

Roll No. ....

## **HM–203**

### **Accounting and Finance for Hospitality**

**Master of Hotel Management (MHM-17)**

**Second Semester, Examination, 2018**

**Time : 3 Hours**

**Max. Marks : 40**

**Note :** This paper is of **forty (40)** marks containing **three (03)** Sections A, B and C. Attempt the questions contained in these Sections according to the detailed instructions given therein.

#### **Section–A**

##### **(Long Answer Type Questions)**

**Note :** Section 'A' contains four (04) long answer type questions of nine and half ( $9\frac{1}{2}$ ) marks each. Learners are required to answer *two* (02) questions only.

1. What is double entry system of book-keeping ? Explain its principles with examples.
2. How are accounts classified ? State the rules of journalizing with respect to each class of account.
3. What is meant by Trial Balance ? How is it prepared ? Is it a concrete proof of accuracy of books of accounts ?

**(B-85) P. T. O.**

4. The following is the Balance Sheet of Hindustan Motors :

**Balance Sheet (as on 31st March, 2016)**

<b>Liabilities</b>	<b>₹</b>
Equity Share Capital	2,00,000
Redeemable Preference Share Capital	1,00,000
Reserves	50,000
P & L Account	70,000
Borrowings	1,00,000
Creditors	30,000
Provision for Taxation	10,000
	5,60,000

<b>Assets</b>	<b>₹</b>
Fixed Assets	4,60,000
Long-term Investments (Trade)	15,000
Stock	50,000
Debtors	20,000
Cash/Bank	10,000
Miscellaneous Exp.	5,000
	5,60,000

Calculate the following Ratios :

- (i) Current Ratio
- (ii) Quick Ratio
- (iii) Solvency Ratio
- (iv) Proprietary Ratio
- (v) Gearing Ratio

**Section-B****(Short Answer Type Questions)**

**Note :** Section 'B' contains eight (08) short answer type questions of four (04) marks each. Learners are required to answer *four* (04) questions only.

Briefly discuss any *four* (04) of the following :

1. Accounting Equation.
2. Main items of assets side of Balance Sheet.
3. Different methods of preparing Trial Balance.
4. Techniques and tools of Financial Statement Analysis.
5. Imprest System of Petty Cash Book.
6. Internal rate of return method of Capital Budgeting.
7. Estimating Working Capital Requirements.
8. Distinguish between Capital Structure and Capitalization.

**Section-C****(Objective Type Questions)**

**Note :** Section 'C' contains ten (10) objective type questions of half ( $\frac{1}{2}$ ) mark each. All the questions of this Section are compulsory.

Fill in the blanks with appropriate words or phrases :

1. Scope of accountancy is ..... than of book-keeping.
2. .... is regards as the father of modern accounting.
3. The ..... principle requires that the same accounting methods should be used from year to year.

4. Cash book maintained to record small expenses is called ..... .
5. Financial statements are mainly prepared for ..... purposes.

Which of the following statements are True/False ?

6. The amount of salary paid to Suresh should be debited to Suresh account.
7. Nominal Accounts are related to expenses and losses.
8. In every transaction at least three parties are involved.
9. Accounting to materiality convention, the accountant should attach important material details and ignore insignificant details.
10. Outstanding salaries are shown as an asset.