

RFHHA MANAGEMENT TIP OF THE DAY FOR HOSPITAL ADMINISTRATORS 1313

Learn the FM: WHAT IS ASSET STRIPPING?

Asset Stripping is a process whereby a hospital acquires a controlling interest in another company for the purpose of disposing of its assets.

It is buying an undervalued hospital and selling off some or all of its assets. A hospital's market value (the total worth of its shares) may have fallen, because of inefficient management or adverse markets, to a level below the total value of its individual assets, such as property, plant, patents or subsidiary activities. **Assets stripping can make a quick profit for the hospital engaging in it but normally brings to an end the business of the hospital taken over.?**

Dr Madhav M Singh

MBBS (AFMC), MHA (AIIMS) , MBA (Finance) , PhD (Hospital Management)

[NATIONAL GRAND ROUND HOSPITAL & HEALTHCARE ADMINISTRATION](#)

<http://bit.ly/NatGrndRound>

[Join now](#)