

TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT
Office of the Dean

Model Question

2015

Full Marks: 60

Time: 3hrs

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| BTTM/Second Semester/TTM 334: Tourism and Hospitality Accounting |
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Candidates are required to answer all the questions in their own words as far as practicable. The figures in the margin indicate full marks.

Attempt all questions

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 | <u>30,000</u> | <u>60,000</u> | Account receivable Cash | 20,000 | 20,000 |
| | <u>4,20,000</u> | <u>3,20,000</u> | | <u>20,000</u> | <u>25,000</u> |
| | | | | <u>4,20,000</u> | <u>3,20,000</u> |

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:

- 0% Sales are made in cash and the rest collected in the next months
 - Purchases are 25% in cash the rest paid in the next months.
 - Wages and other expenses are paid in the same month.
 - 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?