

THE TAMIL NADU DR. M.G.R. MEDICAL UNIVERSITY

[AHS 0222]

FEBRUARY 2022
(OCTOBER 2021 EXAM SESSION)

Sub. Code: 5023

MASTER OF HOSPITAL ADMINISTRATION (AHS)
FIRST YEAR (Candidates admitted in 2017-2018 & 2020-2021)
PAPER III – FINANCIAL AND MANAGEMENT ACCOUNTING IN HEALTHCARE
Q.P. Code : 435023

Time : Three hours

Answer ALL Questions

Maximum : 100 Marks

I. Elaborate on:

(2 x 20 = 40)

1. The following Trial balance is extracted from the books of XYZ Co. for the year ended 31st December 2020. Prepare Trading account, Profit & loss account and balance sheet.

Particulars	Debit (Rs.)	Credit (Rs.)
Furniture	640	-
Motor Vehicle	6,250	-
Building	7,500	-
Capital	-	12,500
Bad Debts	125	-
Interest Received	-	200
Debtors	3,800	-
Creditors	-	2,500
Opening Stock	3,460	-
Purchase	5,475	-
Sales	-	15,450
Bank Overdraft	-	2,850
Advertising	450	-
Cash	650	-
Insurance	750	-
Salaries	3,500	-
Machinery	900	-

ADJUSTMENTS

- Closing Stock Rs.5, 000
- Insurance Prepaid Rs.150
- Write off Bad debts Rs.1,000
- Depreciate Machinery by 10%
5. Salary Outstanding Rs.1,500

2. Explain all the Accounting Concepts.

II. Write notes on:**(10 x 6 = 60)**

1. Write a note on financial ratios and list down the ratios covered under it.
2. V Ltd presents the following results for one year.

Calculate (a) P/V Ratio (b) Break Even Point (c) Margin of Safety

Particulars	Rs.
Sales	2,00,000
Variable Costs	1,20,000
Fixed Cost	50,000
Net Profit	30,000

3. Write a note on Statement of working Capital Changes and its PRINCIPLES.
4. A company which supplies its output on contract basis as component to an assembling firm has a contract to supply 10,000 units of its only product during 2020. The following were the budgeted expenses and revenue. Draw a fixed budget based on the below information.

Particulars	Rs.
Material	15 per unit
Wages	10 per unit
Work Expenses:	
Fixed	40,000
Variable	4 per unit
General Expenses (All Fixed)	60,000
Profit is 20% on sale price.	

Prepare the fixed budget for 2020 showing the costs and profit.

5. Write a note on Capital Rationing and its causes.
6. Write a note on Repurchase of shares & Underwriting of shares.
7. Project X initially costs Rs.25,000. It generates the following cash flows:

Year	Cash Inflows (Rs)	Present Value of Re.1 at 10%
1	9,000	.909
2	8,000	.826
3	7,000	.751
4	6,000	.683
5	5,000	.621

Taking the cut-off rate as 10%. Suggest whether the project should be accepted or not.
8. Briefly explain the classification of accounts and its GOLDEN RULES.

9. The balance sheet of Meera as on 31-12-2020 shows the following:

Particulars	Rs.
Cash	9,500
Marketable Securities	15,000
Inventories	1,00,000
Debtors	85,000
Prepaid Expenses	5,000
Long term loans	1,06,000
Trade creditors	64,000
Income tax payable	9,000
Accrued expenses	12,800

Compute (a) Working Capital (b) Current Ratio (c) Quick Ratio

10. Write a note on Master budget and the steps involved in preparing it.

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[AHS 1022]

OCTOBER 2022

Sub. Code: 5023

MASTER OF HOSPITAL ADMINISTRATION (AHS)
FIRST YEAR (Candidates admitted in 2017-2018 & 2020-2021)
PAPER III – FINANCIAL AND MANAGEMENT ACCOUNTING

Q.P. Code : 435023

Time : Three hours

Answer ALL Questions

Maximum : 100 Marks

I. Elaborate on:

(2 x 20 = 40)

1. What are the differences between Financial Accounting, Management Accounting and Cost Accounting?
2. Mr. A is considering Investing Rs.2,50,000 in a business . The Cost of Capital for the Investment is 13 %
Following cash flows are expected from the investment:

YEAR	AMOUNT
1	50,000
2	1,00,000
3	2,00,000

Annuity Values of 10 % is 0.909 ; 0.826 , 0.751

Annuity Values of 20 % is 0.833; 0.694; 0.579

Calculate the IRR for the proposed Investment and comment on it.

II. Write notes on:

(10 x 6 = 60)

1. Wye ltd furnished following information regarding its Current Assets and Current Liabilities - Calculate:
 - (a) Current Ratio
 - (b) Quick /Liquid Ratio

Current Assets	Amount	Current Liabilities	Amount
Cash	5,000	Sundry Creditors	30,000
Debtors	29,000	Bills payable	16,000
Bills Receivables	5,000	Outstanding Expenses	8,000

Marketable Securities	15,000		
Inventory (stock)	52,000		
Prepaid Expenses	2,000		
TOTAL	1,08,000	TOTAL	54,000

2. What are the differences between Forecast and Budget?
3. What are Capital Rationing and its causes?
4. List out the Long term Funds and Short term Funds.
5. Explain about the various Types of Share Capital.
6. What is mean by Calls in Advance and Calls in Arrears?
7. Who is Underwriter? What's the percentage of commission charged to underwriters?
8. Explain about Inventory management.
9. From the following details, find out the Funds from operations(FFO):

<i>Particulars</i>	`	<i>Particulars</i>	`
To Salaries	40,000	By Gross Profit	1,00,000
To Rent	15,000	By Profit on sale of Building	
To Provision for Bad Debts	5,000	Sold for ` 10,000	
To Preliminary Expenses written off	10,000	Book value ` <u>5,000</u>	5,000
To Goodwill written off	5,000		
To Depreciation on Machinery	5,000		
To Loss on sale of Plant			
Book value ` 10,000			
Sold for ` <u>8,000</u>	2,000		
To Provision for Tax	5,000		
To Net Profit	<u>18,000</u>		
	<u>1,05,000</u>		<u>1,05,000</u>

10. What are the formulas used to calculate Operating Cycle and Cash Cycle?

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[AHS 0523]

MAY 2023

Sub. Code: 5023

MASTER OF HOSPITAL ADMINISTRATION (AHS)
FIRST YEAR (Candidates admitted in 2020-2021)
PAPER III – FINANCIAL AND MANAGEMENT ACCOUNTING IN HEALTHCARE

Q.P. Code: 435023

Time : Three hours

Answer ALL Questions

Maximum : 100 Marks

I. Elaborate on:

(2 x 20 = 40)

1. Explain about the Classifications of Budgets with formats and formulas.
2. A company is considering whether to purchase a new machine. Machine A and Machine B are available for Rs.80,000 each. Earnings after taxation are as follows:

Year	Machine A	Machine B
1	24,000	8,000
2	32,000	24,000
3	40,000	32,000
4	24,000	48,000
5	16,000	32,000

Required: Evaluate the following and comment on it:

(a) Payback method

(b) Net Present Value method (NPV)

(c) Profitability Index (PI)

Annuity Values of 10 % is 0.909 ; 0.826 , 0.751.

II. Write notes on:

(10 x 6 = 60)

1. From the information available, Calculate Funds from Operation (FFO) :

The Net Profit after making a provision of 3,30,000 for Income Tax of Tata Ltd for the year ended 31 March 2017 amounts to 3,00,000. This figure of the net profit has been arrived at after taking into account the following items:

Depreciation on Fixed Assets		65,000
Preliminary Expenses written off	7,000	
Bad debts		1,000
Loss on sale of furniture		1,500
Profit on sale of long-term investments	5,000	

P.T.O.

2. From the following information, calculate the Contribution and amount of profit using Marginal Cost technique:

Fixed Cost	3,00,000
Variable cost per unit	Rs. 5
Selling price per unit	Rs. 10
Output level	1,00,000 units

3. Explain the components and concepts of Working capital.
4. Write the differences between Equity share capital and Preference share capital.
5. What is Forfeiture of Shares and Re-issue of Shares?
6. Explain Receivable Management.
7. What are the formulas used to calculate Operating Cycle and Cash Cycle?
8. What is Break Even Point? Write the formula for BEP.
9. What is Marginal costing and Absorption costing?
10. What are Outstanding Expenses and prepaid Expenses and where it will appear in the Trading, Profit and loss Account and Balance sheet?

THE TAMIL NADU DR. M.G.R. MEDICAL UNIVERSITY

[AHS 1023]

OCTOBER 2023

Sub. Code: 5023

MASTER OF HOSPITAL ADMINISTRATION (AHS)
FIRST YEAR (From 2020-2021 onwards)
PAPER III – FINANCIAL AND MANAGEMENT ACCOUNTING IN HEALTHCARE

Q.P. Code: 435023

Time : Three hours

Answer ALL Questions

Maximum : 100 Marks

I. Elaborate on:

(2 x 20 = 40)

1. Explain about the Types of Share Capital in detail.
2. An investment of Rs.1,00,000 is expected to generate the following cash inflows of six years,

Years	Cash Inflows
1	35,000
2	30,000
3	27,500
4	20,000
5	15,000
6	12,500

Compute Pay Back period of the Investment. Should the Investment be made if management wants to recover the initial investment in 3 years or less?

II. Write notes on:

(10 x 6 = 60)

1. Explain about the Classification of Budgets?
2. Sales Rs. 2,00,000
Profit Rs. 20,000
Variable Cost 60 %
You are required to calculate:
 - i. PV Ratio
 - ii. Fixed Cost
 - iii. Sales volume to earn a profit of Rs. 50,000

P.T.O.

3. Prepare a Trial Balance with the following information:

Sr. No	Name of Account	Amount ()	Sr. No	Name of Account	Amount ()
(i)	Capital	2,00,000	(ii)	Stock	70,000
(iii)	Cash	1,80,000	(iv)	Debtors	3,00,000
(v)	Creditors	1,00,000	(vi)	Bank Loan	1,50,000
(vii)	Sales	3,00,000	(viii)	Purchases	2,00,000

4. Differentiate between Cash Flow Statement and Funds Flow Statement?

5. Prepare Production Budget for three months ending 31st December 2020, for a factory producing four products, on the basis of the following information:

Product	Estimated Opening Stock	Estimated Sales	Estimated Closing Stock
A1	8,000	40,000	12,000
A2	12,000	60,000	20,000
A3	16,000	52,000	12,000
A4	12,000	48,000	8,000

6. The following information provided for Guru Ltd for the year ended 1981 is as follows:

Profit & loss account data		Balance sheet data	Beginning (BOY)	Ending (EOY)
Sales	160	Inventory	18	24
Cost of goods sold (COGS)	112	Accounts Receivable	24	32
		Accounts Payable	14	20

What is the Length of the Operating Cycle and Cash Cycle?

7. Write short notes on

- i. Common Stock
- ii. Forfeiture of shares
- iii. Re-issue of shares

8. What are the sources of Short term finance?

9. Who is an underwriter? And what is Firm underwriting and partial underwriting?

10. List out the Golden Rules of Accounting?

THE TAMIL NADU DR. M.G.R. MEDICAL UNIVERSITY

[AHS 0524]

MAY 2024

Sub. Code: 5023

MASTER OF HOSPITAL ADMINISTRATION (AHS)
FIRST YEAR (From 2020-2021 onwards)
PAPER III – FINANCIAL AND MANAGEMENT ACCOUNTING IN HEALTHCARE

Q.P. Code: 435023

Time: Three hours

Answer ALL Questions

Maximum: 100 Marks

I. Elaborate on:

(2 x 20 = 40)

1. Explain briefly about the Methods of Capital Budgeting.
2. Following are the balances extracted from the books of Rahul as on 31st March , 2019:

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
Capital	1,90,000	Cash at Bank	26,000
Drawing	7,000	Salaries	8,000
Plant & Machinery	1,20,000	Repairs	1,900
Delivery Vehicle	26,000	Opening Stock	16,000
Sundry Debtors	36,000	Rent	4,500
Sundry Creditors	26,000	Manufacturing Expenses	1,500
Purchases	20,000	Bills payable	23,500
Sales	42,000	Bad Debts	5,000
Wages	8,000	Carriage	1,600

Prepare Trading, Profit and Loss Account and Balance Sheet as at 31st March 2019 after following adjustments made:

- (i) Closing Stock Rs. 16,000
- (ii) Depreciate Plant & Machinery @ 10 % and Delivery Vehicle @ 15 %
- (iii) Outstanding Rent amounted to Rs. 500.

II. Write notes on:

(10 x 6 = 60)

1. Write the differences between Funds flow statement and Cash flow statement.
P.T.O.

2. From the following information, Calculate Sales Budget

Subha Ltd. Has four Sales territories A, B, C, D. Each salesman is expected to sell the following number of units during the First Quarter of 2016. Assume the Average selling price to be Rs.10

MONTH	A (UNITS)	B (UNITS)	C (UNITS)	D (UNITS)
APRIL	500	750	1250	1750
MAY	1000	900	1400	2000
JUNE	1250	1000	1500	2250

3. A project requires an initial investment of \$225,000 and is expected to generate the following net cash inflows:

Year 1: 95,000

Year 2: 80,000

Year 3: 60,000

Year 4: 55,000

Required: Compute Net Present Value (NPV) of the project if the minimum desired rate of return is 12%

Annuity values : (0.893 , 0.797 , 0.712 , 0.636)

4. Prepare an Estimate of Working Capital Requirement (WCR) from the following information of a trading concern:

Projected Annual sales 10,000 units

Selling price Rs. 10 per unit

Percentage of Net Profit on sales 20 %

Average Credit period allowed to Customers 8 Weeks

Average Credit Period allowed by Suppliers 4 Weeks

Average Stock holding in terms of Sales Requirements 12 Weeks

Allow 10 % for Contingencies

5. What is Secured Debts and Unsecured Debts?

6. What is Common stock and preferred stock?

7. What is Margin of Safety? Write the formula for MOS.

8. What is Preference share capital; explain the types of Preference share capital?

9. What is mean by Contribution and support your answer with formula?

10. What is closing stock and Opening stock? Where it will appear in Trading Account and Balance sheet?

THE TAMIL NADU DR. M.G.R. MEDICAL UNIVERSITY

[AHS 1025]

OCTOBER 2025

Sub. Code: 5023

MASTER OF HOSPITAL ADMINISTRATION (AHS)
FIRST YEAR (From 2020-2021 onwards)
PAPER III – FINANCIAL AND MANAGEMENT ACCOUNTING IN HEALTHCARE

Q.P. Code: 435023

Time: Three hours

Answer ALL Questions

Maximum: 100 Marks

I. Elaborate on:

(2 x 20 = 40)

1. Explain the Accounting Concepts and Conventions in detail.
2. A company is considering whether to purchase a new machine. Machine X and Machine Y are available for Rs.80,000 each. Earnings After Tax and Before Depreciation are as follows:

Year	Machine X	Machine Y
1	24,000	8,000
2	32,000	24,000
3	40,000	32,000
4	24,000	48,000
5	16,000	32,000

Required: Evaluate the following and comment on it:

- (a) Payback method
- (b) Net Present Value method (NPV)
- (c) Profitability Index (PI)

Annuity Values of 10 % is 0.909; 0.826, 0.751, 0.683, 0.621

II. Write notes on:

(10 x 6 = 60)

1. What is Capital Rationing?
2. A Project has an initial Investment of Rs.100000. Its Annual Cash flow for 5 years is as follows. Calculate Payback Period.

Years	Cash Flow
1	25000
2	35000
3	30000
4	25000
5	40000

P.T.O.

3. Difference Between Preference and Equity Share Capital.
4. Write a note on Cash Management.
5. Calculate Current Assets, Current Liabilities and Stock
Current Ratio – 2.8, Liquid Ratio – 1.5 and Working Capital – Rs.90000.
6. From the following Balance Sheets of MASD Ltd, Prepare Statement of Changes in Working Capital:

Liabilities	2008	2009	Assets	2008	2009
Equity Share capital	300000	400000	Goodwill	115000	90000
Preference Share capital	150000	100000	Land & Buildings	200000	170000
General Reserve	40000	70000	Plant	80000	200000
P&L A/C	30000	48000	Bills receivables	20000	30000
Proposed Dividends	42000	50000	Cash in hand	15000	10000
Creditors	55000	83000	Stock	77000	109000
Bills payable	20000	16000	Debtors	160000	200000
Provision for Tax	40000	50000	Cash at bank	10000	8000
	677000	817000		677000	817000

7. What is the Classification of Budgets?
8. Prepare a Production Budget from the following information:

Product	Estimated stock on 1.1.2019 (units)	Estimated sales during Jan to March 2019 (units)	Desired Closing Stock on 31.3.2019 (units)
X	2000	10000	3000
Y	3000	15000	5000

9. State the Importance of Break Even Point.
10. The following figures of sales and profit for 2 periods are available in respect of Sun Rise Enterprises:

	Sales	Profit
Period- I	100000	15000
Period- II	120000	23000

You are required to find out:

- a) P/V Ratio
- b) Fixed cost

Sales required to earn a profit of Rs.20000.
