Q.1. Prepare an Income Statement under Net Profit Method of Departmental Accounting from the following information:

Sales:
- Restaurant: 5,00,000/-
- Banquet: 3,00,000/-
- Bar: 2,00,000/-

Unallocated Expenses:
- Advertisement: 1,20,000/-
- Repairs & maintenance: 40,000/-
- Administration expenses: 35,000/-

Cost of sales:
- Restaurant: 1,50,000/-
- Banquet: 1,25,000/-
- Bar: 75,000/-

Salaries & Wages:
- Restaurant: 55,000/-
- Banquet: 25,000/-
- Bar: 15,000/-

Power & Fuel:
- Restaurant: 40,000/-
- Banquet: 22,000/-
- Bar: 5,000/-

Note: Unallocated expenses are to be apportioned to the departments in the following ways:
(a) Advertisement and repairs & maintenance to be apportioned as Restaurant 40%, Banquet 40%, Bar 20%.
(b) Rent, Rates, Taxes to be apportioned equally to the respective departments.
(c) All the other expenses in the ratio of sales turn over.
Q.2. Explain briefly (any five):
(a) Current Assets  
(b) Depreciation  
(c) Preference Shares  
(d) Fixed Assets  
(e) Creditors  
(f) Net Working Capital  
(5x2=10)

Q.3. What do you understand by the term Auditing? How internal audit is different from statutory audit?

OR
Statutory audit is compulsory over internal audit. Explain.

(10)

Q.4. What do you mean by Uniform System of accounting? Explain the advantages of this system.

OR
Define internal control. Explain briefly the features of internal control.

(10)

Q.5. Draw the vertical Balance Sheet under the Uniform system of Accounting for hotels with illustrations.

(10)

Q.6. Distinguish between the following (any two):
(a) Gross profit method and net profit method  
(b) Internal audit and statutory audit  
(c) Income statement and balance sheet  
(2x5=10)

Q.7. Prepare a Rooms Department Income Schedule under uniform system of accounting for hotels from the following information:

Sales: Rs.
 transient 2,00,000/-
 regular 1,50,000/-
 salaries & wages 25,000/-
 commission 15,270/-
 uniforms 10,000/-
 contract cleaning 12,550/-
 insurance 12,000/-
 allowance (rooms) 20,000/-
 other revenue 15,000/-
 guest transportation 550/-
 other operated departments 3,000/-

(10)
Q.8. Prepare a Balance Sheet according to the format prescribed in the uniform system of accounting for hotels from the following trial balance of M/s. Taneja Hotels. Ltd:

<table>
<thead>
<tr>
<th>Debit</th>
<th>Amount in Rs.</th>
<th>Credit</th>
<th>Amount in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand</td>
<td>5,000/-</td>
<td>Capital stock</td>
<td>5,25,000/-</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>40,000/-</td>
<td>Accrued expenses</td>
<td>7,500/-</td>
</tr>
<tr>
<td>Closing stock</td>
<td>17,500/-</td>
<td>Debentures</td>
<td>35,000/-</td>
</tr>
<tr>
<td>Pre-paid expense</td>
<td>2,500/-</td>
<td>General reserve</td>
<td>40,000/-</td>
</tr>
<tr>
<td>Crockery &amp; cutlery</td>
<td>17,500/-</td>
<td>Capital reserve</td>
<td>35,000/-</td>
</tr>
<tr>
<td>Land &amp; building</td>
<td>2,50,000/-</td>
<td>P&amp;L account</td>
<td>70,000/-</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>1,00,000/-</td>
<td>Sundry creditors</td>
<td>40,000/-</td>
</tr>
<tr>
<td>Sundry debtors</td>
<td>5,000/-</td>
<td>Bills payable</td>
<td>5,000/-</td>
</tr>
<tr>
<td>Kitchen equipment</td>
<td>1,00,000/-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Music system</td>
<td>40,000/-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue expenditure</td>
<td>20,000/-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture &amp; fixture</td>
<td>50,000/-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>1,10,000/-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>7,57,500/-</strong></td>
<td></td>
<td><strong>7,57,500/-</strong></td>
</tr>
</tbody>
</table>

Q.9. Prepare an Income statement of a hotel in accordance with Uniform System of accounts from the following information as on 31st December 2015:

**Net Sales**

- Rooms: 16,50,000/-
- Food & Beverage: 15,40,000/-
- Telephone: 55,000/-
- Other Departments: 35,000/-

**Cost of Sales**

- Food & Beverage: 5,50,000/-
- Telephone: 40,000/-
- Other Departments: 20,000/-

**Payroll & other related expenses**

- Rooms: 2,60,000/-
- Food & Beverage: 4,00,000/-
- Telephone: 25,000/-
- Other Departments: 6,000/-
- Administrative & general: 1,50,000/-

**Fixed Charges**

- Rent: 10,000/-
- Property tax: 50,000/-
- Insurance: 35,000/-
- Interest: 75,000/-
- Depreciation: 1,65,000/-

**Charge Income Tax @20% on net income**

**Profit on Sale of fixed assets Rs.1,00,000/-**

(10)
Q.10. State True or False:
(a) Segregation of duties is a method of internal control.
(b) Opening stock plus purchases minus closing stock = Cost of goods sold.
(c) Net profit is sales less direct expenses.
(d) Goodwill is an intangible asset.
(e) Balance sheet is a statement.
(f) Pre-paid expense is an income.
(g) Income received in advance is a liability.
(h) Internal check is a method of internal control.
(i) Statutory audit is optional for a hotel.
(j) Income statement shows financial position of the business.

(10x1=10)

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