



INTERNATIONAL INSTITUTE OF
HEALTH MANAGEMENT RESEARCH

Post Graduate Diploma in Management (Hospital & Health Management)

PGDM – 2022-24 Batch

Term – 1st Year 2nd Term End Examination

| | | | |
|---------------|--|------------|---------------------------|
| Course & Code | : CC 611 & Financial Management and Accounting | Reg. No. | : |
| Term & Batch | : II, 2022-24 | Date | : 24 th Feb 23 |
| Duration | : 3 Hrs | Max. Marks | : 70 |

Instructions:

- All questions carry equal (14) marks. Attempt any five.
- Don't write anything on the Question Paper except writing your Registration No.
- Mobile Phones are not allowed even for computations.

Q1. HLFPT produces a single article. Following cost data is given about its product: -

Selling price per unit Rs.40, Marginal cost per unit Rs.24, Fixed cost per annum Rs. 16000.

Calculate: (a)P/V ratio (b) Break Even Sales (c) Sales to earn a profit of Rs. 2,000 (d) Profit at sales of Rs. 60,000 (e) New Break-Even Sales, if price is reduced by 10%.

Q2. TATA Co. Ltd. is to start production on 1st January 2023. The prime cost of a unit is expected to be Rs. 40 (Rs. 16 per materials and Rs. 24 for labor). In addition, variable expenses per unit are expected to be Rs. 8 and fixed expenses per month Rs. 30,000. Payment for materials is to be made in the month following the purchase. One-third of sales will be for cash and the rest on credit for settlement in the following month. Expenses are payable in the month in which they are incurred. The selling price is fixed at Rs. 80 per unit. The number of units to be produced and sold is expected to be: January 900; February 1200; March 1800; April 2000; May 2,100; June 2400 Draw a Cash Budget indicating cash requirements from month to month.

Q3. For a product managed according to the Economic Order Quantity method, the table shows monthly demand rates for the last two years:

| | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec |
|--------|-----|-----|-----|-----|-----|------|------|-----|------|-----|-----|-----|
| Year 1 | 80 | 70 | 110 | 100 | 110 | 90 | 80 | 120 | 100 | 130 | 110 | 100 |
| Year 2 | 120 | 130 | 50 | 70 | 120 | 100 | 90 | 70 | 100 | 80 | 140 | 140 |

The product is bought at 20 Rs per unit. Set up cost is 105 Rs and holding cost is 35% of the purchasing price. Service level decided by management is 95%. Delivery lead time is 1 month.

- Calculate EOQ, Number of orders and time between orders.
- Calculate the reorder point ROP.

Q4. Enumerate the various components of ABDHM? Also write a short note on PM – ABHIM.

Q5. The following list of accounts for Company Risks Ltd. is available at the end of 2022.

| | |
|---|---------|
| Accounts payable for goods | 132,000 |
| Accounts payable for services | 40,000 |
| Accounts receivable, bill of exchange | 10,000 |
| Accumulated depreciation of constructions | 30,000 |
| Advances to suppliers | 12,000 |
| Called subscribed capital receivable | 3,000 |
| Capital grants | 40,000 |
| Capital stock | 150,000 |
| Cash | 84,150 |
| Cash equivalents | 500,000 |
| Constructions | 120,000 |
| Expenses paid in advance | 5,500 |
| Impairment of constructions | 6,000 |
| Impairment of inventories of other supplies | 400 |
| Income for the year | 308,750 |
| Interest payable to credit institutions | 3,000 |
| Inventories of other supplies | 1,500 |
| Land | 140,000 |
| Provisions for other responsibilities | 20,000 |
| Salary paid in advance | 3,000 |
| Short-term debt with credit institutions | 150,000 |
| Short-term holdings in equity | 6,000 |
| VAT payable | 5,000 |

REQUIRED: Prepare the Balance Sheet according to the normal model of the new PGC.

Q6. The following Trading and Profit and Loss Account of Fantasy Ltd. for the year 31-3-2022 is given below:

| Particular | Rs. | Particular | Rs. |
|------------------------------|----------|----------------------------|----------|
| To Opening Stock | 76,250 | By Sales | 5,00,000 |
| " Purchases | 3,15,250 | " Closing stock | 98,500 |
| " Carriage and Freight | 2,000 | | |
| " Wages | 5,000 | | |
| " Gross Profit b/d | 2,00,000 | | |
| | 5,98,500 | | 5,98,500 |
| To Administration expenses | 1,01,000 | By Gross Profit b/d | 2,00,000 |
| " Selling and Dist. expenses | 12,000 | " Non-operating incomes: | |
| " Non-operating expenses | 2,000 | " Interest on Securities | 1,500 |
| " Financial Expenses | 7,000 | " Dividend on shares | 3,750 |
| Net Profit c/d | 84,000 | " Profit on sale of shares | 750 |
| | 2,06,000 | | 2,06,000 |

Calculate: 1. Gross Profit Ratio 2. Expenses Ratio 3. Operating Ratio 4. Net Profit Ratio
5. Operating (Net) Profit Ratio 6. Stock Turnover Ratio.

Q7. A project with a 4-year life and a cost of Rs. 225,000 generates revenue of Rs. 48,000 in year 1, Rs. 67,000 in year 2, Rs. 95,000 in year 3 and Rs. 110,000 in year 4. If the discount rate is 15%, Can the project be accepted? Also calculate the IRR and PI of the project.

| Discount Rate | | | | | | | | | | | | | | | | |
|---------------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Period | 1% | 2% | 3% | 4% | 5% | 6% | 7% | 8% | 9% | 10% | 11% | 12% | 13% | 14% | 15% | Period |
| 1 | 0.9901 | 0.9804 | 0.9709 | 0.9615 | 0.9524 | 0.9434 | 0.9346 | 0.9259 | 0.9174 | 0.9091 | 0.9009 | 0.8929 | 0.8850 | 0.8772 | 0.8696 | 1 |
| 2 | 0.9803 | 0.9612 | 0.9426 | 0.9246 | 0.9070 | 0.8900 | 0.8734 | 0.8573 | 0.8417 | 0.8264 | 0.8116 | 0.7972 | 0.7831 | 0.7695 | 0.7561 | 2 |
| 3 | 0.9706 | 0.9423 | 0.9151 | 0.8890 | 0.8638 | 0.8396 | 0.8163 | 0.7938 | 0.7722 | 0.7513 | 0.7312 | 0.7118 | 0.6931 | 0.6750 | 0.6575 | 3 |
| 4 | 0.9610 | 0.9238 | 0.8885 | 0.8548 | 0.8227 | 0.7921 | 0.7629 | 0.7350 | 0.7084 | 0.6830 | 0.6587 | 0.6355 | 0.6133 | 0.5921 | 0.5718 | 4 |
| 5 | 0.9515 | 0.90328 | 0.8626 | 0.8219 | 0.7835 | 0.7473 | 0.7130 | 0.6806 | 0.6499 | 0.6209 | 0.5935 | 0.5674 | 0.5428 | 0.5194 | 0.4972 | 5 |
| 6 | 0.0161 | 0.0176 | 0.8375 | 0.7903 | 0.7462 | 0.7050 | 0.6663 | 0.6302 | 0.5963 | 0.5645 | 0.5346 | 0.5066 | 0.4803 | 0.4556 | 0.4323 | 6 |
| 7 | 0.9327 | 0.0096 | 0.8131 | 0.7599 | 0.7107 | 0.6651 | 0.6227 | 0.5835 | 0.5470 | 0.5132 | 0.4817 | 0.4523 | 0.4251 | 0.3996 | 0.3759 | 7 |
| 8 | 0.9235 | 0.0053 | 0.7894 | 0.7307 | 0.6768 | 0.6274 | 0.5820 | 0.5403 | 0.5019 | 0.4665 | 0.4339 | 0.4039 | 0.3762 | 0.3506 | 0.3269 | 8 |
| 9 | 0.9143 | 0.7477 | 0.7664 | 0.7026 | 0.6446 | 0.5919 | 0.5439 | 0.5002 | 0.4604 | 0.4241 | 0.3909 | 0.3606 | 0.3329 | 0.3075 | 0.2843 | 9 |
| 10 | 0.9053 | 0.8401 | 0.7441 | 0.6756 | 0.6139 | 0.5584 | 0.5083 | 0.4632 | 0.4224 | 0.3855 | 0.3522 | 0.3220 | 0.2946 | 0.2697 | 0.2472 | 10 |
| 11 | 0.8963 | 0.9004 | 0.7224 | 0.6496 | 0.5847 | 0.5268 | 0.4751 | 0.4289 | 0.3875 | 0.3505 | 0.3173 | 0.2875 | 0.2607 | 0.2366 | 0.2149 | 11 |
| 12 | 0.8874 | 0.7885 | 0.7014 | 0.6246 | 0.5568 | 0.4970 | 0.4440 | 0.3971 | 0.3555 | 0.3186 | 0.2858 | 0.2567 | 0.2307 | 0.2076 | 0.1869 | 12 |
| 13 | 0.8787 | 0.7730 | 0.6810 | 0.6006 | 0.5303 | 0.4688 | 0.4150 | 0.3677 | 0.3262 | 0.2897 | 0.2575 | 0.2292 | 0.2042 | 0.1821 | 0.1625 | 13 |
| 14 | 0.8700 | 0.7579 | 0.6611 | 0.5775 | 0.5051 | 0.4423 | 0.3878 | 0.3405 | 0.2992 | 0.2633 | 0.2320 | 0.2046 | 0.1807 | 0.1597 | 0.1413 | 14 |
| 15 | 0.8613 | 0.7430 | 0.6419 | 0.5553 | 0.4810 | 0.4173 | 0.3624 | 0.3152 | 0.2745 | 0.2394 | 0.2090 | 0.1827 | 0.1599 | 0.1401 | 0.1229 | 15 |
| 16 | 0.8528 | 0.7284 | 0.6232 | 0.5339 | 0.4581 | 0.3936 | 0.3387 | 0.2919 | 0.2519 | 0.2176 | 0.1883 | 0.1631 | 0.1415 | 0.1229 | 0.1069 | 16 |
| 17 | 0.8444 | 0.7142 | 0.6050 | 0.5134 | 0.4363 | 0.3714 | 0.3166 | 0.2703 | 0.2311 | 0.1978 | 0.1696 | 0.1456 | 0.1252 | 0.1078 | 0.0929 | 17 |
| 18 | 0.8360 | 0.7002 | 0.5874 | 0.4936 | 0.4155 | 0.3503 | 0.2959 | 0.2502 | 0.2120 | 0.1799 | 0.1528 | 0.1300 | 0.1108 | 0.0946 | 0.0808 | 18 |
| 19 | 0.8277 | 0.6864 | 0.5703 | 0.4746 | 0.3957 | 0.3305 | 0.2765 | 0.2317 | 0.1945 | 0.1635 | 0.1377 | 0.1161 | 0.0981 | 0.0829 | 0.0703 | 19 |
| 20 | 0.8195 | 0.6730 | 0.5537 | 0.4564 | 0.3769 | 0.3118 | 0.2584 | 0.2145 | 0.1784 | 0.1486 | 0.1240 | 0.1037 | 0.0868 | 0.0728 | 0.0611 | 20 |
| 21 | 0.8114 | 0.6598 | 0.5375 | 0.4388 | 0.3589 | 0.2942 | 0.2415 | 0.1987 | 0.1637 | 0.1351 | 0.1117 | 0.0926 | 0.0768 | 0.0638 | 0.0531 | 21 |
| 22 | 0.8034 | 0.6468 | 0.5219 | 0.4220 | 0.3418 | 0.2775 | 0.2257 | 0.1839 | 0.1502 | 0.1228 | 0.1007 | 0.0826 | 0.0680 | 0.0560 | 0.0462 | 22 |
| 23 | 0.7954 | 0.6342 | 0.5067 | 0.4057 | 0.3256 | 0.2618 | 0.2109 | 0.1703 | 0.1378 | 0.1117 | 0.0907 | 0.0738 | 0.0601 | 0.0491 | 0.0402 | 23 |
| 24 | 0.7876 | 0.6217 | 0.4919 | 0.3901 | 0.3101 | 0.2470 | 0.1971 | 0.1577 | 0.1264 | 0.1015 | 0.0817 | 0.0659 | 0.0532 | 0.0431 | 0.0349 | 24 |
| 25 | 0.7798 | 0.6095 | 0.4776 | 0.3751 | 0.2953 | 0.2330 | 0.1842 | 0.1460 | 0.1160 | 0.0923 | 0.0736 | 0.0588 | 0.0471 | 0.0378 | 0.0304 | 25 |
| 26 | 0.7720 | 0.5976 | 0.4637 | 0.3607 | 0.2812 | 0.2198 | 0.1722 | 0.1352 | 0.1064 | 0.0839 | 0.0663 | 0.0525 | 0.0417 | 0.0331 | 0.0264 | 26 |
| 27 | 0.7644 | 0.5859 | 0.4502 | 0.3468 | 0.2678 | 0.2074 | 0.1609 | 0.1252 | 0.0976 | 0.0763 | 0.0597 | 0.0469 | 0.0369 | 0.0291 | 0.0230 | 27 |
| 28 | 0.7568 | 0.5744 | 0.4371 | 0.3335 | 0.2551 | 0.1956 | 0.1504 | 0.1159 | 0.0895 | 0.0693 | 0.0538 | 0.0419 | 0.0326 | 0.0255 | 0.0200 | 28 |
| 29 | 0.7493 | 0.5631 | 0.4243 | 0.3207 | 0.2429 | 0.1846 | 0.1406 | 0.1073 | 0.0822 | 0.0630 | 0.0485 | 0.0374 | 0.0289 | 0.0224 | 0.0174 | 29 |
| 30 | 0.7419 | 0.5521 | 0.4120 | 0.3083 | 0.2314 | 0.1741 | 0.1314 | 0.0994 | 0.0754 | 0.0573 | 0.0437 | 0.0334 | 0.0256 | 0.0196 | 0.0151 | 30 |