

Rajiv Gandhi University of Health Sciences, Karnataka

**+V Semester Bachelors in Hospital Administration Degree Examination - 06-
Nov-2025**

**Time: Three Hours
80**

Max. 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. Pharma limited requires 25,00,000 for a new plant. This plant is expected to yield earnings before interest and taxes of 5,00,000. While deciding about the financial plan the company considers the objective of maximizing earning per share. It has three alternatives to finance the project – by raising debt of 2,50,000 or 10,00,000 or 15,00,000 and the balance in each case by issuing equity shares. The tax rate applicable to the company is 50%. Calculate EPS in all the above three plans and analyse
3. Explain in detail the financial market and its classification

SHORT ESSAYS (Answer any Eight)

8 x 5 = 40 Marks

4. Explain different types of finance
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 10 year 9% redeemable debentures for 100 each at par of 5,00,000 and incites issue expense at 2%. The company is in the 40% tax bracket. Calculate the cost of debt.
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. Consider the following data of XYZ Ltd.,
Selling price per unit – Rs.60
Variable cost per unit – Rs.10
Fixed cost – Rs.3,00,000
Interest burden – Rs.1,00,000
Calculate operating leverage and financial leverage if the number of units sold is 10,000 units
13. Mention the need for financial planning

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SHORT ANSWERS (Answer any ten)

10 x 2 = 20 Marks

14. What is net present value of a project?
15. Expand EAT, EBIT and PAT
16. What do you mean by investment decision?
17. Wealth maximization
18. What is preference share capital?
19. What is net and gross working capital?
20. What is marginal cost of capital?
21. Cash management
22. What is inventory management?
23. What is break even analysis?
24. What is capital market?
25. What are the functions of finance?
