



NATIONAL OPEN UNIVERSITY OF NIGERIA
14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS
MARCH/APRIL 2016 EXAMINATION
SCHOOL OF AGRICULTURAL SCIENCES

COURSE CODE: HCM 436 CREDIT UNIT: 2

**COURSE TITLE: INTERNAL CONTROL IN HOSPITALITY
ADMINISTRATION**

TIME ALLOWED: 2HRS

Instructions: 1. Answer four questions. 2. Question one (1) is compulsory
3. Present all your points in a coherent and orderly manner.

QUESTION ONE

- (A) Define the term Internal Control (5mks)
- (B) Controls are designed to achieve four major objectives. List them. (4mks)
- (C) Discuss vividly the following terms: (i) acknowledgement of performance (4mks)
 - (ii) Budgeting control (4mks)
 - (iii) Inherent limitations (4mks)
 - (iv) Risk assessment (4mks)

QUESTION TWO

- (A) Suggest five (5) reasons why Management is responsible for internal controls. (5mks)
- (B) Audit working papers could either be permanent or current working papers. Highlight five (5) working paper for each (10mks)

QUESTION THREE

- (A) State five (5) features of Internal Control System in hospitality administration (5mks)
- (B) Enumerate:
 - i. Six (5) functions of internal audit (5mks)
 - ii. Six (5) essential elements of internal audit (5mks)

QUESTION FOUR

- (A) Mention six (6) advantages and four (4) disadvantage of internal control questionnaire (10 mks)
- (B) The use of standard audit programme has so many merits, list and explain five of them (5mks)

QUESTION FIVE

- (A) List three (3) factors that should be noted in the verification of building revaluation (3 mks)

(B) State three (3) Similarities and three (3) differences between an Internal Auditor and External Auditor (12mks)

QUESTION SIX

(A) Identify five (5) responsibilities of the accounting Department of a food and beverage outlet (5mks)

(B) (B) What are the ten (10) factors to be considered in Evaluating Internal Audit Function (10mks)