

**Rajiv Gandhi University of Health Sciences, Karnataka**  
**VI Semester Bachelors in Hospital Administration Degree Examination - 11-**  
**Dec-2023**

**Time: Three Hours**

**Max. Marks: 80**

**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. Calculate
  - a) Current ratio
  - b) Debt-equity ratio
  - c) Liquid ratio
  - d) Gross profit ratio
  - e) Net profit ratio

Balance sheet for the year 2022

| Liabilities           | Amount (Rs.)    | Assets           | Amount (Rs.)    |
|-----------------------|-----------------|------------------|-----------------|
| Share capital         | 1,50,000        | Fixed assets     | 1,72,500        |
| Profit and loss       | 10,000          | Debtors          | 23,000          |
| Creditors             | 15,000          | Bills receivable | 17,000          |
| Bills payable         | 7,500           | Stock            | 16,000          |
| Reserve for bad debts | 6,000           | cash             | 10,000          |
| Long term debt        | 50,000          |                  |                 |
| <b>Total</b>          | <b>2,38,500</b> | <b>Total</b>     | <b>2,38,500</b> |

Other information

- a) Sales Rs.2,00,000
  - b) Gross profit Rs.80,000
  - c) Net profit Rs.45,000
2. Define management accounting and discuss its objectives and scope
  3. Explain classification of budget

**SHORT ESSAYS (Answer any Eight)**

**8 x 5 = 40 Marks**

4. From the following prepare a schedule of changes in working capital under fund flow statement

| Liabilities      | 2021            | 2022            | Assets                 | 2020            | 2021            |
|------------------|-----------------|-----------------|------------------------|-----------------|-----------------|
| Capital          | 50,000          | 60,000          | Bank                   | 10,000          | 15,000          |
| Debentures       | 1,00,000        | 1,25,000        | Machinery              | 1,36,000        | 1,72,000        |
| Creditors        | 10,000          | 15,000          | Furniture              | 60,000          | 60,000          |
| Bills payable    | 5,000           | 6,000           | Stock                  | 15,000          | 20,000          |
| Short term loans | 40,000          | 45,000          | Debtors                | 10,000          | 15,000          |
| Bank overdraft   | 46,000          | 48,000          | Outstanding commission | 5,000           | 6,000           |
| Tax provision    | 10,000          | 15,000          | Goodwill               | 10,000          | 10,000          |
|                  |                 |                 | Cash                   | 15,000          | 16,000          |
| <b>Total</b>     | <b>2,61,000</b> | <b>3,14,000</b> | <b>Total</b>           | <b>2,61,000</b> | <b>3,14,000</b> |

# Rajiv Gandhi University of Health Sciences, Karnataka

5. Meaning of break-even analysis. Discuss its utility
6. Explain the advantages and disadvantages of marginal costing
7. What are the limitations of management accounting?
8. Distinguish between management accounting and cost accounting
9. Discuss the objectives of financial statement analysis
10. Explain trend analysis and common size financial statement
11. Write the advantages and limitations of ratio analysis
12. Cash flow statement is a managerial device. Critically evaluate
13. State the usefulness of marginal costing as a tool for decision making

## **SHORT ANSWERS (Answer any ten)**

**10 x 2 = 20 Marks**

14. Meaning of fund flow statement
15. How cash flow from financing activities are ascertained?
16. Meaning of flexible budget
17. Meaning of CVP analysis
18. Meaning of flow of funds
19. Write a note on cash budgets
20. How are profit volume ratio and contribution calculated?
21. How the short term solvency of the business is ascertained?
22. Differentiate between fixed and flexible budget
23. Differentiate between budget and budgetary control
24. How is fund from operation calculated?
25. What are the assumptions of marginal costing?

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