



**JAA-010-1047007** Seat No. \_\_\_\_\_

**Fourth Year Bachelor of Hotel And Tourism  
Management (Sem. VII) Examination**

**October - 2019**

**7.6. E.3 : Financial Management  
(New Course)**

**Faculty Code : 010**

**Subject Code : 1047007**

Time : **2.30** Hours]

[Total Marks : **70**

- Instructions :** (1) The maximum marks is 70  
(2) All questions carry equal marks i.e. 14 marks each.  
(3) Attempt any five questions

**1** Calculate Break Even Sales from the following information **14** with Total Fixed Cost assumed at Rupees 1,65,500/-

<b>Product Name</b>	<b>Selling Price</b>	<b>Portion Cost</b>	<b>Portions Sold</b>
Cheesy Veg Croissant	160	55	210
Smoked Chicken Sandwich	100	35	420
Chicken 65 Sandwich	190	130	90
Tandoori Chicken Sandwich	160	60	600
Tandoori Paneer Sandwich	200	75	90
Tex Mex Veg Cheese Sandwich	170	55	360
Spinach & Corn Cheese Sandwich	160	50	510
Veg Club Sandwich	140	65	240
Salmon & Cream Cheese Sandwich	190	70	150
Olive & Red Tomato Sandwich	130	50	330

- 2 Prepare Fund Flow Statement for the period 2018 - 2019 14  
from the data of The Indian Hotels Limited on Total  
Resource Basis.
- 3 Calculate the Break - Even Sales of The Indian Hotels 14  
Company Limited.
- 4 Prepare the Pro-forma Profit and Loss Account of 14  
The Indian Hotels Limited on Total Resource Basis for the  
year 2019 - 2020.
- 5 Calculate the following financial ratios of The Indian 14  
Hotels Limited :
  - (a) Acid Test Ratio
  - (b) Inventory Turnover Ratio
  - (c) Payment Period
  - (d) Return on Capital Employed
  - (e) Earning Power
  - (f) DSCR
  - (g) Price - Earning Ratio
- 6 Perform the Horizontal & Vertical Analysis on the 14  
Asset Component of the Balance Sheet of the Indian Hotels  
Company Limited

**The Indian Hotels Company Limited**

**Statement of Profit and Loss for the Year ended March 31, 2019**

**PARTICULARS (In Rupees Crores)**

<b>INCOME</b>		
Revenue from operations		
Room Income		1,155.01
Food, Restaurants and Banquet Income		1,136.65
Shop rentals		34.46
Membership fees		91.12
Management and operating fees		222.52
Other Operating Income		140.65
<b>JAA-010-1047007 ]</b>	<b>2</b>	<b>[ Contd....</b>

Other income	2,780.41
	<b><u>90.5</u></b>
<b>Total income</b>	<b><u>2,870.91</u></b>
<b>EXPENSES</b>	
Food and beverages consumed	246.76
Employee benefit expenses and payment to contractors	703.85
Finance costs	158.64
Depreciation and amortisation expenses	169.1
<b>Other operating and general expenses</b>	
Linen and Room Supplies	37.94
Catering Supplies	21.1
Other Supplies	4.94
Fuel, Power and Light (net)	176.06
Repairs to Buildings	38.13
Repairs to Machinery	46.41
Repairs to Others	12.25
Linen and Uniform Washing and Laundry Expenses	13.79
Security charges and Others	33.16
Guest Transportation	37.6
Travel Agents' Commission	42.04
Discount to Collecting Agents	21.83
Other Operating Expenses	<u>58.24</u>
<b>Total Operating Expenses</b>	<b><u>543.49</u></b>
Rent	40.72
Licence Fees	171.2
Rates and Taxes	55.03
Insurance	6.71
Advertising and Publicity	77.25
Printing and Stationery	8.06

Passage and Travelling	10.16
Provision for Doubtful Debts / Bad debts written off	3.87
Expenditure on Corporate Social Responsibility	6.35
Professional Fees	36.32
Outsourced Support Services	66.58
Payment made to Statutory Auditors	3.17
Directors' Fees and Commission	2.22
Other Expenses	<u>69.23</u>
<b>Total General Expenses</b>	<b><u>556.87</u></b>
<b><u>Total Operating and General Expenses</u></b>	<b><u>1100.36</u></b>
<b>Total expenses</b>	<b><u>2,378.71</u></b>
Profit before exceptional items and tax	492.2
Exceptional items	<u>-74.66</u>
Profit before tax	<u>417.54</u>
Tax expense	—
Current tax	164.66
Deferred tax	-10.82
Total tax expense	153.84
Profit after tax	263.7

<b>Balance Sheet as at March 31, (In Rupees Crores)</b>	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,454.64	2,367.82
Capital work-in-progress	33.69	63.4
Intangible assets	31.7	30.68
Intangible assets under development	0.25	1.61

Financial assets		
Investments	3,919.27	3,860.01
Loans	5.35	5.35
Other financial assets	47.61	55.84
Advance income tax (net)	161.18	112.66
Other non-current assets	<u>354.11</u>	<u>276.12</u>
	<b><u>7,007.80</u></b>	<b><u>6,773.49</u></b>
<b>Current assets</b>		
Inventories	51.21	51.47
Financial assets		
Investments	193.43	301.45
Trade receivables	249.99	256.81
Cash and cash equivalents	88.93	121.28
Other Balances with Banks	7.07	7.73
Loans	12.88	20.66
Other financial assets	167.34	123.35
Other current assets	<u>93.46</u>	<u>47.49</u>
	<b>864.31</b>	<b>930.24</b>
Assets classified as held for sale	<b><u>8.43</u></b>	<b><u>0</u></b>
	<b><u>872.74</u></b>	<b><u>930.24</u></b>
<b>Total</b>	<b><u>7,880.54</u></b>	<b><u>7,703.73</u></b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Equity share capital	118.93	118.93
Other equity	<u>4,364.81</u>	<u>4,275.03</u>
Total Equity	<u>4,483.74</u>	<u>4,393.96</u>

Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	1,248.22	1,733.88
Other financial liabilities	175.59	252.54
Provisions	70.8	56.9
Deferred tax liabilities (net)	<u>368.12</u>	<u>348.81</u>
	<u>1,862.73</u>	<u>2392.13</u>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	6.38	0
Trade payables		
Micro and Small Enterprises	1.71	1.86
Others	188.4	206.16
Other financial liabilities	1,010.80	405.81
Provisions	117.99	108.23
Other current liabilities	<u>208.79</u>	<u>195.58</u>
	<u>1,534.07</u>	<u>917.64</u>
<b>Total</b>	<u>7,880.54</u>	<u>7,703.73</u>

**Additional Information :**

- (1) Market Price of the Share: - Rupees 155.50 as on 04/10/2019
- (2) Face Value of the Share: - Rupee 01/
- (3) Number of Rooms: - 4403
- (4) Dividend Declared for the Period: 2018 - 2019 is 50% of the face value

- (5) Occupancy Percentage: 68%
- (6) Last Five Years Sales Data :
- (a) 2017 - 2018 : Rupees 2639.34 Crores
  - (b) 2016 - 2017 : Rupees 2459.58 Crores
  - (c) 2015 - 2016 : Rupees 2374.12 Crores
  - (d) 2014 - 2015 : Rupees 2103.60 Crores
  - (e) 2013 - 2014 : Rupees 1977.33 Crores
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