

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BSc DEGREE EXAMINATION MAY 2018
(Third Semester)

Branch - CATERING SCIENCE & HOTEL MANAGEMENT

ACCOUNTING FOR HOSPITALITY INDUSTRY

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer ALL questions

ALL questions earn EQUAL marks (10 x 2 = 20)

- 1 State the meaning of Accounting.
- 2 What do you mean by Book keeping?
- 3 Give the journal entries for cash purchase and credit sales.
- 4 State the rule of real A/c in double entry system.
- 5 What is a Trial Balance?
- 6 Give the format for Ledger.
- 7 What is a Voucher?
- 8 When Credit note is prepared?
- 9 What is Depreciation? Give its Journal entry.
- 10 Why Provision for doubtful debts Is created?

SECTION - B (25 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 5 = 25)

- 11 a Describe the classifications of Accounts.
OR
b Briefly explain the uses of accounting.
- 12 a Mention the limitations of double entry system.
OR
b Journalize the following transactions:
 - (i) Murugan commenced business with Rs.50,000
 - (ii) He purchased goods for Rs.25,000
 - (iii) Goods sold to Sriram Rs. 15,000
 - (iv) Paid traveling expenses Rs.2,500
 - (v) Furniture purchased Rs. 15,000
- 13 a Prepare journal entries for the following and post them to ledger.
Commission paid to Mohan Rs,3,000
Cash received from Manikandan Rs.25,000
Interest received from Ganesh & Co., Rs. 12,000
OR
b Bring out the advantages of Trial balance.
- 14 a Write short notes on: (i) Invoice (ii) Debit note
OR
b Enter the following transactions in the purchase day book:
 - (i) Purchased goods from Kala Rs. 10,000
 - (ii) Bought goods from Rani Rs.5,000
 - (iii) Purchased Machinery from Pooja Rs.50,000
 - (iv) Bought goods from Sheela Rs.6,000 for cash
 - (v) Furniture purchased for Rs. 12,000
 - (vi) Purchased goods from Mala Rs.25,000
- 15 a What is Trading account? Give the specimen format of trading account.
OR
- 15 b Ascertain the net profit from the following:
Commission paid Rs.3,000
Return Inward Rs. 1,500

- 5 b **Cont...**
 Carnage Outward Rs.3,000
 Gross Profit Rs.39,000
 Interest on Investments Rs. 12,000

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 How Financial Accounting is different form Management Accounting?
 17 What is Journal? Explain the formation of journal entries with imaginary transactions
 18 Record the following transactions and post them into ledger.
 2014 Jan 1 Neela started business with a capital of Rs.25,000
 3 Bought goods from Kavi on credit Rs.20,000
 4 Sold goods to Tamil Rs.25,000
 5 Cash Purchases Rs.25,000
 6 Cash Sales Rs. 15,000
 10 Bought Furniture Rs.50,000
 17 Salary paid Rs.5,000
 20 Interest received Rs.4,000
- 19 From the following transactions, prepare necessary subsidiary books.
 2017 Aug 1 Purchased goods from Punith Rs.9,000
 4 Sold goods to Sanjay Rs. 10,000
 8 Sold goods to Vinodh Rs.20,000
 12 Bought goods from Vignesh Rs. 15,000
 15 Sanjay returned goods Rs.2,000
 17 Returned goods to Punith Rs.2,500
 20 Sold goods to Ganesh Rs.5,000 subject to trade discount of 10%
 25 Vinodh returned goods Rs.3,000
- 20 Prepare Trading and Profit & Loss account from the following trial balance of Mr.Sivakumar.

<u>Debit Balances</u>	<u>Rs.</u>	<u>Credit Balances</u>	<u>Rs.</u>
Land & Building	1,10,080	Sivakumar's Capital	70,000
Plant; and Machinery	92,000	Purchase Returns	2,000
Interest	20,000	Sales	2,50,000
Rates & Taxes	430	Sundry Creditors	1,68,000
Insurance	5,600	Bank Overdraft	32,000
Conveyance Charges	1,320	Commission received	8,000
Wages	7,000		
Sales Return	5,400		
Purchases .	3,50,000		
Opening Stock	60,000		
Drawings	22,000		
Trade expenses	1,350		
Salaries	1,120		
Advertising	840		
Discount	600		
Bad debts	200		
Business Premises	12,000		
Furniture & fixtures	10,000		
Cash in hand	30,060		
!TOTAL	5,30,000		5,30,000

Adjustments:

- (i) Stock on hand on 31.12.96 Rs.90000
 (ii) Provide depreciation on premises at 2.5%: Plant & Machinery at 7.5% and Furniture and fixtures at 10%