MTTM-104: ACCOUNTING AND FINANCE IN TOURISM
(Tutor Marked Assignment)

Course Code: MTTM-104 | **Programme: MTTM_NEW**
Total Marks: 100 | **Assignment Code: MTTM-104/TMA/2026**

Note: This TMA consists of **ten questions**, out of which you have to **attempt any five**.

The question carries **20 marks each** and should be answered in about **500 words.** Send your TMA to the Coordinator of your Learner Support Centre.

---

1. Discuss the importance of accounting information in managerial decision-making in tourism enterprises. Illustrate your answer with suitable examples from hotels, travel agencies, tour operators and other tourism organizations. 20

2. What is an Accounting Information System (AIS)? Explain its major components and functions. 20

3. Discuss the role of journal, ledger, cash book and trial balance in the accounting process. Using a suitable example of a travel agency or tour operator, explain how financial transactions are recorded and summarized in the books of accounts. 20

4. Discuss the significance of gross profit, operating profit and net profit in evaluating the financial performance of a tourism enterprise. How can the analysis of these statements assist the management of a hotel or tour operator in improving profitability? 20

5. What is a Balance Sheet? Explain its major components and the principles involved in its preparation. 20

6. Define Funds Flow Statement and Cash Flow Statement. Explain the importance of cash-flow analysis for tourism organizations, particularly those experiencing seasonal fluctuations in demand and cash receipts. 20

7. Explain the meaning and classification of costs in the tourism and hospitality industry. What is the importance of cost classification in managerial decision-making? 20

8. Explain the concepts of Absorption Costing and Marginal Costing. Discuss their differences and examine their usefulness in managerial decision-making in tourism enterprises. 20

9. Explain the mechanics of Zero-Base Budgeting (ZBB). How does it differ from traditional incremental budgeting when applied to discretionary tourism marketing expenses? 20

10. Using a suitable numerical illustration, demonstrate how Cost-Volume-Profit (CVP) analysis can help a hotel or tour operator determine its sales requirements and make pricing and operational decisions.20