

**Rajiv Gandhi University of Health Sciences, Karnataka**  
**VI Semester Bachelors in Hospital Administration Degree Examination - 13-**  
**May-2025**

**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. The following information are related to a company:

Current assets	1500000
Opening stock	200000
Closing stock	350000
Cost of goods sold	2300000
Gross profit	300000
Indirect expenses	50000
Equity shares	1300000
10% preference share capital	500000
12% debentures	600000
Current liabilities	500000
General reserves	300000

You are required to find out (a) Current ratio (b) Quick ratio (c) Stock turnover ratio  
(d) Debt equity ratio (e) ROI

2. What is a cash flow statement? Discuss its objectives and different activities under cash flow statement
3. "Management accounting is the best tool for the management to achieve higher profits and efficient operations". Discuss

**SHORT ESSAYS (Answer any Eight)**

**8 x 5 = 40 Marks**

4. State the different types of financial analysis and discuss the limitations of analysis and interpretation of financial statements
5. Discuss the budgets on the basis of function
6. What is ratio analysis? Discuss its objectives and imitations
7. What is meant by CVP analysis? Explain its importance
8. With the following data for a 60% activity, prepare a budget for production at 80% and 100% activity.

Production at 60% activity	600 units
Materials	Rs.100 per unit
Labour	Rs.40 per unit
Expenses	Rs.10 per unit
Factory expenses	Rs.40,000 (40% fixed)
Administrative expenses	Rs.30,000 (60% fixed)

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9. You are given the following balance sheet of a company. Prepare a statement showing the changes in working capital:

Liabilities	2019	2020	Assets	2019	2020
Accounts payable	7,000	4,500	Cash	3,000	4,700
Capital	20,000	25,000	Accounts receivable	12,000	11,500
Retained earnings	1,000	2,300	Land	5,000	6,600
			Stock	8,000	9,000
	<b>28,000</b>	<b>31,800</b>		<b>28,000</b>	<b>31,800</b>

10. From the following particulars calculate:
- PV ratio
  - Break-even sales
  - Sales required to earn a profit of Rs.4,50,000

Fixed expenses – Rs.90,000

Variable cost per unit

Direct material – Rs.5

Direct labour – Rs.2

Direct overhead – 100% of direct labour

Selling price per unit – Rs.12

11. Explain statement of sources and application of funds
12. Define management accounting. Explain the role of management accountant
13. Explain the relationship between financial accounting, cost accounting and management accounting

## SHORT ANSWERS (Answer any ten)

10 x 2 = 20 Marks

- Define marginal costing
- What is zero based budgeting?
- What is comparative statements?
- What is funds from operations?
- What is breakeven point?
- What is sales budget?
- State the utilities of ratios
- Define management accounting
- State the significance of cash flow statement
- What are the objectives of budgetary control?
- What is debt equity ratio?
- What are the objectives of management accounting?

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