



NAMIBIA 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: JUNE 2025	PAPER: THEORY AND CALCULATIONS
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
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INSTRUCTIONS
<ul style="list-style-type: none">• Answer ALL five (5) 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.• Work with at least four (4) decimal places in all your calculations and only round off only 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 6 PAGES (including this front page)

QUESTION 1**[10 MARKS]**

Match the terms and concepts to the appropriate defining details, formula, or example in the table below. Provide your answers by only giving the number and corresponding letter. E.g., 1. (a)

Terms and Concepts	Defining details, formula, or example
1. Current- liability	a) Are obligations/debts of the business which are payable over a period of more than 12 months.
2. Income	b) These are assets with a physical substance; articles of value with a lifetime of more than 12 months.
3. Capital	c) It is an assumption that the entity will continue to operate in the foreseeable future.
4. Withdrawals	d) The point of original entry of a transaction and should provide the information necessary to record the transaction accurately
5. The going concern assumption	e) It is the money received or money that is receivable from its normal daily operations.
6. Non - current assets	f) It is the source document used when credit purchases are returned to the creditors/account's payables.
7. Non - current liabilities	g) It is the source document used when credit sales are returned from the debtors/accounts receivables.
8. Source document	h) The contribution by the owner or anything that the owner gives to the business.
9. Credit note	i) It is a debt, the value of something the business owes to a accounts payable.
10. Debit note	j) Anything of value the owner takes from the business for personal use.

QUESTION 2

[20 MARKS]

In each of the following questions, ON THE PROVIDED ANSWER SHEET, write down the letter that, in your opinion, represents the correct answer:

1. Accounts payable's claims against the assets of a business are called:
 - A. Noncurrent- liabilities
 - B. Cash
 - C. Owner's equity/Capital
 - D. Current- liabilities
2. Something of value which is the property of the business is called:
 - A. Capital
 - B. Asset
 - C. Creditor
 - D. Liability
3. If a business has balance on its bank account of N\$20 000, accounts payable of N\$10 000, a bank overdraft
N\$5 000 and land of N\$100 000; the amount of owner's equity/Capital is:
 - A. Impossible to compute
 - B. N\$100 000
 - C. N\$105 000
 - D. N\$106 900
4. Credit purchases are journalized:
 - A. Credit accounts receivables, debit purchases
 - B. Debit bank, credit purchases
 - C. Debit accounts payables, credit purchases
 - D. Debit purchases, credit accounts payables
5. Receipt from an accounts receivable is journalized as:
 - A. Debit sales, credit bank
 - B. Debit debtors, credit bank
 - C. Debit accounts receivables, credit sales
 - D. Debit bank, credit accounts receivables

6. In the bank account, cash receipts are:
- A. Debits
 - B. Credits
 - C. Neither
 - D. Both debits and credits
7. In the bank account, cash payments are:
- A. Debits
 - B. Credits
 - C. Neither
 - D. Both debits and credits
8. Nam-Dancer has a dancing school and sells dancing shoes to clients. He won an important dancing competition. Nam-Dancer proposes to include his dancing skills and experience as current asset in the statement of financial position. You advised him that this is not allowed. Which of the following accounting rules apply?
- A. The rule periodicity rule
 - B. The realization rule
 - C. The quantitative rule
 - D. The prudence rule
9. A company receives an order in April, posts the goods in May, and receives payment in June. In this case, under the realization principle, revenue is earned in which month?
- A. April
 - B. May
 - C. June
 - D. None
10. Which principle dictates that all data should be captured in such a way that the debit/credit principle is applied.
- A. Matching principle
 - B. Duality rule
 - C. Prudence
 - D. Periodicity principle

QUESTION 3**[10 MARKS]**

In each of the following transactions state the error which **will not** be revealed by a trial balance.

1. A cash receipt of N\$5 000 from a trade debtor, Mr. Kaka, has been omitted from the books
2. Sales to Mr. Lela, N\$5 600 was entered in the books as N\$6 500
3. Payment of N\$1 000 to trade creditor, Mr Xholisa was entered on the debit side of the Cash book in error and credited to Mr. Xholisa' s a/c
4. Billing to Mr. Ben of N\$5 000 was wrongly posted to Mr Berry's a/c
5. Machinery maintenance of N\$1 000 wrongly posted into Machinery a/c

QUESTION 4**[30 MARKS]**

The following transactions took place during the month of May 2025 in the books of account of James, a sole trader:

2025

- May 1 James opened a business bank account and deposited N\$250 000.
- 5 She brought into the business a computer worth of N\$2 500 from his private resources.
- 6 He purchased equipment for N\$62 500 by paying with a debit card.
- 10 James bought goods on credit from Zuma worth N\$10 000.
- 11 He sold goods on credit to Paulo for N\$12 500.
- 20 James returned goods to Zuma for N\$2 500.
- 21 Paulo settled his account paying N\$10 000 by electronic funds transfer.
- 23 James settled her account with Zuma by paying with a debit card.
- 25 James paid N\$15 000 for repairs of his personal vehicle by electronic funds transfer.

REQUIRED:

- (a) Enter the above transactions in appropriate James' ledger (T) accounts and balance off all the accounts. (20 marks)
- (b) Extract a trial balance as at 31 May 2025. (10 marks)

QUESTION 5**[30 MARKS]**

Wangu-Farm has the following Trial Balance as at 30 April 2025

	DR N\$	CR N\$
Capital		112 500
Accounts receivables	10 000	
Accounts payables		10 750
Purchases	43 500	
Land & Building at cost	170 000	
Sales		149 000
Furniture at cost	8 500	
Motor vehicles	22 000	
Rent	11 000	
Lighting and heating	5 000	
Discount allowed	1 000	
Bad debts	3 000	
Accumulated depreciation: Furniture		1 000
Accumulated depreciation: Vehicles		1 250
Provision for bad and doubtful debts		350
Bank	2 300	
Bank Loan		13 000
Discount received		150
Returns inward	200	
Returns outward		500
Inventory at as 1 May 2024	11 100	
Subscription	900	
	288 500	288 500

Wangu-farm provided the following additional information:

- Inventory as at 30 April 2025 amounted to N\$10 000.
- The lease agreement of 1st May 2024 provides for a monthly rent of N\$1 000.
- An additional bad debt of N\$250 is to be written off. s.
- Motor Vehicle depreciation is to be charged at 20 per cent per annum on the cost.
- Furniture and Fittings are to be depreciated at 10% using the reducing balance method.
- Light and heating owing as at 30 April 2025 amounted to N\$200.
- The subsription fee (expense) related to a subsription for a printing journal. The annual fees of N\$900 was paid on 1st September 2024 and is for a one year period starting from 1st September 2025.

REQUIRED

- Prepare Statement of profit or loss for the period ended 30 April 2025. (23)
- Show Statement of financial position (**extract total assets section only**) as at 30 April 2025. (7)

END OF EXAMINATION PAPER