

BACHELOR IN HOTEL MANAGEMENT (BIHM)

Term-End Examination

December, 2016

BHY-036 : HOTEL ACCOUNTANCY

Time : 3 hours

Maximum Marks : 100

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

1. What is 'Accounting' ? Give its advantages and limitations. 20
2. Compare Single Entry System with Double Entry System of Accounting. Also give the importance of accounting in hotel business. 20
3. What are accounting Concepts and Conventions ? Explain any five in detail. 20
4. What are subsidiary books of accounts ? Explain the various types of subsidiary books. 20
5. What is a trial balance ? Explain the errors disclosed and not disclosed by it. 20

6. From the following trial balance prepare Trading and Profit and Loss Account for the year ended 31st March, 1999 and Balance Sheet as on that date : 20

Trial Balance

Debit Balance	₹	Credit Balance	₹
Drawings	1,500	Capital	20,000
Goodwill	3,000	Sundry Creditors	4,000
Land and Building	6,000	Purchase Returns	250
Plant and Machinery	4,000	Sales	12,000
Loose Tools	300	Reserve for Bad and doubtful debts	450
Bills Receivable	800	Provision for discount on Creditors	171
Stock on 1 st April 1998	4,000	Loan at 6%	2,000
Purchases	5,100	Discount Received	150
Wages	2,000	Commission Received	200
Carriage Inwards	100	Bills Payable	1,139
Carriage Outwards	40		
Coal, Gas and Coke	580		
Salaries	500		
Rent and Taxes	280		
Discount Allowed	150		
Cash at Bank	2,500		
Cash in hand	40		
Sundry Debtors	4,500		
Repairs	180		
Stationery	55		
Bad debts	320		
Advertisement (Special)	3,000		
Advertisement normal	350		
Sales Returns	200		
Furniture	120		
General Expenses	525		
Provision for Discount on debtors	160		
Interest on Loan	60		
	40,360		40,360

Adjustments :

- (a) Closing stock on 31st March, 1999 amounted to ₹ 7,827.
- (b) Depreciate Plant and Machinery at 5%, Loose Tools at 15% and furniture at 20%.
- (c) Provision for bad and doubtful debts at 5% and discount on debtors and creditors at 2%.
- (d) Outstanding : wages ₹ 100 and Rent and Taxes ₹ 50.
- (e) Write off one - third of Advertisement (special)
- (f) Interest on Loan has been paid for six months only.
- (g) A bill for ₹ 500 included in Bills Receivable has been dishonoured.
- (h) The manager is entitled to a commission of 5% on net profits after charging such commission .

7. What is a Bank Reconciliation Statement ? What are the various causes of differences between balance shown by the cash book and pass book. 20
8. Write short notes on any two : 2x10=20
- (a) Capital and Revenue Expenditure
 - (b) Capital Receipts and Revenue Receipts
 - (c) Deferred Revenue Expenditure
9. What is Cost Accounting ? Explain the advantages of Cost Accounting. Also Differentiate Cost and Financial Accounting. 20
10. Explain the following : 10x2=20
- (a) What is audit ? Give its importance.
 - (b) Differentiate Internal Audit and Statutory Audit.