



QP – 408

VII Semester B.H.M. Examination, March/April 2022  
(CBCS)(F+R)(2018 – 19 and Onwards)  
**HOTEL MANAGEMENT**  
**Paper – 7.3 : Hotel Costing**

Time : 3 Hours

Max. Marks : 70

**Instructions :** 1) *Draw format wherever necessary.*  
2) *Number the answer correctly.*

**SECTION – A**

1. Answer **any five** questions. **Each** question carries **two** marks. **(5×2=10)**
- a) What is costing ?
  - b) State the elements of cost.
  - c) Write 2 disadvantages of Budget.
  - d) Expand FIFO and EOQ.
  - e) Mention the formula for minimum level and maximum level.
  - f) What is Semi-variable cost ?
  - g) What is P/V Ratio ?

**SECTION – B**

Answer **any three** questions. **Each** question carries **six** marks. **(3×6=18)**

- 2. Explain advantages of costing.
- 3. State the advantages of FIFO.
- 4. From the following information supplied to you by Arcade Restaurant. You are required to :
  - a) Prepare Ingredient cost sheet.
  - b) Calculate cost per portion.
  - c) Find selling price per portion necessary to produce a gross profit of 62% of sales.

Name of the Dish : Veal stew

No. of Portion : 12

P.T.O.

**Ingredients :**

|              |   |                     |
|--------------|---|---------------------|
| Stewing Veal | – | 1.4kg @ ₹ 259/kg    |
| Butter       | – | 200 gms @ ₹ 135/kg  |
| Flour        | – | 100 gms @ ₹ 20/Kg   |
| Onion        | – | 700 gms @ ₹ 46/Kg   |
| Mushroom     | – | 500 gms @ ₹ 250/Kg  |
| Eggs         | – | 3 No's @ ₹ 70/dozen |
| Loaf         | – | ½ No's @ ₹ 30/loaf  |

5. Summarised below are the Income and expenditure forecasts for the months of March to August – 2020.

| Month  | Sales | Credit purchase | Wages |
|--------|-------|-----------------|-------|
| March  | 60000 | 36000           | 9000  |
| April  | 62000 | 38000           | 8000  |
| May    | 64000 | 33000           | 10000 |
| June   | 58000 | 35000           | 8500  |
| July   | 56000 | 39000           | 9500  |
| August | 60000 | 34000           | 8000  |

You are given the following further information.

- Supplier are given credit period of 2 months.
  - You are required to prepare a cash budget for three months starting from 1<sup>st</sup> May when there was a cash balance of ₹ 8,000.
6. A Restaurant's sales vary from 1500 to 2000 covers in a week. It operates at a food cost 50% and average spending power is ₹ 250 per customer. The fixed cost of the restaurant amounted to ₹ 9,00,000 per week. From the above information, calculate :
- Break-Even point in units
  - Break-Even sales
  - Margin of safety.



## SECTION – C

Answer **any three** questions. **Each** question carries **equal** marks. (3×14=42)

7. Explain different types of cost.
8. What is Break Even Analysis and explain managerial uses of Break-Even Analysis.
9. The following information is available from the books of Blue start restaurant for the month of January.

| Particulars             | Amounts (₹) |
|-------------------------|-------------|
| Opening stock           | 2,40,000    |
| Stock at the end        | 2,10,000    |
| Rent                    | 9,000       |
| Depreciation            | 12,000      |
| Sundry expenses         | 3,000       |
| Postage and Telephone   | 3,000       |
| Staff meal              | 9,600       |
| purchase of provision   | 9,60,000    |
| wages                   | 4,20,000    |
| Car and electricity     | 6,000       |
| Repairs and Renewals    | 6,000       |
| Printing and stationery | 2,000       |
| Sales                   | 21,00,000   |

Calculate Gross profit, Net Margin and Net profit. Express each of them as percentage of sales.

10. Write a stores ledger card in proper form making use of the following particulars. Pricing issue on the principle of LIFO.

| Date   | Transaction | Qty. in Units | Rate/Units (₹) |
|--------|-------------|---------------|----------------|
| Jan.1  | Balance     | 500           | 20             |
| Jan.3  | Issues      | 300           | —              |
| Jan.6  | Purchases   | 800           | 25             |
| Jan.8  | Issues      | 400           | —              |
| Jan.12 | Issues      | 300           | —              |
| Jan.14 | Purchase    | 400           | 30             |
| Jan.20 | Issues      | 600           | —              |
| Jan.24 | Purchases   | 500           | 35             |
| Jan.25 | Issues      | 300           | —              |
| Jan.28 | Issues      | 100           | —              |





11. Prepare a flexible budget for the following data :

The expenses budgeted for the production of 6000 units is given below.

| Particulars                       | Per Unit (₹)      |
|-----------------------------------|-------------------|
| Material                          | 50                |
| Labour                            | 30                |
| Particulars                       | Per Unit (₹)      |
| Variable overhead                 | 70                |
| Fixed overhead(₹ 60,000)          | 10                |
| Variable expenses (Direct)        | 05                |
| Selling expenses (20% Fixed)      | 15                |
| Distribution expenses (30% Fixed) | 10                |
| Administration expenses(60,000)   | 10                |
| <b>Total cost per unit</b>        | <b><u>200</u></b> |

Prepare a budget for production of 4000 units and 8000 units.

Assume the administrative expenses are rigid for all level of production.