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MTM-05

Total No. of Questions : 10]

[Total No. of Printed Pages : 3

MASTER OF ARTS (TOURISM MANAGEMENT)

Term-End Examination

June, 2014

**MTM-05 : ACCOUNTING AND FINANCE FOR
MANAGERS IN TOURISM**

Time : 3 Hours]

[Maximum Marks : 100

Note :-Attempt any *Five* questions in about **600** words each.
All questions carry equal marks unless otherwise specified.

1. Explain the following accounting concepts with examples in about **200** words each : 5×4=20
 - (a) Business entity concept
 - (b) Going concern concept
 - (c) Concept of conservatism
 - (d) Periodicity concept
2. Differentiate between : 10×2=20
 - (a) Straight line method and written down value method of providing depreciation.
 - (b) FIFO and LIFO methods of inventory valuation.
3. What is working capital and what factors affect the size of working capital in an enterprise ? 20
4. How does the technique of marginal costing help management in decision making ? 20

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Turn Over

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5. Standard hours 20 per unit : 20

Standard rate = ₹ 5 per hour

Actual hours = 20,500

Actual rate per hour = ₹ 4.80

Actual production = 1,000 units

Calculate :

(a) Labour cost variance

(b) Labour rate variance

(c) Labour total efficiency variance

6. Evaluate the importance and limitations of the following ratios : 5×4=20

(a) Current ratio

(b) Stock turnover ratio

(c) Debtors turnover ratio

(d) Debt-Equity ratio.

7. Explain briefly the different types of budgets prepared by a Travel Agency company. 20

8. Write the merits and demerits of the following capital budgeting techniques : 5×4=20

(a) Pay-back method

(b) ARR

(c) IRR

(d) NPV

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9. Do you think that different factors affecting capital structure decision will be viewed differently by different companies? Support your answer with suitable examples. 20
10. What factors a company would in general consider before it takes a decision on dividends? 20

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