INCOME STATEMENT

Learning outcome

Learners will be able to explain the utilisation of income statements by organisations.

Range statement

Nurse managers in first- , middle- and top-level management should be able to understand the terms used in this statement.

Assessment criteria

(1)   Giving examples of how the gross patient revenues are accrued, for example:

- routine patient services
- ancillary services

(2)   Reciting examples of deductions which often have to be made from the gross revenues, for example:

- bad debts
- free services

(3)   Adding up the total gross revenues and making the deductions from the revenues to arrive at the net revenue.

(4)   Citing examples of what the operating expenses would consist of, for example:

- salaries of staff
- medical supplies
- non-medical supplies
- depreciation

(5)   Giving an example of non-operating expenses, for example:

- interest

(6)   Adding up the total operating and non-operating expenses.

(7)   Calculating correctly the net income from operations, by deducting the total operating and non-operating expenses from the calculated net revenue.

(8)   Calculating the operating margin by dividing the nett income from operations by the nett revenue, and multiplying by 100/1 to calculate the percentage.

Specific outcome

Learners will demonstrate that they can draw up a fictitious income statement for a hospital from figures supplied by the lecturer.

Critical outcomes

Learners will be able to:

- calculate the total revenues

- calculate the total expenses

- calculate the nett income

- calculate the operating margin