

MASTER'S IN TOURISM MANAGEMENT

Term-End Examination

June, 2006

**MTM-5 : ACCOUNTING AND FINANCE
FOR MANAGERS IN TOURISM**

Time : 3 hours

Maximum Marks : 100

Note : Attempt any **five** questions. All questions carry equal marks.

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1. What are the purposes of accounting information ? Explain briefly. What purpose, in your opinion, is the most important and why ? 20

 2. Explain the following accounting concepts in detail : 20
 - (a) Accrual concept
 - (b) Concept of Conservatism
 - (c) Materiality concept
 - (d) Consistency concept

 3. Distinguish between the following : 20
 - (a) Fixed assets and Current assets
 - (b) Tangible assets and Intangible assets
 - (c) Short term liabilities and Long term liabilities

4. What is a Variance ? Why are the variances computed ?
Explain how the variances can be controlled. 20
5. (a) What is CVP analysis ?
(b) Explain in brief how to compute the break-even point.
(c) What is meant by margin of safety ? How is it determined ? 20
6. What are the important decisions of finance functions ?
Explain their importance and relevance in Financial Management. 20
7. Explain in detail the concept and the process of Zero based budgeting. 20
8. Discuss the concept of working capital and explain the various factors determining the quantum of working capital required by the firm. 20
9. Explain in detail the features of an appropriate capital structure. 20
10. Explain in detail the various factors affecting the dividend decisions. 20