

Rajiv Gandhi University of Health Sciences, Karnataka
II Semester M.H.A Degree Examination – 05-May-2026

Time: Three Hours

Max. Marks: 100 Marks

HOSPITAL ADMINISTRATION
Accounting and Financial Management in Health Care
PAPER-I (RS-5)
Q.P. CODE: 8734

Your answers should be specific to the questions asked
Draw neat, labeled diagrams wherever necessary

Answer All The Questions

10 x 10 = 100 Marks

1. Mahindra Ltd is considering the purchase of a machine, which cost Rs.50,000? The machine, has a life expectancy of 5 years. The tax rate is 35%. The estimated cash flow before depreciation and tax from the investment is as follows.

Year	1	2	3	4	5
CFBDT	10,000	10692	12769	13462	20385

Compute the following:

- a. Payback period
- b. ARR
- c. NPV
- d. Profitability Index

The PVF @ 12% is as follows

Year	1	2	3	4	5
PVF@12%	0.893	0.797	0.715	0.636	0.567

2. What is meant by inventory management? Explain different kinds of stock level.
3. Write a note on the following sources of finance
 - a) Equity capital and Debentures
 - b) Lease financing and Venture Capital
4. Explain management accounting and financial accounting.
5. What is budget? Explain types of budget.
6. Write a note on time value of money.
7. What is cost accounting? Explain classification of cost.
8. Explain inventory management.
9. Write a note on cash management.
10. From the following particulars of a shine company, compute the operating cycle.

Average Inventory

- Raw Material 4,00,000
- Work in Progress 6,00,000
- Finished Goods 8,00,000

Particulars daily operation

- Raw material consumed – 40,000
- Cost of production – 1,00,000
- Cost of goods sold – 1,60,000
- Credit purchases – 80,000
- Total debtors – 8,00,000
- Total creditors – 10,40,000

Assume 360 days per year for the purpose
