



**KOLEJ YAYASAN PELAJARAN JOHOR
FINAL EXAMINATION**

COURSE NAME : HOSPITALITY ACCOUNTING
COURSE CODE : DHM 2213
EXAMINATION : JUNE 2024
DURATION : 3 HOURS

INSTRUCTION TO CANDIDATES

1. This question paper consists of **TWO (2)** part :
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 **11** printed pages including front page*

PART A

This part consists of **TEN (10)** questions.

Answer ALL in Objective Answer Paper.

QUESTION 1

1. Internal users of accounting information are:
 - A Creditors
 - B Managers
 - C Tax authorities
 - D Potential investors

2. Net income is equal to:
 - A Assets – Liabilities
 - B Sales – Purchases
 - C Revenue + Expenses
 - D Revenue – Expenses

3. The liability created by a business when it purchases coffee beans and coffee cups on credit from suppliers is termed a(n)
 - A expenses
 - B account payable
 - C account receivable
 - D non current liabilities

4. The _____ of a business firm is measured by its ability to satisfy its short-term obligations as they become due.
 - A debt
 - B activity
 - C liquidity
 - D profitability

5. Accounting ratios are divided into five main categories. Which one of the following was NOT included in it?
- A Asset management ratios
 - B Market value ratios
 - C Profitability ratios
 - D Control ratios
6. The inventory cost flow assumption where the cost of the most recent purchase is matched first against sales revenues is:
- A FIFO
 - B LIFO
 - C Specific Identification
 - D Weighted-average cost
7. The Melaty Company uses the periodic inventory system. Information for December 2023 is as follows:

	RM
Sales	2,430,000
Purchases	1,500,000
Purchases returns	20,000
Beginning inventory	950,000
Ending inventory	720,000

Melaty's cost of goods sold for June 2023 is:

- A RM1,670,000
- B RM1,480,000
- C RM1,710,000
- D RM1,880,000

8. Which of the following is NOT an objective of a system on internal controls?
- A Enhance the accuracy and reliability of accounting records.
 - B Overstate liabilities in order to be conservative.
 - C Increase efficiency of operations.
 - D Safeguard company assets.
9. Which of the following is NOT an internal control procedure for cash?
- A Cash should be deposited daily.
 - B Payments should be made with cash.
 - C There should be limited access to cash.
 - D The amount of cash on hand should be kept to a minimum.
10. Related purchasing activities include
- | | |
|---------------|------------|
| I. ordering | IV. paying |
| II. receiving | V. billing |
| III. shipping | |
- A I, II, V
 - B I, III, V
 - C I, III, IV
 - D I, II, IV

PART B

This part consists of **SIX (6)** questions.

Answer ALL questions in Answering Booklet.

QUESTION 1

a. Zaman Restaurant reported the following for the first quarter of year 2024: Sales revenue of RM85,000; food allowance RM2,100; cost of food used RM24,000 and employees' meals RM8,500.

i. Calculate the net food sales.

(1.5 marks)

ii. Calculate the net profit, if other operating expenses amount to RM23,000.

(2.5 marks)

b. Assume a hospitality operation uses the gross method for recording invoice and treats discounts as revenue items. It uses the periodic inventory system. An invoice for office equipment totalling RM32,000 is received on 7 May 2023. The credit terms are 5/10, n/30.

i. Record the receipt of the invoice.

(2 marks)

ii. Record the payment of the invoice if paid on 20 May 2023.

(2 marks)

iii. Record the payment of the invoice if paid on 15 May 2023.

(4 marks)

QUESTION 2

- a. What is the "responsibility accounting"?
- (2 marks)
- b. Give **three (3)** reasons the collection of debt from customers failed.
- (3 marks)
- c. 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 RM61,200. The credit card company charges 4% for fees.
- i. Record the receipt of the invoice.
- (2 marks)
- ii. Record the payment of the invoice made.
- (4 marks)

QUESTION 3

The following are the financial statements of Pelangi Café and Suria Café.

Statement of Financial Position as at 31 December 2023

	Pelangi Café (RM)	Suria Café (RM)
Assets	12,000	24,000
Cash	25,000	40,000
Credit Card Receivable	40,000	47,000
Inventories	15,000	22,000
Prepaid expenses	92,000	133,000
	12,000	24,000
Land & Building	120,000	230,000
Equipment	70,000	80,000
Less: Accumulated Depreciation	10,000	12,000
Total Assets	272,000	431,000
Liability & Owner Equity		
Account Payable	51,000	56,000
Long term liabilities	60,000	40,000
Total Liabilities	111,000	96,000
Common Stock	134,500	281,100
Retained Earnings	26,500	53,900
Total Liabilities & Owner Equity	272,000	431,000

Statement of Profit or Loss for the year ended 31 December 2023

	Pelangi Café (RM)	Suria Café (RM)
Sales revenue	200,100	250,000
Less: Cost of sales	98,000	100,500
Gross Profit	<u>102,100</u>	<u>149,500</u>
Less: Operating expenses	66,000	82,000
Earnings before interest and taxes	<u>36,100</u>	<u>67,500</u>
Less: Interest expenses	12,000	11,000
Earnings before taxes	<u>24,100</u>	<u>56,500</u>
Less: Income taxes	9600	22600
Net Income	<u>14,500</u>	<u>33,900</u>

Required:

Based on the information given, calculate Pelangi Café and Suria Café:

- Current ratio. (3 marks)
- Quick ratio. (5 marks)
- Operating profit margin. (3 marks)
- Debt ratio. (3 marks)
- Using the liquidity ratio, which café is better? Justify your answer. (2 marks)

QUESTION 4

Catlet Avy Hotel uses a perpetual inventory system. Its records show the purchases and sales of inventory for August:

August 1	Purchases	2,100 units at RM15 per unit.
3	Purchases	900 units at RM16 per unit.
8	Sales	1,600 units.
16	Sales	400 units.
24	Purchases	2,500 units at RM18 per unit.
27	Sales	700 units.

There was no opening stock while the selling price was RM25 per unit. The company uses the First-in, First-out method to record its inventory.

Required: Calculate

- a. Closing inventory. (10 marks)

- b. Cost of goods sold. (5 marks)

- c. Gross profit. (3 marks)

QUESTION 5

The following information summarizes the trial balance for the food and beverages department at Bulan Bintang Hotel for the year ended 31 December 2023.

	Debit (RM)	Credit (RM)
Food Allowance	14,000	
Beverage Allowance	12,500	
Other Revenue		7,300
Other Cost of Sales	3,000	
Food Sales		340,000
Beverage Sales		180,200
China, Glassware and Silver	55,300	
Band and Music	15,800	
Laundry and Dry Cleaning	12,000	
Licenses	1,000	
Kitchen Fuel	7,800	
Operating Supplies	10,700	
Gas and Electricity	8,000	
Uniforms	9,800	
Cost of Food Sales	134,000	
Cost of Beverages Sales	84,200	
Cost of Employee Meals	35,600	
Food - Salaries	30,100	
Beverage - Salaries	25,000	
Employee Benefits	20,000	

Required:

Prepare the Food and Beverage Department's Income Statement Schedule for the Bulan Bintang Hotel for the year ended 31 December 2023.

(21 marks)

QUESTION 6

- a. List **two (2)** internal control objectives.
(2 marks)
- b. Give **two (2)** examples of methods of committing fraud in food and beverage revenue areas.
(2 marks)
- c. In the hospitality industry, there are many principles of internal control that need to be implemented. Explain briefly any **two (2)** of the following principles:
- Establish preventive procedures
 - Maintain adequate record
 - Limit access to assets
 - Rotate jobs
- (4 marks)
- d. Explain any **two (2)** the use of documents in controlling purchase transactions.
(4 marks)

[90 MARKS]**END OF QUESTION PAPER**

