

MASTER'S IN TOURISM MANAGEMENT

Term-End Examination

December, 2006

MTM-5 : ACCOUNTING AND FINANCE FOR MANAGERS IN TOURISM

Time : 3 hours

Maximum Marks : 100

Note : Attempt any **five** questions in 600 words each.
All questions carry equal marks.

1. Define accounting and discuss its functions. 20

2. Discuss in detail the following accounting concepts : 5+5+5+5
 - (a) Accrual concept
 - (b) Concept of Conservatism
 - (c) Materiality concept
 - (d) Consistency concept

3. Explain the following terms : 5+5+5+5
 - (a) Accounts Receivable
 - (b) Reserves and Surplus
 - (c) Contingent Liabilities
 - (d) Intangible and other assets

4. Differentiate between "Schedule of Changes in Working Capital" and Funds Flow Statement. 20

5. What do you understand by cost ? Explain its different elements. 20
6. What is a Variance ? Explain how various variances are computed. 20
7. Explain in detail the various factors affecting dividend decisions. 20
8. What are the features of an appropriate capital structure ? 20
9. In what way is financial leverage related to operating leverage ? Discuss with an example. 20
10. What do you understand by 'Budgeting' ? Mention the types of budget that the management of a big industrial concern would normally prepare. 20