

ACCOUNTING SYSTEM IN PRIVATE HOSPITAL

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TABLE OF CONTENTS

	<u>page</u>
PREFACE	ii
ACKNOWLEDGEMENT	iii
ABSTRACT	iv
<u>Chapter</u>	
1 INTRODUCTION	1
Introduction	1
Objectives of the study	4
Methodology	5
Scope and limitation	6
2 LITERATURE REVIEW	7
3 DATA COLLECTION	11
4 ANALYSIS OF DATA	13
5 CONCLUSION AND RECOMMENDATION	30
BIBLIOGRAPHY	35
APPENDICES	37
APPENDIX I HOSPITAL DYNAMICS 1990	37
APPENDIX II HOSPITAL ORGANISATION CHART	38

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ABSTRACT

This study examines the accounting systems in a daily operation of a specialist center and also highlights any problems or weaknesses relating to the accounting systems and controls in certain areas.

Data were collected mainly through the open discussion with the administrator and the accountant of a specialist center and also from the secondary sources. Through the discussions, it was found that in many ways, the accounting systems and controls that operate in health care institution are the same as those in other industries. However, there are certain procedures and systems which differentiate the health care institution from the others.

Since the major source of revenue for the health care institution is the services provided for patients, therefore, more emphasis will be given to the 'Patient Revenue Cycle' - which describes how revenue is earned from the day the patient is admitted to the hospital until the day he is discharged.

This study will also gives an explanation on the major items in the financial statements, which are not found in other industries and its internal controls of the accounting systems.