

**Rajiv Gandhi University of Health Sciences, Karnataka**  
**IV Semester Bachelors in Hospital Administration Degree Examination - 02-**  
**Dec-2024**

**Time: Three Hours**

**Max. Marks: 80**

**COST ACCOUNTING IN HEALTHCARE - (RS)**

**Q.P. CODE: 3244**

**(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. The net profit for the year ended 31-03-2021 was Rs.5,15,020 as shown by financial books. The same does not tally with the net profit as per cost books. The following observations were made:
  - a) Interest on investment Rs.32,000 collected by bank, not included in cash book
  - b) Loss due to depreciation in stock value charged in financial accounts only Rs.27,000
  - c) Works overhead under-recovered in cost accounts Rs.12,480
  - d) Bank interest and dividend received Rs.4,900 entered only in passbook
  - e) Loss charged in financial accounts Rs.22,800
  - f) Depreciation charged in financial accounts Rs.44,800
  - g) Depreciation as per cost accounts Rs.50,000
  - h) Income tax paid Rs.1,61,200
  - i) Administrative overhead over-recovered in cost accounts Rs.6,800

Prepare a reconciliation statement and calculate profit as per the cost accounts

2. Explain methods of labour remuneration
3. From the following transactions prepare a stores ledger accounting using FIFO method

01-07-2004	Opening stock		500 units @ Rs.20 each
04-07-2004	Purchased	GRN 574	400 units @ Rs.21 each
06-07-2004	Issued	SR 251	600 units
08-07-2004	Purchased	GRN 578	800 units @ Rs.24 each
09-07-2004	Issued	SR 258	500 units
13-07-2004	Issued	SR 268	300 units
24-07-2004	Purchased	GRN 584	500 units @ Rs.25 each
28-07-2004	Issued	SR 269	400 units

**SHORT ESSAYS (Answer any Eight)**

**8 x 5 = 40 Marks**

4. From the following particulars, calculate EOQ  
Monthly demand – 1000 units  
Cost of placing an order – Rs.100  
Annual carrying cost per unit – Rs.15  
Normal usage – 50 units per week
5. Standard output of a product has been fixed at 24 units in a day of 8 hours. Normal wage per day is Rs.24. calculate total wages including Bonus payable under time rate and piece rate and Halsey plan of wage payment, when the output are, 20, 32, 48 units per day

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6. Shagoon India Ltd., provides the following information in respect of material X
- Supply period 5 to 10 days
  - Rate of consumption
  - Average – 15 units per day
  - Maximum – 20 units per day
  - Yearly – 5000 units
  - Ordering cost per order Rs.20
  - Storage cost are 10% of units value
  - Purchase price per unit Rs.50

Compute – a) Re-order level    b) Minimum level    c) Maximum level

7. State the objectives of Cost Accounting
8. Define budgetary control. Explain objectives of budgetary control
9. Distinguish between historical costing and standard costing
10. State the features of process costing
11. Explain allocation and absorption of overhead
12. Explain labour turnover in detail
13. What is meant by material control? Explain objectives of material control

## **SHORT ANSWERS (Answer any ten)**

**10 x 2 = 20 Marks**

14. Distinguish between normal and abnormal waste
15. Write a note on LIFO method of pricing
16. Explain time recording
17. Distinguish between direct and indirect labour
18. Define overheads
19. Define contribution and margin of safety
20. Explain labour turnover
21. Define operating costing
22. What is EOQ?
23. Write a note on Rowan's plan of wage payment
24. Distinguish between direct material and indirect material
25. Write a note on VED analysis of inventory control

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