

MANIPAL UNIVERSITY
SECOND SEMESTER MASTER IN HOSPITAL ADMINISTRATION
DEGREE EXAMINATION – JULY 2015

SUBJECT: MHA – 602: BASIC ACCOUNTING AND COST ACCOUNTING

Monday, July 13, 2015

Time: 10:00 – 13:00 Hrs.

Maximum Marks: 80

1. Below given transactions are related to Ashok Ltd.

2007	June 1	Cash received from Ganesh	1,00,000
" "	3	Purchased Machinery	5,500
" "	4	Purchased goods for cash	800
" "	6	Paid for Advertising	300
" "	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) Cash account ii) Machinery account iii) Rent account

(15 marks)

2. Trial Balance as on 31st December 2008.

	Dr. (₹)	Cr. (₹)
Debtors	12,000	
Stock on 1-1-2008	5,000	
Sales		1,67,000
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	
	2,59,000	2,59,000

Prepare Trading and Profit & Loss A/c for the year ended 31st December, 2008 and Balance sheet as on that date after making necessary adjustments.

Adjustments:

- i) Outstanding Rent ₹ 500/-
- ii) Depreciate Machinery by 10%
- iii) Closing stock ₹ 1000/-

(15 marks)

3. State with reason and rules which account should be debited and which account should be credited in each of the following transactions:

- i) Purchased goods for cash ₹ 20,000/-
- ii) Sold goods for cash ₹ 9000/-
- iii) Bought stamps ₹ 1000/-
- iv) Paid salary ₹ 3000/-
- v) Paid rent ₹ 2000/-
- vi) Paid for repairs ₹ 3000/-
- vii) Received cash from Ashok ₹ 9000/-
- viii) Paid cash to Anand ₹ 2000/-

(10 marks)

4. From the following prepare a Trial balance:

bank loan	2,00,000
outstanding rent	30,000
Sales	3,00,000
Purchases returns	2,000
Sales returns	3,000
Opening stock	36,000
general expenses	30,000
Commission received	2,000
Purchases	5,000
Furniture	50,000
Debtors	80,000
Creditors	30,000
Machinery	3,60,000

(10 marks)

5. Explain any five features of Financial Accounting.

(10 marks)

6. A company manufactures and sells 60000 units of a product at a variable cost of ₹ 42/- each. The fixed costs are ₹ 180000/-. The selling price is fixed to make a profit of 33.33% on cost. You are required to calculate:

- i) p/v ratio
- ii) Break-even point units

(10 marks)

7. From the following particulars, prepare a Cost Sheet showing:

- i) Cost of Materials Consumed
- ii) Prime Cost
- iii) Cost of Production
- iv) Profit

	₹
Opening stock of raw materials	21,000
Opening stock of work in progress	11,000
Opening stock of finished goods	51,000
Raw materials purchased	5,00,000
Direct wages	3,80,000
Sales for the year	12,00,000
Closing stock of raw materials	75,000
Closing stock of work in progress	15,000
Factory overhead	80,000
Direct expenses	50,000
Office and Administrative overhead	60,000
Selling and Distribution expenses	30,000
Closing stock of finished goods	50,000

(10 marks)



MANIPAL UNIVERSITY
SECOND SEMESTER MASTER IN HOSPITAL ADMINISTRATION
DEGREE EXAMINATION – JULY 2015

SUBJECT: MHA – 604: FINANCIAL MANAGEMENT IN HEALTHCARE

Tuesday, July 14, 2015

Time: 10:00 – 13:00 Hrs.

Maximum Marks: 80

✍ **Answer ALL the questions.**

1. From the following prepare a Working Capital Statement for a level of activity of 2,00,000 units of production.
- Raw material – ₹ 10 per unit; Direct Labor – ₹ 05 per unit; Overheads – ₹ 15 per unit; Profit – ₹ 20 per unit; Selling price – ₹ 50 per unit
 - Raw materials are in stock for an average of 4 months
 - Materials are in process on an average of 4 weeks
 - Finished goods are in stock on an average 2 months
 - Credit allowed by supplier is 1 month
 - Time lag in payment of wages is 1 week
 - Time lag in payment of overheads is 1 month
 - Credit allowed to debtors is 3 months
 - 20% of the output is sold for cash
 - Cash in hand and at bank is expected to be ₹ 1,50,000
 - It's assumed that the production is carried on evenly throughout the year and wages and overheads accrue similarly. The time period of 4 weeks is equal to 1 month

(15 marks)

2. Stanley Corporation has the practice of estimating Working Capital Requirements on the basis of the operating cycle. It gives the following details:

- Period covered 365 days
- Average creditors 5,00,000
- Average debtors 15,00,000
- Raw materials consumed 20,00,000
- Cost of Production 40,00,000
- Cost of Sales (operating cost) 90,00,000
- Sales 4,80,00,000
- Average Inventory:
 - Raw materials: 10,00,000
 - Work in process: 17,50,000
 - Finished Goods: 45,50,000

- Calculate:** 1. Gross Operating Cycle 2. Net Operating Cycle
 3. Number of operating cycles in a year 4. Average Working Capital Requirements

(15 marks)

3. From the following given cash flows of the two projects, compute the payback period and suggest which of the two projects should be selected:

Year	Project X	Project Y
1	30,000	34,000
2	40,000	50,000
3	15,000	20,000
4	35,000	40,000
Cost	1,00,000	1,20,000

(10 marks)

4. An industry is considering the purchase of 2 machines. A and B are available costing ₹ 2,00,000 each. The machines have a life of 5 years. The Cash Flows After Tax After Depreciation are expected to be as follows:

Year	Machine A	Machine B
1	48000	58000
2	40000	37000
3	65000	84000
4	56000	32000
5	20000	27000

You are required to evaluate the above machines and recommend which one should be selected under the ARR method.

(10 marks)

5. Explain the various finance functions in financial management.

(10 marks)

6. Explain the following type of budgets briefly: a) Sales Budget; b) Production budget; c) Raw materials and purchasing budget.

(10 marks)

7. Discuss the objective of Wealth Maximization in FM. Also mention in what ways can the wealth of an organization be maximized?

(10 marks)



MANIPAL UNIVERSITY

SECOND SEMESTER MASTER IN HOSPITAL ADMINISTRATION
DEGREE EXAMINATION – JULY 2015

SUBJECT: MHA – 606: HEALTH ECONOMICS AND BUSINESS ECONOMICS

Wednesday, July 15, 2015

Time: 10:00 – 13:00 Hrs.

Maximum Marks: 80

✍ Long essay questions:

1. Explain the concept of Social Insurance. Classify different types of insurance and list out the advantages and disadvantages of health insurance to economy of country.
(5+5+5 = 15 marks)
2. What is meant by market equilibrium? In the market for ice cream cone at the equilibrium price is \$2 per cone and equilibrium quantity is 7 cones. Explain along with diagrams the change in market equilibrium under the following conditions:
 - 2A. Suppose the market price is above the equilibrium price. At price of \$2.50 per cone, the quantity of good supplied (10 cones) exceeds the quantity demanded (4 cones).
 - 2B. Suppose the market price is below the equilibrium price. In this case, the price is \$1.50 per cone and the quantity of good demanded exceeds the supply.
(8+7 = 15 marks)

✍ Write short notes on the following questions:

3. Discuss the value of marginal product and the demand for labour. What causes the labour demand to shift?
4. What are the four types of market structure? Compare the quantity and price of an oligopoly to those of a competitive market.
5. Define utility. What are the different ways to derive maximum utility from the alternate use of resources?
6. Discuss economic evaluation and its importance in healthcare. What are the different types of economic evaluation?
7. What is a market? Explain with a suitable diagram the flow of money, resources and commodities in a market. What kind of government interventions can be seen in the market?
(10 marks × 5 = 50 marks)



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MANIPAL UNIVERSITY

SECOND SEMESTER MASTER IN HOSPITAL ADMINISTRATION DEGREE EXAMINATION – JULY 2015

SUBJECT: MHA – 608: LEGAL ISSUES IN HEALTH CARE AND BUSINESS ETHICS

Thursday, July 16, 2015

Time: 10:00 – 13:00 Hrs.

Maximum Marks: 80

1. Describe Consent. Describe the four types of consent with examples from a hospital setting. (15 marks)
2. What are the important provisions of the Medical Council of India Act? (15 marks)
3. **Write short notes on the following questions:**
 - 3A. Preservation of Medico-legal exhibits (Samples of blood/body fluids, other materials) of Medico Legal cases. (10 marks)
 - 3B. Describe the important provisions of the Environment Protection Act. (10 marks)
 - 3C. What is the difference between tort and breach of contract? What are the essentials of Tort? (3+7 = 10 marks)
 - 3D. Discuss the Transplantation of Human Organs Act. (10 marks)
 - 3E. Discuss the Medical Termination of Pregnancy rules 2003. (10 marks)

