



FACULTY/COLLEGE	College of Business and Economics
SCHOOL	School of Accountancy
DEPARTMENT	Commercial Accounting
CAMPUS(ES)	APB - STH
MODULE NAME	Hospitality Financial Management
MODULE CODE	HFM01B1
SEMESTER	Second
ASSESSMENT OPPORTUNITY, MONTH AND YEAR	Supplementary Assessment Opportunity January 2020

ASSESSMENT DATE	January 2020	SESSION	
ASSESSOR(S)	Mr R Rhodes		
MODERATOR(S)	Mr D du Plessis		
DURATION	180 min	TOTAL MARKS	100

NUMBER OF PAGES OF QUESTION PAPER (Including cover page)	5
-----------------------------------------------------------------	---

INFORMATION/INSTRUCTIONS:

-
- 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.
-

QUESTION 1 – Financial statements**[20 MARKS]**

Pink Lady Ltd is a manufacturer and supplier to upmarket massage parlors and spa's. The bookkeeper is on leave and has not completed his monthly management accounts. You are required to complete his work. You are presented with the trial balance as at the 31st July 2019 below.

Trial Balance of Pink Lady Ltd as at the 31st July 2019.

	Opening Inv R	Closing Inv R
Inventory raw material	239 523	199 624
Inventory work-in-progress	289 654	356 564
Inventory finished goods	555 636	625 931
Purchases of raw material	23 695 421	
Labour costs	12 212 156	
Overhead costs	6 585 659	
Sales	78 696 000	
Expenses		
Audit fees	220 000	
Bank charges	909	
Cutlery, glasses and crockery	1 265 823	
Kitchen equipment	965 636	
Electricity	2 987 563	
Housekeeping consumables	2 756 654	
Salaries	17 589 621	
Wages	12 025 864	

Required:

- 1.1) Draft a 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]**

Oui Bistro Ltd has the following transactions for July 2019:

Total purchases for July are as follows:

Cash	R 1 523 467
Credit	R 13 059 655

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

Cash	R13 568 988	(R 6 400 123)
Credit	R18 254 569	(R8 256 521)

Assume Table-top Ltd has opening inventory to the value of R456 658.

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 short-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 Night-time Adventures, which offers night walks through the local zoo and is owned by Ngwenya Ndlovu.

Post-closing trial balance of Night-time Adventures as at 31 July 2019

	DR R	CR R
Bank	165 500	
Bond over property		1 650 000
Capital - Ngwenya Ndlovu		2 600 000
Current Account - Ngwenya Ndlovu	56 078	
Debtors	365 483	
Equipment	623 651	
Inventory	32 600	
Motor vehicles	1 264 800	
Prepaid income / Deposits received		145 000
Property	2 000 000	
Trade creditors		113 112
	4 508 112	4 508 112

Required:

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

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

The bookkeeper for Laurel and Hardy Dentistry has extracted the following year-end balances pertaining to the accounts of the partners of the dentistry. 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	Laurel	Hardy
Capital at 1 January	1 000 000	1 200 000
Current A/c opening balance Cr.	123 500	321 500
Salary for the year	600 000	600 000
Salary taken by Partner	600 000	500 000
Bonus earned	100 000	100 000
Drawings for the year – Inventory/Cash taken	100 000	130 000

Profit for the year, before interest is paid on the partner's accounts, amounted R1 900 000.

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. Laurel requested that his Current account be left with a credit balance of R300 000
4. Hardy wishes to withdraw as much cash as he can, after leaving a balance of R250 000 in his current account.
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]