



Kasarani Campus
Off Thika Road
P. O. Box 49274, 00101
NAIROBI
Westlands Campus
Pamstech House
Woodvale Grove
Tel. 4442212
Fax: 4444175

KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR
FIRST YEAR, SECOND SEMESTER EXAMINATION
FOR THE DIPLOMA IN HOSPITALITY MANAGEMENT
DHM 1623-HOSPITALITY ACCOUNTING

Date: 10th August 2023

Time: 11.30am-1.30pm

INSTRUCTIONS TO CANDIDATES:

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) Discuss **THREE** characteristics of accounting information. (6Marks)
- b) Describe the following accounting statements
- i. Ledgers (2marks)
 - ii. Journals. (2marks)
 - iii. Statement of financial position (2marks)

Mr.Kamau started business on 1st December 2022 by investing ksh 200,000 deposited in the bank

account Transactions during the month were as follows ;

- 1/12/22 Paid rent for December for ksh 14,050 by cheque
- 1/12/22 Bought furniture worth ksh 50,000
- 2/12/22 Drew ksh 40,000 from the bank for office use.
- 8/12/22 Paid ksh 11,600 cash for renovations for premises
- 13/12/22 Bought goods for sale on credit from Mwanzia ltd at ksh 230,000
- 14/12/22 Sold goods on cash basis for ksh120, 000
- 14/12/22 Paid wages of ksh 30,900 by cheque
- 15/12/22 Withdrew ksh 5,330 from the business in cash for personal use
- 20/12/22 Paid electricity for ksh 3,000 cash
- 23/12/22 Deposited ksh 50,000 of the business to the bank account

Required:

- i. Enter above transactions into relevant ledger accounts. (6marks)
- ii. Balance off accounts. (6marks)
- iii. Extract trial balance as at 31st December 2022. (6marks)

QUESTION TWO(20 MARKS)

Halima sets up a new hotel in her area. Before she actually sells anything she has bought Motor vehicles of Ksh3,000; Premises of Ksh7,000; Stock of goods Ksh2,000 and she still owes Ksh800 in respect of them. She had borrowed Ksh4,000 from her sister. After the events just described and before trading starts, she had Ksh300 cash in hand and Ksh600 cash at bank.

Required:

- Calculate the amount of his capital. (6 Marks)
- a) Discuss **THREE** categories of assets in each case giving examples. (6 Marks)
 - b) Differentiate between
 - i. Two column cashbook and Three column cash book (4 Marks)
 - ii. Purchases Ledger and Sales Ledgres (4 Marks)

QUESTION THREE (20 MARKS)

- a) Explain **Three** Errors that may not be detected by the trial balance (6marks)
- b) Discuss **Three** source documents. (6marks)

- c) From the following data from Mbiu traders construct a trading account for the year ended 31 March 2021. (8 Marks)

	ksh
Sales	13,221
Purchases	8,787
Inventory as at 1 April 2020	3,241
Inventory as at 31 March 2021	2,359
Returns inwards	674
Returns outwards	563
Carriage inwards	321

QUESTION FOUR (20 MARKS)

- a) Discuss two types of Accounts. (4 marks)
- b) Differentiate between Petty Cash Book and Cash book . (4 marks)
- c) Write up a two-column cash book from the following data and balance it off at the end of the month. (12 marks)

Jan 1/23	Balances: ksh64 Cash and ksh46 at Bank
Jan 2/23	Sold goods for ksh135 cash
Jan 3/23	Paid creditor Peter ksh127 by cheque
Jan 5/23	Paid advertising expenses ksh 30 by cheque
Jan 8/23	Received cheque for rent received ksh90
Jan 14/23	Rogers paid us cheque for ksh60
Jan 17/23	Paid wages ksh50 in cash
Jan 21/23	Withdrew ksh120 in cash from bank
Jan 25/23	Paid creditor Lilian ksh50 by cheque

QUESTION FIVE (20 MARKS)

From the following information from was drawn from the books of Tumaini traders.;

Stock 1 October 2021	23,680
Carriage outwards	2,000
Carriage inwards	3,100
Returns inwards	2,050
Returns outwards	3,220
Purchases	118,740
Sales	186,000
Salaries and wages	38,620
Rent	3,040
Insurance	780
Motor expenses	6,640
Office expenses	2,160
Lighting and heating expenses	1,660
General expenses	3,140
Premises	50,000

Requires;

- Draw trial balance as at 31st October 2022. (6 marks)
- Income statement for year ended 31st October 2022. (7 marks)
- Statement of Financial position as at 31st October 2022. (7marks)