



B. Sc. International Hospitality Management

Type: Semester End Assessment

Date: 03/01/2024

Batch & Term: 2023-26 & II

Total Marks: 25

Time Duration: 02 Hours

Course Name: Management Accounting: Costing & Decision-Making

Course Code: IHOH105

Instructor: Prof. Irfan Mirza

CMA (Ms.) Shameem Memon

This paper contains 03 pages in addition to the cover page.

Full Name of the Student: _____

Permanent Registration Number: _____ Class: _____

Marks Obtained: _____ Faculty Signature: _____ Invigilator Signature: _____

Main Answer sheet	Number of Supplements	Total number of Answer sheets
01		

- Carefully read each question at the outset of the paper. All queries must be addressed to the faculty within the first 10 minutes of the examination.
- Students are expected to maintain complete silence in the examination hall and should not interact or communicate with their peers.
- Students will carry only their essential stationery like pens, pencils, ruler and simple calculators into the examination hall.
- Bags, eatables, drinks, etc. will not be allowed inside the hall with the exception of a bottle of water.
- Cell phones, electronic data banks, scientific calculators and smart/beeping watches are prohibited in the examination hall.
- Students will answer the examination with only blue/ black ball point pens unless informed differently by faculty. Avoid usage of green or red ink pens on the answer sheet.
- Dictionaries will not be allowed into examination hall unless informed differently by faculty.



Answer the following questions

Q.1. From the following details prepare cost sheet of Food World Ltd for the year ended 31.3.2023. **(05 Marks)**

Particulars	Amount (Rs.)
Purchases of Raw Material	405000
Opening stock of Raw Material	35000
Closing stock of Raw Material	10000
Direct Wages	150000
Carriage Inward	5000
Direct Expenses	28000
Factory Expenses	75% of Direct Wages
Office and Administrative Overheads	25% of Works Cost
Selling and Distribution Overheads	70000
Opening Stock of Finished Goods	30000
Closing Stock of Finished Goods	22000
Profit on Total Cost	20%

Q. 2. VV Hotel has 05 departments namely Kitchen, Food & Beverages, Housekeeping, Accounts and Human Resource.

Particulars	Kitchen	Food & Beverage	House-Keeping	Accounts	Human Resource
Floor Area	360	240	200	140	60
No. of Employees	40	30	24	16	10
HP of Machine	1200	800	1000	-	-
Value of Plant	480000	400000	320000	200000	100000
No. of Light Points	60	40	30	20	10

Distribute the following cost to the various departments:

Rent Rs. 10000

Repairs to Plant Rs. 15000

Power Rs. 9000

Supervision Rs. 12000

Lighting Rs. 1600

(05 Marks)



Q. 3) Chandan Ltd. provides you the following data:

(05 Marks)

Selling Price per unit	Rs.400
Variable Cost per unit	Rs.240
Fixed Cost per annum	Rs. 1200000
Actual Sales	Rs. 3800000

Calculate:

- Contribution
- Profit Volume Ratio
- Break event sales (Rs. and Units)
- Margin of Safety (Rs.)

Q.4.a) The following particulars are related to the production department of a factory for the month of January, 2024:

(03 Marks)

Particulars	Amount or Hours
Materials Used	Rs. 640000
Direct Wages	Rs. 380000
Direct Labour Worked	100,000 Hours
Hours of Machine Operation	300,000 hours
Overhead Charges allocated to the department	Rs.22,80,000

Calculate Overhead absorption rate on the basis of:

- Direct Labour Cost
- Direct Labour Hour
- Machine Hour

Q.4.b) Identify the relevant cost and irrelevant cost in each of the following statement.

- Akshay Ltd has increased the production level from 5000 burgers to 10000 burgers a month in the same factory where the factory rent is Rs. 100,000 per month.
- Charcoal Chicken Ltd bought a new kitchen equipment of Rs. 500,000 by selling the old kitchen equipment costing Rs. 400,000 for Rs. 120000.

(02 Marks)



Q.5.) Estimated fixed costs of Creams Restaurant is Rs.120,000.

The variable cost per unit is Rs.48 and the contribution margin (P/V ratio) is 40%.

Calculate the following:

- a) Contribution
- b) B.E.P (in Units)
- c) B.E.S (in Rs.)
- d) If the desired profit is Rs.100,000 Calculate:
 - i) Desired Sales in Units
 - ii) Desired Sales in Rs.
 - iii) Margin of Safety in Units
 - iv) Margin of Safety in Rs.

(05 Marks)
