The IIHMR University, Jaipur

Institute of Health Management Research

MBA Hospital and Health Management (2014-2016)

Financial Management

Time: 3.00 hrs **M.M-70**

Question – 1

Prepare the Journal from the following Transaction in the books of Lucky Ltd. 15

Jan1. Assets :- CashRs.12000 , Furniture Rs.2000 , Stock Rs.20000 , Building Rs. 50000 , Santosh Rs.10000 , Usha Rs. 6000
Liabilities :- Ramesh Rs. 7000 , Naresh Rs. 15000
Jan 2. Purchase Goods Rs. 25,000 by cash and on credit Rs.15000 from Ram .
Jan 3. Purchase goods of list price 1,00,000 at 10% trade discount and 5% cash discount.
Jan 6. Withdraw for personal use Rs.5,000 and Goods worth Rs. 7,000
Jan 7. Purchase Furniture Rs.25000 for daughter marriage .
Jan 8. Santosh become insolvent and 60 paise in a rupee could be realized from him .
Jan 9. Paid Income Tax Rs. 12,000 .
Jan 10. Paid to Ram in full settlement Rs. 24000
Jan 11. Goods sold Rs. 50,000 , half amount received by cheque .
Jan 15. Paid for salaries Rs. 5000 , advertisement Rs. 7000 , Trade expenses Rs.3000 .
Jan 17. Provide a loan to Ajay Rs. 1,00,000 @ 15 % p.a. interest.
Jan 19. Received Rs. 20000 cash and a cheque of Rs. 25000 .
Jan 20. Paid rent for building Rs.7200 half of the building is used by the proprietor for residential use.
Jan 22. Received cash from Rita against bad debts Rs. 22000 written off last year , Rs. 19800 .
Jan 24. Charge Depreciation on furniture @ 10% p.a for one month (Furniture Rs. 7200)
Jan 25. Provide Interest on capital (Rs. 36000) at 15% p.a. for six month .
Jan 26. Supplied goods costing Rs.600 to mohan and issued invoice at 10 % above cost and allowed 5 %trade discount .
Jan 27. Bought 100 shares of Reliance Ltd. @ Rs.10 per share.
Jan 28. Household Furniture lost by Fire Rs. 10000 .

Question 2

A Hospital buys a ECG Scan machine for Rs. 33,00,000 and gets a cashflow of Rs.3,00,000, for the first 18 years and Rs.150,000, and Rs.100,000 for the last two years. Find the discounted payback and NPV if the discount rate is 12%. If the IRR of the project is 6% write whether the hospital should buy this machine or not? 10

Question 3

Vishal enterprises sells nutrition drinks. They sell apple juice worth Rs. 20,000, Aleovera juice worth Rs. 25000, Neem extract worth Rs. 10000 and probiotic drink worth Rs. 5000 every month. The company's fixed cost per month are Rs. 14,700 and the variable cost on apple juice is 60%, Aleovera juice is 68%, Neem extract is 80% and probiotic drink is 40%. of sales The proprietor Mr. Vishal wonders at what combined sales volume does he start earning profit? Can you help him arrive at such a sales volume? 10

Question 4

Arihant hospitals purchases a machinery for Rs. 800,000 with a down payment of Rs. 150,000 and the remainder in equal installments of Rs. 150,000 for six years. What is the rate of interest to the hospital? 10

Question 5

Write short notes on (Not more than 50 words) on 10

1. Money measurement concept
2. Accrual Concept
3. Convention of Full Disclosure
4. Bank Overdraft
5. Venture Capital

Question 6 (Answer any 6. Each question carries 2.5 marks) 15

1. Give three examples of current assets.
2. Write down the formula for any two profitability ratios.
3. Given two examples of Intangible assets.
4. Please rank these on riskiness, from low to high – Bank loans, Shares, Debentures, and Preference Shares.
5. If the difference between current ratio and acid test ration is 2.13, what does that indicate?
6. A hospital gets a grant of Rs. 2000 per delivery in the maternity ward. What kind of budgeting should the hospital resort to?
7. Give the full form of EBDITA.