TRIBHUVAN UNIVERSITY

FACULTY OF MANAGEMENT

Office of the Dean



2015

Full Marks: 60

Time: 3hrs

Candidates are required o the answer all the question in their own words as far as practicable. The figures in the margin indicate full marks.

BTTM/Second Semester/TTM 334: Tourism and Hospitality Accounting

Attempt all question

Group "A"

Brief answer Questions:

[10x1=10]

- 1. What is accounting?
- 2. What is business entity concept?
- 3. Give the meaning of food and beverage accounting.
- 4. Define financial statements in a sentence.
- 5. What is irrelevant cost?
- 6. Calculate occupancy percentage on the basis of following information:
 - a. No. of guests 11,000 (annual)
 - b. No. of rooms occupied 9,500 (annual)
- 7. The following cash flow are given for a project.

Year	0	1	2	3	4	5
Cash Flow (Rs)	-25,000	5,000	6,000	8,000	12,000	7,000

Required: Payback Period for project.

- 8. A motel operation has 70 rooms, an occupancy rate of 70%, and an average room rate of Rs.1200. The owner wants you to give an estimate of sales revenue for the month of April. What is the estimated sales revenue?
- 9. Calculate amount of current liabilities from the following information:
 - a. Total current assets including stock Rs. 60,000 amounted to Rs.180,000
 - b. Current ratio = 3:1
- 10. Make the list of event planning phase management accounting tools.

Group "B"

Short Answer Questions

[6x5=30]

- 11. Write any five differences between cost and management accounting.
- 12. Following are the Balance Sheets and Income Statement of a company:

Liabilities	Year 2013	Year 2014	Assets	Year 2013	Year 2014
Share Capital	2,50,000	1,50,000	Plant	2,50,000	1,50,000
Long term loan	70,000	50,000	Investment	55,000	45,000
Bills Payable	70,000	60,000	Inventory	75,000	80,000
Profit and Loss			Account		
Account	30,000	60,000	receivable Cash	20,000	20,000
	4,20,000	3,20,000		<u>20,000</u>	<u>25,000</u>
				4,20,000	3,20,000

Income Statement for the year 2014

Particulars	Amount	Amount
Sales revenue		2,50,000
Less: Cost of goods sold		<u>1,50,000</u>
Gross profit		1,00,000
Less: Operating expenses	30,000	
Depreciation	20,000	
Other expenses	30,000	80,000
Net Income		20,000

Required: Cash Flow Statement

13. A company has enough utilized capacity; therefore, it would like to see the possibility of manufacturing a component used in its main product. The buying cost of the component for the next year would be Rs.10 per unit. The other data have been presented below:

Annual need for component 40,000 units

Cost estimate for production:

Direct material Rs.3
Direct wages Rs.4
Manufacturing overhead (Rs. 3 for fixed) Rs.5
Total cost Rs.12

Required: Differential cost analysis to consider the desirability of options.

14. You are given the following information pertaining to financial statement of a firm:

I.	Total assets (Including preliminary expenses)	Rs.2,40,000
II.	Inventory:	
	at the beginning	Rs.80,000
	at the end of the year	Rs. 40,000
III.	Days in a year	360 days
IV.	Gross profit (20% of sales)	Rs.1,20,000
V.	Average collection period	36 days

Required:

a. Amount of sales

b. Amount of Debtors

c. Total assets turnover ratio

d. Inventory turnover ratio

15. The sales forecasts relating a manufacturing company are summarized below:

Months	Sharawan	Bhadra	Aswin	Kartik
Sales (in units)	20,000	30,000	40,000	30,000

Selling price per unit is Rs.20. Each unit of output 2 units of raw material and each unit of raw material will cost Rs.2. The company's policy is to keep equal unit of output required for the next month's sales and uniform materials inventory of 30,000 units. Opening finished goods inventory was 20,000 units.

Required:

- a. Production budget for the first three months.
- b. Materials purchase budget for the first three months.
- 16. Briefly explain the users of financial statement.

Comprehensive Answer Questions

[2x10=20]

17. Prepare cash budget for the three months covering October, November, and December of year under below:

Months	SalesRs.	Purchase Rs.	Wages Rs.	Other exp.Rs.
September	1,50,000	60,000	20,000	9,000
October	2,00,000	80,000	40,000	10,000
November	4,00,000	1,40,000	60,000	18,000
December	3,00,000	1,00,000	50,000	16,000

Further information:

- a. 0% Sales are made in cash and the rest collected in the next months
- b. Purchases are 25% in cash the rest paid in the next months.
- c. Wages and other expenses are paid in the same month.
- d. Cash balance on October 1 of the year is Rs.40,000
- 18. The cash flow of two different projects is given below. The cost of capital of both projects is 10%.

Year	Project A	Projects B
0	(3,00,000)	(3,00,000)
1	70,000	1,00,000
2	70,000	1,50,000
3	70,000	1,00,000
4	70,000	80,000
5	70,000	50,000

Which project should be preferred if NPV criteria is used?

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