

# Rajiv Gandhi University of Health Sciences, Karnataka

VI semester Bachelors in Hospital Administration Degree Examination – OCT-2019

Time: Three Hours

Max. Marks: 80 Marks

## Cost and Management Accounting

**Q.P. CODE: 1321**

(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**

- What is Management accounting? Explain Fund flow analysis and Cash flow analysis.
- What is budgeting? Explain different kinds of budget.
- The following information are related to a company:  
 Current assets - Rs.15,00,000; Opening stock - Rs.2,00,000; Closing stock - Rs.3,50,000; Cost of goods sold - Rs.23,00,000; Gross Profit - Rs.3,00,000; Indirect expenses - Rs.40,000; Equity shares - 13,00,000; 10% Preference share capital - Rs.5,00,000; 12% Debentures - Rs.6,00,000; Current Liabilities - Rs.5,00,000; General Reserve - Rs.3,00,000.  
 You are required to find out: (a) Current Ratio (b) Quick Ratio (c) Stock Turnover Ratio (d) Debt-Equity Ratio and (e) ROI.

### SHORT ESSAYS (Answer any Eight)

**8 x 5 = 40 Marks**

- Explain the scope and uses of cost accounting.
- Explain the classification of overheads.
- What are the uses of Ratio analysis?
- Explain marginal costing.
- Write a note on cost variance analysis.
- Briefly explain NPV and IRR.
- Briefly explain the inventory control systems.
- The following are the details of the Spare part of Sri Ram Mills.  
 2014 November 01 - Opening Stock - Nil  
 November 01 - Purchases - 100 units @ Rs.30 per unit  
 November 15 - Issued for consumption - 50 units  
 December 02 - Purchases - 200 units @ Rs.40 per unit  
 December 15 - Issued for consumption - 100 units  
 December 20 - Issued for consumption - 100 units  
 Find out the value of stock as on 31.12.2014 if the company follows FIFO method.
- A company has three production departments and two service departments. For a month, the departmental distribution summary has the following totals:

	A	B	C
	Rs.	Rs.	Rs.
Production department	900	800	600
Service department	334	400	-----

The expense of the service departments is charged out on a percentage basis as under:

Service departments	Production departments			Service departments	
	A	B	C	A	B
A	20%	40%	30%	-----	10%
B	40%	20%	20%	20%	-----

You are required to show the apportionment under repeated distribution method..

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13. During the year 2014 Sparsh Pvt Ltd earned a profit of Rs.4,20,000 after adjusting the following:
- Preliminary expenses written off – Rs.15,000
  - Discount on debentures written off – Rs.22,000
  - Depreciation written off – Rs.11,000
  - Provision for bad debts – Rs.1,000
  - Salaries – Rs.10,000
  - Profit on sale of fixed assets – Rs.12,000
  - Loss on sale of investments – Rs.4,000
  - Proposed dividend – Rs.55,000
  - Transfer to debenture redemption fund – Rs.23,000
  - Dividend received – Rs.4,000
- Calculate funds from operation.

### SHORT ANSWERS (Answer any ten)

10 x 2 = 20 Marks

14. What is meant by Standard costing?
15. What is meant by Labour turnover?
16. What is meant by Business risk?
17. What is meant by fringe benefits?
18. What is meant by service costing?
19. What is cost centre?
20. What is meant by fund flow analysis?
21. What do you mean by Capital budgeting?
22. What is meant by idle time?
23. Give the meaning of financial accounting.
24. What is overhead?
25. What do you mean by Payback period?

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