

**MBA IN INTERNATIONAL HOSPITALITY
MANAGEMENT**

Term-End Examination

December, 2015

MHY-012 : ACCOUNTING FOR MANAGERS

Time : 3 hours

Maximum Marks : 100

Note : Attempt *any five* questions. *All* questions carry *equal* marks.

1. What is a Journal ? Why it is called the book of original entry ? 20
2. Following accounts are being maintained in the books of John & Co. classify under 'Personal', 'Real' and 'Nominal' headings (**any ten**) : 10x2=20
 - (a) Depreciation
 - (b) Land and Building
 - (c) Interest
 - (d) ABC & Co.
 - (e) Goodwill Account
 - (f) Rent
 - (g) Cash
 - (h) Bank
 - (i) Commission
 - (j) A's Loan Account
 - (k) Bad Debts
 - (l) Drawing Account

3. Why is a trial balance prepared ? List the errors which are revealed by the trial balance. 20
4. Prepare Trading and Profit and Loss Account as on 31st December, 2012. The adjustments are as follows : 20
- Closing stock ₹ 7,500
 - Write off bad debts ₹ 1,500
 - Provision for bad debts @ 10% on sundry Debtors
 - Depreciate Kitchen Equipment and Furniture @ 10% and 20% respectively

TRIAL BALANCE			
	DR Amount		CR Amount
Drawings	15,000	Capital Account	50,000
Purchases	2,25,000	Sales	2,40,000
Sales Returns	2,000	Purchase Returns	1,000
Opening Stock	8,000	Bad Debts Reserve	2,500
Bad Debts	1,000	Discount	1,500
Carriage Inwards	2,000	Interest	2,000
Bills Receivable	5,000	Commission	3,000
Wages	3,000	Rent	10,000
Carriage	4,000	S. Creditors	4,000
Gas and Power	3,000	Bills Payable	3,000
Printing and Stationary	2,000		
Postage	1,000		
Cash in hand	5,000		
Cash at Bank	10,000		
Furniture	5,000		
Kitchen Equipment	10,000		
S. Debtors	16,000		
TOTAL	3,17,000	TOTAL	3,17,000

5. What is a Bank Reconciliation Statement ? What are the advantages of preparing a bank reconciliation statement ? 20
6. Write short notes on (any four) : 5x4=20
- (a) LIFO
 - (b) K.O.T.
 - (c) Cost Price
 - (d) Gross Profit
 - (e) Consumption Sheet
 - (f) Indent
7. Calculate as given under : 6+7+7
- (a) Cost percentage. When cost is ₹ 500 and Sales is ₹ 2,000
 - (b) Cost, when cost percentage is 30% and Sale is ₹ 1,500
 - (c) Sale, when cost percentage is 25% and cost is ₹ 750
8. Why is it important to prepare Funds Flow Statement ? Explain in detail with its limitations. 20
9. What is a Cash Flow Statement ? Differentiate between Funds Flow Statement and Cash Flow Statement. 20
10. What are the advantages and disadvantages of Double Entry System of book-keeping ? Describe in brief the systems of book-keeping. 20
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