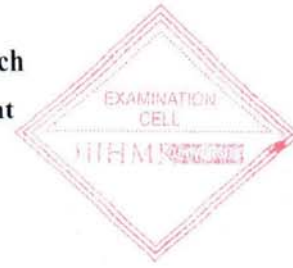


IIHMR UNIVERSITY
Institute of Health Management Research
MBA Hospital and Health Management
Batch-22nd (2017-2019)
First Year



Financial Management
Term Examination

Time - 3 Hour

MM-70

The question paper contains 3 printed page.

This question paper is divided into two parts. Both the parts have to be done in separate sheets.

Part - A

Q. 1. Pass the journal entries for the following transactions (15 marks)

Sunday, July 02, 2017	Goods purchased from Gupta Confectioners on cash	₹ 30,000.00
Sunday, July 02, 2017	Furniture purchased from Ashoka Furnitures on cash	₹ 5,000.00
Sunday, July 02, 2017	Refrigerator purchased on cash	₹ 8,000.00
Tuesday, July 04, 2017	Milk purchased from Saras dairy on cash	₹ 105,600.00
Tuesday, July 04, 2017	Dahi purchased from Saras dairy on cash	₹ 3,360.00
Wednesday, July 05, 2017	Paneer purchased from Saras dairy on cash	₹ 7,200.00
Wednesday, July 05, 2017	Confectionary purchased from Suresh on credit	₹ 30,000.00
Thursday, July 06, 2017	Milk sold to Subodh hostel on credit	₹ 50,000.00
Friday, July 07, 2017	Milk sold to Mr. Khurana on cash	₹ 5,000.00
Saturday, July 08, 2017	Confectionary sold to Subodh students on cash	₹ 9,000.00
Monday, July 10, 2017	Goods sold to Reema on cash	₹ 3,000.00
	Discount given to Reema	5% of 3000
Monday, July 10, 2017	Life insurance premium of Nandlal (owner) paid	₹ 2,000.00
Monday, July 10, 2017	Advance given to Jaipur dairy by M/S Khan on cash and discount given 5%	₹ 1,500.00

Q. 2. Write Short Notes on any two of the following – (Not more than 50 words. Stick to word limit)
a. Concept of Money Measurement
b. Concept of Duality
c. Trial Balance

(5+5 Marks)

Q. 3. Prepare a trading a/c, P&L a/c and balance sheet from the following trial balance (10 Marks)

Trial Balance as on 31.03.2010		
Heads of Accounts	Dr.	Cr.
Opening Stock	15,000	—
Salary	2,400	—
Purchase and Sales	80,000	1,20,000
Machinery	40,000	—
Returns	4,000	5,000
Commission Received	—	6,000
Investments	10,000	—
Interest on Investment	—	1,200
Carriage on Purchase	3,000	—
Rent and Rates	4,000	—
Debtors and Creditors	22,800	15,700
Bills Receivable and Bills Payable	3,400	4,100
Cash-in-hand	6,400	—
Wages	18,600	—
Discount Allowed	5,200	—
Royalty Paid	12,000	—
Discount Received	—	6,000
Drawings and Capital	1,200	70,000
	2,28,000	2,28,000
Closing Stock was Rs. 15,250		

Part B: Financial Management

Q. 1. Write short notes on any two of the following –

- (a) Indian Financial System
- (b) Lease
- (c) Working Capital Management

(5 + 5 marks)

Q. 2. What are ratios? What is their importance? Mention any two ratios each for measuring –

- (i) Activity / Performance and (ii) Solvency.

(10 marks)



Q. 3. (a) EEC Limited is considering the purchase of a machine. Two machines LM and PM are available each costing Rs. 1,00,000. Both machines will last for 5 years with no residual value. The cost of capital for the company is 10%. Cash flows after taxes for both the machines are as follows

Year	LM	PM
1	10,000	10,000
2	20,000	20,000
3	30,000	40,000
4	40,000	20,000
5	20,000	10,000

Indicate which machine would be better under Net Present Value method of capital budgeting.

(b) Amit has invested Rs 100,000 in fixed deposit carrying interest @ 8% p. a. compounded annually. You are required to find out the amount to be received by Amit after 5 years.

(15 marks)

