**Accounting for Healthcare Entities**

**Explain the difference between balance sheet and income statement. What area of balance sheet do you consider most critical and why**

Balance sheet in business organizations refers the document that shows the company’s assets. However, the document indicates the liabilities and the shareholders within a given organization. On the other hand, income statement refers to a document that is used to reflect the business activities within an organization.

Liabilities is considered as the most critical part in the balance sheet because it includes the information that states the fundamental issues of the organization such as the amount of money the shareholders claim and how investors should put the focus on the equity section.

**Discuss two reasons that healthcare organizations currently need to proactively the financial condition of their businesses**

Most of the healthcare companies across the globe need proactively financial condition to promote the wellbeing of their employees in order to achieve their targeted organizational goal.

However, the proactively financial condition helps the organization to overcome the current challenges associated with the accounting methods and issue that affects the accounting processes.

**Review costs covered in this chapter, comment on those costs you have a little control over, and explain why**

The method applied to capture the costs incurred at the level of care indicated some improvement where operational improvement had to be realized that is as a result of reduction of wastes was in the health organization.

**Comment on current state of our knowledge about time-driven activity-based costing health care and how you might use the information in future**

The current state of the time driven activity in healthcare is a great idea that has helped the health organizations to counter crisis of cost that affects most of the health care organizations across the globe. However, this program is important in ensuring that all costs are accounted for at each level of the operation in the organization.