



ZIMBABWE

MINISTRY OF HIGHER AND TERTIARY EDUCATION

**HIGHER EDUCATION EXAMINATIONS COUNCIL
(HEXCO)**

NATIONAL CERTIFICATE

IN

**TOURISM AND HOSPITALITY MANGEMENT, FOOD AND BEVERAGE
SERVICE; PROFESSIONAL COOKERY AND BAKERY STUDIES.**

SUBJECT: Accounting I

PAPER NO: 333/S03

NOVEMBER/DECEMBER 2010 EXAMINATION

REQUIREMENTS

1. **Silent non-programmable calculator.**

INSTRUCTIONS TO CANDIDATE

Answer all questions.

This paper consists of 8 printed pages.

2010/MS

QUESTION 1

- (a) Discount allowed is recorded on the debit side of a ~~cash~~ ^{cash} - - - - - (1 mark)
- (b) Loss of value of an asset due to wear and tear is called. (1 mark) *depreciation*
- (c) A book of accounts used as both a book of first entry and a ledger is called the ~~journal~~ - - - - - (1 mark)
- (d) The main book of accounts is called the ~~cash~~ ^{cash} - - - - - (1 mark)
- (e) The accounting equation states that - - - - - (1 mark)

QUESTION 2

- (a) Owings are placed under ~~assets~~ ^{liabilities} - - - - - in the balance sheet. (1 mark)
- (b) In hotel accounting, shaft meals are regarded as - - - - - lost. (1 mark)
- (c) A statement drawn to match the case book and the bank statement is called a - - - - - (1 mark)
- (d) When the owner of a takeaway shop takes food out of the shop for family consumption, this is called - - - - - (1 mark)
- (e) A credit balance on a bank statement means that - - - - - (1 mark)

QUESTION 3

- (a) Discount allowed by a supplier to our business is classified as - - - - - in the income statement. (1 mark)
- (b) IF the cost of sales is 40% and his is \$450, then the selling price is - - - - - $\frac{40}{100} \times 450$ Ans: 180 (1 mark)
- (c) If total assets = \$10 000 and total liabilities = \$6 000, then capital is ? (1 mark)
- (d) Capital is described as - - - - - *money used to start a business* (1 mark)
- (e) A business puts a mark - up of 20% on its products, what is its margin. $\frac{20}{100}$ (1 mark)

Handwritten calculations and notes:

$40\% \times 450 = 180$

$450 - 180 = 270$

$450 \times 2 = 900$

$450 - 180 = 270$

Capital = Assets - Liabilities

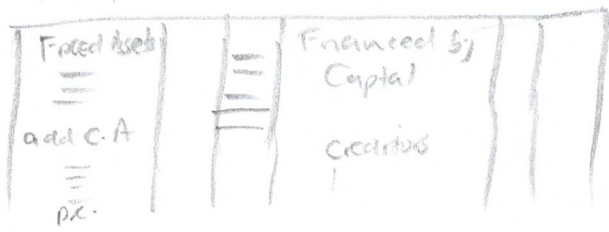
Assets = Capital + Liabilities

QUESTION 4

- (a) Prepayments are classified under C.A. in the balance sheet. (1 mark)
- (b) Chipu sold goods for \$780 and made a profit of 25%. What was the cost price of the goods. $25/100 \times 780 = A + 780$ (1 mark)
- (c) A supplier acknowledges receipt of goods returned by a customer through a document called Debit Note. (1 mark)
- (d) The bank statement shows an over draft of \$300. A creditor has not presented a cheque of \$75. When this cheque is finally presented for payment, the bank balance will be 225. (1 mark)
- (e) A suspense account can be used as a temporary measure to balance a trial balance. (1 mark)

QUESTION 5

- (a) 211068 ml are equivalent to 211.068 litres. (1 mark)
- (b) Sales mix refers to the proportion of different products sold. (1 mark)
- (c) A costing sheet is a document used to record the cost of production. (1 mark)
- (d) Current Asset Less Current Liabilities is called Working Capital. (1 mark)
- (e) Goods bought for re-sale are known as Merchandise. In accounting (1 mark)



QUESTION 6

The following list of balances were extracted from the ledger book of Kudu Hotel.

	Dr	cr	Purchases Expenses Assets R Liabilities Sales	\$
Purchases - D				1 000
Drawings - D				110
Stock (opening balance) c				200
Returns Inwards c				50
Sales - c				1 500
Buildings - D				400
Staff Debtors - D				340
Sundry Creditors - D				230
Discount Allowed - D				50
Commission Received - c				40
Carriage outward - c				10
Carriage in ward - D				20
Cash in hand - D				50
Cash at Bank - D				250 Dr
Machinery at cost - A				350
Stationery - D				30
Provision for depreciation on machinery - D				60
Bad debts written off - cr				35
Provision for doubtful Debts - D				34
Capital - cr				<u>4 759</u>

Required:

Prepare a Trial Balance and calculate the capital. (20 marks)

QUESTION 7

The following is the cash book of Good Hope Hotel for the month of June 2008.

Date	Details	Bank	Date	Details	Bank
May			May		

Cap. 1089

Dr 2924
cr 1835

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1	Balance b/d	930	2	Motor Express	520
4	Sales	880	8	Office costs	240
7	Sales	870	9	J Seams	1 410
16	Sales	2 280	10	Light & Heat	340
18	T. Smith	740	12	R James	1080
21	Sales	2 550	17	Stationery	460
28	D Marks	540	21	Wages	840
31	Sales	360	30	P Jackson	1160
			31	Balance c/c	3100
<i>Date</i>	<i>Details</i>	<i>Bank</i>	<i>Date</i>	<i>Details</i>	<i>Bank</i>
Total		9 150	Total		9150

Updated cash book

<i>Dr</i>	<i>Upda</i>	<i>Cr</i>
Balance as fo	€ 930	bal as per cash bk 930
T Smith	740	Sales 4390
D Marks	540	Motor exp 520
		office cost 240
		J Seams 1410
		light & heat 340
		R James 1080
		stationery 460
		Wages 840
		P Jackson 1160
Bal c/d	3100	
	<u>3640</u>	
		<u>6600</u> to 6640

balance as per c/b	3000	Wages	840
D Marks	540	P Jackson	1160
Sales	360		
	<u>2100</u>		<u>2000</u>

Good Hope Hotel's Bank statement for same month is given below:

Date	Details	Debit	Credit	Balance
May 1	Balance b/d			930 Cr
4	Deposit		880	1 810 Cr
8	Deposit		870	2 680 Cr
11	100452	520		2 160 Cr
11	100453	240		1 920 Cr
12	Stop Order – Rates	550		1 370 Cr
14	Direct Debit: Insurance	180		1 190 Cr
16	Deposit		2 280	3 470 Cr
17	100455	340		3 180 Cr
18	100456	1 080		2 050 Cr
19	Deposit		740	2 790 Cr
21	Deposit		2 550	5 340 Cr
22	100457	460		4 880 Cr
24	100458	740		4 040 Cr
29	Dividend		160	4 200 Cr

QUESTION 7

Required:

- (a) Prepare an updated cash book.
- (b) Prepare a Bank reconciliation statement as at 30 June 2008.

(15 marks)

QUESTION 8

A crop (wholesale cut) weighing 310 kg is purchased at \$44 per kg and is cut as follows:

	Weight with Bone	Retail Price
Fore – Rib	80 kgs	\$ 3 520
Middle Rib	80 kgs	\$ 3 520
Chick Steak	70 kgs	\$ 3 080
Chick Bone	30 kgs	\$ 1 320
Lef of mutton cut	50 kgs	\$ 2 200
	310 kgs	\$ 13 640

Required:

310kg. \$44 per Kg.

6

For Rib - 80kg
= \$3520

4140

440
4140
2220
\$
44
50/100 x 4140
2,200.

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Calculate the cost of a 100g portion of roast beef using fore-rib and assuming a 50% bone and cooking loss. (10 marks)



$$50/100 \times \frac{352}{3520}$$

$$\frac{352}{+50}$$

$$\frac{8000}{100}$$

$$\frac{120}{+1600}$$

Total cost of fore rib
80 kg
and 100g

$$0,044 = 12$$
$$84,40$$

	Dr	Cr
Capital <i>- bls</i>		71 000
Premises <i>ex ✓</i>	57 500	
Equipment <i>ex</i>	23 000	
Provision for Depreciations		8 000
Requirement		2 000
Motor van		
Motor Van <i>- ex</i>	8 000	
Stock (1 January 2008) ✓	8 300	
Purchases and Sales ✓	30 800	66 600
Returns <i>- CA</i>	700	900
Wages <i>- exp</i>	16 500	
Carriage Inwards ✓	500	
Carriage on Sales ✓	400	
Commission received <i>CA</i>		500
Bank Interest <i>- CA</i>	350	
Lighting and Heating <i>- exp ✓</i>	1 650	
Postage and Stationery <i>ex ✓</i>	600	
Insurance <i>exp ✓</i>	1 200	
Telephone <i>exp ✓</i>	500	
Rent receivable <i>exp ✓</i>		750
Debitors and Creditors <i>exp</i>	7 000	11 750
Bank <i>bls ex</i>	1 950	
Discount	100	
Bad Debts <i>- ex ✓</i>	450	
	159 500	159 500

NOTES

- (a) Stock - 31 December 2008 \$9 500
- (b) Wages due \$550
- (c) Drawings \$800
- (d) Stock of un used stationery \$95
- (e) Rent receivable still outstanding \$180
- (f) Depreciation:
 - Motor Van depreciated to \$4 500
 - Equipment - 20% on Net Book Value
- (g) Provision for bad debts is to be 10% of debtors.

Required:

Prepare a set of final accounts as at 31 December 2008.

(30 marks)

.../lk

Sales
 opens stock
 add purchase
 add Carriage inwards
 Gross Profit
 less Exp

Sales
 opens stock
 and purchase
 less COGS
 add Carriage inwards

Handwritten calculations:
 930
 930
 180
 32 180

Workings

	PTL	BlS
Stock	9500	9500
Wages	16500	16500
Drawings	800	800
unused stationery	60	505
Rent Reciv owing	750	930
Depr. Equip	8000	3500
	23000	4600

Handwritten calculations:
 1305
 23000 x 23000
 23000
 20
 4600
 450 | 700 | 88500