Rajiv Gandhi University of Health Sciences, Karnataka

V semester Bachelors in Hospital Administration Degree Examination – 06-Nov-2026

Time: Three Hours **Max. Marks: 80**

Financial Management in Health Care - (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 the meaning, scope and importance of financial management
2. Wilson Ltd., Company has equity share capital for 1000000 divided into shares of 100 each. It wishes to raise further 600000 for expansion plans. The company plans the following financing schemes:
   a) All equity shares
   b) 200000 equity shares and 400000 in debt 10% p.a
   c) All debt at 10% p.a
   d) 200000 equity shares and 400000 preference share capital with rate of dividend 8%

   The company has estimated EBIT at 300000. The corporate tax is 50%. Calculate EPS in each case. Give a comment as to which capital structure is suitable
3. Explain in detail the financial market and its classification

SHORT ESSAYS (Answer any Eight) **8 x 5 = 40 Marks**

4. Explain the various sources of financing
5. Evaluate the advantages and disadvantages of retained earnings
6. A company has 10% redeemable preference share which are redeemable at the end of 10^{th} year from the date of issue. The underwriting expenses are expected to 2%. Compute cost of preference capital
7. What is leverage? Explain different types of leverage
8. Explain the factors affecting dividend policy
9. Discuss the importance of adequate working capital
10. Explain financial decisions in a firm
11. The initial cash outlay of a project is 100000 and it generates cash inflows of 40000, 30000, 50000 and 20000 10% rate of discount. Calculate profitability index

Year	1	2	3	4
DF @ 10%	0.909	0.826	0.751	0.683

12. From the following information calculate operating, financial and combined leverages.
    Sales – 1000000, variable cost 30%, fixed cost 200000, 10% debenture capital is 1500000 and tax rate 50%
13. What do you mean by time value of money? What are its reasons?

SHORT ANSWERS (Answer any ten) **10 x 2 = 20 Marks**

14. What is maximum level and minimum level?
15. What is future value of money?
16. What is dividend decision?
17. Profit maximization
18. Enumerate the motives of holding cash
19. What is EBIT?
20. What is working capital cycle?
21. What is secondary market?
22. What is average rate of return?
23. What is capital budgeting?
24. What is PV ratio?
25. What is meant by inventory?

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