



AFRICA
UNIVERSITY
A United Methodist-Related Institution

COLLEGE OF HEALTH, AGRICULTURE AND NATURAL SCIENCES

**COURSE TITLE: NSHA 100 PRINCIPLES OF HEALTH
SERVICES ACCOUNTING**

**END OF SEMESTER EXAMINATIONS
NOVEMBER 2022**

LECTURER: (MR KAZOMBA.S)

DURATION:(HRS)

INSTRUCTIONS

Answer ALL questions

The marks allocated to **each** question are shown at the end of the question.

Show all your workings.

Credit will be awarded for logical, systematic and neat presentations.

QUESTION ONE

(25 marks)

- a) The following are extracted balances from Greenside Health Centre accounts along with other information relating to the healthcare business's year end on 31 Dec 2021

Equity as at 1 Jan 2021 \$114,755
Machinery at cost 100,000
Sales Revenue 59,000
Motor Vehicles at cost 50,000
Purchases 25,000
Trade Receivables 13,500
Trade Payables 12,500
Accumulated [provision for] depreciation: Machinery 10,000
HM Revenue and Customs: VAT (owing) 7,750
Net income as at 31 Dec 2021 \$7,105
Accumulated [provision for] depreciation: Motor Vehicles 5,000
Water and Utilities 4,500
Inventory as at 1 Jan 2021 \$3,500
Wages and Salaries 3,500
Rent 3,000
Bank (in funds) 1,800
Purchases Returns 1,355
Business Rates 1,250
Bad Debts written off 1,150
Sales Returns 1,250
Discounts Allowed 950
Cash in Hand 760
Drawings 750
Discounts Received 550
The Rent figure includes \$600 relating to Jan, Feb and March 2022.
The Machinery still has to be depreciated at year end by 10% straight line.
There was unpaid Wages and Salaries at year end 31 Dec 2021 of \$800.
Stock take at year end 31 Dec 2021 valued Inventory at \$5,000.
Motor Vehicles need year end depreciation (diminishing [reducing] balance at 10%).

Required

Use the information given about Greenside Health Centre business as appropriate to prepare a Statement of Financial Position as at 31 Dec 2021 **(25 marks)**

QUESTION TWO [25 marks]

- a) Clearly outline the clean claim criteria in health services claim processing **[10 marks]**
 b) Evaluate electronic claim processing in health services. **[15 marks]**

QUESTION THREE (25 marks)

- a) Examine the challenges faced in health services sector budgeting **[15 marks]**
 b) Explain **any five**-budget classification systems available for the health services sector. **[10 marks]**

QUESTION FOUR (25 Marks)

The trial balance of East-end Medical Centre as at 31 December 2021 is as follows:

	DR	CR
Cash	181,992	
Drug sales		3,898,908
Patients accommodation		7,800
Consultation fees		2,108,592
Canteen food sales		928,500
Rental revenue		841,350
Sundry revenue		82,950
Donations		132,900
Purchase of drugs	1,480,740	
Utility bills	382,800	
Health and welfare salaries	2,191,260	
Administration costs	3,010,500	
Sundry expenses	29,640	
Investments (short-term)	4,500,000	
Staff advances	63,750	
Loans –Better Life Programme	75,000	
- Governors“forum		37,500
Fund balance		<u>3,877,182</u>
	<u>11,915,682</u>	<u>11,915,682</u>

You are required to prepare

- a) The Income Statement for the year ended December 31, 2021 **(25 Marks)**