



UNIVERSITY OF RUHUNA – FACULTY OF ALLIED HEALTH SCIENCES

DEPARTMENT OF PHARMACY

THIRD BPHARM PART II EXAMINATION – JUNE 2023

PH 3253 MARKETING AND ACCOUNTING -SEQ PAPER

TIME: THREE HOURS

INSTRUCTIONS

- There are six questions in the part A and B of this SEQ paper.
- Answer all questions.
- No paper should be removed from the examination hall.
- Do not use any correction fluid.
- Make logical assumptions where necessary.

PART A

01. “Marketing management refers to the control and operations of various marketing activities and the people involved in those activities, such as managers, marketing management professionals, contractors, and more.”

- 1.1. Marketers are involved in marketing 10 types of entities. List and briefly characterize these entities. (25 marks)
- 1.2. List and briefly describe the eight different demand states in marketing. (25 marks)
- 1.3. Distinguish between the concepts of value and satisfaction. (25 marks)
- 1.4. Briefly explain the holistic marketing concept. (25 marks)

02. “Pricing products can be a tricky business, but it’s one of the most important activities an enterprise can do. Finding the right pricing strategy is crucial to locking in sales while ensuring your revenue levels are healthy enough to stay afloat.”

- 2.1. The vast array of products that consumers buy can be classified based on shopping habits and are broken down into four main areas. List these four main classifications of consumer goods. (25 marks)
- 2.2. You know that marketers have traditionally classified products based on characteristics of durability, tangibility, and use. Briefly explain the classification. (25 marks)
- 2.3. Briefly explain the price skimming strategy and price penetration strategy. (25 marks)
- 2.4. What are the product mix pricing strategies? Briefly explain the answer with examples. (25 marks)

03. “The distribution and promotions strategies focused on sharing contemporary knowledge on channel management strategy, contemporary distribution strategies, managing channel conflicts, and recent trends in distribution technology.”

- 3.1. What is the role of marketing communications? (25 marks)
- 3.2. How is the marketing communications mix, and how should it be set and evaluated? (25 marks)
- 3.3. Distinguish between upstream and downstream marketing channel designs. (25 marks)
- 3.4. What are the steps in distribution channel design? Briefly explain the steps. (25 marks)

PART B

04.

- 4.1. Briefly explain the “Business Entity Concept” with a suitable example. (20 marks)
- 4.2. Briefly explain the current assets and current liability using suitable examples. (20 marks)
- 4.3. During the month of May 2023, the following transactions took place at XYZ Pharmacy, which is a wholesale distribution company located in Galle.
- i. “XYZ Pharmacy” purchased medicines with a value of Rs. 300,000 on credit.
 - ii. The company has paid Dinushi Pharmacy, who is a creditor, an outstanding balance, which was Rs.100,000. The payment was made in cash.
 - iii. The proprietor of XYZ Pharmacy made an additional capital investment of Rs.1,000,000 for the operation of the business.
 - iv. On a credit basis, the company sold pharmaceuticals with a total value of Rs.300,000 to customer A.
 - v. The water bill for the month has been received but has not yet been paid (invoice amount is Rs. 25,000).
 - vi. A five million rupees bank loan has been obtained from the People’s Bank.
 - vii. The Pharmacy has received Rs 150,000 cash from a debtor.
 - viii. The Pharmacy has paid the salaries of its employees for the month. The sum is Rs. 180,000.
 - ix. A commission income of Rs. 100,000 was received by the Pharmacy during the month.
 - x. Rs. 10,000 was taken by the owner for his own use.

You are required to:

Using the following format, record the effect of each transaction in the Accounting Equation. (60 marks)

Transaction Number	Stock	Debtors	Cash/Bank	= Equity	Creditors	Bank Loan	Liabilities
Opening Balance	500,000	200,000	300,000	200,000	50,000	650,000	100,000
i.				=			
ii.				=			
iii.				=			
iv.				=			
v.				=			
vi.				=			
vii.				=			
viii.				=			
ix.				=			
x.				=			

05.

5.1. Write down five subsidiary books with their source documents. (20 marks)

5.2. The following transactions have taken place during the month of May 2023.

- i. The company has sold Rs 300,000 valued items to Saman Trader on credit.
- ii. Cash sale on 5th May 2023 was Rs. 400,000.
- iii. The credit purchases from ABC Pharmacy were Rs. 200,000.
- iv. The electricity bill that was Rs. 50,000 for the month of April has been paid this month.
- v. Cash purchase on 9th May 2023 was Rs 300,000.
- vi. The Saman trader has paid their outstanding balance with a 10% discount allowed.
- vii. The company has returned Rs. 20,000 valued items to ABC Pharmacy due to damage during delivery.
- viii. Rs. 250,000 valued drugs have been purchased from XYZ pharmacy on credit.
- ix. Rs. Two million bank loans have been obtained from the Bank of Ceylon.
- x. The company has settled the outstanding amount of ABC Pharmacy with a 5% discount received.
- xi. Rs. 50,000 was received as other income.
- xii. Cash sale on 15th May 2023 was Rs 500,000.
- xiii. Cash purchase on 24th May 2023 was Rs.200,000
- xiv. The company purchased a computer during the month. The value was Rs 250,000.
- xv. Rs 30,000 valued drugs have been returned to the XYZ Pharmacy due to damage.

You are required to prepare,

5.2.1. Cash Receipts Journal (30 marks)

5.2.2. Cash Payments Journal (30 marks)

5.2.3. Cash Control Account (10 marks)

5.2.4. Purchase Return Journal (10 marks)

06. The extract of the trial balance that was taken from Chamara Traders, which is a sole proprietorship, is presented below.

Chamara Traders

Trail Balance as at 31st March 2023

(Rs. 000)

	Dr.	Cr.
Furniture and fittings	1,200	
Buildings	4,000	
Office Equipment	500	
Motor Vehicles	1,800	
Accumulated Depreciation as at 01st April 2022		
Buildings		300
Office Equipment		150
Motor Vehicles		350
Furniture and fittings		180
Drawings	800	

Stock as at 1st April 2022	600	
Sales income		20,000
Purchases	12,000	
Debtors	5,000	
Creditors		2,000
Water Bills	500	
Salaries	2,000	
Telephone charges	200	
Advertisement expense	400	
Bank Balance	380	
Sales return	500	
Purchase return		600
Accrued Electricity		300
Capital		6,000
	29,880	29,880

Additional Information

- i. The closing stock as at 31st March 2023 was Rs.200,000.
- ii. Write off Rs. 500,000 as bad debts from the debtors.
- iii. Prepaid advertisement expense is Rs. 30,000
- iv. The insurance premium for the period, which is Rs. 12,000 has not yet been paid. No record in this regard was not in the account.
- v. In accordance with the company's policy, depreciation will be calculated using the straight-line method at cost.

Building	5%
Office Equipment	10%
Motor Vehicles	20%
Furniture and Fittings	15%

6.1 You are required to,

- 6.1.1. Prepare Income Statement for the year ended 31st March 2023. (60 marks)
- 6.1.2. Prepare the Statement of Financial Position as at 31st March 2023. (40 marks)

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