

VII Semester BHM Examination, March/April 2021
(2018-19 and Onwards) (Fresh) (CBCS)
HOTEL MANAGEMENT
Paper – 7.3 : Hotel Costing

Time : 3 Hours

Max. Marks : 70

Instructions : 1) Draw format *wherever* necessary.
 2) Number the answers **correctly**.

SECTION – A

Answer **any five** questions. **Each** carries **two** marks.

(5×2=10)

1. a) What is Semi-variable cost ?
- b) Compute BEP, when fixed cost is ₹1,000 and variable cost is 50% of sales.
- c) Write Hubbart's Formula.
- d) Expand LIFO and FIFO.
- e) State the elements of cost.
- f) Mention any four advantages of Budgetary Control.
- g) What is Cash Budget ?

SECTION – B

Answer **any three** questions. **Each** question carries **six** marks.

(3×6=18)

2. Discuss the importance of Budgets and its types.
3. What is Hotel Cost Sheet ? Draft the format for Hotel Cost Sheet.
4. Explain the advantages and disadvantages of Flexible Budget.
5. Calculate various material levels.

	A	B
Normal Usage	200 Units	150 Units
Minimum Usage	100 Units	100 Units
Maximum Usage	300 Units	250 Units
Reorder Quantity	750 Units	900 Units
Reorder Period (in months)	2 to 3	3 to 4

P.T.O.



6. You are given the following data of Ms. M Ltd. for the year 2019.

	₹
Variable Cost	5,00,000
Fixed Cost	2,00,000
Net Profit	1,00,000
Sales	8,00,000

Find out :

- a) P/V Ratio
- b) BEP
- c) Profits when sales are ₹ 9,00,000.

SECTION – C

Answer **any three** questions. **Each** question carries **equal** marks. (3×14=42)

7. Explain Cost-Volume Profit (CVP) analysis and its application.
8. Why is Cash Budget important to the organisation ? Discuss.
9. What is Store Keeping ? Explain the important aspects of Material Management in Store keeping.
10. During January 2021, the following transactions took place in respect of material 'X'.
 Opening Stock - 50 tons at ₹ 1,000 per ton.
 Jan 2 - Issued 30 tons.
 Jan 6 - Received 60 tons at ₹ 1,100 per ton.
 Jan 9 - Issued 25 tons (stock verification reveals loss of one ton).
 Jan 10 - Received back from orders 10 tons (previously issued at ₹ 990 per ton).
 Jan 11 - Issued 40 tons.
 Jan 22 - Received 22 tons @ ₹ 1200 per ton.
 Jan 31 - Issued 33 tons.
 Write up Stores Ledger Account under FIFO method.

11. S Ltd. wishes to arrange overdraft facilities with its bankers from the period August to October 2020. Prepare a Cash Budget from the following data given below :

Month	Sales	Purchases	Wages	Mfg. Exp.
June	180000	124000	12000	3000
July	192000	144000	14000	4000
August	108000	243000	11000	3000
September	174000	246000	12000	4500
October	126000	268000	15000	5000
November	140000	280000	17000	5500
December	160000	300000	18000	6000

Additional Information :

- a) Cash in hand on 1st August ₹ 25,000.
- b) 50% of sales are received in the month following the sale and remaining in the second month.
- c) Creditors are paid in the month following the month of purchase.
- d) Lag in payment of other expenses one month.