

MASTER OF HOSPITAL ADMINISTRATION (MHA)**SEMESTER-II EXAMINATION, JUNE-2026****(2025 Batch)****(MHA128) ACCOUNTING AND FINANCE FOR HOSPITAL MANAGERS****[Time Allotted: 3:00 Hours]****[Max. Marks: 100]****Note:** Read all the instructions carefully

Answer all questions in serial order, Draw suitable diagrams wherever necessary

Q. 1. Objective type questions: (Attempt All) (CO1, 2) (10 x 02 = 20)

(Very short/ Short answer/ MCQ/ One liners/ Fill in the blanks/ True/False)

- Describe the concept of material control.
- How is cost defined in healthcare services?
- Explain management accounting with reference to hospital administration.
- List the primary components of cost in a hospital.
- Define cost classification and illustrate it with one hospital-based example.
- What does inspection of materials mean?
- Differentiate between direct and indirect costs in a hospital setting.
- State a key difference between cost accounting and management accounting.
- Explain what is meant by stock valuation in hospital inventory systems.
- What is meant by inventory control?

Q. 2. Short notes/ Short answer type questions (Attempt any Five) (CO3, 4) (05 x 04 = 20)

- Explain the concept of Wealth Maximization.
- Discuss the importance and meaning of material cost variance in cost analysis.
- Explain the concept of Profit Maximization.
- Discuss the meaning of EBIT (Earnings Before Interest and Taxes).
- Explain the idea of Contribution from the perspective of sales.
- Describe debt and equity financing.
- Explain the meaning and purpose of standard costing in cost control.

Q. 3. Structured questions (Attempt any Three) (CO4, 5) (03 x 10 = 30)

- Describe the nature and scope of finance and highlight its role in business decision-making.
- Explain how the objectives of financial management help in achieving organizational goals.
- Explain the importance of Break-Even Point (BEP) in managerial decision-making.
- Describe the roles, duties, and responsibilities of a finance manager in an organization.

Q. 4. Long Answer/ Essay type questions (Attempt any Two) (CO5, 6) (02 x 15 = 30)

- What do you understand by budgeting and budgetary control in a hospital context? Discuss why budgeting is important in healthcare organizations and briefly explain how budgetary control helps in enhancing financial performance.
- A medium-sized hospital provides the following annual financial data:
 - Total patient service revenue = ₹7,50,000
 - Variable patient care costs (including medicines, consumables, & diagnostic expenses per patient) = ₹4,20,00
 - Fixed operating expenses (such as staff salaries, rent, and utilities) = ₹1,50,000
 - Interest on hospital loan = ₹75,000

Based on the above information, you are required to:

- Calculate the hospital's Operating Income (EBIT).
- Compute the Degree of Operating Leverage (DOL).
- Determine the Degree of Financial Leverage (DFL).
- Calculate the Degree of Combined Leverage (DCL).

- A small hospital diagnostic unit has the following monthly financial data:

- Fixed operating expenses = ₹72,000
- Variable cost per diagnostic test = ₹140
- Service charge per test = ₹280

Based on the above information, you are required to:

- Calculate the Break-Even Point (BEP) in number of tests.
- Calculate the Break-Even Point (BEP) in total revenue (₹).
- If the diagnostic unit performs 400 tests in a month, determine whether it earns a profit or incurs a loss, and calculate the amount.