BTMC-138 Managerial Accounting and Finance in Tourism

Tutor Marked Assignments
Course Code: BTMC-138
Total Marks: 100
(2026)

Assignment-A

Answer the following questions in about 500 words each.

1. Explain the accounting process in detail. Describe the stages involved from recording of transactions to preparation of final accounts. Highlight the importance of accounting in business decision-making. 20
2. Explain the concept of Final Accounts. Describe the preparation of Trading Account, Profit and Loss Account, and Balance Sheet, including the need and treatment of adjustments. 20

Assignment-B

Answer the following questions in about 250 words each.

3. Explain the Double Entry System of accounting and discuss the rules of debit and credit with suitable examples. 10
4. What is a Trial Balance? Explain its objectives, advantages, and limitations. 10
5. Explain the concept of Computerized Accounting. Distinguish between manual and computerized accounting systems and discuss their advantages. 10

Assignment-C

Answer the following questions in about 100 words each.

6. Define Accounting. 6
7. What is a Journal? 6
8. What is Depreciation? 6
9. What do you mean by Cash Flow Statement? 6
10. State any two objectives of Cost-Volume-Profit (CVP) Analysis. 6

1. Explain the accounting process in detail. Describe the stages involved from recording of transactions to preparation of final accounts. Highlight the importance of accounting in business decision-making. (20)

Answer

Accounting is a systematic process of identifying business transactions, measuring them in money, recording them in books, classifying similar items, summarising results, and communicating useful financial information. It converts daily activity into statements that an owner or manager can understand. In a travel agency, for example, bookings, tour receipts, hotel payments, salaries, supplier dues, refunds and the cost of office equipment all affect the accounts.

Identifying and measuring transactions

The process starts with identifying events that have a measurable financial effect. Receiving a booking advance, paying a supplier and buying a computer are recordable transactions. A satisfied customer or a change in employee morale may be important but is not ordinarily entered in the financial ledger until a measurable transaction occurs. Each entry should be supported by a source document, such as an invoice, receipt, bank statement, credit note or payment voucher. Transactions are measured in the reporting currency and separated from the personal dealings of the proprietor according to the business-entity concept.

Journalising transactions

The accountant next analyses the accounts affected and records the transaction in a journal or suitable subsidiary book. Every entry follows the double-entry principle: total debits equal total credits. For example, if a tour operator earns Rs. 12,000 cash for a completed service, Cash Account is debited by Rs. 12,000 and Tour Service Revenue Account is credited by Rs. 12,000. If Rs. 2,000 is paid for office electricity, Electricity Expense Account is debited and Cash or Bank Account credited. A description, date, ledger references and supporting document make the entry traceable. Cash books, sales books, purchase books and return books can be used for frequent, similar entries.