

Reg. No:.....

**Second Year MHA Degree Supplementary Examinations, February 2014**

**Management Accounting and Cost Accounting**

**Time: 3 Hours**

**Total Marks: 100**

- Answer all questions. Draw diagrams wherever necessary
- Write **section A** and **section B** in **separate answer books. Do not mix up questions from section A and section B.**

**QP CODE: 204380**

**Section A – Management Accounting**

**Marks: 50**

**Essay:**

**(20)**

1. The trial balance of Lakshmi stores shows the following balance on December 31st 2013

	<b>Dr.(Rs.)</b>	<b>Cr(Rs.)</b>
Capital		58,400
Opening stock	15,000	
Purchases	60,000	
sales		1,10,000
purchase return		3,500
sales return	2,200	
advertisement	3,000	
fright	3,800	
bank charges	1,000	
discount allowed	1,200	
discount received		1800
machinery	20,000	
sundry debtors	30,000	
sundry creditors		18000
drawings	8,000	
cash in hand	1,200	
cash at bank	2,500	
manufacturing expenses	3,800	
land and building	40,000	
	<u><b>1,91,700</b></u>	<u><b>1,91,700</b></u>

Closing stock is valued at RS.19,500. Prepare Trading and Profit and Loss Account for the Year ended 31-12-2013, and Balance Sheet as on that date. “

**Short essay:**

2. Draw up a model balance sheet for a tertiary teaching hospital

**Short notes:**

3. Trial balance

4. Hospital financial transaction process

5. Accounting principle

6. Hospital expenses

**(4x5 =20)**

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**P.T.O**

**Essay:****(20)**

1. The demand for a certain surgical product in hospital is random. It has been estimated that the monthly demand of the surgical product is 5000 units. The unit price of product is Rs.25. Ordering cost is Rs. 40 per order and inventory carrying cost is estimated to be 35 per cent per year. Normal lead time is 20 days and safety stock is NIL. Assume 300 working days in a year:
  - Calculate the economic order quantity (E.O.Q).
  - Calculate the reorder inventory level.
  - If one per cent quantity discount is offered by the supplier for purchases in lots of 5000 units or more, should the hospital accept the proposal.

**Short essay:****(10)**

2. Define cost accounting and its objectives. Explain the advantages of cost accounting

**Short notes:****(4x5=20)**

3. Calculate total passenger kilometers from the following information: Number of buses 8, number of days operating in a month 26, trips made by each bus per day 6, distance covered 25 kilometers (one side), capacity of bus 50 passengers, normally 90% of capacity utilization.
4. Cost centers Vs. Cost units
5. Break even analysis
6. Standard costing

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