



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF HEALTH, APPLIED SCIENCES AND NATURAL RESOURCES

DEPARTMENT OF HEALTH SCIENCES

QUALIFICATION : BACHELOR OF SCIENCE IN HEALTH INFORMATION SYSTEMS MANAGEMENT	
QUALIFICATION CODE: 07BHIS	LEVEL: 7
COURSE: FINANCIAL MANAGEMENT IN HEALTH SERVICES	COURSE CODE: FMS721S
SESSION: JUNE 2022	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER	DR MOIPI NGAUJAKE
MODERATOR	MR NELSON PRADA

INSTRUCTIONS

1. Read the questions and instructions carefully
2. Answer **All** the questions
3. Write neatly and clearly
4. Begin each question on a separate sheet of paper and number the answers clearly

PERMISSIBLE MATERIALS
1. SCIENTIFIC CALCULATOR

THIS QUESTION PAPER CONSISTS OF 3 PAGES
(including this front page)

[SECTION A]

QUESTION 1

(40 MARKS)

- 1.1 Discuss five (5) sources of equity financing? (16)
- 1.2 Explain the following accounting concepts: Entity, Reliability, Cost valuation, Going concern, and Stable monetary unit? (10)
- 1.3 Differentiate between the Classical, Demand and Supply Free Market Theories? (10)
- 1.4 Explain the Capitated Method of Payment? (4)

[SECTION B]

QUESTION 2

(40 MARKS)

2.1 You are the financial manager/ financial advisor for Ngaujake healthcare Pty (Ltd). Use the financial information provided below to access the entity's financial position using the respective ratios : As you calculate the ratio also stipulate what each ratio is used for:

- 2.1.1 Activity Ratios for 2019, 2020. Calculate any two ratios (18)
- 2.1.2 Solvency Ratios for 2019, 2020 (22)

Cash Budget 1. The values are in Namibian dollars (N\$)

	2019	2020				
Net Income	5 300,000	6 350,000				
Revenue	6,500,000	7,750,000				
Cash	1,750,000	1,900,000				
Cash Equivalents	300,000	685,000				
Inventory	4, 200, 000	4, 800, 000				
Purchases A	1,050,000	1,140,000				
Purchases B	1,000,000	1,050,000				
Total Debt	3,500,000	2,700,000				
Overhead	245,000	266,000				
Admin and selling Overhead	420,000	456,000				
Corporate Tax		500,000				
Equity	450, 000	850, 000				
Total Assets	13,450000	15,850000				
Account Receivables	50,000	83 000				

Current Assets	3,265,000	3,912,000				
Total Current Liabilities	35,000	227,000				

[SECTION C]

QUESTION 3

(20 MARKS)

- 3.1 Explain the concept of inventory turnover. (10)
- 3.2 Differentiate between cash and operational budgets. (6)
- 3.3 Discuss why a business requires a budget. (4)

TOTAL: 100 MARKS

GOOD LUCK