

GANPAT UNIVERSITY									
FACULTY OF MANAGEMENT STUDIES									
Programme	MBA	Branch/Spec.	Healthcare and Hospital Management						
Semester	I	Version	1.0.0.0						
Effective from Academic Year	2026-27	Effective for the batch Admitted in	July 2026						
Subject code	ICC504FCH	Subject Name	FINANCIAL AND COST MANAGEMENT IN HEALTHCARE						
Teaching scheme					Examination scheme (Marks)				
(Per week)	Lecture(DT)		Practical(Lab.)		Total	CE	SEE	Total	
	L	TU	P	TW					
Credit	3	0	0	0	3	Theory	50	50	100
Hours	3	0	0	0	3	Practical			
Course Outcomes:									
CO-1: The course is intended to provide an in-depth knowledge about the sources of funds and its effective utilization to achieve a better quality of health care services within a reasonable cost.									
CO-2: To learn the management of working capital in healthcare industry									
CO-3: To learn about making the financial decision related to business and investment									
CO-4: To understand the financial statement in depth and learn to analyze it for decision making									
CO-5: The students shall be able to learn to analyze and interpret various financial statements.									
CO-6: The topic helps the students to acquaint themselves with the basic concepts of cost and management accounting and the practical applications in decision making, supervision, management and control of a health system.									
CO7: To familiarize the students with the concepts, principles and techniques of financial, cost and management accounting branches and their application in managerial decision making in Hospitals									
Theory syllabus									
Unit	Content								Hrs
1	Introduction to Healthcare Financial Management, The Third-Party-Payer System, Insurance Concepts, Generic Reimbursement Methods, Major Health Insurers (Third-Party Payers)								8
2	Understanding and Analysis of Financial Statement: Corporate financial statements: Corporate Balance sheet, corporate profit and loss account, understanding and constructing corporate cash flow and Fund Flow statement, Understanding the financial reports- Auditors report and Directors report, corporate governance report. Financial Statement Analysis using the tool kit of Multi step Income statement, horizontal analysis, common size analysis, Trend analysis, EPS and diluted EPS Analysis , Ratio analysis.								12
3	Basic Financial Management Concepts: Time Value Analysis: Time Lines, Future Value of a Lump Sum (Compounding), Present Value of a Lump Sum (Discounting), Opportunity Costs, Solving for interest Rate and Time, Annuities, Perpetuities, Uneven Cash Flow Streams, Using Time Value Analysis to Measure ROI, Semiannual and Other Compounding Periods, Investment decision: Appraisal of project; Techniques of capital budgeting and its applications; Risk and Uncertainty in Capital Budgeting, Leverage analysis-financing, operating and combined leverage and its implications; EBIT-EPS analysis. Financing Decision: Long-term sources of finance, potentiality of equity shares, preference shares, debentures and bonds as source of long-term finance Working Capital Management: Concept of Gross Working Capital & Net Working Capital, Various Approaches to Working Capital Management, Factors affecting working capital requirement. Working Capital Management: Management of cash, inventory and receivables. Working Capital Financing: Sources of short term financing, Role of commercial bank in working capital management Project Risk Analysis: Types of Project Risk, Relationships Among Stand-Alone Corporates and Market								15

	Risks, Risk Analysis, Sensitivity Analysis, Scenario Analysis, Monte Carlo Simulation, Qualitative Risk Assessment; Incorporating Risk into the Decision Process, Final Risk Assessment and Incorporation for the MRI Project, Incorporating Debt Capacity into the Decision Process	
4	Cost Accounting in Healthcare: Objectives, Introduction, Methods of Classifying Costs Methods of Allocating Costs, Methods of Assembling Costs, Differential Cost Analysis Methods of Determining Product Costs, Job-Order Costing, Activity-Based Costing, Relationship of Costs to Volume and Revenue, Breakeven Analysis	10
Reference Books		
1	Michael Nawicki, Introduction to the Financial Management of Health care Organizations, Aupha, Health Administration Press, Chicago, Illinois	
2	Louis. C. Gapenski, Understanding healthcare Financial Management , Aupha, Health Administration Press, Chicago, Illinois	
3	Pandey I M- Financial Management (Vikas, Latest Edition).	
4	Van Horne- Financial Management and Policy (Pearson Education, 12 edition) 2003.	
5	Khan and Jain- Financial Management, Text, Problems & Cases (Tata McGraw-Hill, Latest Edition)	
6	Prasanna Chandra- Financial Management: Theory and Practice (TMH), Latest Edition.	
7	Ambrish Gupta – Financial Accounting for Management: An Analytical Perspective (Pearson Education, 4th Edition 2009	
8	Cost Accounting , A Managerial Emphasis; 14th Edition ; by Horngren, Foster and Datar	
9	N Ramchandran, Ram Kumar Kakani, Financial Accounting for Management, Tata McGraw Hill	