

Name: _____ Index No: _____/_____

2912/204

TOURISM ACCOUNTING

November 2015

Time: 3 hours

Candidate's Signature: _____

Date: _____



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN TOURISM MANAGEMENT

TOURISM ACCOUNTING

3 hours

INSTRUCTIONS TO CANDIDATES

Write your name and index number in the spaces provided above.

Sign and write the date of examination in the spaces provided above.

This paper consists of SEVEN questions.

Answer any FIVE questions in the spaces provided in this question paper.

ALL questions carry equal marks.

Show all your workings.

Do not remove any pages from this question paper.

Candidates should answer the questions in English.

For Examiner's Use Only

Question	1	2	3	4	5	6	7	TOTAL SCORE
Candidate's Score								

This paper consists of 24 printed pages.

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

- I. (a) The following balances were extracted from the books of accounts of Mate Enterprises for the year ended 30 June, 2014.

	Ksh
Accounts payable	2,100,000
Returns inwards	50,000
Capital	6,255,500
Purchases	12,000,000
Furniture	175,000
Accounts receivable	6,400,000
Discounts received	41,000
Sales	16,000,000
Wages	1,260,000
Discounts allowed	36,000
Inventory	230,000
Cash in hand	185,000
Carriage outwards	45,000
Cash at bank	4,000,000
Returns outwards	36,500
Carriage inwards	52,000

Prepare a Trial Balance as at 30 June 2014.

(8 marks)

- (b) Lakes Tour Limited purchased a motorboat for Ksh.1,600,000, paying by cheque on 1 January 2012.
The motorboat is depreciated using reducing balance method at the rate of 20% per annum.

- (i) For the years 2012 and 2013, prepare:

- (I) motorboat Account;
(II) provision for depreciation on motorboat account.

- (ii) Another company has offered to purchase the motorboat for Ksh.450,000 as at 31 December 2013.

Advise the management on whether the offer should be accepted.

(12 marks)