



MASEÑO UNIVERSITY

UNIVERSITY EXAMINATIONS 2012/2013

THIRD YEAR FIRST SEMESTER EXAMINATIONS FOR THE DIPLOMA IN HOSPITALITY MANAGEMENT (CITY CAMPUS)

SEH 0167: HOSPITALITY FINANCE MANAGEMENT

Date: 16th July, 2013

Time: 9.00 – 11.00 a.m.

Diploma

SEH 0167: HOSPITALITY FINANCE MANAGEMENT

INSTRUCTIONS TO CANDIDATES

ANSWER FOUR QUESTIONS IN PART I, AND 2 QUESTIONS IN PART II

Part I; Answer four questions. Each question is 10 marks

1. What is Finance management?
2. Describe the finance functions.?
3. Why does a business need to keep records? Give five reasons why it is compelling or necessary for people to invest rather than not to invest.
4. i.) Explain the difference between short term business finance and long term business finance
ii) List the respective sources of for short term finance and of long term finance .
5. Describe six ways by which pricing of a product is done; and explain how to price a restaurant menu

Part II; answer the two questions. Each question is 15 marks

6. From the following particulars prepare the trading account (profit and loss account) and show gross profit of the business for the year ended December 31st 2012. :

Sales 27,056.50; Purchases 15,275.75; Sales returns 156.50;
Purchase returns 175.75;
Stock on January 1st 1,765.50; Stock December 31st 1,854.40

7. Provide definitions and formula of the following; Business transaction, Profitability index and Pay back period