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Question 1

Question Type: **MultipleChoice**

A fixed-fee payment system instituted by CMS to shift the financial risk of care to the provider in the provision of outpatient services to Medicare recipients is called:

Options:

A- Ambulatory payment classification

B- Fixed payment services

C- Flat fee payment provider

D- Relative services payment system

Answer:

A

Question 2

Question Type: **MultipleChoice**

A system of paying physicians based on the relative value of the services rendered is

known as:

Options:

A- Value-based resource system

B- Resource-based relative value system

C- Resource-based absolute value system

D- Relative payment value system

Answer:

B

Question 3

Question Type: MultipleChoice

_____________ represents the amount that a service contributes toward covering all other costs after it has covered the costs that are solely because the service is offered and would not be there if the service were dropped.

Options:

A- Margin cost

B- Service cost

C- Product margin rule

D- Product margin

Answer:

D

Question 4

Question Type: **MultipleChoice**

The formula to calculate product margin is:

Options:

A- Total contribution margin + avoidable fixed costs

B- Total contribution margin -- avoidable fixed costs

C- Total contribution margin * fixed costs

D- Total contribution margin -- non-avoidable fixed costs

Answer:

B

Question 5

Question Type: **MultipleChoice**

Common costs are that benefit a number of services shared by all.

Options:

A- True

B- False

Answer:

A

Question 6

Question Type: **MultipleChoice**

A fixed cost that will remain even if a particular service is discontinued is known as:

Options:

A- Non-avoidable fixed costs

B- Avoidable fixed costs

C- Negotiable fixed costs

D- Disconnected fixed costs

Answer:

A

Question 7

Question Type: **MultipleChoice**

If the contribution margin per unit is positive and no other additional costs will be incurred, then it is in the best financial interest of the organization to continue to provide additional units of that service , even the organization is not fully covering all its other costs otherwise not, this is called:

Options:

A- Subcapitation margin rule

B- Additional margin rule

C- Contribution margin rule

D- Incremental / decremental margin rule

Answer:

C

Question 8

Question Type: MultipleChoice

The formula to calculate break-even is:

Options:

A- Break-even volume = variable costs / contribution margin

B- Break-even volume = Fixed costs / contribution margin per unit

C- Break-even volume = Fixed costs - contribution margin per unit

D- Break-even volume = Fixed costs * contribution margin per unit

Answer:

B

Question 9

Question Type: MultipleChoice

Total contribution margin is:

Options:

A- Total revenues * actual variable costs / total variable costs

B- Actual revenues -- Actual variable costs

C- Total expenses + total variable costs

D- Total revenues -- total variable costs

Answer:

D

Question 10

Question Type: **MultipleChoice**

Additional costs incurred solely as a result of an action or activity or a particular set of actions or activities refer to:

Options:

A- Incremental costs

B- Margin costs

C- Superfluous costs

D- External costs

Answer:

A

Question 11

Question Type: MultipleChoice

Per unit revenue minus per unit variable costs makes:

Options:

A- Per unit capitation analysis

B- Capitation margin

C- Contribution margin per unit

D- None of the above

Answer:

C

Question 12

Question Type: MultipleChoice

After the break-even point, the size of the space between the total revenue line and the total cost line equals the amount of profit.

Options:

A- True

B- False

Answer:

A