

**Second Year MHA Degree Supplementary Examinations, February 2016**

**Hospital Economics and Finance**

**(2010 Scheme)**

**Time: 3 Hours**

**Total Marks: 100**

- Answer all questions. Draw diagrams wherever necessary
- Write **section A** and **section B** in **separate answer books(32 Pages)**. Do not mix up questions from section A and section B.

**QP CODE: 202380      Section A – Hospital Economics      Marks: 50**

**Essay: (20)**

1. Explain pricing policies and its effects in hospital administration

**Short essay: (10)**

2. Explain capital budgeting and its different approaches.

**Short notes: (4x5 =20)**

3. Cost analysis
4. Demand curve
5. International monetary fund and special drawing right
6. Monetary policy

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**QP CODE: 203380      Section B- Finance      Marks: 50**

**Essay: (20)**

1. Eco ltd wants to choose between two machines A and B. The two machines are designed differently, but have identical capacity and do exactly the same job.

Machine A costs Rs.3,00,000/- and will last for 3 years. It costs Rs.80,000/-per year to run.

Machine B is an economy model costing only Rs.2,00,000/- but will last only for two years and costs Rs.1,20,000/-per year to run.

The present value of annuity for two years and three years at 10% is 1.735 and 2.486 respectively. Which machine the company should buy and justify your answer.

**Short essay: (10)**

2. What is the difference between capital structure and capitalization .

**Short notes: (4x5=20)**

3. Over capitalization.
4. Net income theory
5. Lock box system
6. Quick ratio