

Rajiv Gandhi University of Health Sciences, Karnataka
VI Semester Bachelors in Hospital Administration Degree Examination - 29-
May-2026

Time: Three Hours

Max. Marks: 80

MANAGEMENT ACCOUNTING IN HEALTHCARE - (RS)

Q.P. CODE: 3251

(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. From the following balance sheets of the company for the year ended 31-12-2020 and 2021, prepare schedule of changes in working capital and statement showing sources and application of fund:

Liabilities	2020	2021	Assets	2020	2021
Share capital	200000	260000	Land and building	113450	116200
Sundry creditors	39500	41135	Plant and machinery	148000	144250
Profit and loss A/c	39690	41220	Stocks	111040	97370
Reserves	50000	50000	Debtors	85175	72625
Bills payable	33780	11525	Goodwill	-	116000
Bank overdraft	59510	-	Bills receivable	2315	735
Provision for taxation	40000	50000	Cash	2500	2700
	462480	453880		462480	453880

2. "Budgetary control means worrying before work rather than after. Its keynotes are planning, co-ordination and control" explain this statement
3. "Ratio analysis is a tool to examine the health of a business with a view to make the financial results more intelligible". Enumerate

SHORT ESSAYS (Answer any Eight)

8 x 5 = 40 Marks

4. Differentiate between financial accounting and management accounting
5. You are given the following data for the year 2020 of the company

Variable cost	600000
Fixed cost	300000
Net profit	100000
Sales	1000000

Find (a) PV ratio (b) BEP (c) Profit when sales amounted to Rs.1200000
(d) Sales required to earn a profit of Rs.200000

6. What is budgetary control? Discuss the classification of budgets
7. What is a cash flow statement? Discuss the uses and significance of cash flow statement
8. What is meant by Zero based budgeting? What are the different steps involved in it and how is it useful to the business?

Rajiv Gandhi University of Health Sciences, Karnataka

9. The following overhead expense relates to a cost at 50% of normal capacity. Draw up a flexible budget for the cost centre for operating at 75%, 100% and 125% of normal capacity. Indicate the basis and assumption upon which various expenses are divided:

Foreman	100
Assistant foreman	40
Inspectors	65
Shop labourers	50
Machinery repairs	120
Defective works	25
Consumable stores	20
Machine depreciation	140

10. Discuss the use and importance of financial statements
 11. The following balance sheet of Nirman Ltd., as on 31-12-2019

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Equity share capital	600000	Goodwill	100000
7% debentures	350000	Land and building	230000
Long-term debts	200000	Plant and M/c	300000
Bank overdraft	75000	Trade investments	300000
Sundry creditors	60000	Sundry debtors	150000
Bills payable	30000	Bills receivables	40000
Liability for tax	20000	Cash in hand	50000
		Cash at bank	60000
		Stock	100000
		Prepaid rent	5000
	1335000		1335000

Calculate the following ratios

- Quick ratio
- Current ratio

12. Explain the nature and scope of management accounting
 13. What is marginal costing? Explain its features and assumptions

SHORT ANSWERS (Answer any ten)

10 x 2 = 20 Marks

- What is financial analysis?
- Mention any two limitations of cash flow statement
- Explain BEP
- What is marginal costing?
- What is current ratio and quick ratio?
- What are the merits of management accounting?
- What is master budget?
- What is trend analysis?
- What is capital gearing ratio and inventory turnover ratio?
- Are there any limitations on the interpretation of financial statements?
- What is margin of safety and contribution?

Rajiv Gandhi University of Health Sciences, Karnataka

25. Define budgetary control
