



Rajiv Gandhi University of Health Sciences, Karnataka
V Semester Bachelors in Hospital Administration Degree Examination 2023

Time: Three Hours

Max. Marks: 80 Marks

FINANCIAL MANAGEMENT IN HEALTHCARE - (RS)

Q.P. CODE: 3248

(QP contains two pages)

Your answers should be specific to the questions asked
 Draw neat, labeled diagrams wherever necessary

LONG ESSAYS (Answer any Two)

2 x 10 = 20 Marks

1. Explain in detail the determinants of working capital requirements of the company
2. Quality limited is capitalized with Rs.10,00,000 divided into 1,00,000 equity shares of Rs.10. the management desire to raise another Rs.10,00,000 to finance a major expansion programme.
 There are four possible financial plans – the company is in 50% tax bracket
 - a) All equity shares
 - b) Rs.5 lakhs in equity and the balance in debentures carrying 12% interest
 - c) All debentures carrying 10% interest
 - d) Rs.5 lakhs in equity and Rs.5 lakhs in preference shares carrying 10% dividend
 The existing EBIT amounts to Rs.2,00,000 per annum – Calculate EPS in all the above four plans
3. Explain in detail the financial market and its classification

SHORT ESSAYS (Answer any Eight)

8 x 5 = 40 Marks

4. What is capital budgeting? Techniques of capital budgeting
5. Distinguish between financial leverage and operating leverage
6. Explain the merits and demerits of preference shares
7. Discuss the various factors affecting capital structure
8. ABC limited issues 20000,8% preference shares of Rs.100 each at a premium of 5% redeemable after 8 years at par. The cost of issue is Rs.2 per share. Calculate the cost of preference share capital
9. What is dividend? Explain the types of dividend
10. Explain profit maximization
11. Calculate the payback period. Initial investment is Rs.10,000 in a project

Year	Expected future cash inflow
1	2000
2	4000
3	3000
4	2000

12. Kumar company has sales of Rs.25,00,000. Variable cost of Rs.12,50,000 and fixed cost of Rs.50,000 and debt of Rs.12,50,000 at 8% rate of interest. Calculate OL, FL and CL

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13. Mention the need for financial planning

SHORT ANSWERS (Answer any ten)

10 x 2 = 20 Marks

14. Define cost of capital
15. What is future value and present value?
16. What is contribution?
17. What is operating cycle?
18. What is meant by retained earnings?
19. What is profitability index?
20. What is permanent and temporary working capital?
21. What are the scopes of financial management?
22. What do you mean by stock dividend?
23. What are the decisions involved in financial management?
24. What is maximum level and minimum level?
25. What is future value of money?
