



**KOLEJ YAYASAN PELAJARAN JOHOR
FINAL EXAMINATION**

COURSE NAME : HOSPITALITY ACCOUNTING
COURSE CODE : DHM3143
EXAMINATION : DECEMBER 2022
DURATION : 3 HOURS

INSTRUCTION TO CANDIDATES

1. This question paper consists of **TWO (2)** parts :
PART A (10 Marks)
PART B (90 Marks)
2. Candidates are not allowed to bring any material to examination room except with the permission from the invigilator.
3. Please check to make sure that this examination pack consist of:
 - i. The Question Paper
 - ii. An Objective Answer Paper
 - iii. An Answering Booklet

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

*This examination paper consists of **10** 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 All transaction are recorded at their cost to the business.
 - B This concept implies that you should not waste time recording transactions that are trivial.
 - C The income statement should only include the income earned and expenses incurred for the current financial year.
 - D The concept states that profits must not be overstated, and the value of assets must not be shown to be too high the accountant's duty is to ensure that the readers off the final's accounts get a true and proper picture of the financial states off the business.

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. What was the primary concern of creditors when assessing the strength of a firm?
- A Leverage.
 - B Share price.
 - C Profitability.
 - D Short-term liquidity.
6. Marsh company had 150,000 units of products A on hand at January 1, costing RM21 each. Purchases of product A during the month of January were as follows:

	Units	Cost per unit (RM)
January 10	200,000	22
18	250,000	23
28	100,000	24

- A physical count on January 31 shows 250,000 units of product A on hand. What is the cost of the inventory on January 31 under the FIFO method?
- A RM5,250,000
 - B RM5,350,000
 - C RM5,550,000
 - D RM5,850,000
7. 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.

8. Krish has purchased machines from Appocolypse Factory for RM10,000.00. The invoice had been given to him on 2/8/2022 and the goods are received on 10/8/2022. 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 31/8/2022?
- A RM8,000.00
 - B RM9,500.00
 - C RM10,000.00
 - D RM10,500.00
9. A company employing an online computer system has CRT terminals located in all operating departments for inquiry and updating purposes. Many of the company's employees have access to and are required to use the CRT terminals. A control the company would incorporate to prevent an employee from making an unauthorized change to computer records unrelated to that employee's job would be to _____
- A Use validity checks.
 - B. Establish user codes and passwords.
 - C. Restrict the physical access to terminals.
 - D. Apply a compatibility test to transactions or inquiries entered by the user.
10. Russell's Deli has cash of RM136, accounts receivable of RM87, accounts payable of RM215, and inventory of RM409. What is the value of the quick ratio?
- A 0.31.
 - B 0.53.
 - C 0.71.
 - D 1.04.

[10 MARKS]

PART B

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

Answer ALL questions in Answering Booklet.

QUESTION 1

- a. Define the internal control
(2 marks)
- b. Give four (4) problems unique to the hospitality industry
(2 marks)
- c. Explain management assertions. Provide three (3) examples of management assertion to illustrate your understanding.
(5 marks)

QUESTION 2

- a. For a one-month operation, the operation of Happy 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 2022. 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 2022
(3 marks)
- iii. Record the payment of the invoice if paid at 10 October 2022
(5 marks)

QUESTION 3

Fatin Hotel had started its business on August 2022 and started purchasing inventories in September 2022. The information below shows data of inventories bought and sold by Fatin Hotel in September 2022.

- i. September 5 : Purchased 160 units of goods for RM15.50 per unit
- ii. September 12 : Sold 100 units of goods for RM19.00 per unit
- iii. September 19 : Bought 70 units of goods for RM16.00 per unit
- iv. September 23 : Bought 30 units of goods for RM510.00
- v. September 30 : Sold 90 units of goods for RM1800.00

Required:

Using the FIFO 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 Koko Hotel for the year ended 31 December 2021.

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	
Music and Entertainment	1,500	

Required:

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

(20 marks)

QUESTION 5

The following financial statements are extracted from Era Baru Hotel.

Era Baru Hotel			
Statement of Financial Position/ Balance Sheet			
as at 31 December 2021			
	RM	RM	RM
<u>NON-CURRENT ASSET (NBV)</u>			
Land and premises			100,000
Plant and machineries			80,000
Office equipment			30,500
Motor vehicles			70,000
			280,500
<u>CURRENT ASSETS</u>			
Account receivable		98,600	
Bank		40,100	
Cash		10,800	
Closing Inventory		129,200	
			278,700
			559,200
<u>OWNER EQUITY</u>			
Capital		172,500	
(+) Net Profit		72,800	
		245,300	
(-) Drawing		(4,100)	
			241,200
<u>LONG-TERM LIABILITIES</u>			
10 years 5% RHB Loan		98,000	98,000
<u>CURRENT LIABILITIES</u>			
Account payable		220,000	220,000
			559,200

Era Baru Hotel
Statement of Profit and Loss
For the year ended 31 December 2021

Particular	RM
Net sales	670,000
Cost of goods sold	(410,000)
Gross income	260,000
Administration, general and depreciation expenses	(180,000)
Operating income	80,000
Financing cost	(5,000)
Income before tax	75,000
Tax expense	(22,500)
Net income	52,500

Hotel Industry average financial ratios for the year 2021:

Current ratio	2.15x	Gross profit margin	35.5%
Quick ratio	1.15x	Operating profit margin	15.5%
Inventory turnover	3.10x	Debt ratio	40.0%
Fixed asset turnover	1.85x	Earnings per share	RM1.50

From the information given, calculate the following:

- a. Current ratio (2 marks)
- b. Quick ratio (Acid test ratio) (2 marks)
- c. Inventory turnover ratio (2 marks)
- d. Fixed asset turnover ratio (2 marks)
- e. Gross profit margin (2 marks)
- f. Debt ratio (2 marks)

- g. Evaluate the financial performance of Era Baru Hotel as compared to the Hotel industry average financial ratios for the year 2021 using the aspect of liquidity ratio and efficiency ratio.

(8 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