

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

[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?
