

HM104 : Accounting for Hospitals

1. Objectives :

The course is designed to provide a thorough understanding of the financial accounting and management accounting as an essential part of the decision-making process in the total hospital management system. The objective of this course is to acquaint students with various concepts of accounting and highlight the decision making and control focus of managerial accounting. The course postulates accounting techniques, analysis with a special emphasis on investment decision and cost reduction in hospital administration. Cost of health care delivery is increasing day by day due to a multitude of factors. A managerial emphasis is being laid on cost containment & fundamental analysis of a corporate hospitals.

2. Scope :

Unit 1

Hospital Management & Accounting: An Economic Decision:

Evolution of Hospitals, Classification of Hospitals & Accounting, Role of Hospital Administration & Accounting Matters, Hospital & Accounting System, Accounting, Financial & Management Accounting, Generally Accepted Accounting Principles (GAAP) & Concepts, Forms of Business organization, Accounting, Capital Market & Corporate Governance, Accounting Equation, Financial Statement, Fields of Accounting Activity, Ethical issues in Accounting

Unit 2

Accounting Process:

Accounting methods, Preparation of supporting documents, Accounting Operation, Accounting cycle, Journal Entries, Ledgers & other Books of Accounts

Unit 3

Finalisation of Account:

Trail Balance, Rectification entries, Trading Account, Profit & Loss Account, Balance Sheet

Unit 4

Fixed Assets:

Determining cost of acquisition, Accounting for Depreciation, Depreciation Method, Capital and Revenue expenditure, Depreciation in income tax Return, Accounting for Natural Resources, Accounting for Intangible Assets, Financial analysis of Fixed Assets

Unit 5

Liabilities:

Classification of liabilities, current liabilities, contingent liabilities, Long-term liabilities

Unit 6

Shareholder's Equity:

Share Capital, Reserves, Buy-back of shares and treasury stock, Bonus shares, Stock-based compensation, Earnings per Share

Unit 7

Financial Statement Analysis:

Standards of Comparison, Sources of information, Quality of Earnings, Techniques of Financial Statement Analysis, Financial Ratios, Corporate Disclosure Policy, Efficient Market Hypothesis and Financial Statement Analysis, Interpreting Financial Reports

BOOK FOR READING :

- A Handbook for Accounting for Hospital Management, By D. K. Chatterjee, Himalaya Publishing House Pvt., Ltd.,
- Financial Accounting (A Managerial Perspective), By R. Narayanswamy PHI Publication
- Accountancy, By R. L. Gupta, Sultan & Chand Publication

WEBSITES REFERENCE :

www.icaai.org, www.ifac.org, www.economicstimes.com, www.moneycontrol.com, www.nseindia.com,
www.indiainfoline.com, www.cmie.com, www.capitalmarket.com, www.bseindia.com, www.myiris.com, www.tally.com

MAGAZINES, JOURNALS & NEWS PAPERS :

The Management Accountant, The Economist, ICAFI Reader, The Economic Times, The Business Standard, Capital Market, Money.