2802/201 HOSPITALITY ACCOUNTING AND LAW Oct./Nov. 2017

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN FOOD AND BEVERAGE MANAGEMENT

MODULE II

HOSPITALITY ACCOUNTING AND LAW

3 hours

INSTRUCTIONS TO CANDIDATES

This paper consists of **TWO** sections; A and B.

Answer question **ONE** and any other **TWO** questions from section A.

Answer question **FIVE** and any other **FOUR** questions from section B.

Answers should be written in the answer booklet provided.

Maximum marks for each part of a question are indicated.

Candidates should answer the questions in English.

This paper consists of 4 printed pages.

Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

(10 marks)

(10 marks)

upro date

SECTION A: HOSPITALITY LAW (40 marks)

Answer question ONE and any other TWO questions from this section.

1. Outline four responsibilities of the Kenya government in employer-employee (a) relationship. (4 marks) (b) Explain the difference between the criminal law and law of tort. (4 marks) (c) Explain two functions of the county assemblies in Kenya. (4 marks) Highlight four instances a hotel business can be sued by a customer. (d) (4 marks) (e) State four customary laws recognised by the Kenya laws (4 marks) prince data bution of funds Patel has been issued with a hotel operating licence. Explain five reasons that would lead to the revocation of his licence. Explain five roles of the Kenya parliament. 2.

SECTION B: HOSPITALITY ACCOUNTING (60 marks)

Describe five types of businesses ownership that can be licenced in Kenya.

the licence is

Answer question FIVE and any other FOUR questions from this section.

5. Atto and Bekko are partners in business sharing profit and losses in the ratio 1:4 respectively. The following information relates to the firm for the year ended 30 June, 2016.

	Ksh
Capital: Atto	380,000
Bekko	240,000
Drawings: Atto	60,000
Bekko	45,000
Rent	150,000
Discounts allowed	10,000
Discounts received	24,000
Gross profit	520,000
Insurance	44,000
Repairs	55,000

to the revocation of his licence.

3.

4,

Additional information:

- interest on drawings to be charged at 5%; (i)
- (ii) Atto to receive a monthly salary of Ksh 6,000;
- (iii) interest on capital to be allowed at 6% per annum;
- Bekko to receive a commission at 2% of the gross profit. (iv)

Prepare an income statement for the year ended 30 June, 2016.

(20 marks)

The following information relates to the debtors of Hodari Retailers for the month of January 6. 2016.

	Ksh
Balance as at 1 January, 2016	50,800
Summary for the month:	
Returns inwards	28,000
Discounts allowed	19,000
Credit sales	932,000
Dishonoured cheques	62,000
Cheque receipts	495,000
Refund	27,000
Charges on overdue debts	15,000

Prepare a sales ledger control account for the month of January 2016.

(10 marks)

- tore-casting and planing Explain five functions of accounting to an organization Controlling portor mance

- Protection of business auch - Co-ordination & interpretation

to dan rejaners more of January

As at 1 August 2016, Foddo Retailers had Ksh 16,000 in cash and Ksh 40,000 at bank.

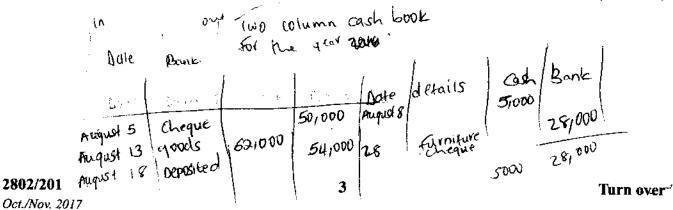
During the month, the following transactions took place:

August

- 5 Received a cheque of Ksh 50,000 from Telly.
- 8 Paid for wages Ksh 5,000 in cash.
- 13 Sold goods of Ksh 62,000 in cash.
- Deposited Ksh 54,000 cash into the bank. 18
- 28 Bought furniture Ksh 28,000 paying by cheque.

Prepare a two column cash book for August 2016.

(10 marks)



9. The following information relates to the motor vehicles of Theppo Enterprises:

Registration Number	Date of Purchase	Cost
		Ksh
KA	1 January, 2014	560,000
KB	1 January, 2015	640,000

Prepare provision for depreciation on motor vehicle account for the years ended 31 December, 2014 and 2015.

(10 marks)

(10 marks)

10. The following balances relates to Tausi social club as at 31 December, 2016.

	Ksh
Subscriptions in advance	8,000
Subscriptions in arrears	10,000
Furniture	180,000
Cash at bank	170,000
Accumulated fund (1 January 2016)	312,000
Surplus	40,000
Rent owing	20,000
Prepaid insurance	4,000
Canteen inventory	16,000

Prepare a statement of financial position as at 31 December, 2016.

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