

Name :

Roll No. :

Invigilator's Signature :

CS/BHMCT-(NEW)/SEM-5(PART-B)/HM-503/2011

2011

HOTEL ACCOUNTING

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* of the following :

10 × 1 = 10

i) POS-system of department accounting is

a) "Point of Sale" system of departmental accounting

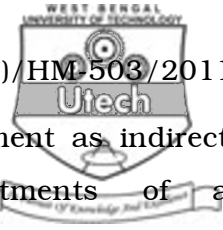
b) "Plant of Sale" system of departmental accounting

c) "Purchase of Sale" system of departmental accounting

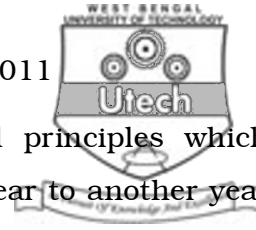
d) "Point of Service" system of departmental accounting.



- ii) Which of the following is not an intangible asset ?
- a) Goodwill
 - b) Debtors
 - c) Patent
 - d) Copyright.
- iii) A balance sheet discloses
- a) profit earning capacity of the business
 - b) financial position of the business
 - c) income position of the business
 - d) the total expenses of an entity.
- iv) Which of the following is true at BEP ?
- a) Sales = Total cost
 - b) Profit = Fixed cost + variable cost
 - c) Sales = Contribution
 - d) Fixed cost = Variable cost.
- v) How would you allocate the rent as indirect expenses between different departments of a departmental organization ?
- a) On the basis of floor space
 - b) On the basis of rent
 - c) On the basis of capital
 - d) None of these.



- vi) How would you allocate the advertisement as indirect expenses between different departments of a departmental organization ?
- On the basis of sales
 - On the basis of expenses
 - On the basis of capital
 - None of these.
- vii) Cost of goods sold is equal to
- Sales – Gross profit
 - Sales – Net profit
 - Purchase – Gross profit
 - Gross profit + Net profit.
- viii) Valuation of stock is ascertained on
- cost price
 - market price
 - cost price or market price whichever is lower
 - standard cost.
- ix) Ledger is a book of
- original entry
 - secondary entry
 - all cash and credit entries
 - only credit entries.



- x) The same accounting methods and principles which should remain consistent from one year to another year is related to
- a) matching concept
 - b) prudence concept
 - c) consistency concept
 - d) duality concept.
- xi) Unexpired Insurance should be classified as
- a) current assets
 - b) current liabilities
 - c) fixed assets
 - d) suspense.
- xii) Which of the following is the example of personal account ?
- a) Machinery
 - b) Rent
 - c) Cash
 - d) Creditors.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

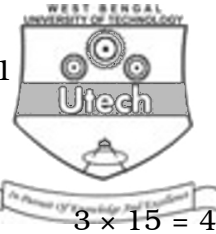
2. Define uniform system of accounting. Write the purpose of uniform system of accounting.



3. From the following information relating to a restaurant for the month of January 2011, prepare an income statement of rooms.

Payroll & related expenses Rs. 36,000, Room Sales Rs. 2,50,000, Commission paid Rs. 15,000, Guest transportation Rs. 10,000, Travelling agent's commission Rs. 3,000, Staff uniforms Rs. 2,000, Telecommunications Rs. 9,000, Rooms allowances Rs. 96,000, Cable and television Rs. 21,000, Training Rs. 9,000, Operating Supplies Rs. 3,500.

4. Distinguish between allocation and apportionment of expenses.
5. Mr. A arrives in Mumbai and checks into a room in a Five Star Hotel at 4 P.M. on 1st June, 2010 at Rs. 5,000 per day plus 10% for service charges on European Plan. Check out time in the hotel is 12 noon. Calculate the amount payable by Mr. A in each of the following circumstances :
- i) If Mr. A checks out at 10 p.m. on the same day
 - ii) If Mr. A checks out at 9 a.m. on 2nd June, 2010
 - iii) If Mr. A checks out at 6 p.m. on 2nd June, 2010
 - iv) If Mr. A checks out at 4 p.m. on 3rd June, 2010.
6. Write short notes explaining the difference between "Commodity Sales" and "Point of Sale" system of departmental accounting.



GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following.

3 × 15 = 45

7. a) What do you mean by Night audit ? Write down the major steps to be carried out in the Night audit operation.
b) What are the challenges of conducting Night audit in hotels having a number of activities at night ? (like 24-hour bar, Night clubs, Discotheques etc.).
8. Compare and contrast the following cost concepts :
 - a) Fixed & variable costs
 - b) Direct & Indirect costs
 - c) Controllable & Uncontrollable costs
 - d) Estimated & Budgeted costs
 - e) Average & Marginal costs
 - f) Outlay and Opportunity costs.
9. Write notes on any *three* of the following :
 - a) Visitor Tabulator's Ledger
 - b) City Ledger
 - c) Front office cashier
 - d) Target costing
 - e) Uniform Accounting system
 - f) Break-even chart.



10. The Indian Hotel has 100 rooms. The average room rate is Rs. 3,000 and the variable cost per occupied room is Rs. 400. Additionally we are informed that :

- a) Food sales amount to Rs. 1,000 per occupied room and beverage sales Rs. 500. In the minor operated departments sales amount to Rs. 100 per occupied room.
- b) The departmental contribution-to-sales ratio is as shown below :

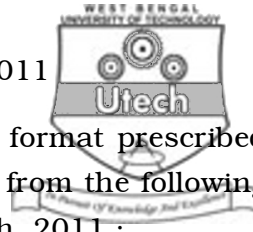
| | |
|-------------------------------------|-----|
| Food sales | 65% |
| Beverage sales | 60% |
| Minor Operated Departments (MOD). | 50% |
- c) The fixed costs of the hotel amount to Rs. 8,00,000 p.a.
 - i) Calculate the Hotel Break-even Point.
 - ii) What would be the room occupancy must be achieved to make a net profit of Rs. 2,00,000 ?

11. Prepare a Departmental Income Statement from the information given below for the year ending on 31.03.2011 :

| | Rs. | | Rs. |
|-----------------------------------|------------|-----------------------------------|------------|
| <i>Sales :</i> | | <i>Power and Fuel :</i> | |
| Restaurant | 20,00,000 | Restaurant | 80,000 |
| Banquet | 12,00,000 | Banquet | 40,000 |
| Bar | 8,00,000 | Bar | 20,000 |
| <i>Cost of Sales :</i> | | <i>Unallocated Expenses :</i> | |
| Restaurant | 6,00,000 | Restaurant | 1,20,000 |
| Banquet | 3,60,000 | Banquet | 80,000 |
| Bar | 2,40,000 | Bar | 40,000 |
| <i>Salaries & Wages :</i> | | Depreciation | 1,20,000 |
| Restaurant | 1,00,000 | Rent, taxes & Insurance | 1,00,000 |
| Banquet | 60,000 | | |
| Bar | 40,000 | | |

Note : Unallocated expenses are to be apportioned to various departments in the ratio of sales.

CS/BHMCT-(NEW)/SEM-5(PART-B)/HM-503/2011



12. Prepare a Balance Sheet according to the format prescribed in uniform system of Accounting for Hotel from the following trial balance of ABC Hotel as on 31st March, 2011 :

| <i>Debit</i> | <i>Rs.</i> | <i>Credit</i> | <i>Rs.</i> |
|---------------------|-----------------|-------------------|-----------------|
| Cash in hand | 10,000 | Capital Stock | 5,25,000 |
| Cash at Bank | 40,000 | Accrued expenses | 7,500 |
| Closing stock | 17,500 | Debentures | 35,000 |
| Prepaid expenses | 2,500 | General reserve | 40,000 |
| Crockery & | | Capital reserve | 35,000 |
| | 17,500 | | |
| Marketable | | Sundry Creditors | 40,000 |
| | 2,00,000 | | |
| Sundry debtors | 5,000 | Bills Payable | 20,000 |
| Kitchen equipment | 1,00,000 | Profit & Loss A/c | 60,000 |
| Music and | | | |
| Sound system | 40,000 | | |
| Deferred Revenue | | | |
| Expenditure | 20,000 | | |
| Land and building | 1,50,000 | | |
| Furniture & fixture | 50,000 | | |
| Investment | 1,10,000 | | |
| | 7,62,500 | | 7,62,500 |

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