

NATIONAL COUNCIL FOR HOTEL MANAGEMENT
AND CATERING TECHNOLOGY, NOIDA
ACADEMIC YEAR 2014-2015

COURSE : 4th Semester of 3-year B.Sc. in H&HA
SUBJECT : Hotel Accountancy
TIME ALLOWED : 03 Hours MAX. MARKS: 100

(Marks allotted to each question are given in brackets)

Q.1. Distinguish between **any two** of the following:
(a) Current assets and Current liabilities.
(b) Equity shares and Preference shares.
(c) Cost allocation and Cost apportionment.
(d) Internal check and Internal audit.
(2x5=10)

Q.2. What do you mean by Uniform System of Accounting? Explain the advantages of this system.
OR
Give the format of a balance sheet (Report Form) under the Uniform System of Accounting for hotels with some imaginary items.
(10)

Q.3. What is Departmental Accounting? Discuss the various methods of departmental accounting.
OR
What do you mean by Cost Allocation? What are the difficulties in making cost allocation?
(10)

Q.4. What is Internal control? State the various objectives of internal control.
OR
Define Internal Control. What are the requisites of a good internal control system in a hotel?
(10)

Q.5. What do you mean by Audit? Discuss in detail about the internal audit as well as the statutory audit of hotels.
(10)

Q.6. From the following information, prepare a Departmental Profit & Loss Account of ABC Hotel for the year ended 31st March 2013:

Sales:	<u>In Rupees</u>
Restaurant	3,00,000/-
Bar	2,00,000/-
Coffee shop	1,00,000/-
Cost of Sales:	
Restaurant	1,20,000/-
Bar	80,000/-
Coffee shop	30,000/-
Departmental Expenses:	
Restaurant	30,000/-
Bar	10,000/-
Coffee shop	5,000/-
Other Expenses:	
Kitchen fuel	6,000/-
Electricity	12,000/-
Music & Band	3,000/-
Advertisement	15,000/-
General expenses	2,400/-
China & Glassware	1,800/-
Linen	3,000/-
Insurance	9,000/-
Repairs	3,600/-

Note: Other expenses are to be apportioned amongst the three departments on the following basis:

- General expenses and repairs are to be apportioned equally.
- Electricity and Insurance expenses are to be apportioned in the ratio of 2:2:1.
- Remaining expenses are to be apportioned in the ratio of turnover.

(10)

Q.7. From the following information, prepare an Income Statement of ABC Hotel Ltd. in accordance with the Uniform System of Accounting for Hotels for the year ending 31st December 2013:

<u>Net Sales:</u>	<u>In Rupees</u>	
Rooms	5,50,000/-	
F & B	3,90,000/-	
Telephone	1,00,000/-	
Others	1,40,000/-	
<u>Cost of Sales:</u>		
F&B	1,60,000/-	
Telephone	60,000/-	
Others	40,000/-	
Rental and Other Income :		1,25,000/-
Payroll and Related Expenses:		
Rooms	55,000/-	
F & B	39,000/-	
Telephone	6,000/-	
Other Departments	4,000/-	
Fixed Charges:		
Interest	3,000/-	
Depreciation	11,000/-	
Rent	4,000/-	
Property Tax	2,000/-	
Other Expenses:		
Room	47,000/-	
F&B	23,000/-	
Telephone	4,000/-	
Other department	1,000/-	
Income Tax	40%	
Profit on Sale of Fixed Assets	15,000/-	

(15)

Q.8. Write a brief note on **any one** of the following:

- (a) Debentures
- (b) Deferred revenue expenditure
- (c) Retained earnings

(5)

Q.9. Prepare a Rooms Department Income Schedule under the Uniform System of Accounting for hotels from the information given below:

	<u>In Rupees</u>
Sales:	
Transient	2,75,500/-
Permanent	1,67,000/-
Salaries & Wages	27,800/-
Commission	16,700/-
Uniforms	11,500/-
Linen	8,800/-
Cleaning	8,700/-
Insurance	2,300/-
Employees benefits	35,500/-
Allowances (Rooms)	25,500/-
Other Revenues	34,000/-
Guest transportation	6,500/-
Other operating expenses	3,900/-

(10)

Q.10. State True or False:

- (a) Owners' equity = Assets + liabilities.
- (b) Cost of goods sold = opening stock + purchases minus closing stock.
- (c) Income statement shows financial position of a business.
- (d) Internal control checks fraudulent practices of employees.
- (e) Advance salary given to staff is a liability.
- (f) Division of duties is a type of internal control.
- (g) An internal auditor is required to submit his audit report to the management of the company.
- (h) Statutory audit is optional for a hotel.
- (i) Internal check is a method of internal control.
- (j) Major renovation expense is deferred revenue expenditure.

(10x1=10)
