

MASTER'S IN TOURISM MANAGEMENT

Term-End Examination

June, 2007

MTM-5 : 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.*

1. What is accounting ? Explain its relevance in an information and control system. 20

2. Explain in detail the following accounting concepts : 5+5+5+5
 - (a) Business entity concept
 - (b) Money measurement concept
 - (c) Continuity concept
 - (d) Accrual concept

3. In the context of cash flow statement, what are the sources and uses of cash ? 20

- 4.** Explain and differentiate between the following : **10+10**
- (a) Fixed and Variable cost
 - (b) Controllable and Uncontrollable cost
- 5.** (a) What is CVP analysis ? Does it differ from break-even analysis ?
- (b) What is meant by margin of safety and how is it determined ? **10+10**
- 6.** Explain in detail the concept of Zero Base Budgeting. **20**
- 7.** Explain in detail the various Investment Appraisal Methods for capital projects. **20**
- 8.** Explain in detail the various determinants of working capital. **20**
- 9.** What are the determinants of capital structure ? **20**
- 10.** What is dividend and why is dividend decision important ? **20**