

Rajiv Gandhi University of Health Sciences, Karnataka
IV Semester Bachelors in Hospital Administration Degree Examination - 12-
May-2025

Time: Three Hours

Max. Marks: 80

COST ACCOUNTING IN HEALTHCARE - (RS)

Q.P. CODE: 3244

(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. Following are the particulars for the production of 200 units for the year 2022

Particulars	Amount (Rs.)
Cost of material	1,60,000
Wages	2,40,000
Manufacturing expenses	1,00,000
Depreciation	1,20,000
Rent, rates and insurance	20,000
Selling expense	60,000
General expense	40,000
Sales	8,00,000

The company plans to manufacture 3,000 units during the year 2023. You are required to submit a statement showing the price at which units would be sold so as to earn a profit of 10% on selling price. The following additional information is supplied:

- a) Price of material is expected to raise by 20%
 - b) Wage rates are expected to show an increase of 5%
 - c) Manufacturing expense will raise in proportion to the combined cost of materials and wages
 - d) Selling price per unit will remain the same
 - e) Other expenses will remain unaffected by the rise in output
2. Explain methods and techniques of costing
3. What are the reasons for differences in profits shown by cost accounts and financial accounts? What is the need for preparing reconciliation statement?

SHORT ESSAYS (Answer any Eight)

8 x 5 = 40 Marks

4. Compute economic order quantity (EOQ)

Annual usage – 6000 units

Cost of material per unit – Rs.20

Cost of placing and receiving 11 order – Rs.60

Annual carrying cost of 1 unit – 10% of inventory value

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5. From the following particulars calculate earnings under Taylor's differential piece rate
Standard time per unit – 30 seconds
Normal rate per hour – Rs.240

Differential to be applied:

- 80% of piece rate below standard
- 120% of piece rate at or above standard

Worker A produces 1100 units per day and worker B produces 900 units per day of 8 hours

6. Prepare a stores ledger under weighted average pricing method

01-01-2022 – Opening balance 2,000 units at Rs.4 per unit
06-01-2022 – Received 4,000 units at Rs.4.50 per unit, GR No.11
10-01-2022 – Issued 3,000 units MR No.101
12-01-2022 – Received 6,000 units for Rs.15,000, GR No.12
15-01-2022 – Issued 500 units MR No. 102
20-01-2022 – Received 2,000 units for Rs.4,000, GR No. 13
25-01-2022 – Issued 3,000 units MR No. 103

7. Costing is an aid to the management. Explain
8. Write a note on simple average pricing and weighted average pricing of material issue
9. Write a note on absorption of overheads
10. Distinguish between budgetary control and standard costing
11. Differentiate between Halsey Plan and Rowan's Plan of Wage Payment
12. Write a note on Techniques of inventory control
13. Explain different types of overhead

SHORT ANSWERS (Answer any ten)

10 x 2 = 20 Marks

14. Note on perpetual inventory control
15. Note on time keeping and time booking
16. Write a note on FIFO method of pricing
17. What is time rate and piece rate system?
18. What is marginal costing?
19. Define process costing
20. What are the limitations of standard costing?
21. Distinguish between fixed and variable overheads
22. Write a note on ABC analysis
23. What is contract costing?
24. Write a note on Taylor's differential piece rate system of wage payment

25. What is meant by collection of overheads?

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