



UNIVERSITY OF RUHUNA – FACULTY OF ALLIED HEALTH SCIENCES

DEPARTMENT OF PHARMACY

THIRD BPHARM PART II EXAMINATION – DECEMBER 2017

PH 3253 MARKETING AND ACCOUNTING (SEQ)

TIME: THREE HOURS

INSTRUCTIONS

- There are **two** parts in the SEQ paper, A and B.
- Each part has **three** questions.
- Answer **all** questions in the books provided.
- No paper should be removed from the examination hall.
- Do not use any correction fluid.
- Use illustrations where necessary.

PART A

(01). Marketing is defined as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging value with others.

- i). Explain market offerings and marketing myopia. (25 marks)
- ii). Why do companies generally divide a market into segments of customers? (25 marks)
- iii). Briefly explain the societal marketing concept. (25 marks)
- iv). Discuss how the political environment affects the marketing environment. (25 marks)

[Total Marks 100]

(02). Customer Relationship Management (CRM) is an approach to managing a company's interaction with current and potential customers.

- i). Explain the cultural factors that influence consumer behavior. (25 marks)
- ii). Explain the four major segmentation variables for consumer markets. (25 marks)
- iii). How do businesses segment their markets? (25 marks)
- iv). Briefly describe the characteristics of effective market segments. (25 marks)

[Total Marks 100]

(03). Marketing strategy includes all basic, short-term, and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company.

- i). What is a product? What are the three levels of a product? (25 marks)
- ii). Distinguish between market-skimming pricing and market-penetration pricing. (25 marks)
- iii). Compare a conventional distribution channel and a vertical marketing system. (25 marks)
- iv). What is a promotion mix? (25 marks)

[Total Marks 100]

PART B

(04).

i) Who are the main users of accounting information and state why accounting information is important for their decisions?

(40 marks)

ii) What do you mean by the periodicity concept (Accounting period concept) and why is this concept applied in accounting?

(30 marks)

iii) Briefly explain the main objectives of accounting.

(30 marks)

[Total Marks 100]

(05). Write the journal entries necessary for recording following transactions in the books of Mr.Nirmal for the month of July, 2017.

July 1- Nirmal started the business with an investment of Rs. 575,000.

July 2- He opened a bank account by depositing Rs. 225,000 out of his initial investment.

July 8- Furniture was purchased from Green Homes for Rs. 57,500 for the use of the business.

July 9- Goods were purchased from Mohan for 18,000 and paid Rs. 1,500 carriage charges on it.

July 10- Shop rent was paid Rs. 12,500.

July 12- Advertisement expenses were paid by a cheque amounting Rs. 7,100.

July 14- Paid Rs.17, 800 to Mohan in full settlement of his account.

July 15- Goods were sold for cash Rs.4,600.

July 18- Interest income was received from the bank Rs.1,300.

July 23- Goods were sold to Mihiri for Rs.10,500.

July 25- Received Rs.10,200 from Mihiri and allowed her a discount of Rs.300.

July 28- Mr. Nirmal withdrew goods worth Rs.1,000 for his personal use.

[Total Marks 100]

(06). Following trial balance has been extracted from the books of the Nilwala Company as at 31st March 2017.

Trial Balance as at 31st March 2017

	Rs.	Rs.
Inventory (01.04.2016)	240,000	
Building	1,500,000	
Motor Vehicle	1,000,000	
Furniture	268,000	
Purchases	1,300,000	
Wages	30,000	
Sales		3,200,000
Capital		2,000,000
Debtors	250,000	
Purchase returns		10,000
Creditors		240,000
Sales returns	20,000	
Salaries	500,000	
Electricity	24,000	
Rent	36,000	
Telephone	80,000	
Stationary	90,000	
Discounts Allowed	50,000	
Discounts Received		60,000
Transport	180,000	
Advertising	200,000	
Bank Loan (15% Interest p.a.)		500,000
Cash in Bank		90,000
Cash in Hand	302,000	
Miscellaneous Expenses	30,000	
	6,100,000	6,100,000

Following additional information is also available to you.

- The value of the inventory as at 31st March 2017 was Rs. 345,000.
- Bank loan interest for the period has not been paid yet.
- Accruals and prepayments details as at 31st March 2017 are as follows.

	Prepayments (Rs.)	Accruals (Rs.)
Salaries		100,000
Telephone		20,000
Advertising	50,000	
Rent	10,000	

d) Building, motor vehicle and furniture are to be depreciated using the following rates on their cost.

Building	5%
Motor Vehicle	20%
Furniture	10%

Prepare the followings for the use of internal management of the Company.

i. Income Statement (Trading Profit and Loss Account) for the year ending 31st March 2017.

(60 marks)

ii. Statement of Financial Position (Balance Sheet) as at 31st March 2017.

(40 marks)

[Total Marks 100]

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Following additional information is also available to you

a) The value of the inventory as at 31st March 2017 was Rs. 342,000.

b) Bank loan interest for the period has not been paid yet.

c) Accruals and prepayments details as at 31st March 2017 are as follows

	Prepayments (Rs.)	Accruals (Rs.)
Salaries		100,000
Telephone		20,000
Advertising	30,000	
Rent	10,000	