

NATIONAL COUNCIL FOR HOTEL MANAGEMENT  
AND CATERING TECHNOLOGY, NOIDA  
**ACADEMIC YEAR – 2013-2014**

COURSE : 3<sup>rd</sup> Semester of 3-year B.Sc. in H&HA  
SUBJECT : Hotel Accountancy  
TIME ALLOWED : 03 Hours MAX. MARKS: 100

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(Marks allotted to each question are given in brackets)

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Q.1. What is Departmental accounting? Explain in detail its advantages and limitations.

**OR**

What is cost allocation? Explain the different basis of allocation with examples. (10)

Q.2. What is Uniform System of Accounting? Explain the difficulties in implementing this system. (5+5=10)

Q.3. Differentiate between the following (**any two**):

- (a) Income statement and Balance sheet
- (b) Gross profit and Net profit
- (c) Reserve and Revenue
- (d) Bills receivable and Accounts receivable
- (e) Current assets and Current liabilities

(2x5=10)

Q.4. Write short notes on **any five**:

- |                   |                  |
|-------------------|------------------|
| (a) Amortization  | (b) Asset        |
| (c) Apportionment | (d) Bad debt     |
| (e) Capital       | (f) Depreciation |
| (g) Creditor      |                  |

(5x1=5)

Q.5. What do you mean by auditing? What are the advantages and limitations of auditing?

**OR**

What do you understand by internal audit? How is it different from external audit? (10)

Q.6. From the following information of a hotel, you are required to prepare the Income Statement under the Uniform System of Accounting:

	Amount in ₹		Amount in ₹
<b>Room</b>		<b>Food &amp; Beverage</b>	
Net sales	7,00,000/-	Net Sales	5,00,000/-
Payroll and related expenses	1,00,000/-	Cost of sales	1,60,000/-
Other expenses	60,000/-	Payroll and related expenses	20,000/-
		Other expenses	3,000/-
<b>Other operated departments:</b>		<b>Telephone:</b>	
Net sales	60,000/-	Sales	30,000/-
Cost of sales	40,000/-	Payroll and related expenses	7,000/-
Payroll and related expenses	6,000/-	Other expenses	5,000/-
Other expenses	3,000/-		
<b>Marketing:</b>		<b>Property maintenance:</b>	
Payroll and related expenses	70,000/-	Payroll and related expenses	30,000/-
Other expenses	10,000/-	Other expenses	10,000/-
<b>Other items:</b>		<b>Fixed expenses:</b>	
Profit on sale of assets	75,000/-	Ground rent	80,000/-
Income tax rate	40%	Interest	20,000/-
		Depreciation	40,000/-

(15)

Q.7. Prepare an Income statement of Food & Beverage department from the information given below:

	Amount in ₹		Amount in ₹
Food Sales	12,55,000/-	Kitchen fuel	1,32,000/-
Beverage sales	3,25,000/-	Laundry	25,000/-
Food allowance	5,000/-	Music	65,000/-
Beverage allowance	3,000/-	Other expenses	6,300/-
Cost of sale – Food	4,80,000/-	Cleaning expenses	14,000/-
Cost of sale – Beverage	1,75,000/-	Employee benefits	25,000/-
Salaries	1,25,000/-		

(10)

Q.8. Prepare an Income statement according to Departmental accounting from the following information:

		Amount in ₹
Sales	Restaurant	5,00,000/-
	Banquet	3,00,000/-
	Bar	2,00,000/-
Cost of sales	Restaurant	1,50,000/-
	Banquet	60,000/-
	Bar	35,000/-
Wages and salaries	Restaurant	80,000/-
	Banquet	25,000/-
	Bar	10,000/-
Unallocated expenses	Office expenses	15,000/-
	Head office expenses	20,000/-
	Advertisement and marketing	20,000/-
	Fixed charges	12,000/-
	Interest	5,000/-

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

- (i) Head office expenses and Advertisement & Marketing expenses to be apportioned on the basis of sales.
- (ii) Office expenses and fixed charge to be apportioned equally amongst three departments.
- (iii) Interest to be apportioned in the ratio of 2:2:1 amongst Restaurant, Banquet and Bar.

(15)

Q.9. Prepare a Balance Sheet from the following information:

	Amount in ₹		Amount in ₹
Creditors	70,000/-	Bills payable	40,000/-
Capital	2,50,000/-	Drawings	20,000/-
Net profit	23,000/-	Cash	16,000/-
Bank	40,000/-	Bills receivable	20,000/-
Debtors	15,000/-	Closing stock	1,00,000/-
Furniture	15,000/-	Plant	57,000/-
Land	1,00,000/-		

**OR**

Define Internal Control. Explain briefly the features of internal control.

(10)

Q.10. State whether True or False:

- (a) Net profit = sales minus Departmental expenses.
- (b) Segregation of duties is a method of internal control.
- (c) Goodwill is an intangible asset.
- (d) Outstanding expenses are an asset.
- (e) Prepaid expenses are an income.

(5x1=5)

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