

# Question Paper

Exam Date & Time: 17-Dec-2021 (10:00 AM - 01:00 PM)



## MANIPAL ACADEMY OF HIGHER EDUCATION

FIRST SEMESTER MASTERS IN HOSPITAL ADMINISTRATION DEGREE EXAMINATIONS - DECEMBER 2021  
SUBJECT: MHA 532.1 - FINANCIAL MANAGEMENT IN HEALTHCARE  
BLOCK - III

Marks: 60

Duration: 180 mins.

Answer all the questions.

1. Please state the below given details are TRUE or FALSE:

- 1A) Consumable is variable expenses. (0.5)  
1B) WDV related to inventory. (0.5)  
1C) EBIDTA is nothing but cash profit. (0.5)  
1D) Pricing for services is relevant on both internal & external factors. (0.5)  
1E) Purchase of furniture is recurring expenses. (0.5)  
1F) Receivable is one component of working capital. (0.5)  
1G) Break-even point is not important decision making. (0.5)  
1H) Revenue maximization is important for teaching hospitals. (0.5)  
1I) Investment in Capex is one-time expenses. (0.5)  
1J) Interest on capital is relevant for decision making. (0.5)  
1K) PAT means pricing at times. (0.5)  
1L) TPA is one category of payor. (0.5)

Match the following:

2) (4)

a) ALOS	i) Staff cost
b) Fixed Cost	ii) Average Length of Stay
c) Variable Cost	iii) Cost of opportunity lost
d) Opportunity Cost	iv) Sales minus variable cost
e) Contribution	v) Consumables
f) Working Capital	vi) Stock for safety period
g) Safety stock	vii) Current asset
h) Receivables	viii) Net current asset

( $\frac{1}{2}$  mark  $\times$  8 = 4 marks)

3. Select the suitable answer for the below given statements from the multiple options:

- 3A) Which components will effect when there is a decrease in operating cost? (1)  
 i) Revenue  
 ii) EBIDTA  
 iii) PAT  
 iv) BEP
- 3B) Which components of working capital is a liability? (1)  
 i) Receivables  
 ii) Payables  
 iii) Inventory  
 iv) EBITA
- 3C) What is the full form of the term ARPP? (1)  
 i) Average receivables per patient  
 ii) All revenue Per patient  
 iii) Authorized revenue per patient  
 iv) Average returns per patient
- 3D) What type of factor is Market sensitivity which influences pricing? (1)  
 i) Internal  
 ii) Universal  
 iii) External  
 iv) variable
- 3E) What is the main contributing factor for increasing EBIDTA? (1)  
 i) Pricing  
 ii) Market  
 iii) Fixed cost  
 iv) BEP
- 4A) Calculate depreciation on the basis of below given information on straight-line method for the FY (2)  
 2019-20 & 2020-21  
 Furniture bought in April 2019 for Rs.96,000/- @ 10% p.a.
- 4B) Calculate reorder level quantity on the basis of following information's (2)  
 i) Lead period stock 120 Kgs  
 ii) Safety period stock 40 Kgs
- 4C) Calculate BEP level quantities from the below given details: (2)  
 i) Fixed cost Rs.46,000  
 ii) Variable cost Rs.54,000  
 iii) Seles Rs.1,14,000  
 iv) Number of patients 3,000
- 4D) Calculate Working capital gap from the below given details: (2)  
 i) Receivables Rs.60,000  
 ii) Stock Rs.45,000  
 iii) Payables Rs.76,000  
 iv) Bank balance Rs.28,000
- 4E) Calculate Inventory Carrying cost from the details given below: (2)  
 i) Cost of inventory Rs.1,09,000  
 ii) Godown rent Rs.10,500  
 iii) Interest cost 11%  
 iv) Hospital could have used the space for an alternative project with a profit of Rs.13,000
- 5A) Explain sunk cost with TWO examples. (3)
- 5B) What are the contributing factors for hospital revenue in general? (3)
- 5C) What are major components of working capital cycle? (3)

- 5D) What is Break-even point? Write formulae to calculate BEP quantity? (3)
- 5E) What are the significance of costing? (3)

**6. Write short note on the following:**

- 6A) Operating Budget. (4)
- 6B) Cost behavior. (4)
- 6C) Pricing for services. (4)
- 6D) EBIDTA. (4)
- 6E) Lead Time. (4)

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