



PAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY

**FACULTY OF HEALTH AND APPLIED SCIENCES**

**DEPARTMENT OF HEALTH SCIENCES**

<b>QUALIFICATION : BACHELOR OF SCIENCE IN HEALTH INFORMATION SYSTEMS MANAGEMENT</b>	
<b>QUALIFICATION CODE:</b> 07BHIS	<b>LEVEL:</b> 7
<b>COURSE CODE:</b> FMS721S	<b>COURSE:</b> FINANCIAL MANAGEMENT IN HEALTH SERVICES
<b>SESSION:</b> JUNE 2019	<b>PAPER:</b> THEORY
<b>DURATION:</b> 3 HOURS	<b>MARKS:</b> 100

<b>FIRST OPPORTUNITY EXAMINATION QUESTION PAPER</b>	
<b>EXAMINERS(S):</b>	MR NELSON PRADA
<b>MODERATOR:</b>	DR ALFREDA KLOPPERS

<b>INSTRUCTIONS</b>
<ol style="list-style-type: none"><li>1. Read the questions and instructions carefully</li><li>2. Answer <b>All</b> the questions</li><li>3. Write neatly and clearly</li><li>4. Begin each question on a separate sheet of paper and number the answers clearly</li></ol>

**PERMISSIBLE MATERIALS**

1. Calculator

**THIS QUESTION PAPER CONSISTS OF 4 PAGES (Including this front page)**

## SECTION A

### QUESTION 1

(32 MARKS)

- 1.1 Discuss five sources of equity financing? (11)
- 1.2 Differentiate between secure and unsecure debt financing providing at least one example for each? (15)
- 1.3 Differentiate between Fix and Variable costs (provide two examples for each). (6)

## SECTION B

### QUESTION 2

(40 MARKS)

- 2.1 You are the financial manager / financial advisor for Shigweda's X-Ray Clinic in Wanaheda. Compare the two following cash budgets for the business and advice the owner which one of the two is most suitable for the business based on:
- 2.1.1 Regular and adequate supply of funds to the X-Ray Clinic
  - 2.1.2 Adequate returns to the shareholders
  - 2.1.3 Optimum funds utilization

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

	January	February	March	April	May	June
Opening Balance	50,000	35,000	-227,000	-128,000	184,000	4,000
Sales A	1,500,000	1,750,000	1,900,000	1,950,000	1,600,000	1,500,000
Sales B	1,750,000	1,900,000	1,950,000	1,600,000	1,500,000	1,700,000
Total Cash In	3,300,000	3,685,000	3,623,000	3,422,000	3,284,000	3,204,000
Cash out						
Purchases A	1,050,000	1,140,000	1,170,000	960,000	900,000	1,020,000
Purchases B	1,000,000	1,050,000	1,140,000	1,170,000	960,000	900,000
Labour	500,000	500,000	500,000	500,000	500,000	500,000
Overhead	245,000	266,000	273,000	224,000	210,000	238,000
Admin and selling Overhead	420,000	456,000	468,000	384,000	360,000	408,000

Corporate Tax		500,000				
Shelves			200,000			
Delivery Vehicle					350,000	
Staff Retreat	50,000					
Total Cash out	3,265,000	3,912,000	3,751,000	3,238,000	3,280,000	3,066,000
Balance	35,000	-227,000	-128,000	184,000	4,000	138,000

**Cash Budget 2: The values are in Namibian dollars( N\$)**

	January	February	March	April	May	June
Opening Balance	100,000	151,500	358,000	141,300	26,500	-1,750
Sales A	1,900,000	2,100,000	2,300,000	2,500,000	2,600,000	2,700,000
Total Cash In	2,000,000	2,251,500	2,658,000	2,641,300	2,626,500	2,698,250
Cash out						
Purchases A	450,000	526,500	513,000	564,300	769,500	641,250
Purchases B	643,500	627,000	689,700	940,500	783,750	846,450
Labour	270,000	360,000	396,000	540,000	450,000	486,000
Overhead	105,000	140,000	154,000	210,000	175,000	189,000
Admin and selling Overhead	180,000	240,000	264,000	360,000	300,000	324,000
Corporate Tax	200,000					
Computer Server			500,000			
Shelves for storeroom					150,000	
Staff Retreat						
Total Cash out	1,848,500	1,893,500	2,516,700	2,614,800	2,628,250	2,486,700
Balance	151,500	358,000	141,300	26,500	-1,750	211,550

## SECTION C

### QUESTION 3

**(28 MARKS)**

- 3.1 Explain the concept Quantification of medicines. (12)
- 3.2 Differentiate between the consumption and morbidity methods for estimating the quantity of medicines to procure. Provide at least two sources of information for each method. (6)
- 3.3 Assuming that there are currently 250,000 adult patients on treatment for HIV/AIDS and 75% of these are on first line treatment regimens of which 85% use the regimen consisting of Tenofovir-Lamivudine-Efavirenz in a fixed dose combination tablet, which is simply abbreviated as TLE tablets (This is a chronic condition and each patient needs one tablet per day). (10)
- 3.3.1 Calculate the annual quantity estimate of TLE in number of tablets?
- 3.3.2 Calculate the annual quantity estimate of TLE in number of packs, given a pack size of 60 tablets?
- 3.3.3 Calculate the annual cost estimate for the TLE given a unit cost of N\$ 35 per pack?

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**TOTAL: 100 MARKS**