

2023 BOG Prep Week 4 Quiz - Accounting/Finance and Management/Leadership

1. Email *

2. 1. Financial statements are important in order to:

1 point

Mark only one oval.

- A. Identify, measure, record and communicate, in dollar terms, the economic events and status of an organization
- B. Serve as a control mechanism for budgeting
- C. Provide detailed financial information for control at the department level
- D. Provide staffing guidelines to human resource managers.

3. 2. Which one of the following classifications or groups of financial ratios would be most useful as a guide to long-range financial viability of an organization in undertaking facility replacement?

1 point

Mark only one oval.

- A. Leverage ratios
- B. Profitability ratios
- C. Liquidity ratios
- D. Composition ratios

4. 3. For information on net cash flows from providing health services for a specific time frame, the decision maker should use the: 1 point

Mark only one oval.

- A. Statement of cash flows
- B. Income statement
- C. Balance sheet
- D. Statement of retained earnings

5. 4. The asset turnover ratio is useful in measuring managerial performance because it indicates the: 1 point

Mark only one oval.

- A. Amount of resources required to generate a dollar of revenue
- B. Profitability per dollar of revenue
- C. Effectiveness of capital structure decisions
- D. Effective use of current assets

6. 5. Which of the following ratios would be used to estimate cash flow for a specific time period: 1 point

Mark only one oval.

- A. Receivable balance/Average daily revenues for period
- B. Net accounts receivable/Gross accounts receivable
- C. Cash collected during period/Revenues for period
- D. Deduction from revenue/Gross revenue for period

7. 6. Under generally accepted accounting standards, bad debts are reported as a/an: 1 point

Mark only one oval.

- A. Deduction from net revenue
- B. Operating expense
- C. Contractual allowance
- D. Deduction from gross revenue

8. 7. A technique used to shorten the in-house processing time of the accounts receivable cycle is a: 1 point

Mark only one oval.

- A. "lock-box" agreement
- B. Line of credit arrangement
- C. Minimum balance arrangement
- D. Shortened write-off date

9. 8. One of the techniques most frequently used in industry to aid management in interpreting a firm's balance sheet is computation of the "acid-test ratio," which is the ratio of: 1 point

Mark only one oval.

- A. Current assets to current liabilities
- B. Total assets to total liabilities
- C. Cash to short-term debt
- D. Cash, marketable securities and accounts receivable to current liabilities

10. 9. The purpose of debt-service coverage is to:

1 point

Mark only one oval.

- A. Determine the payout period
- B. Determine the ratings of the bonds
- C. Protect the investor
- D. Establish the rate structure for patient services

11. 10. Controlling the costs of accounts receivable is heavily affected by:

1 point

Mark only one oval.

- A. The time or length of the payment cycle
- B. The dollar amount of credit granted to individuals
- C. The total dollar amount of receivables carried on the books
- D. Working capital management

12. 11. To evaluate changes in levels of revenue and expenses as a result of changes occurring during the year, management can:

1 point

Mark only one oval.

- A. Use a "step-down" method
- B. Use the contributing margin approach to budgeting
- C. Use the capital approach to budgeting
- D. Project existing trends forward for one year

13. 12. When third-party policies and programs impede the healthcare facility's fiscal capacity to renovate and model its plant as routinely scheduled, the healthcare facility –to protect itself –should first: 1 point

Mark only one oval.

- A. Issue long term capital bonds instead of short term debt
- B. Delay capital improvements until funds are available
- C. Reduce the level of operating services
- D. Limit the number of admissions from selected third-party payment sources

14. 13. Which of the following rules applies to the purchase of major diagnostic or treatment equipment? 1 point

Mark only one oval.

- A. Physician input is required by the accrediting body
- B. Competitive bidding is required by government programs
- C. The decision should be based on equipment depreciation schedules
- D. Funds should be allocated annually in accordance with the organization's capital schedule

15. 14. Temporary working capital needs should be financed through: 1 point

Mark only one oval.

- A. Leasing of equipment
- B. Short-term debt
- C. Equity financing
- D. Accounts receivable

16. 15. As an internal control method, a budget is most commonly used to: 1 point

Mark only one oval.

- A. Allow managers to control expenditures in the current year and to justify increases in future budgets
- B. Provide feedback concerning operational expenditures to the governing authority and to allow management to satisfy the governing authority's requirements of accountability
- C. Serve as the numerical specification of plans and to function as a standard of control against which results can be compared
- D. Allow management to monitor operational expenditures and to justify future requests for decreased or increased expenditures to rate-setting agencies

17. 16. Which of the following leadership actions most clearly supports organizational transformation toward continuous quality improvement? 1 point

Mark only one oval.

- A. Convening and chairing the Performance Improvement Council
- B. Changing the name of the quality department from Quality Management to Performance Improvement
- C. Requiring all direct reports to attend an introductory course in Six Sigma
- D. Hiring a "Chief Experience Officer"

18. 17. Operational planning can be correctly defined as: 1 point

Mark only one oval.

- A. A function of establishing the annual budget by accumulating departmental information.
- B. The process by which short-range objectives and actions are established and implemented in accordance with the strategic plan.
- C. An annual process of developing, evaluating and implementing goals based on community needs.
- D. Determining the major types of services offered based on profit margins.

19. 18. When a specialist within the organization provides a directive or states an opinion, there is recognition of that individual as an expert in the field. This is an Example of what type of authority? 1 point

Mark only one oval.

- A. Positional
- B. Functional
- C. Personal
- D. Charismatic

20. 19. Which of the following statements is in accordance with the principle of delegation? 1 point

Mark only one oval.

- A. The executive who subscribes to the principle of delegation knows what he/she wants to accomplish and exercises control over the work schedule of subordinates.
- B. An executive explains how he/she wants things done and points out how the subordinate's contribution fits into the overall plan.
- C. A successful executive gives instructions, tells subordinates exactly how and in what sequence things should be done.
- D. In applying the principle of delegation, an executive makes relatively few decisions personally and frames order in broad general terms

21. 20. A manager who seeks input from other prior to making a decision is engaging in which leadership style? 1 point

Mark only one oval.

- A. Autocratic
- B. Participative
- C. Democratic
- D. Laissez-faire

22. 21. How should supervisors behave toward informal leaders in the organization?: 1 point

Mark only one oval.

- A. Maintain a positive attitude toward informal leaders.
- B. Ensure informal leaders remain at a moderately low status within the work group.
- C. Grant informal leaders occasional favors.
- D. Pass information on to informal leaders before giving it to formal leaders

23. 22. Which of the following is the best way to assign costs in responsibility management? 1 point

Mark only one oval.

- A. Allow each department manager to be responsible for a different type of fixed cost
- B. Allow each department manager to choose the cost that he/she prefers to control
- C. Assign costs to the department manager who is responsible for making decisions about those costs.
- D. Assign costs equally to all managers thus allowing equal responsibility for costs.

24. 23. Two independent healthcare organizations interested in discussing a joint venture to initiate a cancer treatment program would be wise to initially consult with their legal counsel to determine if their: 1 point

Mark only one oval.

- A. Liability is equal even though disproportionately owned.
- B. Financial gains or losses can be shared unequally
- C. Discussions might violate antitrust statutes.
- D. Current facilities can accommodate the program.

25. 24. Successful approaches to strategic planning include: 1 point

Mark only one oval.

- A. A well-written mission statement, long-range plan, and fiscal plan plus the history and discussion surrounding them.
- B. Avoidance of high-risk decisions.
- C. Not paying attention to the competitor's activity.
- D. Using rules and past experience as a guide to future action.

26. 25. The management accountability of a senior executive can best be determined by a formal evaluation of performance if the: 1 point

Mark only one oval.

- A. Governing authority receives copies of the evaluation.
- B. Performance objectives are discussed and agreed upon at the time of employment
- C. Review is conducted annually.
- D. Review is conducted by a committee

27. 26. Mission statements: 1 point

Mark only one oval.

- A. Are frequently changed in response to environmental issues and marketing trends.
- B. Do not require formal board action when revised.
- C. Require financial parameters.
- D. Identify in broad terms the purposes for which an organization exists.

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