

	UNIVERSITY OF RUHUNA FACULTY OF MEDICINE	No of Pages: 04 No of Questions: 06 Total Marks 600
	PH 3253 Marketing and Accounting	
BACHELOR OF SCIENCE (PHARMACY) DEGREE		<i>Three Hours</i>
END SEMESTER EXAMINATION – MAY/JUNE 2015		

Instructions

- ➔ Answer all questions

Part A

(01). " Marketing helps creating jobs in the economy by increasing demand for goods and services".

- i). Marketers are involved in marketing 10 types of entities. List and briefly characterize these entities.
- ii). Distinguish between the concepts of value and satisfaction.
- iii). Define internal marketing and its role in a company.
- iv). Identify and define the marketing mix.

(25 Marks X 04)
[Total Marks 100]

(02). " Today, the 'mass market' is actually splintering into numerous segments, each with its own wants, perceptions, preferences, and buying criteria".

- i). What is the traditional view of marketing?
- ii). Explain the primary activities of Michel Porter's Value Chain Model.
- iii). Explain the differences between culture, subculture, and social class.
- iv). Identify the five levels of product.

(25 Marks X 04)
[Total Marks 100]

(03). "A market is never saturated with a good product, but it is very quickly saturated with a bad one".

- i). Industrial goods can be classified in terms of how they enter the production process and their relative costliness. Identify the three groups of industrial goods.
- ii). What are marketing channels? Briefly explain some of the different types of intermediaries.
- iii). Explain the three distribution strategies based on the number of intermediaries.
- iv). Explain total customer satisfaction.

(25 Marks X 04)
[Total Marks 100]

Part B

(04).

i). "Accounting is an information system that measures, processes and communicates financial information". Briefly explain this statement.

(30 Marks)

ii). Briefly explain the main objectives of accounting.

(30 Marks)

iii). Briefly explain the following accounting concepts.

Going concern concept

Accrual concept

(40 Marks)

[Total Marks 100]

(05).

You are required to give journal entries necessary for recording following transactions in the books of Global Company.

Balances on January 1st, 2014

Cash in hand Rs 16,000; cash in Bank Rs 50,000, stock of goods Rs 40,000, furniture Rs 15,000, building Rs 100,000, Fixed deposit Rs.10,000, sundry debtors: Kumara Rs 8,000, Namal Rs 5,000.

Sundry creditors: Maya Rs 7,000, Bank loan Rs 12,000.

Transactions during the month of January 2014.

2 January: Purchased goods worth Rs 5,000 subject to a 5% cash discount.

4 January: Received Rs 7,500 from Kumara and allowed him a discount of Rs 500.

8 January: Purchased goods from Nihal for Rs 10,000

10 January: Purchased a plant from Green homes for Rs 15,000 and paid Rs 1,000 as freight for bringing the plant to the factory and another Rs 2,000 as installation charges.

12 January: Sold goods to Nadee on credit for Rs 3,000.

15 January: Paid Rs 6,800 to Maya in full settlement of her account.

18 January: Namal became insolvent and could pay only 50% of balance due. The management decided to write off the remaining balance.

20 January: Interest received from fixed deposit Rs 1500.

25 January: Paid Rs.1, 200 interest on bank loan.

28 January: Withdrew goods worth Rs.2,000 from business for personal use.

[Total Marks 100]

(06).

Following Trial Balance has been extracted from the books of the Southern Stores as at 31st December 2014.

Trial Balance as at 31st December 2014

	Rs.	Rs.
Inventory (01.01.2014)	1,125,000	
Land and building	2,750,000	
Machinery	724,000	
Motor Vehicle	2,500,000	
Furniture and Fittings	75,000	
Purchases	2,250,000	
Sales		5,209,000
Debtors	412,800	
Creditors		13,500
Return inwards	2,000	
Salaries and Wages	240,000	
Electricity	38,000	
Audit fees	17,500	
Rent	40,000	
Telephone	21,200	
Stationary	15,000	
Discounts Allowed	5,000	
Discounts Received		6000
Travelling expenses	16,000	
Advertising	24,000	
Bank Loan (15% interest p.a.)		30,000
Cash in Bank		17,500
Cash in Hand	12,500	
Miscellaneous Expenses	8,000	
Capital		5,000,000
	10,276,000	10,276,000

The following additional information is available.

- 1) The value of the inventory as at 31st December 2014 was Rs. 520,000.
- 2) Bank loan interest for the period has not been paid yet.
- 3) Travelling includes the proprietor's personal travelling amounting to Rs.1, 000.

19
105

- 4) Property, plant and equipment are to be depreciated using the following rates on their cost.

Land and building	5%
Machinery	25%
Motor Vehicle	20%
Furniture and Fittings	10%

You are required to 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 December 2014.

(60 Marks)

- ii). Statement of Financial Position (Balance Sheet) as at 31st December 2014.

(40 Marks)

[Total Marks 100]