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Qp code → 5H133

**Paper 2 - Hotel Accountancy and Cost Control**  
**Answer Keys**

**Q1A) Fill in the blanks choosing correct alternatives.**

1. Allowance
2. Master
3. Chartered
4. Two
5. Standard cost

**Q1B) Match column A with column B.**

	Column A	Answers		Column B
1	Bincard	1-b	a	bill is prepared based on it in a restaurant
2	Discount	2-e	b	maintained by the store keeper
3	KOT	3-a	c	original copy given to the customer
4	Restaurant bill	4-c	d	balance sheet as per prescribed format
5	Company accounts	5-d	e	given for sales promotion

**Q1C) Explain the following terms briefly.**

1. Visitor's tabular ledger: It shows all the residential guest accounts at a glance. It is prepared in such a way as to reveal all information in respect of all types of charges incurred by each guest independently on daily basis. It reveals the accounts of all guests residing in the hotel. It gives the appearance as though all guest folios have been arranged besides each other.
2. Operating expenses: These are expenses which are directly or indirectly connected with the operations of the organization. They can be controlled and the efficiency of operations will depend upon how well these are controlled.
3. Articles of Association: The article of association is the second important document required to be filed with the Registrar of companies for the purpose of registration. The article is a set of rules and regulations regarding the internal working of the company. Its contents are share capital, rights of shareholder, share certificates.
4. Reserve capital: The amount of capital which is reserved to call at the time of winding up of the company is called reserve capital. The purpose of reserve capital is to meet the interest of the creditors at the time of winding up of the company.
5. Uniform Accounting System: Uniform System of Accounting is a standardized accounting system for various sections of the hospitality industry and aims at classifying, organizing and presenting financial information systematically, in order to maintain and attain uniformity in the classification of income & expenses and assets & liabilities relating to hotels.

**Q2) Part A: Answer the following questions.**

1. What is an allowance voucher? What are the steps to prepare an allowance voucher?  
Students to just explain the meaning of allowance voucher and mention following steps:
  - Investigate the details of the allowance and the cause.
  - If the allowance is concerning an in-house guest then check whether that guest is still in-house or checked out.

- 2)
- Refer the list of bonafide guest who are entitled to allowances.
  - Check whether allowance is advised by the night auditor.
  - Get the approval of the authorized person on the allowance voucher.
  - Obtain the guest signature of the guest to whom the allowance is granted. Handover one copy to him and attach another copy to the F.O cashier's report.
  - Record the same in the guest folio.
  - In case allowance is given on taxable charges suitable adjustment of taxes must be made.
  - If the number of allowance is large a separate book known as 'allowance journal' is maintained.
2. Value paid out or visitors paid out are one and the same. Comment.  
Yes both the terms mean the same. Students to elaborate on the concept of VPO
3. What is a debenture? Explain its types.  
Students to elaborate on the concept of debenture and briefly explain its types.

**Q2) Part B: Company Final Accounts**

Gross profit – Rs 8820  
 Net loss – Rs 3840  
 Profit and loss app A/c Dr. Balance – Rs 3840  
 Balance sheet – Rs 140700

**Q3) Part A: Write detailed notes on the following:**

1. Merits and demerits of visitor's tabular ledger.  
Students to give 5 merits and demerits of VTL.
2. Travellers cheque and travel agent coupon  
Students to explain the meaning, working and uses of both the above
3. Uniform Accounting System.  
Students to elaborate on the above concept.

**Q3) Part B: Uniform Accounting System problem: Net profit after tax – Rs 38325**

**Q4) Part A: Answer the following questions:**

1. What are the various functions of a night auditor?  
Students to write about 5 important function of a night auditor pertaining to a hotel.
2. Explain the term 'daily revenue report'.  
Students to explain the meaning of a daily revenue report and its purpose in a hotel.
3. What is a purchase order?  
Students to explain and elaborate on the meaning and uses of a purchase order. Following are points pertaining to uses:
  - Set clear expectations
  - Helping managers to order?
  - Helping in setting budgets
  - Legally binding
  - Part of key audit

**Q4) Part B: MCV and LCV problem:**

Basic calculation:

SQ for actual output – 75000 units

SH for actual output – 50000 hours

Material Variance: MCV: 51000 (A)

MUV: 12000 (A)

MPV: 39000 (A)

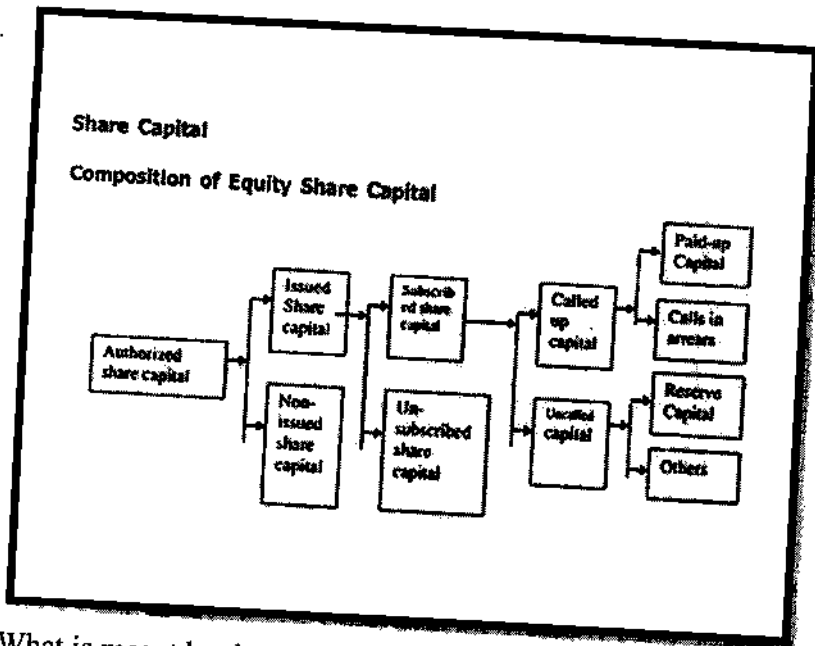
Labour Variance: LCV: 32000 (F)

LEV: 8000 (F)

LRV: 24000 (F)

**Q5) Attempt any 3 out of 4 questions.**

1. Explain the share capital structure of a company. Students to elaborate based on the below diagram.



2. What is meant by the term 'variance'?  
Students to explain the meaning of variance also explain the various types of variances.
3. Explain the terms 'non-operating expenses and non-operating income'.  
Students to explain the above with examples.
4. Distinguish between the terms 'allowance and discount'  
Students to give 5 points on the above distinction.

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