

# Rajiv Gandhi University of Health Sciences, Karnataka

VI semester Bachelors in Hospital Administration Degree Examination – 24-Aug-2020

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

1. Explain Funds Flow Statement and Cash Flow Statement.
2. What is meant by Ratio Analysis? Explain different kinds of ratios.
3. Medical Aids Company manufactures a special product 'A'. The following particulars were collected for the year 2013.
  - Monthly demand of A – 1,000 units
  - Cost of placing order – Rs.100
  - Annual carrying cost per unit – Rs.15
  - Normal usage – 50 units per week
  - Minimum usage – 25 units per week
  - Maximum usage – 75 units per week
  - Reorder period – 4 to 6 weeks

Compute:

- a) Reorder Quantity
- b) Reorder Level
- c) Maximum Level
- d) Minimum Level
- e) Average Stock Level

### SHORT ESSAYS (Answer any Eight)

8 x 5 = 40 Marks

4. What are the limitations of Management Accounting?
5. Explain scope of Cost Accounting.
6. What is Overhead? Explain different kinds of Overheads.
7. Explain IRR.
8. Explain absorption of Overhead.
9. Explain different methods of remunerating labour.
10. What is Idle Time? Explain Accounting treatment of Idle Time.
11. From the following information, prepare Stores Ledger Account under FIFO method.
  - Jan 1: Opening stock 200 pieces at Rs.2 each
  - Jan 5: Purchases 100 pieces at Rs.2.20 per unit
  - Jan 10: Purchases 150 pieces at Rs.2.40 per unit
  - Jan 20: Purchases 180 pieces at Rs.2.50 per unit
  - Jan 2: Issues 150 pieces
  - Jan 7: Issues 100 pieces
  - Jan 12: Issues 100 pieces
  - Jan 28: Issues 200 pieces

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12. The following are the summaries of the Balance Sheet of ABC Limited for two years.

<b>Liabilities</b>	<b>2012</b>	<b>2013</b>	<b>Assets</b>	<b>2012</b>	<b>2013</b>
Share capital	2,00,000	2,60,000	Goodwill	-----	1,16,000
Profit & loss account	39,690	41,220	Land & Building	1,13,450	1,16,200
Reserves	50,000	50,000	Plant & Machinery	1,48,000	1,44,250
Sundry Creditors	39,500	41,135	Stocks	1,11,040	97,370
Bills Payable	33,780	11,525	Sundry Debtors	85,175	72,625
Bank Overdraft	59,510	-----	Bills Receivable	2,315	735
Provision for Taxation	40,000	50,000	Cash	2,500	2,700
	<b>4,62,480</b>	<b>4,53,880</b>		<b>4,62,480</b>	<b>4,53,880</b>

You are required to prepare a Statement of Changes on Working Capital.

13. The following Balance Sheet of Good Luck Company Limited was prepared on 31<sup>st</sup> December 2013.

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Share Capital	2,30,000	Land and Building	3,00,000
General Reserve	1,00,000	Plant and Machinery	1,80,000
Debentures	2,20,000	Debtors	1,90,000
Profit and Loss Account	1,70,000	Cash in Hand	12,000
Creditors	1,30,000	Cash at Bank	1,88,000
Bills Payable	50,000	Preliminary Expenses	30,000
	<b>9,00,000</b>		<b>9,00,000</b>

Sales during 2013 amounted to Rs.4,80,000. Calculate:

- Fixed Assets Turnover Ratio
- Working Capital Turnover Ratio
- Capital Turnover Ratio

### SHORT ANSWERS (Answer any ten)

10 x 2 = 20 Marks

- What is Cost Accounting?
- What is meant by Financial Statement Analysis?
- What is meant by IRR?
- What is meant by Budget?
- What is meant by Time Keeping and Time Booking?
- Write the formula for Gross Profit and Net Profit Ratio.
- What is meant by Financial Risk?
- What is meant by Fixed and Variable Cost?
- What is Marginal Costing?
- What is Prime Cost?
- What is meant by Labour Cost?
- What is meant by Absorption of Overheads?

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