

LIHMR UNIVERSITY
Institute of Health Management Research
MBA Hospital and Health Management
Batch-21st (2016-2018) First Year
Financial Management
Term Examination



Time - 3 Hour

MM-70

- Q. 1.** Write very short note on any ten of the following (30-40 words, please stick to word limit):
(2x10=20 Marks)
1. Trading account
 2. Gross Profit
 3. Entity concept
 4. Reserves and Surplus
 5. Cash Credit
 6. IRR
 7. Bank Overdraft
 8. Going Concern Concept
 9. Debentures
 10. Intangible Assets
- Q. 2.** Find out the present value of an annuity of Rs. 4000 starting immediately and lasting until ninth year at a discount rate of 20%.
(10 Marks)
- Q. 3.** A project's EBDIT is Rs. 10 lacs a year for five years, rate of interest is Rs. 2450 per year, Depreciation is 10% on gross block of Rs. 22500 per year and tax rate is 20%. Find the net cash flow. The cost of capital is 10%. Find out the NPV.
(15 Marks)
- Q. 4.** Give two examples each of Leverage and Profitability Ratios.
(5 Marks)
- Q. 5.** Prepare the journal in the account books of Sohan.
(20 Marks)
- Jan 1. Sohan started business with cash Rs. 40000, goods Rs. 20000, furniture Rs. 1000.
Jan 3. Sold goods to Vikram costing Rs.4000 @ 10% above cost.
Jan 4. Purchase building worth Rs. 100000.
Jan 7. Bought good worth Rs. 5000 from Ram and received cash discount @ 5%.
Jan 9. Purchase goods from Raju worth Rs. 10000.
Jan 10. Salary paid to Mohan an employee Rs. 2000.
Jan 11. Received a cheque form Vikram and deposited to Bank.
Jan 12. Returned goods of Rs. 2000 purchased from Raju.
Jan 14. Goods sold for cash Rs. 50000 and received Sales Tax 10%.
Jan 15. Furniture worth Rs. 2000 transfer to Ram Sohan's House for the Decoration.
Jan 16. Paid outstanding salaries for the December, 2008; Rs. 12000.
Jan 18. Cash deposited into bank Rs. 10000.
Jan 19. Rakesh purchased goods of Rs.5000 from us.
Jan 20. Rakesh paid cash of Rs.2000.
Jan 22. Paid Life Insurance Premium Rs. 2000.
Jan 24. Charge Depreciation on Furniture @ 10% p.a. for three months (Furniture Rs. 7200).