HFMA CHFP Practice Questions

Shared by Payne on 03-11-2026

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Question 1

Question Type: MultipleChoice

A preliminary study undertaken by an organization and compiled by the third party to determine and document a project's financial viability refers to:

Options:

A- Possibility study
B- Compatibility study
C- Feasibility study
D- Project summary

Answer:

C

Question 2

Question Type: MultipleChoice

Balance sheet is majorly composed of:

Options:

A- heading, body and notes
B- heading, preliminary side bullets and notes
C- footers, body and notes
D- heading, body and footers

Answer:

A

Question 3

Question Type: MultipleChoice

Required rate of return is:

Options:

A- An organization's minimally acceptable internal rate of return on any investment to justify an initial investment.
B- An organization's minimally rejected internal rate of return on any investment to justify a final investment.
C- An organization's maximally accepted external rate of return on any investment to justify an initial investment.
D- An organization's maximally rejected external rate of return on any investment to justify a final investment.

Answer:

A

Question 4

Question Type: MultipleChoice

Stockholders equity for investors-owned organizations represents:

Options:

A- Stock and retained earnings
B- Stock and accrual earnings
C- Stock and sales
D- Stock and purchase

Answer:

A

Question 5

Question Type: MultipleChoice

A budget that accommodates a range or multiple levels of activities is known as:

Options:

A- flexible budget
B- variable budget
C- multiple budget
D- accommodating variant

Answer:

A

Question 6

Question Type: MultipleChoice

Which of the following is NOT the weakness to the payback method?

Options:

A- Answers in years, not dollars
B- Discount rate may be difficult to develop
C- Disregards cash flows after payback
D- Does not account for the time value of money

Answer:

B

Question 7

Question Type: MultipleChoice

Which of the following decisions involving high-dollar investments expected to achieve long-term benefits for an organization?

Options:

A- Long-term investment decisions
B- Capital investment decisions
C- Financial investment decisions
D- Extended investment decisions

Answer:

B

Question 8

Question Type: MultipleChoice

Ordinary annuity is:

Options:

A- a series of equal and unequal annuity payments made or received at the end of each period.
B- a series of equal annuity debts made or received at the end of each period.
C- a series of unequal annuity debts made or received at the start of each period.
D- a series of equal annuity payments made or received at the end of each period.

Answer:

D

Question 9

Question Type: MultipleChoice

Formula to calculate the break-even point in years if cash flows are equal each year is:

Options:

A- Initial Investment /Annual cash flow
B- Final Investment /Initial cash flow
C- Final Investment /Initial credit flow
D- Initial Investment /Final credit flow

Answer:

A

Question 10

Question Type: MultipleChoice

A method of payment in which the provider is paid a fixed amount, over a set period of time usually a month or a year refers to:

Options:

A- Time payment
B- Fixed payment
C- Capitation
D- Capitalization

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Answer:

C

Question 11

Question Type: MultipleChoice

Under accrual basis of accounting, revenues are recognized when earned.

Options:

A- True
B- False

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Answer:

A

Question 12

Question Type: MultipleChoice

Bad debt expense is:

Options:

A- the estimate of patient accounts payables that will not be collected.
B- the estimate of patient accounts receivables that will be collected.
C- the estimate of patient accounts receivables that will not be collected.
D- the estimate of patient accounts payables that will be collected.

Answer:

C

Question 13

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

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