



<b>FACULTY/COLLEGE</b>	College of Business and Economics
<b>SCHOOL</b>	School of Accountancy
<b>DEPARTMENT</b>	Commercial Accounting
<b>CAMPUS(ES)</b>	APB - STH
<b>MODULE NAME</b>	Hospitality Financial Management
<b>MODULE CODE</b>	HFM01B1
<b>SEMESTER</b>	Second
<b>ASSESSMENT OPPORTUNITY, MONTH AND YEAR</b>	Final Assessment Opportunity 12 November 2019

<b>ASSESSMENT DATE</b>	12 November 2019	<b>SESSION</b>	Y
<b>ASSESSOR(S)</b>	Mr R Rhodes		
<b>MODERATOR(S)</b>	Mr D du Plessis		
<b>DURATION</b>	180 min	<b>TOTAL MARKS</b>	100

<b>NUMBER OF PAGES OF QUESTION PAPER (Including cover page)</b>	5
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#### INFORMATION/INSTRUCTIONS:

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- This is a closed-book assessment.
  - There are 5 questions.
  - Unless otherwise indicated, work in 2 decimals for Rand values and percentages.
  - Answer all questions on the provided template.
  - Read the questions carefully and answer only what is required.
  - Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
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**QUESTION 1 – Financial statements****[20 MARKS]**

Ever After Ltd is a wedding management and catering business that hires out venues and prepares foods for weddings and other events. You are presented with the trial balance as at the 31<sup>st</sup> July 2019 below.

Trial Balance of Ever After Ltd as at the 31<sup>st</sup> July 2019.

	R
Opening Inventory RAW Material	125 635
Opening inventory raw material	235 689
Opening inventory work-in-progress	565 821
Opening inventory finished goods	3 256 852
Purchases of raw material	23 695 421
Closing inventory raw material	295 624
Closing inventory work-in-progress	356 564
Closing inventory finished goods	6 625 356
Labour costs	12 212 156
Overhead costs	6 585 659
Sales	77 696 000
<b>Expenses</b>	
Audit fees	220 000
Bank charges	156 000
Cutlery, glasses and crockery	1 265 823
Kitchen equipment	526 300
Electricity	2 987 563
Housekeeping consumables	756 654
Salaries	17 589 621
Wages	12 025 864

Required:

- 1.1) Draft a catering manufacturing account for the year ended 31 July 2019. (9)
- 1.2) Draft a trading statement for the year ended 31 July 2019. (Progressive marking is in effect.) (2)
- 1.3) Draft a profit or loss statement for the year ended 31 July 2019. (Progressive marking is in effect.) (9)

**QUESTION 2 - Inventory****[30 MARKS]**

Table-top Ltd has the following transactions for July 2019:

Total purchases for July are as follows:

Cash	R 15 623 467
Credit	R 22 659 655

Total sales for July are as follows: (cost price in brackets)

Cash	R26 568 988	(R 16 400 123)
Credit	R36 254 569	(R21 936 635)

Assume Table-top Ltd has opening inventory to the value of R362 252.

Required:

- 2.1) Calculate the closing inventory. (3)
- 2.2) Use the *Periodic Inventory recording system* to record the above sales and purchases transactions in the general journal and to draw up the Trading statement (13)
- 2.3) Use the *Perpetual Inventory recording system* to record the above sales and purchases transactions in the general journal and to draw up the Trading statement (15)

**QUESTION 3 – Theory****[10 MARKS]**

- 3.1) Define the term “Financial Management” (4)
- 3.2) The Financial manager needs to procure funds for the company, and needs to decide on the usage of the funds.
  - 3.2.1) Discuss the long-term funds that the Financial manager could procure (2)
  - 3.2.2) Discuss the goals of the financial manager and what methodology he must employ to achieve the goals (4)

**QUESTION 4 – Statement of Financial Position****[20 MARKS]**

You are given the post-closing trial balance below. You are required to draft a Statement of Financial Position for Bubbles Soap, which sells all types of soap and washing products, and is owned by Sweetness Ngwenya.

Post-closing trial balance of Bubbles Soap as at 31 July 2019

	DR R	CR R
Bank	1 239 875	
Bond over property		3 800 000
Capital		12 000 000
Current Account	21 480	
Debtors	156 654	
Equipment	6 523 651	
Inventory	2 220 000	
Motor vehicles	1 264 893	
Prepaid income / Deposits received		125 000
Property	4 525 000	
Trade creditors		26 553

Required:

- 4.1) Draw up the Statement of Financial Position of Bubbles Soap, in the correct (20) format, at the end of the financial year, 31 July 2019. Marks are awarded for headings, and the totals.

**QUESTION 5 – Profit appropriation****[20 MARKS]**

The bookkeeper for James and George attorneys has extracted the following year-end balances pertaining to the accounts of the partners of the law firm. The two partners share profits equally after the salaries, interest on capital and interest on current accounts have been paid to the partners.

You are given the following information for the partnership:

Details	James	George
Capital at 1 January	R5 250 000	4 000 000
Current A/c opening balance Cr.	220 000	Nil
Salary for the year	600 000	500 000
Salary taken by Partner	500 000	500 000
Bonus earned	100 000	100 000
Drawings for the year – Inventory/Cash taken	100 000	20 000

Profit for the year, before interest is paid on the partner's accounts, amounted R1 300 000.

Notes:

1. Interest at 8% per year is paid on the opening balance of the capital account.
2. Interest at 12% pa. is paid on the opening balance of the current accounts.
3. James requested that his Current account be left with a credit balance of R270 000
4. George wishes to withdraw as much cash as he can.
5. The difference on the current accounts must be paid out of the bank a/c

Required:

- 5.1) Complete the Capital accounts and the Current accounts of the partners. (20)

**TOTAL [100]**