



MANIPAL ACADEMY OF HIGHER EDUCATION

SECOND SEMESTER MASTER OF HOSPITAL ADMINISTRATION DEGREE EXAMINATION - SEPTEMBER
2018

SUBJECT: MHA 502 - ACCOUNTING & FINANCIAL MANAGEMENT
(2017-2019 BATCH - REPEATERS)

Monday, September 17, 2018 (14.30 - 16.00)

Marks: 50

Duration: 90 mins.

Answer all the questions.

- 1) Journalise the following transactions and prepare printing, discount and wages accounts. (10)

		₹
2015 June 5	Furniture purchased	15,000
“ ” 7	Paid printing charges	13,500
“ ” 12	Purchased Machinery for cash	6,000
“ ” 18	Paid wages	4,000
“ ” 20	Sold Furniture for cash	4,500
“ ” 22	Sold goods for cash	6,000
“ ” 23	Bought goods from Mahesh	5,000
“ ” 25	Discount allowed	4,000

- 2) Trial Balance as on 31st December 2017 (10)

	Dr. (₹)	Cr. (₹)
Loose Tools	10,000	
Sales		1,50,000
Sundry debtors and creditors	15,000	13,100
Capital account		90,000
Drawings account	11,000	
Returns	1,100	2,200
Machinery	55,000	
Bills receivables	5,000	
Land & buildings	60,000	
Bills payable		9,000
Salaries	20,000	
Trade expenses	10,000	
Rent	2,400	
Stationery	1,400	
Discount	2,000	2,000
Commission		2,800
Bad debts	600	
Furniture	8,000	
Cash balance	2,000	
Stock as on 1 st Jan 2017	5,000	
Purchases	70,000	
Traveling expenses	600	
Interest received		10,000
	2,79,100	2,79,100

Prepare Trading and profit and loss account and Balance sheet as on 31st December 2017.

Adjustments:

- Outstanding traveling expenses ₹ 100
- Prepaid salary ₹ 200
- Closing stock as on 31st December 2017 is ₹ 2,000

Answer all the questions.

3A) Below given is the income statement and balance sheet of a company

(5)

Income statement

Sales	10000
Less: Cost of goods sold	<u>6000</u>
Gross profit	4000
Less: depreciation	200
Interest payment	<u>100</u> <u>300</u>
Net profit before taxes	3700
Less: Taxes	<u>1850</u>
Net profit after taxes	1850

Balance sheet			
Liabilities		Assets	
Equity share capital	2000	Plant & equipment	2000
Long term loans	1000	Cash	1000
	3000		3000

From the above data find out the following ratios:

- i) Gross profit Ratio
 - ii) Return on assets ratio
 - iii) Return on equity ratio
- (2+2+1 = 5 marks)

- 3B) **From the following data, calculate the amount of working capital required.** (5)
 Stock of raw materials ₹ 90000
 Work-in-progress ₹ 45000
 Finished goods ₹ 90000
 Debtors ₹ 105000
 Amount paid in advance ₹ 120000
 Cash ₹ 105000
 Sundry creditors ₹ 150000
 Outstanding wages ₹ 75000
 Safety margin 10%
- 3C) An initial investment of \$260,000 is expected to generate annual cash inflow of \$64,000 (5)
 for 6 years. Depreciation is allowed on the straight line basis. It is estimated that the
 project will generate scrap value of \$21,000 at end of the 6th year. Calculate its
 accounting rate of return assuming that there are no other expenses on the project.
- 3D) **Find out the total profit and variable cost per unit from the following details:** (5)
 Contribution per unit ₹ 5
 Fixed cost ₹ 12000
 Total sales 7000 units
 Selling price per unit ₹ 11
- 3E) Explain any five long term sources of finance. (5)
- 3F) Write a note on SEBI. (5)

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