

# Board of Governors in Healthcare Management (ACHE) Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

**This is a sample study guide. To access the full version with hundreds of questions,**

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# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

**Remember:** successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## **1. Start with a Diagnostic Review**

**Skim through the questions to get a sense of what you know and what you need to focus on. Don't worry about getting everything right, your goal is to identify knowledge gaps early.**

## **2. Study in Short, Focused Sessions**

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations, and take breaks to retain information better.**

## **3. Learn from the Explanations**

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## **4. Track Your Progress**

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## **5. Simulate the Real Exam**

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## **6. Repeat and Review**

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning.**

## **7. Use Other Tools**

**Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly — adapt the tips above to fit your pace and learning style. You've got this!**

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## **Questions**

- 1. What aspect is essential for facilitating clear communication in an emergency preparedness plan?**
  - A. Regular updates on medical training**
  - B. The establishment of a clear hierarchy of communication**
  - C. Having a dedicated social media team**
  - D. Basic first aid knowledge among all staff**
- 2. What assumption is made in the net present value calculation regarding borrowing and lending rates?**
  - A. They are variable throughout the decision life**
  - B. They differ between organizations**
  - C. They remain constant over time**
  - D. They are equal with each period**
- 3. What is the significance of HIPAA in healthcare management?**
  - A. It increases healthcare costs for organizations**
  - B. It ensures the confidentiality of health information and protects patient privacy**
  - C. It requires healthcare workers to undergo criminal background checks**
  - D. It standardizes healthcare practices across states**
- 4. Which method is NOT used to establish marketing budgets?**
  - A. The affordable method**
  - B. Objective and task method**
  - C. Competitive-based method**
  - D. Consumer purchasing behavior estimation**
- 5. Describe the role of technology in healthcare management.**
  - A. It reduces the need for trained professionals**
  - B. It enhances efficiency, improves patient care, and supports data management**
  - C. It complicates patient interactions**
  - D. It is mostly used for administrative tasks**



- 6. What does the asset turnover ratio measure in terms of managerial performance?**
- A. Amount of resources required to generate a dollar of revenue**
  - B. Profitability per dollar of revenue**
  - C. Effectiveness of capital structure decisions**
  - D. Effective use of current assets**
- 7. Under what condition can members of the medical staff be eligible for full membership on the governing board?**
- A. when they do not actively practice in the organization**
  - B. when they are not full-time employees**
  - C. when not legally prohibited**
  - D. if they are not foreign nationals**
- 8. What is an important aspect of a reward system designed to improve productivity?**
- A. It should focus solely on nonfinancial rewards**
  - B. It should be integrated into the organization's employee appraisal system**
  - C. It should promote teamwork and cooperation**
  - D. It should focus on both nonfinancial and financial rewards**
- 9. Which statement about an organization's image is incorrect?**
- A. An organization's image reflects all its activities and communications**
  - B. People's images of an organization reflect their true attitudes**
  - C. An organization's image results from public relations and communication efforts**
  - D. Marketers are responsible for the organization's image**
- 10. Who should draft an information system contract for a healthcare organization?**
- A. An independent management consultant**
  - B. The vendor who will supply the system**
  - C. The organization's legal counsel**
  - D. Technical staff from the organization and the vendor working together**

## **Answers**

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1. B
2. D
3. B
4. D
5. B
6. A
7. C
8. D
9. B
10. C

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## **Explanations**

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**1. What aspect is essential for facilitating clear communication in an emergency preparedness plan?**

- A. Regular updates on medical training**
- B. The establishment of a clear hierarchy of communication**
- C. Having a dedicated social media team**
- D. Basic first aid knowledge among all staff**

Establishing a clear hierarchy of communication is essential in an emergency preparedness plan because it ensures that information is disseminated efficiently and effectively during a crisis. A defined communication structure helps to clarify who communicates with whom, reduces the risk of confusion, and ensures that all members of the organization know their roles and responsibilities. This is particularly important in emergencies when timely and accurate communication can significantly impact the outcome. By having a clear hierarchy, decision-making can be streamlined, reducing delays associated with indecision or fragmented communication. This clarity also facilitates better coordination among departments and ensures that critical messages reach frontline responders without distortion, ultimately contributing to a more organized and efficient response to the emergency at hand. While regular updates on medical training, social media strategies, and basic first aid knowledge are all important aspects of a comprehensive emergency response framework, without a clear communication hierarchy, these elements alone may not effectively convey necessary information or instructions during a crisis.

**2. What assumption is made in the net present value calculation regarding borrowing and lending rates?**

- A. They are variable throughout the decision life**
- B. They differ between organizations**
- C. They remain constant over time**
- D. They are equal with each period**

In the context of net present value (NPV) calculations, the assumption is that the borrowing and lending rates are considered equal for each period. This is crucial because NPV evaluates the profitability of an investment by discounting future cash flows back to their present value, using a consistent rate to measure potential returns against costs. If the borrowing and lending rates were different, it would complicate the analysis significantly, as gains from investment would not be directly comparable to the costs incurred from borrowing at a different rate. By assuming these rates are equal, it simplifies decision-making and ensures the financial comparisons are valid across the periods being analyzed. Maintaining this consistency in rate usage allows for clearer insight into the viability of an investment, making it easier for decision-makers to assess whether to proceed with a project.

### 3. What is the significance of HIPAA in healthcare management?

- A. It increases healthcare costs for organizations
- B. It ensures the confidentiality of health information and protects patient privacy**
- C. It requires healthcare workers to undergo criminal background checks
- D. It standardizes healthcare practices across states

The significance of HIPAA, or the Health Insurance Portability and Accountability Act, in healthcare management primarily lies in its role in ensuring the confidentiality of health information and protecting patient privacy. HIPAA establishes national standards for the protection of sensitive patient health information, which is crucial in maintaining trust between patients and healthcare providers. By implementing strict rules regarding the use and disclosure of protected health information (PHI), HIPAA aims to safeguard individuals' medical records and personal health information from unauthorized access or breaches. This protection not only helps to secure patient information but also empowers patients by giving them rights over their own health data, such as the right to access their records and request corrections. Furthermore, compliance with HIPAA requirements is essential for healthcare organizations to avoid legal consequences and potential financial penalties, thus promoting a culture of accountability and ethical management practices in the healthcare sector. Overall, HIPAA's focus on confidentiality and privacy protection is fundamental to enhancing patient safety, improving the quality of care, and fostering an environment of trust within the healthcare system.

### 4. Which method is NOT used to establish marketing budgets?

- A. The affordable method
- B. Objective and task method
- C. Competitive-based method
- D. Consumer purchasing behavior estimation**

The chosen answer is appropriate because consumer purchasing behavior estimation is primarily a research approach that focuses on analyzing consumer patterns and preferences rather than directly establishing a marketing budget. Marketing budgets typically rely on specific methods that provide structured frameworks for determining how much money should be allocated for marketing activities. The affordable method involves setting the budget based on what the company can afford after other expenses are covered. The objective and task method requires defining clear objectives and determining the costs associated with tasks needed to achieve those objectives, making it a very strategic and calculated approach. The competitive-based method involves analyzing what competitors are spending and basing your budget on that information, ensuring that marketing efforts remain competitive in the marketplace. In contrast, while understanding consumer purchasing behavior is important for shaping overall marketing strategy and messaging, this understanding does not directly correlate to setting a budget. Therefore, it does not align with the typical methodologies that are used specifically for establishing marketing budgets.

**5. Describe the role of technology in healthcare management.**

- A. It reduces the need for trained professionals**
- B. It enhances efficiency, improves patient care, and supports data management**
- C. It complicates patient interactions**
- D. It is mostly used for administrative tasks**

The role of technology in healthcare management primarily revolves around enhancing operational efficiencies, improving the quality of patient care, and enabling better data management practices. Technology facilitates streamlined communication among healthcare providers, enables telemedicine options, and supports electronic health record systems that integrate patient data. This leads to timely decision-making, minimized errors, and personalized treatment plans. Technological advancements also contribute to better data analytics, which can help identify health trends, track outcomes, and improve organizational performance. By implementing these solutions, healthcare organizations can focus more on delivering high-quality patient care rather than getting bogged down by administrative burdens. Overall, technology is a vital component in modern healthcare management, driving improvements across a spectrum of areas including treatment processes, patient engagement, and operational workflows.

**6. What does the asset turnover ratio measure in terms of managerial performance?**

- A. Amount of resources required to generate a dollar of revenue**
- B. Profitability per dollar of revenue**
- C. Effectiveness of capital structure decisions**
- D. Effective use of current assets**

The asset turnover ratio is a financial metric that evaluates how efficiently a company uses its assets to generate revenue. Specifically, it measures the amount of resources required to generate a dollar of revenue, which provides insights into the operational efficiency and asset management of an organization. A high asset turnover ratio indicates that the organization is effectively using its assets to produce sales, whereas a low ratio may suggest inefficiencies or excessive asset accumulation. This ratio is particularly important for managerial performance because it reflects how well management is leveraging the assets at their disposal to drive business results. By analyzing this ratio, managers can make more informed decisions regarding asset utilization and operational adjustments to improve overall performance. The other options refer to different aspects of financial performance. Profitability per dollar of revenue relates to margins and profitability ratios, which focus on how much profit is made relative to sales rather than the efficiency of asset use. The effectiveness of capital structure decisions pertains to how well a company manages its debt and equity, influencing its long-term financial strategy rather than immediate operational efficiency. Meanwhile, the effective use of current assets focuses on liquidity and management of short-term assets specifically, rather than the broader measure provided by the asset turnover ratio.

**7. Under what condition can members of the medical staff be eligible for full membership on the governing board?**

- A. when they do not actively practice in the organization**
- B. when they are not full-time employees**
- C. when not legally prohibited**
- D. if they are not foreign nationals**

Members of the medical staff can be eligible for full membership on the governing board when not legally prohibited. This condition captures the essence of the legal frameworks and hospital bylaws which are designed to ensure that the governing board has a diverse composition while also adhering to regulations that may restrict certain individuals from holding board positions. Legal prohibitions can arise from various sources, including state laws, federal regulations, or specific institutional policies that may specify who is allowed to serve on the board. For instance, some regulations may prevent certain licensed professionals or individuals with conflicts of interest from participating on the governing board to ensure that governance remains free from bias and that decisions are made in the best interest of the organization and its patients. The other conditions presented do not encompass the broader legal context. The inability to actively practice or be an employee of the organization might allow for some medical staff to join the governing board, but those aspects can vary based on specific institutional rules rather than reflecting a legal limitation. Similarly, the status of foreign nationals could be relevant in some contexts, but it is not universally applicable as a condition for board membership across healthcare organizations. Thus, the condition concerning legal prohibitions ultimately dictates eligibility for full membership.

**8. What is an important aspect of a reward system designed to improve productivity?**

- A. It should focus solely on nonfinancial rewards**
- B. It should be integrated into the organization's employee appraisal system**
- C. It should promote teamwork and cooperation**
- D. It should focus on both nonfinancial and financial rewards**

An effective reward system aimed at improving productivity is most impactful when it incorporates both nonfinancial and financial rewards. This approach acknowledges the diverse motivations of employees, recognizing that different individuals may respond more favorably to different types of incentives. Financial rewards, such as bonuses or salary increases, provide immediate tangible benefits and can directly motivate employees to increase their performance. Meanwhile, nonfinancial rewards, such as recognition, professional development opportunities, and job satisfaction, can foster a positive workplace culture and enhance employee engagement. Implementing a dual-reward strategy not only caters to varying employee preferences but also builds a more comprehensive motivation framework. For instance, financial incentives can drive specific performance outcomes while nonfinancial rewards can cultivate long-term commitment and loyalty to the organization. Consequently, this balanced strategy is essential for sustaining high productivity levels and fostering a motivated workforce.



**9. Which statement about an organization's image is incorrect?**

- A. An organization's image reflects all its activities and communications**
- B. People's images of an organization reflect their true attitudes**
- C. An organization's image results from public relations and communication efforts**
- D. Marketers are responsible for the organization's image**

The statement that people's images of an organization reflect their true attitudes is incorrect because an individual's perception of an organization is influenced by various factors beyond their genuine attitudes. These factors can include misinformation, external influences, past experiences, and exposure to branding and marketing efforts. Thus, a person's image of an organization may not necessarily align with their true feelings or feedback about it. In contrast, an organization's image is indeed shaped by a wide range of its activities and communications, which can include marketing campaigns, public relations initiatives, and customer interactions. This reflects how the organization presents itself to the public and how those efforts can effectively influence perceptions. Additionally, while marketers play an essential role in shaping and managing an organization's image, it is a collaborative effort that involves multiple departments within the organization, such as public relations and leadership. Therefore, the other statements accurately represent the nuanced nature of organizational image and its formation.

**10. Who should draft an information system contract for a healthcare organization?**

- A. An independent management consultant**
- B. The vendor who will supply the system**
- C. The organization's legal counsel**
- D. Technical staff from the organization and the vendor working together**

Drafting an information system contract for a healthcare organization is best handled by the organization's legal counsel. This professional possesses expertise in contract law and understands the necessary legal language and terms that should be included in the contract to protect the organization's interests. Legal counsel can also ensure compliance with applicable regulations, such as healthcare laws and data protection statutes, which are crucial when dealing with information systems that may contain sensitive patient data. The legal counsel's involvement helps mitigate risks related to liability, service level agreements, data security, and terms regarding performance and support. A well-drafted contract also establishes clear expectations and responsibilities for both parties, which is essential for successful ongoing collaboration. While technical staff and vendors are knowledgeable about system capabilities and requirements, they may not have the legal knowledge required to formulate a contract that meets all legal standards and protects the organization effectively.

## Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://ache-boardofgovernors.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**