

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.
