

# Rajiv Gandhi University of Health Sciences, Karnataka

## VI Semester Bachelors in Hospital Administration Degree Examination - 04- Dec-2024

**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. A company working at 50% capacity manufactures 10000 units of a product. At 50% capacity the product cost is Rs.180 and sales price is Rs.200. The breakup of the cost is as below:

	Cost per unit
Material	100
Wages	30
Factory	30 (40% fixed)
Administrative overheads	20 (50% fixed)

At 60% working raw material cost goes up by 2% and sales price falls by 2%. At 80% working the raw materials cost increases by 5% and sales price decreases by 5%. Prepare a statement to show profitability at 60% and 80% capacity

2. What do you understand by analysis and interpretation of financial statements? Explain the methods of financial statements analysis
3. Define budgetary control. Discuss the classification of budgets

**SHORT ESSAYS (Answer any Eight)**

**8 x 5 = 40 Marks**

4. Explain the role and scope of management accounting
5. What is ratio analysis? Explain different types of ratios
6. Explain the schedule of changes in working capital and fund flow statement
7. From the following information find out PV ratio, BEP and margin of safety

Sales	100000
Total cost	80000
Fixed cost	20000
Net profit	20000

8. Prepare a statement of changes in working capital from the following balance sheet

Liabilities	2020	2021	Assets	2020	2021
Equity capital	500000	500000	Fixed assets	600000	700000
Debentures	370000	450000	Long term investments	200000	100000
Tax payable	77000	43000	Work in progress	80000	90000
Accounts payable	96000	192000	Stock in trade	150000	225000
Interest payable	37000	45000	Accounts receivable	70000	140000
Dividend payable	50000	35000	Cash	30000	10000
	<b>1130000</b>	<b>1265000</b>		<b>1130000</b>	<b>1265000</b>

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9. Explain common size statements and trend analysis
10. Following is the balance sheet of a company as on 31<sup>st</sup> March:

<b>Liabilities</b>	<b>Amount (Rs.)</b>	<b>Assets</b>	<b>Amount (Rs.)</b>
Share capital	40000	Plant and machinery	24000
Capital reserve	8000	Land and building	40000
8% loan on mortgage	32000	Furniture & fixtures	16000
Creditors	16000	Stock	12000
Bank overdraft	4000	Debtors	12000
Taxation	8000	Investments	4000
P/L account	12000	Cash in hand	12000
	<b>120000</b>		<b>120000</b>

Compute (a) Current ratio (b) Quick ratio (c) Debt equity ratio (d) Proprietary ratio

11. Differentiate between fund flow and cash flow statement
12. Explain the classifications of ratio
13. What is marginal costing? Explain features and assumptions of marginal costing

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

**10 x 2 = 20 Marks**

14. Define management accounting
15. What are the limitations of ratio analysis?
16. What are the uses of break –even analysis?
17. Budgeting Vs forecasting
18. Name the basic financial statements
19. What is the PV ratio?
20. What are the objectives of management accounting?
21. What is a flexible budget?
22. State the role of management accountant
23. Define budget
24. What is gross profit and net profit ratio?
25. What do you mean by budgetary control?

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