

**Rajiv Gandhi University of Health Sciences, Karnataka**  
**VI Semester Bachelors in Hospital Administration Degree Examination - 10-Jan-2023**

**Time: Three Hours**

**Max. Marks: 80 Marks**

**MANAGEMENT ACCOUNTING IN HEALTHCARE - (RS)**

**Q.P. CODE: 3251**

**(QP contains two pages)**

Your answers should be specific to the questions asked  
 Draw neat, labeled diagrams wherever necessary

**LONG ESSAYS (Answer any Two)**

**2 x 10 = 20 Marks**

1. What is management accounting? Explain role and importance of management accounting
2. From the following balance sheet of MNC Ltd as on 31/12/2020 and 2021, you are required to prepare fund flow statement

<b>Liabilities</b>	<b>2020</b>	<b>2021</b>	<b>Assets</b>	<b>2020</b>	<b>2021</b>
Share capital	6,00,000	6,00,000	Goodwill	72,000	72,000
Reserve	84,000	1,08,000	Land & Building	2,40,000	2,16,000
Profit & Loss A/c	96,000	78,000	Plant	2,22,000	2,16,000
Creditors	48,000	32,400	Investment	60,000	66,000
Bills payable	7,200	4,800	Stock	1,80,000	1,40,400
Provision for taxation	96,000	1,08,000	Debtors	1,08,000	1,14,000
Provision for bad debts	2,400	3,600	Cash at Bank	39,600	91,200
			Bills Receivable	12,000	19,200
	<b>9,33,600</b>	<b>9,34,800</b>		<b>9,33,600</b>	<b>9,34,800</b>

Adjustments

- a) Depreciation provided on plant and land was Rs.24,000 each
- b) Provision for taxation made during the year Rs.1,14,000
- c) Interim dividend paid during the year Rs.48,000

3. What is budgetary control? Explain process and classification of budget

**SHORT ESSAYS (Answer any Eight)**

**8 x 5 = 40 Marks**

4. From the following information calculate ratio

Current assets	Rs.5,00,000
Opening stock	Rs.50,000
Closing stock	Rs.1,50,000
Cost of goods sold	Rs.12,00,000
Gross profit	Rs.2,00,000
Indirect expenses	Rs.20,000
Equity shares	Rs.7,00,000
10% preference shares	Rs.3,00,000
12% debentures	Rs.2,00,000
Current liabilities	Rs.2,00,000
General reserve	Rs.1,00,000

- Calculate a) Current ratio                      b) Quick ratio                      c) Stock turnover ratio  
 d) Return on Investment

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5. Calculate BEP from the following information

Total sales	Rs.5,00,000
Variable expenses	Rs.2,75,000
Net profit	Rs.1,08,000

6. From the following information calculate funds from operation

- Net profit for the year ending 31<sup>st</sup> March 2020 - Rs.50,000
- Discount on issue of shares written off during the year - Rs.2,000
- Preference share capital rs.1,00,000 is redeemed at 5% premium
- Goodwill appears in the book at Rs.20,000 out of which 10% has been written off
- Income received from non-trading operation Rs.2,000
- Old machinery book value Rs.8,000 has been sold for Rs.6,000

7. The following data for 60% activity, prepare a budget for 80% capacity under flexible budget

- Production at 60% capacity 600 units
- Direct expenses Rs.10 per unit
- Material cost Rs.100 per unit
- Factory expenses Rs.40,000 (40% fixed)
- Labour cost Rs.40 per unit
- Administrative expenses Rs.30,000 (60% fixed)
- Selling & distribution expenses Rs.20,000 (50% variable)

8. Define financial analysis. Explain methods of financial analysis

9. Write a note on CVP analysis

10. Explain change in working capital

11. Write a note on marginal costing

12. Explain merits and demerits of ratio analysis

13. Explain cost accounting and financial accounting

## SHORT ANSWERS (Answer any ten)

10 x 2 = 20 Marks

14. What is profit maximization?

15. Define change in working capital

16. Fund from operation

17. What is trend analysis?

18. What are sources and applications of fund?

19. What is MOS and P/V Ratio?

20. A few uses of fund flow statement

21. What is fixed and variable cost?

22. Define financial and investment activity

23. Define ROI

24. What is meant by common size statement?

25. What is preference share?

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