

CHAE Sample Examination Questions

PLEASE NOTE: These questions may not be on the exam. They are supplied for you to become familiar with the format and approach of the exam questions.

1. The normal balance of the retained earnings account of a hotel is:
 - a. Debit
 - b. Credit
 - c. Either a or b
 - d. Neither a or b

2. The type of business format that is the easiest to organize is:
 - a. Sole proprietorship
 - b. General partnership
 - c. Corporation
 - d. Limited partnership

3. Unamortized pre-opening expenses are generally shown in the section of a hotel's balance sheet:
 - a. Current assets
 - b. Property and equipment
 - c. Other assets
 - d. Long-term liabilities

4. Which of the following is not included in the undistributed operating expenses section of the income statement prepared in accordance with the USAH?
 - a. Marketing expenses
 - b. Data processing expenses
 - c. Human resources expenses
 - d. Housekeeping expenses

5. Dividends paid would be shown in the section of the statement of cash flows:
 - a. Operating activities
 - b. Investing activities
 - c. Financing activities
 - d. None of the above

6. Return on owners' equity is calculated by:
 - a. Dividing net income by paid-in capital
 - b. Dividing net income by average owners' equity

- c. Dividing pretax income by average owners' equity
- d. None of the above

7. Which expense is not allocated to revenue centers regardless of the allocation method used?

- a. Labor expense
- b. Depreciation expense
- c. Interest expense
- d. Income tax expense

8. A 100 room motel's fixed costs equal \$60,000 per month. If the average daily rate is \$40 and the variable cost percentage is 25%, what is the break-even paid occupancy percentage?

- a. 60%
- b. 66 2/3%
- c. 75%
- d. 80%

9. The budgetary control process is completed when:

- a. Variances are analyzed
- b. Variances are determined
- c. Causes of variances are determined
- d. Action is taken to correct any problems

10. In a lawsuit, the plaintiff is:

- a. The person against whom the lawsuit is filed
- b. The legal representative of the person filing the lawsuit
- c. The judge's assistant in the courtroom
- d. None of the above

Answers

1. b 2. a 3. c 4. d 5. c 6. b 7. d 8. b 9.
d 10. d