- b) Margin
- c) Current Ratio
- d) Inventory Turnover

(15 marks)

SECTION C (20 Marks)

INSTRUCTIONS : There are **THREE (3)** questions in this section.
: Answer **TWO (2)** questions only

QUESTION 1

Calculate the amount of cheque remitted to pay for each of the following invoices:

- a) August 8, terms 2/12, n/30, invoice amounting RM550, payment made on September 16
- b) September 5, terms 4/10, n/30, invoice amounting RM1, 030, payment made on September 22
- c) January 7, terms 5/10, n/30, invoice amounting RM1, 570, payment made on January 12
- d) October 5, terms 2/10, n/30, invoice amounting RM120, payment made on October 11

[10 marks]

QUESTION 2

- a) In Hospitality Industry, there are 4 unique problems regarding this industry. Explain this 4 problems

(10 marks)

QUESTION 3

- a) Give 4 reasons collection of debt from customer failed
- b) Expenses can be categorized into 2; namely direct expenses and indirect expenses. Define these two categories and give 2 examples for each of them

(10 marks)

END OF QUESTIONS
