

# Rajiv Gandhi University of Health Sciences, Karnataka

VI semester Bachelors in Hospital Administration Degree Examination – May 2016

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 different kinds of tools and techniques of financial statement analysis.
2. What is budget? Explain different kinds of budget.
3. Pharma Company manufactures a special product 'A', the following particulars were collected for the year 2013.
  - a. Monthly demand of A – 1,000 units
  - b. Cost of placing order – Rs.100
  - c. Annual carrying cost per unit – Rs.15
  - d. Normal usage – 50 units per week
  - e. Minimum usage – 25 units per week
  - f. Maximum usage – 75 units per week
  - g. 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 advantages of cost accounting?
5. Explain marginal costing.
6. Explain NPV.
7. What is idle time? Explain accounting treatment of idle time.
8. Explain funds flow statement.
9. Explain absorption of overheads.
10. Explain process costing.
11. From the following particular prepare a cost statement:

Particulars	Amount
Stock: 01.01.2013: Raw materials	30,500
Finished goods	20,400
Stock: 31.01.2013: Raw materials	48,500
Finished goods	10,000
Purchase of Raw materials	25,000
Work in progress, 01.01.2013	8,000
Work in progress, 31.01.2013	9,000
Sales	1,00,000
Direct wages	20,400
Factory expenses	10,500
Office expenses	5,400
Selling expenses	3,800
Distribution expenses	2,500

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12. The following balance sheet of Mahindra manufacturing company limited as on 31<sup>st</sup> December 2013

Liabilities	Amount	Assets	Amount
Equity capital	50,000	Plant and machinery	92,000
Profit and loss account	12,000	Sundry creditors	18,000
Debentures	30,000	Stock	24,000
Sundry creditors	46,800	Cash at bank	4,560
Tax provision	1,200	Prepaid insurance	1,440
	1,40,000		1,40,000

Calculate the following ratios:

- Quick ratio
- Current ratio

13. 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

### SHORT ANSWERS (Answer any ten)

10 x 2 = 20 Marks

- What is meant by cost?
- What is overhead?
- What is IRR?
- What is standard costing?
- What is fringe benefits?
- Name the methods of remunerating labour.
- What is meant by apportionment?
- Write the formula for inventory turnover ratio.
- What is meant by direct and indirect cost?
- What is sensitivity analysis?
- What is ratio analysis?
- What is master budget?

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