

# HM-203

## Accounting and Finance for Hospitality

Master of Hotel Management (MHM-17)

Second Semester, Examination, 2019 (June)

**Time : 3 Hours]**

**Max. Marks : 40**

**Note :** This paper is of Forty (40) marks divided into 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 any two (2) questions only.  
( $2 \times 9\frac{1}{2} = 19$ )

1. Define accounting and explain the steps in accounting process. Why do users need accounting information?
2. What do you understand by subsidiary books? Describe the objects of preparing such books.

3. What is capital budgeting? Explain the various techniques of capital budgeting.
4. The following information is given about a company:

	Rs.
Sales	1,50,000
Gross Profit	30,000
Cost of Goods Sold	1,20,000
Opening Stock	29,000
Closing Stock	31,000
Debtors	16,000
Net Profit	14,000
Net Fixed Assets	1,10,000

From the above information, calculate the following Ratios:

- (i) Fixed Assets Turnover Ratio,
- (ii) Gross Profit Ratio,
- (iii) Stock Turnover Ratio,
- (iv) Debtors Turnover Ratio,
- (v) Net Profit 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 any four (04) questions only. (4×4=16)

Briefly discuss any four (04) of the following;

1. Primary Objectives of Accounting.
2. Different Types of Personal Accounts.
3. Limitations of a Trial Balance.
4. Distinguish Between Gross Profit and Net Profit.
5. Importance of Financial Statements Analysis for Creditors.
6. Objectives of Preparing Funds Flow Statement.
7. Operating Cycle of Working Capital Requirements.
8. Sources of Short-term Finance in India.

## 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. (10 $\times$  $\frac{1}{2}$ =05)

Fill in the blanks with appropriate words or phrases;

1. Revenue is generally recognized at the time of sale, ..... principle is applied herein.
2. .... is a book of secondary entry.
3. Cash book is used to record .....
4. Capital Budgeting deals with ..... decisions.
5. If a project has positive NPV, its EAV is less than .....

Which of the following statements are True/False?

6. Opening capital = Closing Capital + Drawings – Additional Capital – Profit.
7. The trial balance ensures the arithmetical accuracy of the books.
8. Goodwill is a fictitious asset.
9. Profits and loss shows the financial position of the concern.
10. Ratio analysis provides the solution to the financial problems.