UNIVERSITY OF COLOMBO
FACULTY OF ARTS
DEPARTMENT OF ECONOMICS

DIPLOMA IN TOURISM ECONOMICS AND HOTEL MANAGEMENT

(10th Batch)

FINAL EXAMINATION - 2018
(Semester-II)

DTTEHM 03: Accountancy and Statistical Analysis

Time Allowed: TWO [2] HOURS

Answer ALL questions

Each Question Carries Equal Marks

Question (1)

a) Explain Three (03) of Internal factors that influence the process of business enterprises. **(6 Marks)**

b) What are the users or parties interested in accounting information. **(5 Marks)**

c) Explain the difference between gross profit and net profit with the aid of an example. **(5 Marks)**

d) How does the purchase of a new laundry machine affect the profit and loss statement? **(5 Marks)**

e) Explain what is meant by tangible asset and Intangible Assets. **(4 Marks)**

Question (2)

a) Enter the following transactions in the three-column cash book of Aura Travel Agency. Balance off the cash book and show the discounts accounts in the general ledger. **(12 Marks)**

- 1st July Balances brought forward: Cash Rs:29,300 ; Bank Rs :44,210.
- 2nd July Cash sales Rs: 4550.
- 3rd July The following debtors paid their accounts by cheque each deducting a 5% cash discount: Ruvin Peiris Rs 2460, Malith Rs : 1620 and Romesh Rs: 2530.
- 4th July Paid Rent by cheque Rs: 7500.
- 4th July Cash Sales Rs: 8500
- 5th July Paid wages by cheque Rs:11,600.
- 6th July Paid the following accounts by cheque, in each case deducting a 2% cash discount: Kalum Rs :2300, David Rs: 2100, Kamil Rs: 3250
- 7th July Transferred Rs: 2500 cash to the bank account.
- 8th July Bought stationery Rs : 2160, paying cash.
- 8th July paid electricity charges Rs : 42700

b) Record the following particulars and prepare a Petty Cash Book under the petty Cash Imprest System. All transactions start from 2018. **(10 Marks)**

- Jan. 1. Received from the Chief Cashier as imprest cash Rs :12000.
- Jan. 2. Paid Taxi hire Rs : 220.
- Jan. 3. Purchase sanitary items Rs : 425.
- Jan. 3. Paid postage Rs:1128 and Envelopes Rs : 240.
- Jan. 4. Purchased stationery Rs: 550.
- Jan. 5. Paid telegram charges Rs: 450. and bus fare Rs: 230.
- Jan. 6. Paid Clearing charges Rs : 600.
- Jan. 7. Paid Rs: 440 for repairs of typewriter.
- Jan. 8. Sundry Expenses Rs : 1300.

c) Explain what is meant by pretty cash imprest system. **(3 Marks)**

Question (3)

(a)."Control accounts are most commonly used for detecting errors in accounting records" Explain this statement. (5 Marks)

(b).Ajith Perera is an owner of a DAK Restaurant, operates in Colombo city, and has received his bank statement for the year to 30th September 2017. At the date, his balance at the bank amounted to Rs:14,130 whereas his own cash book showed a balance of Rs:20,000. His accountant investigated the matter, and discovered the following discrepancies:

- Ajith had brought down his opening cash book balance of Rs: 6,585 as a debit balance instead of as a credit balance.
- Ajith had entered a payment of Rs:560 in his cash book as Rs: 650.
- Bank Service Charges Rs: 450.
- Standing order to Pay Rent Rs : 5000
- Cheques drawn by Ajith to settle the electricity charges in August Rs:1200. had not been presented to the bank.
- One of Ajith's customers had agreed to settle their debts Rs: 450 by direct debit though nothing was entered in the cash books yet. Unfortunately, the bank had credited the direct debit to another customer's account.

Required to prepare:

a) Make any necessary entries in the cash book as at 30 September 2017.
b) Prepare a Bank Reconciliation statement as at 30 September 2017.

(15 Marks)

(c).Identify and explain three (3) causes of differences between bank statement and cash book. (5 Marks)

Question (4)

a) Explain the benefits of investing in shares in the capital market.　(5 Marks)

b) What are the factors that determine the share price of a listed travel agency.

(5 Marks)

c) Briefly explain the following concepts,

- Ordinary Shares
- Preference Shares
- Treasury Bills

(5 Marks)

d) A frequency distribution containing information on the tickets issued to tourists during the morning hours of a particular tourist destination is shown in the below table,　(10 Marks)

i). Write down the model class of the distribution.

ii). Find the mean price of the tickets issued.

iii). Find the expected income from a trip in which tickets are issued to 250 tourists.

Price of a Ticket $	Number of Tickets
11 -15	7
16 - 20	8
21- 25	11
26 - 30	13
31 - 35	16
36 - 40	15
41- 45	30