

Question Paper

Exam Date & Time: 27-May-2019 (10:00 AM - 11:30 AM)



MANIPAL ACADEMY OF HIGHER EDUCATION

SECOND SEMESTER MASTER IN HOSPITAL ADMINISTRATION DEGREE EXAMINATION - MAY 2019
SUBJECT: MHA 502 - ACCOUNTING & FINANCIAL MANAGEMENT
(2017-2019 BATCH - REPEATERS / 2018-2020 BATCH REGULAR)
Monday, May 27, 2019 (10.00 - 11.30)

Marks: 50

Duration: 90 mins.

Answer all the questions.

1) Trial Balance as on 31st December 2014.

(10)

	Dr.(Rs.)	Cr.(Rs.)
Debtors	14,000	
Stock on 1-1-2014	5,000	
Sales		1,69,000
Purchases	50,000	
Capital account		55,000
Drawings account	20,000	
Returns	2,600	3,000
Machinery	30,000	
Bills receivables	5,000	
Land & buildings	60,000	
Bills payable		8,000
Salaries	24,000	
Trade expenses	14,000	
Rent	2,400	
Stationery	1,400	
Creditors		13,200
Reserve for Bad & doubtful debt		12,800
Bad debts	600	
Furniture	7,000	
Cash in hand	25,000	
	2,61,000	2,61,000

Prepare Trading and profit & loss a/c for the year ended 31st December, 2014 and Balance sheet as on that date after making necessary adjustments.

Adjustments:

- Outstanding Rent Rs.400.
- Depreciate Machinery by 10%.
- Closing stock Rs.3000.

2)

(10)

Rs.

2012 June 1	Amount received from Chandra	70,000
" " 3	Purchased Machinery	16,500
" " 8	Purchased goods from Sridhar	3,500
" " 9	Sold goods for cash	550
" " 11	Commission received	600
" " 16	Salary paid	600
" " 19	Rent paid	800

Journalise the above given transactions in the books of Rahul and prepare the following ledger accounts:

- i) Salary account
- ii) Machinery account
- iii) Rent account

3A) Balance sheet as on 31st December 2014. (5)

Liabilities	Rs.	Assets	Rs.
Share capital: Equity share of Rs.10 each	20,00,000	Fixed assets	20,00,000
Reserves	2,00,000	Stock	7,00,000
7% debentures	6,00,000	Sundry Debtors	5,00,000
Bank Overdraft	3,00,000	Cash in hand	3,00,000
Creditors	4,00,000		
	35,00,000		35,00,000

Calculate:

- i) Current Ratio
- ii) Net worth ratio
- iii) Debt-equity ratio

3B) From the following data calculate the amount of working capital required. (5)

1. Average amount locked up in stock:

- Stock of materials and stores Rs. 24,000 per annum
- Work-in-progress Rs. 6,000 per annum
- Stock of finished goods Rs. 12,000 per annum

2. Average credit given (Debtors)

- Inland sales -8 weeks credit (Rs.4,00,000 per annum)
- Export sales - 3 weeks credit (Rs.1,20,000 per annum)

3. Lag in payment of wages and other expenses:

- Lag in payment for purchase of materials and stores - 5 weeks (Rs. 80,000 per annum)
- Lag in payment of wages - 3 weeks (Rs. 40,000 per annum)
- Lag in payment of overheads - 1 week (Rs. 30,000 per annum)

4. Payment in advances:

- Sundry expenses (paid quarterly in advance) Rs. 10,000 per annum
- Safety margin 5%.

3C) A company has a capital of Rs.8,00,000. Its turnover is 2 times the capital and the margin on sales is 5%. What is the return on investment? (5)

3D) p/v ratio of Hanuman Company is 30% and the margin of safety is 25% of sales. Contribution is 30% of sales. Fixed cost is Rs.20000. Work out the net profit at the sales volume of Rs.100000. (5)

3E) Write a note on debentures. (5)

3F) Distinguish between leasing and venture capital. (5)

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