



## Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)

Re-accredited with 'A+' Grade by NAAC. Recognised by UGC Under Section 12B

Coimbatore - 641 043, Tamil Nadu, India

### Bachelor's Degree Examination –July 2020

#### IV Semester

**Class : II UG**  
**Major : BBA Tourism**

**Time : 3 Hours**  
**Max. Marks: 100**

#### 18BTOC17 Finance for Tourism

#### Part A

**10 x 1 = 10**

#### Choose the Correct Answer

- The primary goal of the financial management is
  - To maximize the return
  - To minimize the risk
  - To maximize the wealth of owner
  - To maximize profit
- Financial management is mainly concerned with
  - all aspects of acquiring and utilizing financial resource for financial activities
  - arrangements of funds
  - Efficient management of every business
  - profit maximization
- Financial securities that can be converted in to cash at closing
  - inventories
  - short term investment
  - Cash requirements
  - long term investments
- In financial planning the most high option price will lead
  - longer option period
  - Smaller option period
  - Lesser price
  - Higher price
- Financial planning can be defined as a process for making sure that
  - the company is solvent
  - The company is liquid and has pail all of its investors dividend
  - The cash flow of the company is positive
  - the resource are allocated to maximize profitability
- Higher operating leverage is related to the use of additional
  - Fixed cost
  - Variable cost
  - Material cost
  - labour cost
- Which of the following cost would be considered as fixed cost
  - production labour
  - material cost
  - Depreciation
  - capital
- Marginal cost is taken as equal to
  - prime cost plus all variable overheads
  - prime cost minus all variable overheads
  - variable overheads
  - none of the above
- Total room sales divides by the number of rooms sold represents
  - average daily rate
  - below daily rate
  - Weekly daily rate
  - Monthly daily rate
- Food cost percentage is calculated by
  - cost of food divided by amount of food sales
  - amount of food sales divided by the cost of food
  - amount of food dish sold divided by total staff
  - Amount of food sales divided by cost of labour

**Part B**

**5 x 6 = 30**

**Answer ALL questions**

**Each answer should not exceed 400 words or two pages**

11. a. Write the importance of financial management.  
(or)
11. b. Explain the organizational finance function.
12. a. Write a note on fixed capital.  
(or)
12. b. Write a note on working capital.
13. a. Give the classification of sources of finance.  
(or)
13. b. Write a note about internal financing.
14. a. Explain cost volume profit analysis.  
(or)
14. b. Write a note on profit volume ratio.
15. a. Explain about menu costing.  
(or)
15. b. Describe on occupancy ratio in hotel.

**Part C**

**5 x 12 = 60**

**Answer ALL questions**

**Each answer should not exceed 800 words or four pages**

16. a. Explain the objectives and scope of financial planning.  
(or)
16. b. Describe the need for financial management in hospitality sector.
17. a. Explain about the various patterns of financing.  
(or)
17. b. Describe the methods of estimating capital requirements.
18. a. Explain in detail loan financing leverage.  
(or)
18. b. Write in detail about RBI guidelines.
19. a. Write the advantages and disadvantages of marginal costing.  
(or)
19. b. Express your views on water transportation system in india.
20. a. Describe on nature of food and beverage business.  
(or)
20. b. Explain in detail about the methods of measuring hotel performance.

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