

# Federal Nursing Home Administrator Practice Exam (Sample)

## Study Guide



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**SAMPLE**

## **Questions**

- 1. What is the recommended daily allowance for milk consumption?**
  - A. 1 cup**
  - B. 2 cups**
  - C. 3 cups**
  - D. 4 cups**
- 2. According to accounting principles, how can the accounting equation be stated?**
  - A. Assets = Revenue + Expenditures**
  - B. Assets = Liabilities + Capital**
  - C. Assets = Accounts Receivable + Cash**
  - D. Assets = Owner's Equity + Debt**
- 3. What does COLA stand for in employment contexts?**
  - A. Cost of Living Adjustment**
  - B. Class of Labor Associations**
  - C. Composition of Labor Agencies**
  - D. Category of Labor Averages**
- 4. How can policies best be described?**
  - A. Rigid mandates that must be followed**
  - B. General and flexible statements that guide thinking**
  - C. Specific instructions that govern daily operations**
  - D. Detailed rules for employee conduct**
- 5. What is meant by "case mix" in a healthcare setting?**
  - A. Residents categorized by payment type**
  - B. Residents categorized by acuity**
  - C. Types of services provided**
  - D. Staffing requirements based on patient needs**

- 6. What does the function of controlling imply in management?**
- A. Setting annual budgets**
  - B. Measuring outcomes against benchmarks, then responding**
  - C. Delegating tasks to various staff members**
  - D. Creating new policies for implementation**
- 7. Interest-bearing accounts in nursing homes are typically for trust funds that exceed what amount?**
- A. \$25**
  - B. \$50**
  - C. \$75**
  - D. \$100**
- 8. What type of account typically refers to funds exceeding \$50 in a nursing home?**
- A. Non-interest bearing account**
  - B. Emergency fund account**
  - C. Interest bearing account**
  - D. Operating fund account**
- 9. When a nurse practitioner with higher qualifications gives orders in the hallways, how should the director of nursing feel?**
- A. Secure in their position**
  - B. Supportive of the actions taken**
  - C. Undermined**
  - D. In agreement with the orders**
- 10. What does objective evidence refer to in accounting?**
- A. Personal judgment about financial conditions**
  - B. Accounting records based on independent verification**
  - C. Financial statements made without any documentation**
  - D. Estimates based on projected income**

## **Answers**

SAMPLE

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

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## **Explanations**

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**1. What is the recommended daily allowance for milk consumption?**

- A. 1 cup
- B. 2 cups**
- C. 3 cups
- D. 4 cups

The recommended daily allowance for milk consumption is based on dietary guidelines that suggest adequate calcium and vitamin D intake for various age groups. For adults, particularly, the recommendation is often around 3 cups a day, which aligns with the general guidance provided by dietary guidelines that support bone health and overall nutrition. The choice of 2 cups, while it may be beneficial for some individuals and could fit within certain dietary patterns, typically falls short of the amount needed for optimal calcium intake for adults and adolescents. Thus, it does not sufficiently support the recommended levels for those who are aiming to meet their daily calcium requirements. It's important to note that while some individuals may choose to obtain their calcium from alternative sources or fortified products, the traditional guideline points towards 3 cups as a balanced recommendation for most people to ensure they receive the necessary nutrients found in milk, such as calcium, potassium, and vitamin D, crucial for maintaining bone density and overall health.

**2. According to accounting principles, how can the accounting equation be stated?**

- A. Assets = Revenue + Expenditures
- B. Assets = Liabilities + Capital**
- C. Assets = Accounts Receivable + Cash
- D. Assets = Owner's Equity + Debt

The accounting equation is foundational to the field of accounting and establishes the relationship between a business's assets, liabilities, and equity. The correct formulation of the accounting equation is that assets equal liabilities plus equity (or capital). This means that everything a company owns (its assets) is financed either by borrowing money (liabilities) or through the owner's investment (equity). When considering the integrity of a business's financial structure, this equation guarantees that all resources are accounted for in terms of how they were obtained—either through financial debts (liabilities) or investments made by owners (equity). The other options do not accurately reflect this fundamental principle of accounting. For instance, the first option mixes revenues and expenditures with assets, which doesn't align with how assets are financed. The third option incorrectly focuses solely on specific asset accounts like accounts receivable and cash, without addressing liabilities or equity. Similarly, the fourth option introduces terms like "debt," which can be a part of liabilities but does not represent the overall equity portion appropriately. This clarifies why the chosen answer correctly represents the standard accounting equation.

### **3. What does COLA stand for in employment contexts?**

- A. Cost of Living Adjustment**
- B. Class of Labor Associations**
- C. Composition of Labor Agencies**
- D. Category of Labor Averages**

In employment contexts, COLA stands for Cost of Living Adjustment. This term refers to an increase in an employee's salary or wages that is intended to offset the rising costs of living due to inflation. Employers often implement COLAs to help employees maintain their purchasing power as prices for goods and services increase. COLAs are a common practice in labor contracts and can be adjusted based on various factors, including governmental indices that track inflation rates. By providing this adjustment, organizations aim to ensure that their employees' compensation keeps pace with economic changes, fostering financial stability and job satisfaction among their workforce. The other options do not accurately reflect the commonly understood meaning of COLA within the employment context. They represent concepts that are less relevant or do not pertain to salary adjustments.

### **4. How can policies best be described?**

- A. Rigid mandates that must be followed**
- B. General and flexible statements that guide thinking**
- C. Specific instructions that govern daily operations**
- D. Detailed rules for employee conduct**

Policies are best described as general and flexible statements that guide thinking because they provide a framework for decision-making and behavior within an organization. Unlike rigid mandates or specific instructions that may dictate exact procedures, policies allow for interpretation and adaptation to various situations. This flexibility is essential in dynamic environments like nursing homes, where staff must often make judgment calls based on individual circumstances and resident needs. By serving as guiding principles, policies foster a culture of accountability and empowerment among employees, enabling them to operate within established guidelines while still exercising professional discretion. This approach ensures that the intent of the organization's goals is maintained while accommodating the complexities of day-to-day operations.

**5. What is meant by "case mix" in a healthcare setting?**

- A. Residents categorized by payment type**
- B. Residents categorized by acuity**
- C. Types of services provided**
- D. Staffing requirements based on patient needs**

"Case mix" refers to the categorization of residents based on the acuity, or level of care, they require. In healthcare settings, particularly in nursing homes, case mix analysis is crucial because it helps in understanding the complexity and types of conditions that residents present. This analysis allows facilities to allocate resources effectively, ensure that appropriate staff levels are in place, and tailor services to meet the specific needs of their residents. By categorizing residents by acuity, facilities can better predict the type and level of services required, which is essential for planning care and managing costs effectively. This data greatly influences reimbursement rates and funding, as higher acuity cases typically require more intensive care and resources. Therefore, understanding the case mix is vital for operational management and financial planning in a healthcare environment. While other options touch upon relevant aspects of healthcare operations, they do not encapsulate the broader and more critical concept of case mix, which focuses explicitly on acuity levels among residents.

**6. What does the function of controlling imply in management?**

- A. Setting annual budgets**
- B. Measuring outcomes against benchmarks, then responding**
- C. Delegating tasks to various staff members**
- D. Creating new policies for implementation**

In management, the function of controlling is primarily concerned with monitoring progress and performance in relation to established objectives and standards. This involves measuring outcomes against predetermined benchmarks to assess whether desired results are being achieved. When outcomes deviate from these benchmarks, the controlling function requires management to respond appropriately, which could mean making adjustments, reallocating resources, or implementing corrective actions to steer performance back toward the common goals. This aspect of control is essential for ensuring that the organization is on track to meet its objectives, maintaining quality, efficiency, and effectiveness in its operations. It helps identify areas that need improvement and fosters accountability within the team. Setting annual budgets, delegating tasks, and creating policies, while important aspects of management, do not embody the primary essence of the controlling function, which inherently focuses on performance measurement and responsive action.

**7. Interest-bearing accounts in nursing homes are typically for trust funds that exceed what amount?**

- A. \$25
- B. \$50**
- C. \$75
- D. \$100

Interest-bearing accounts in nursing homes are generally used for trust funds that exceed \$50. This threshold reflects regulatory standards aimed at protecting the financial interests of residents. When a resident's funds surpass this amount, the facility is encouraged to manage these assets prudently, often by placing them in interest-bearing accounts. This practice ensures that the funds can earn interest, which can be beneficial for the resident's financial well-being, providing additional resources for their care or personal expenses. Accounts for amounts below this threshold are typically maintained in non-interest-bearing accounts as the administrative costs of managing interest-bearing accounts may not be justified for smaller sums. This regulatory focus helps ensure that residents' larger trust funds can be utilized effectively while safeguarding their financial interests in a manner that is compliant with nursing home regulations.

**8. What type of account typically refers to funds exceeding \$50 in a nursing home?**

- A. Non-interest bearing account
- B. Emergency fund account
- C. Interest bearing account**
- D. Operating fund account

An interest-bearing account is one that earns interest on the deposited funds, which is typically the case when funds exceed a certain threshold, such as \$50 in a nursing home context. These accounts are utilized to maximize the financial resources available to the facility, allowing for the growth of funds that can be utilized for various operational and care-related expenses. Interest-bearing accounts are important for nursing homes because they can provide added income that helps to support the facility's budget. Funds in such accounts are usually more beneficial when managed wisely, enhancing the overall financial stability of the nursing home. As institutions often deal with significant amounts of money for resident care, maintaining funds in interest-bearing accounts can contribute positively to the facility's financial health. The other options, while relevant in different contexts, do not specifically align with the concept of managing excess funds for interest generation. Non-interest bearing accounts do not grow funds, emergency fund accounts are typically reserved for urgent, unforeseen expenses, and operating fund accounts are more about managing daily expenses rather than focusing on optimal investment of surplus funds.

**9. When a nurse practitioner with higher qualifications gives orders in the hallways, how should the director of nursing feel?**

- A. Secure in their position**
- B. Supportive of the actions taken**
- C. Undermined**
- D. In agreement with the orders**

When a nurse practitioner with higher qualifications gives orders in the hallways, the director of nursing may feel undermined because it can suggest a challenge to their authority and role within the facility. The director of nursing is typically responsible for the overall management and leadership of nursing staff, including the delegation and oversight of patient care. If a nurse practitioner, regardless of their qualifications, is issuing orders publicly in a manner that bypasses established communication protocols, this could create feelings of insecurity about their position and authority. In a well-coordinated healthcare environment, communication and collaboration are crucial. The director of nursing would ideally expect any orders to be communicated through proper channels to maintain clarity and ensure that all staff, including nurses and nurse practitioners, operate within their defined roles. This incident may lead to concerns regarding teamwork, respect, and the overall hierarchical structure of the nursing team, which is vital for effective patient care and staff morale.

**10. What does objective evidence refer to in accounting?**

- A. Personal judgment about financial conditions**
- B. Accounting records based on independent verification**
- C. Financial statements made without any documentation**
- D. Estimates based on projected income**

Objective evidence in accounting is defined as accounting records that are based on verifiable and independent data. This type of evidence helps ensure the reliability and authenticity of financial statements and transactions, establishing a clear and defensible basis for financial reporting. For example, invoices, receipts, and bank statements are considered forms of objective evidence because they can be independently verified and provide tangible proof of financial activity. This contrasts with personal judgments or estimates, which may be more subjective and rely heavily on individual interpretation rather than factual data. While other options may have some relevance to accounting, they do not fulfill the requirement of being verifiable or based on independent sources, which is the essence of objective evidence in the field.