



VII Semester BHM Examination, March/April 2021
(Repeaters) (2015-16 and Onwards)

HOTEL MANAGEMENT

7.4 : Hotel Costing

Time : 3 Hours

Max. Marks : 100

Instructions : 1) Question **numbers** should be written **correctly**.
2) Show the **working** note.

SECTION – A

Answer **any eight** sub-questions. **Each** sub-question carries **2** marks. (8×2=16)

1. a) Define Cash Budget.
- b) Enumerate two most important objectives of Budgetary Control.
- c) What is Semi- Fixed cost ?
- d) State any two assumptions of B.E.P.
- e) Write Hubbard's formula.
- f) What is margin of safety ?
- g) Calculate B.E.P. when P/V ratio 40%, Margin of Safety 30% and profit Rs. 12,000.
- h) How do you treat transfer of material from one department to stores in stores ledger account ?
- i) Define Total Cost.
- j) Write three level of stock.

SECTION – B

Answer **any three** questions. **Each** question carries **8** marks. (3×8=24)

2. Calculate Average Room Rate by using Hubbard formula when :
 - a) Total Number of rooms : 1,60,000 with occupancy of 50%
 - b) Required Rooms Department profit ₹ 13,00,00,000
 - c) Estimated Rooms Department expenses ₹ 25,00,000
3. What are the objectives of Cost-Volume-Profit analysis ?



4. From the following information, prepare “Ingredient Cost Sheet” along with selling price per portion to earn a profit of 68% on selling price.

Dish : Chauli-Bean-Foogath

Portion : 5

Ingredients :

Chauli beans 0.57 kg @ ₹ 80/kg

Coconut 0.125 kg @ ₹ 40/kg

Cumin 5 grams @ ₹ 50/kg

Turmeric 1 gram @ ₹ 240/kg

Mustard Seeds 5 grams ₹ 100/kg

Onions 11.5 grams @ ₹ 100/kg

Curry leaves (few springs) ₹ 2

Oil 25ml @ ₹ 200/litres

Salt 10 grams @ ₹ 10/kg.

5. From the following information, calculate the four important level of stores :

Normal Consumption : 50 units per week

Minimum consumption : 25 units per week

Maximum consumption : 75 units per week

Reorder period : 4 to 6 weeks

Reorder Quantity : 300 units.

6. The forecast for the first three month up to 31st March 2020, have been given as follows, prepare a cash budget for snow view Restaurant.

Details	January in ₹	February in ₹	March in ₹
Food and Beverage Sales	16,00,000	20,00,000	24,00,000
Purchase of food and Beverages	9,00,000	10,00,000	8,00,000
Wages and Other Equipment	8,00,000	9,00,000	11,00,000

Other information :

- Half of the sales are for cash, the balance being credit sales which are settled in the month after the date of transaction.
- All the purchases are on credit and the suppliers are paid after half a month.
- A loan of ₹ 5,00,000 has been received and the annual interest is 12 % to be paid half yearly.



SECTION – C

Answer **any Four** questions. **Each** question carries **15** marks.

(4×15=60)

7. From the following particulars prepare a store ledger account by FIFO system.
- | | |
|------------|--|
| 01/01/2020 | Opening stock of materials 2,000 units at ₹15 per unit. |
| 03/01/2020 | Purchased 1,000 units at ₹ 10 per unit. |
| 07/01/2020 | Issued 800 units. |
| 12/01/2020 | Purchased 1,500 units at ₹ 15. |
| 15/01/2020 | ✓ Purchased 800 units at ₹ 10. |
| 19/01/2020 | Issued 400 units. |
| 22/01/2020 | Issued 320 units. |
| 27/01/2020 | Return to the supplier 30 units (Purchased on 12/01/2020). |
| 29/01/2020 | Issued 300 units. |
| 30/01/2020 | Returned from department 10 units (Issued on 22/01/2020). |
| 31/01/2020 | Issued 400 units. |

8. Define Budgetary Control. What are the objectives and advantages of budgetary control ?

9. The expenses budgeted for production of 5,000 units in Mahak Ltd. are furnished below :

Particulars	Per Unit (in ₹)
Material	140
Labour	50
Variable overheads	40
Fixed overheads (₹1,00,000)	20
Variable overheads (Direct)	10
Selling expenses (10% fixed)	26
Distribution expenses (20% fixed)	14
Administration expenses (₹ 50,000)	10

Prepare a budget for the production of 7,000 and 9,000 units. Assume that administration expenses are rigid for all level of production.

10. From the following information prepare the hotel cost sheet and also calculate all the required profit percentages.

	₹
Opening stock	40,000
Purchases during the month	35,000
Wages	10,000
Heat, Light and Power	3,000
Repairs and Renewals	4,000



Printing and Stationery	200
Sales	37,000
Closing stock	5,600
Rents and Rates	990
Depreciation	150
Sundry Expenses	170
Postage and Telephone	150
Staff Meals	150

11. Prepare a departmental profit and loss statement for the Madhuban Restaurant :

Details	Amount (in ₹)
Food sales	81,00,000
Beverages Sales	27,00,000
Cost of food Sales	30,62,000
Cost of Beverages Sales	8,10,000
Other Income	82,000
Payroll	36,82,800
Employees Benefits	4,32,000
Direct operating expenses	6,60,000
Music and Entertainment	54,000
Advertising and sales promotion	1,89,000
Utilities	1,95,000
Administrative and General Expenses	3,78,000
Repairs and Maintenance	1,84,600
Rent	4,21,000
Depreciation	1,77,400
Income tax provision	1,57,600

12. You are given the following data : Calculate

Year	Sales (₹)	Profit(₹)
2019	1,20,000	8,000
2020	1,40,000	13,000

- P/V Ratio
- Fixed Cost
- Variable Cost
- Sales required to earn profit of ₹ 12,000
- Margin of safety in year 2020
- Profit when sales are ₹ 1,80,000