KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2011/2012

SECOND SEMESTER EXAMINATION FOR DIPLOMA IN HOSPITALITY MANAGEMENT

HIM 031: HOSPITALITY ACCOUNTING

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DATE: THURSDAY 29TH MARCH 2012 TIME: 2.00 P.M. – 4.00 P.M.

INSTRUCTIONS

- Attempt ALL questions in section I and II. Attempt only one question in section III
- All monetary value is in Kenya Shillings

SECTION 1

1. Describe depreciation and explain the straight line method of depreciation.
2. What is the difference between balance sheet and income statement (TP & L)
3. How is average sales revenue per guest calculated. What can you use this information for?
4. Discuss the purpose of current ratio (20 marks)

SECTION II

5. A restaurant reported the following current assets

Cash	12,000
Credit Card Receivables	1800
Accounts Receivables	180
Food Inventory	4400
Prepared Expenses	1120

Current liabilities on the other hand totaled 7800

Calculate the current ratio and comment (30 marks)

SECTION C : Attempt only one question from this section

6. Based on the following , determine the average check per guest.

	Sales Revenue	Guest
Dining Room	128,880	9206
Bar Lounge	66,586	5202

(20 marks)

7. Indirect and undistributed expenses of Safari Hotel amounting to 8,000 is to be allocated to the restaurant. Two allocation bases are considered. The restaurant contributes 40% of the hotels overall revenue and occupies 52% of square footage available.

Calculate the amount to be allocated based on revenue and square footage.

(20 marks)