*"Investing in Africa's future"*

**COLLEGE OF HEALTH, AGRICULTURE & NATURAL SCIENCES**

**DEPARTMENT OF PUBLIC HEALTH AND NURSING (DPHN)**

**NSHA 100 PRINCIPLES OF HEALTH SERVICES ACCOUNTING (BHSM)**

**END OF SEMESTER FINAL EXAMINATIONS**

**NOVEMBER 2023**

**LECTURER: MR T.T. DZVAIRO**

**DURATION: 3 HRS**

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**INSTRUCTIONS**

You are required to answer questions as instructed below

Answer ALL **FOUR (4)** questions in this paper

Credit will be awarded for logical, systematic and neat presentations

Start **each** question on a new page in your answer booklet

**QUESTION ONE** **(25 Points)**

**a)** Write down the accounting equation [4 Marks]

**b)** Explain the elements of the accounting equation. [6 Marks]

c) Define the following accounting terms

i. Drawings (2 Marks)

ii. Turnover (2Marks)

iii. Purchases (2 Marks)

iv. Gross profit (2 Marks)

v. Depreciation (2 Marks)

d) Give examples of the following accounting terms

i. Expenses two examples **(**2 marks)

ii. Current assets two examples (2 marks)

iii. Revenue one example (1 mark)

**QUESTION TWO** **[ 25 Marks]**

Health care accounting and auditing is complex. Complexity is largely due to the fact that main revenue sources are provided by third party payers.

**a)** Outline the main revenue sources for healthcare services centers giving clear examples where possible**. (10 Marks)**

b) Provide strategies that can be used to prevent revenue loss by health care entities. [10 Marks]

c) Write down **five** advantages of the electronic system of making claims in health services [5 Marks]

**QUESTION THREE** **(25 Marks)**

**a)** Explain the importance of budgeting for health services entities. [10 Marks]

**b)** Identify and explain any **five** budgeting techniques. (15 Marks)

**QUESTION 4** **(25 Marks)**

The information below relates to Paradise Health Centre for the year ended 31 December 2022.

Patient Revenue $2,818,000

Salaries & Wages $1,425,000

Purchased Services 180,000

Other Operating Revenue 305,000

Employee Benefits 356,000

Medical Supplies 350,000

Drugs cost 120,000

Other Expenses 347,000

Water and utilities $ 55 000

Catering sales $ 250 000

Depreciation of non-current assets 160,000

Bad debts written off $ 20 000

Business unit income $ 35 000

Interest expense 30,000

Non-Operating Revenue 45,000

Government grant $1 500 000

Donation from PEPFAR 450 000

There were unpaid employee benefits worth $44 000 at the year-end 31 December 2022.

Other expenses figure includes $47 000 relating to January and February 2023

**Required**

Prepare an Income Statement for the year ended 31 December 2022 for Paradise Health Centre

**END OF PAPER**