***Submission Template***

***Part 1.***

| 1. **Calculate the working capital cycle of the hospital. (02 marks)**   **NOTE:Formula used for calculation needs to be clearly mentioned in the answer in the given template.** |
| --- |
| **Answer:**  **Formula used:**  **Final answer:** |

| 1. **Calculate the total working capital required by the hospital. The answer should clearly specify what is given and what is derived and by using which formula. The decimal value can be ignored for ease of calculation. (10 marks)**   **NOTE:Formula used for calculation needs to be clearly mentioned in the answer in the given template.** |
| --- |
| **Answer:**  **Relevant information provided in the question:**  **1.**  **2.**  **3.**  **4.**  **5.**  **Next step:**   | **Concept** | **Formula/Calculation** | **Result** | | --- | --- | --- | |  |  |  | |  |  |  | |  |  |  |   **Final answer:** |

| 1. **Which source of funding should be chosen by the hospital? Provide reasons to support your answer. (02 marks)** |
| --- |
| **Answer:** |
| 1. **If the hospital decides to look for other sources of funding and the management has adopted a hedge approach, which type of funds will meet the capital requirement of the hospital? (02 marks)** |
| **Answer:** |
| 1. **What can be inferred about the working capital management of the hospital? Highlight two areas of concern and the reason for the concern. (04 marks)** |
| **Answer:** |

**Part II**

| 1. **Calculate the net present value (NPV) for proposal 1 and proposal 2. The answer should clearly specify what is given and what is derived and by using which formula. (12 marks)** |
| --- |
| **Answer:**  **Formula used:**  **Final answer:** |
| 1. **Using the net present value technique, which of the proposals will you choose from the given options? Justify your answer. (08 marks)** |
| **Answer:** |