



**PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF HOSPITALITY AND TOURISM

QUALIFICATION: BACHELOR OF CULINARY ARTS & BACHELOR OF TOURISM INNOVATION AND DEVELOPMENT	
QUALIFICATION CODE: 07BCNA & 07BTID	LEVEL: 6
COURSE CODE: IHA521S	COURSE NAME: INTRODUCTION TO HOSPITALITY & TOURISM ACCOUNTING
SESSION: JULY 2025	PAPER: THEORY AND CALCULATIONS
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
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INSTRUCTIONS
<ul style="list-style-type: none">• Answer ALL four (4) questions in blue or black ink only. NO PENCIL.• Start each question on a new page, number the answers correctly and clearly.• Write clearly, and neatly showing all your workings/assumptions.• Unless otherwise stated, round off only the final answers to two (2) decimal places.• Questions relating to this examination may be raised in the initial 30 minutes after the start of the examination. Thereafter, candidates must use their initiative to deal with any perceived errors or ambiguities and any assumptions made by the candidate should be clearly stated.

PERMISSIBLE MATERIALS

- Silent, non-programmable calculators

THIS QUESTION PAPER CONSISTS OF _7_ PAGES (including this front page)

QUESTION 1

(40 MARKS)

Answer this question ON the Answer Sheet provided and write down the letter that, in your opinion, represents the correct answer:

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 202023

Current assets:		N\$474 000
Inventory	N\$79 000	
Account receivables	<u>395 000</u>	
Non-current assets (net book value)		<u>491 000</u>
Total assets		<u><u>965 000</u></u>
Current liabilities (account payables)		395 000
Owner's equity		475 000
Net profit		<u>95 000</u>
Total Liabilities and Capital		<u><u>965 000</u></u>

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
 - C. 1.1
 - D. 1.4
13. Quick/acid test ratio is.....
- A. 1
 - B. 2
 - C. 1.5
 - D. 2.5
14. At the end of year 2021, a business made payment of water and electricity bills of N\$20 000. How will this be recorded in the statement of profit or loss in 2021?
- A. as an income
 - B. as an asset
 - C. as an accrual
 - D. as an expense

15. At the end of year 2021, a business borrowed N\$20 000 from the bank. How will this be recorded in the statement of financial position in 2021?
- as an income
 - as liability
 - as an expense
 - as an asset
16. Liabilities can be described as
- Account payables claim on total assets
 - creditorship claim on total assets
 - third parties claim on total assets less capital/owner's equity
 - government claims on total assets
17. What accounting transaction would result in the following double entry being posted?
- | | |
|------------|---------|
| Dr Vehicle | Cr Bank |
|------------|---------|
- The purchases of goods by EFT
 - The receipt of cash from a credit customer
 - The purchases of vehicle by EFT
 - The banking of cash
18. Gross loss will result if:
- Operating expenses are less than net income.
 - Sales revenues are less than operating expenses.
 - Sales revenues are less than the cost of goods sold.
 - Operating expenses are greater than the cost of goods sold.
19. Which of the following transactions would have no impact on the owner's equity/capital?
- Net profit
 - Bank-overdraft
 - Net loss
 - Drawings
20. In which section of the statement of financial should prepaid expenses be classified?
- current liabilities
 - investments
 - Current assets
 - expired assets

QUESTION 2**(20 MARKS)**

- A. Imagine the following transaction: "Bought goods for cash N\$ 200".
The correct double –entry for this is: "debit purchases account N\$200, credit cash account N\$200"
Fill in the blanks with the correct answer on the provided answer sheet.
Suppose (for the above transaction) the following double-entry was made: "debit purchase account N\$2 000, credit cash account N\$2 000". This is an example of an error of _____(1)_____.
- Suppose instead the double-entry was "debit cash account N\$200, credit purchases account N\$200". This is an example of a _____(2)_____.
- Now suppose that the double-entry was "debit purchases N\$200, credit capital account N\$200". This is an example of a _____(3)_____.
- If no double-entry was made at all there would be an error of _____(4)_____.
- B. When the business borrows money, both _____(5)_____ and _____(6)_____ increase and _____(7)_____ remains the same. When owners invest money in a business, both _____(8)_____ and _____(9)_____ increase; and _____(10)_____ remains the same.

QUESTION 3**(20 MARKS)**

Mr. Skade started a business as a retailer of groceries on the 1 January 2025.
The following is a summary of the transactions that took place in the first month of trading: 2025

- January 1 Mr. Skade opened a business bank account and deposited N\$300 000 into this account.
- 2 He purchased groceries worth N\$25 000 from Stop and Shop cc and paid by electronic funds transfer.
- 3 Paid rent for the month with debit card amounting to N\$10 000.
- 6 Sold goods on credit to Tura-Groceries amounting to N\$5 500.
- 12 Bought groceries on credit from African Food cc amounting to N\$22 500.
- 15 Purchased a delivery vehicle and paid N\$150 000 by electronic funds transfer.
- 25 Tura-Groceries settled his account with Mr. Skade by with debit card and he claimed a settlement discount of 10%.
- 30 Mr Skade settled his account with African Food cc by with debit card and he claimed a settlement discount of 5%.

REQUIRED:

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

QUESTION 4**(20 MARKS)**

The trial balance of Vuyo as at 31 December 2024 is show below:

	Debit N\$	Credit N\$
Bad debts	210	
Buildings	150 000	
Depreciation (1 January 2022): 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 2022	20 100	
Wages and salaries	22 040	
	<u>235 962</u>	<u>235 962</u>

Additional information:

1. Inventory (stock) held in the business at 31 December 2024 was valued at N22 000.
2. At 31 December 2024 Vuyo owed N\$460 rent used but not yet billed to him.
3. At 31 December 2024 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 2025.
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 Vuyo for the year ending 31 December 2024. (20)

END OF EXAMINATION QUESTION PAPER