

2802/201
HOSPITALITY ACCOUNTING
AND LAW
June/July 2022
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 (compulsory) and any other TWO questions from section A.
Answer question FIVE (compulsory) and any other FOUR questions from section B.
Answers to all questions must be written in the answer booklet provided.
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.**

SECTION A (40 MARKS)

Answer Question ONE (compulsory) and any other TWO questions from this section.

1. (a) Differentiate between private and public laws. (4 marks)
- (b) Highlight **four** functions of law in Kenya. (4 marks)
- (c) (i) Explain the meaning of the term 'Court Martial'. (2 marks)
- (ii) Identify **four** types cases tried at the Court Martial. (2 marks)
- (d) (i) Explain the meaning of the term 'limited company'. (2 marks)
- (ii) State **two** characteristics of a limited company. (2 marks)
- (e) Explain **two** reasons why a restaurant may deny a customer service. (4 marks)
2. Explain **five** circumstances under which the landlord may refuse to grant a new tenancy. (10 marks)
3. Discuss **five** factors that may lead to cancellation of a hotel or restaurant licence. (10 marks)
4. (i) Differentiate between the terms 'crime' and 'tort', as used in law. (4 marks)
- (ii) Explain **three** acts that qualify as invasion of privacy. (6 marks)

SECTION B (60 MARKS)

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

5. The following is the receipts and payments account of Hodan Social Club for the year ended 31 December 2020.

Receipts and Payments Account			
	Ksh		Ksh
Balance b/d	24,000	Rent	82,000
Subscriptions	318,000	Sports equipment	240,000
Counter sales	200,000	Stationery	38,000
Donations	120,000	Wages	116,000
		Canteen purchases	140,000
		Balance b/d	<u>46,000</u>
	<u>662,000</u>		<u>662,000</u>

Balances as at 31 December

	2019	2020
	Ksh	Ksh
Canteen inventory	15,400	27,800
Sports equipment	160,000	380,000
Furniture	132,000	105,000
Subscriptions in arrears	28,000	42,000

For the year ended 31 December 2020, prepare:

- (a) canteen trading account. (6 marks)
- (b) income and expenditure account. (14 marks)
6. Explain five causes of depreciation of non current assets. (10 marks)
- wear and tear market trend
lapse of time exhaustion
7. The following balances were obtained from the books of account of Yatto Enterprises as at 31 December, 2020.

	Ksh
Sales	1,915,000
Purchases	1,420,000
Insurance	180,000
Capital	220,000
Accounts payable	115,000
Accounts receivable	240,000
Cash	320,000
Furniture	410,000
Bank loan	520,000
Rent	200,000

Extract a trial balance as at 31 December 2020.

- (10 marks)
8. Explain five errors that would affect the agreement of a trial balance. (10 marks)
- Error of principle
Error of omission
Error of
Transposition error
Reversal of entry error 3

9. Atieno and Bellin are in partnership business. They have operated the business without a partnership agreement.

The following information relates to their firm for the year ended 31 December 2020

	Ksh
Sales	988,000
Purchases	624,000
Wages	56,000
Rent	24,000
Inventory (1 January 2020)	38,000
Inventory (31 December 2020)	55,000
Drawings: Atieno	48,000
Bellin	60,000
Capital : Atieno	120,000
Bellin	250,000

Prepare an income and appropriation account for the year ended 31 December 2020.

- Profit of income

(10 marks)

10. Describe five features of a fixed deposit account.

(10 marks)

- There is returns
- loans are given
- Flexible Tenures

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