

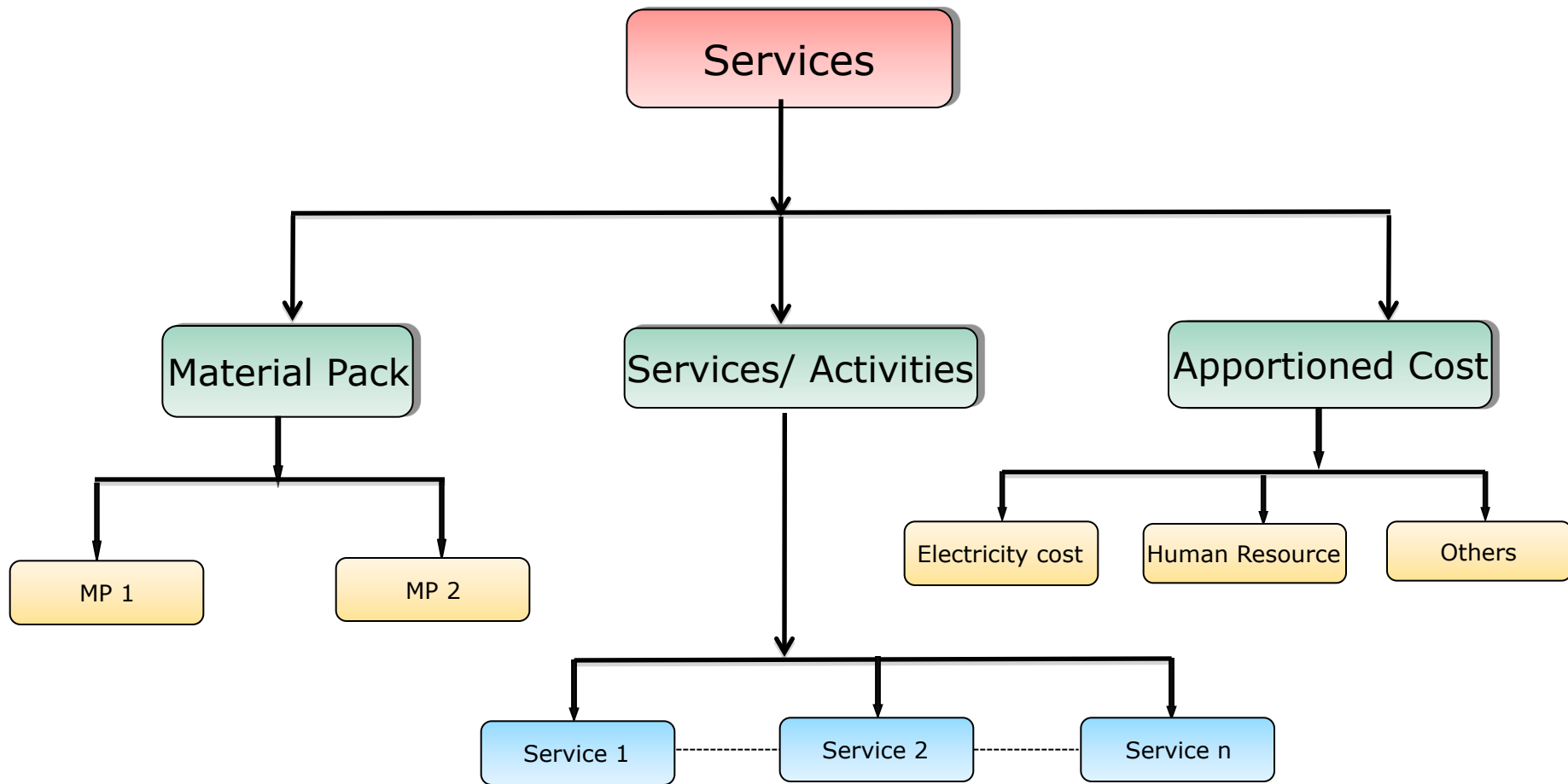
PARAS-Integrated ABC Module



Srishti Software
progress through creation...

- Activity Based Costing model that identifies activities in an organization and assigns the cost of each activity resource to all products and services according to the actual consumption by each

ABC Flowchart



Why Hospital needs Activity Based Costing?



- To know your business in and out
- ABC methodology assigns an organization's resource costs through activities to the products and services provided to its customers.
- To know the human resource cost in a hospital
- Since hospital is having so many activities/ services, the cost associated to each resource is huge and complex.
- The billing process is very complex thus calls for a robust ABC in place

Activity Based Costing



- You have many services inside a hospital
- Each service can have many services and activities
- The services and activities can be broken down to three component
 - Material Pack
 - Service Cost
 - Apportioned cost

- Every activity has material pack
- E.g. In lab sample collection: Vials, gauges, syringes etc. are material pack
- The consumption of the material pack will be updated in real time with the current stock

Service cost



- Every activity is associated with its service cost
- The service cost is the cost for the resource who is administering the sample collection activity

Apportioned Cost



- Apportioned cost is the overhead cost shared by a number of activities/ services.
- The apportioned cost would be resource remuneration, rent, electricity cost, air conditioned cost etc. which is associated to manage the activity
- Utilization of resources- 70% of actual time/ effort/cost

- *For a smooth functioning and to know the overheads, hospitals need Activity Based Costing*
- *The better the ABC usage the better the sustainability of the hospital*



THANK YOU

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