



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

ACCOUNTING, ECONOMICS AND FINANCE

QUALIFICATION CODE: 07BHOM & 07BOTM	LEVEL: 6
COURSE CODE: IHA521S	COURSE NAME: INTRODUCTION TO HOSPITALITY & TOURISM ACCOUNTING
DATE: JUNE 2022	MODE: FULL TIME
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION PAPER (REPLACEMENT)	
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MODERATOR	L. Odada

INSTRUCTIONS
<ol style="list-style-type: none">1. Answer ALL the questions.2. Write clearly and neatly.3. Number the answers clearly.

PERMISSIBLE MATERIALS

1. Examination paper
2. Examination script

THIS QUESTION PAPER CONSISTS OF 7 PAGES (INCLUDING THIS FRONT PAGE)

QUESTION 1**[50 MARKS]**

For question 1 (1-25), write **ONLY** the letter that, in your opinion, represents the correct answer in your answer sheet/book provided and not on the question paper.

1. Bob purchases goods from a supplier which cost N\$20 000. He gets a cash discount of 10%. What is the amount that Bob will pay to a supplier?
 - A. N\$20 000
 - B. N\$18 000
 - C. N\$19 000
 - D. N\$10 000

2. Bob purchases goods from a supplier which cost N\$20 000. The supplier gives a cash discount of 5%. What is the amount of discount Bob should be allowed?
 - A. N\$3 000
 - B. N\$2 000
 - C. N\$5 000
 - D. N\$1 000

3. When an owner contributes an asset into the business, it is called.....
 - A. Drawings
 - B. Income
 - C. Owner's equity
 - D. Sales

4. If opening inventory is N\$120 000, cost of goods purchased is N\$380 000, and closing inventory is N\$100 000, what is cost of goods sold under a periodic system?
 - A. N\$500 000
 - B. N\$400 000
 - C. N\$450 000
 - D. N\$550 000

5. Goods were purchased from James. He was immediately paid by electronic funds transfer. Which account is credited?
 - A. Sales a/c
 - B. James a/c
 - C. Bank a/c
 - D. Purchases a/c

6. Goods were purchased from James. He was immediately paid by electronic funds transfer. Which account is debited?
 - A. Purchases a/c
 - B. Jack a/c
 - C. Bank a/c
 - D. Sales a/c

7. Which of the following transactions is recorded in the cash payment journal?
 - A. receipt of customer payments
 - B. purchases of equipment for cash
 - C. borrowing money from a bank
 - D. sale of equipment for cash

8. The following financial statement encompasses drawings, owner's equity, liabilities and assets.
 - A. Statement of financial position
 - B. Statement of cashflow
 - C. Statement of profit or loss
 - D. Statement of information

9. Which of the following is not considered as a financial statement?
 - A. Statement of financial position
 - B. Statement of cashflow
 - C. Statement of profit or loss
 - D. Statement of trial balance

10. Which financial statement reports the performance of a business?
 - A. Statement of financial position
 - B. Statement of profit or loss
 - C. Statement of changes in owner's equity
 - D. Statement of information

The following applies to questions 11 to 13

Vuyo Ltd statement of financial position at 31 May 2017		
Current assets:		474 000
Inventory	79 000	
Account receivables	395 000	
Non-current assets (net book value)		491 000
Total assets		965 000
Current liabilities (account payables)		395 000
Owner's equity		475 000
Net profit		95 000
Total Liabilities and capital		965 000

11. Return on owner's equity ratio is.....
 - A. 30%
 - B. 25%
 - C. 15%
 - D. 20%

12. Current ratio is.....
 - A. 1.2
 - B. 1.5

20. In which section of the statement of financial should prepaid expense classified?
- A. current liabilities
 - B. investments
 - C. Current assets
 - D. expired assets
21. Difference between sales and sales returns is called:
- A. net profit
 - B. gross profit
 - C. total sales
 - D. net sales
22. Difference between gross profit and total expenses is called:
- A. net sales
 - B. gross profit
 - C. net profit
 - D. gross loss
23. Depreciation is.....
- A. an expense
 - B. an asset
 - C. an income
 - D. a cash
24. Failure to record the receipt of cash for goods already sold will result in:
- A. an overstatement of assets
 - B. an understatement of assets
 - C. an overstatement of liabilities
 - D. an understatement of liabilities
25. Which of the following statements is false?
- A. to increase bank, credit the account
 - B. to increase revenue, credit the account
 - C. to decrease a liability, debit the account
 - D. to increase a liability, credit the account

QUESTION 2**[10 MARKS]**

Insert the missing word/s in each gap marked (a) – (j) in the following table.
(Please answer on the answer sheet provided)

Journal	Transaction	Source Document
(a)	Receipt of money	(b)
(c)	Payment of bank charges	(d)
Purchases Journal	(e)	Invoice
Sales Journal	Goods sold on credit	(f)
(g)	Return of goods to account payables	debit notes
Sales returns Journal	(h)	Credit notes
Petty cash Journal	(i)	Petty cash vouchers-original
Cash receipt Journal	Cash deposited by customer	(j)

QUESTION 3**[20 MARKS]**

Nandi has decided to set up her own music retail business on 1 May 2022. Here is summary of the transactions in the first week of the business.

'22

- May 1 Nandi opened a business bank account and deposited N\$30 000.
 2 Bought goods for resale costing N\$7 200 on credit from Zuma Co.
 3 Purchased a till machine for N\$3 500 paying by electronic funds transfer.
 4 Sold goods for N\$10 000 on credit to Yonela
 5 Nandi went to the bank and drew N\$1 200 in cash for use in the business.
 6 Yonela returned N\$2 000 of goods to Nandi.
 7 Nandi settled her account with Zuma Co. with debit card and was allowed a discount of 15%.
 8 Yonela settled her account with debit card and she claimed a discount of 10%.
 9 At the end of the week Nandi took N\$400 cash from the till machine for his personal expenses.

REQUIRED:

Enter the above transactions in appropriate Nandi's ledger or 'T' accounts and balance off all the accounts.

QUESTION 4**[20 MARKS]**

The trial balance of Vuyo as at 31 December 2021 is show below:

	Debit	Credit
	N\$	N\$
Bad debts	210	
Buildings	150 000	
Depreciation (1 January 2021): Buildings		3 552
Creditors		15 000
Debtors	16 290	
Capital		35 400
Drawings	9 790	
Bank		2 010
Purchases	45 482	
Rent	7 050	
Sales		180 000
Inventory at 1 January 2021	20 100	
Wages and salaries	22 040	
	235 962	235 962

Additional information:

1. Inventory (stock) held in the business at 31 December 2021 was valued at N22 000.
2. At 31 December 2021 Vuyo owed N\$460 rent used but not yet billed to him.
3. At 31 December 2021 there was additional specific bad debt of N\$290. This was to be written off.
4. Wages and salaries of N\$2 040 was prepaid for January 2022.
5. Depreciation was charged for the year on the buildings at rate of 20% on cost.

REQUIRED:

Prepare a statement of profit or loss of Tito for the year ending 31 December 2021.

END OF EXAMINATION QUESTION PAPER