00071

THE OPEN UNIVERSITY OF SRI LANKA
FACULTY OF HEALTH SCIENCES
DEPARTMENT OF PHARMACY
THE ACADEMIC YEAR 2024/2025 – SEMESTER I

THE OPEN UNIVERSITY OF SRI LANKA
14 MAY 2025
EXAMINATION

**BACHELOR OF PHARMACY HONOURS**
**FMU5406 PHARMACEUTICAL MARKETING, MANAGEMENT, AND PHARMACOECONOMICS LEVEL 5**
**FINAL EXAMINATION**
**DURATION: THREE (03) HOURS**

---

**DATE: 14TH MAY 2025** **TIME: 09.30 A.M. – 12.30 P.M**

---

**INDEX NO: .....**

**INFORMATION TO CANDIDATES**

- This question paper consists of **04 pages** with **06 Structured Essay Questions.**
- **Structured Essay Questions:** Write answers on the answer booklet and use separate booklets for each question. **(100 Marks × 6).** The final mark will be calculated to 100 marks.

**IMPORTANT INSTRUCTIONS**

- Write your Index Number in the space provided.
- Answer **All** questions.
- Do **NOT** remove any page/part of this question paper from the examination hall.
- Do **NOT** keep unauthorized material, including mobile phones and other electronic equipment, with you during the examination. Calculators are allowed.

**Index No.....**

**Structured Essay Questions. (100 Marks)**
**(Total marks will be taken out of 600 and calculated to 100 marks)**

**Use a separate booklet for each question.**

1) Imagine you are a marketing consultant for ABC Pharmacy, explain with examples the importance of the marketing environment to your top management. (100 marks)

2) Critically evaluate how you can utilize the marketing mix for the pharmacy operating under a government hospital.

(100 marks)

3)

3.1 Differentiate the following with examples.

3.1.1 "Public goods" and "Merit goods"
3.1.2 "Positive externalities" and "Negative externalities" (20 Marks)

3.2 Under what type of goods, can health be categorized? Is it under "Public good" or "Merit good"? Justify your answer. (30 Marks)

3.3 Could the decision making in the health sector entirely be left to free market? Explain with examples. (50 Marks)

4)

4.1 "The health care is characterized by lower degree of substitutability". Elaborate the statement with examples. (50 marks)

4.2 Explain what is meant by "Partial Economic Evaluation" in health-care with examples.

(50 marks)

5) Answer **Four (04) sub questions/parts ONLY**

5.1"Double-entry system is the foundation of financial accounting" Explain this while indicating how it ensures the accuracy of financial records.

(25 marks)

5.2 A Trial Balance is a key internal control mechanism in accounting. Explain its role and three possible errors that might cause a Trial Balance to be imbalanced.

(25 marks)

5.3 Financial statements serve as the backbone of business decision-making. Explain the four(04) primary financial statements and critically assess how each of them helps owners and investors make informed decisions.

(25 marks)

5.4 Financial statements are prepared based on fundamental accounting concepts. Critically evaluate the importance of the following concepts in financial reporting:

i. Accounting Entity Concept
ii. Going Concern Concept
iii. Historical Cost Concept

Use examples relevant to a pharmacy business in your discussion. (25 marks)

5.5 Differentiate between Cash-Basis Accounting and Accrual Accounting and explain how they impact on financial statements, particularly in the recognition of sales, expenses, and liabilities.

(25 marks)

6) Medicare Pharmacy Pvt. Ltd., owned by Mr. Sameer Fernando, conducted the following transactions during March 2025.

i. The owner, Mr. Sameer Fernando, invested Rs. 2,000,000 in cash as capital.
ii. Purchased pharmacy shelves and storage cabinets worth Rs. 250,000 in cash and paid an additional Rs. 20,000 for delivery and installation to Furni Tech Pvt. Ltd.
iii. Deposited Rs. 150,000 in the bank to open a business current account with the Commercial Bank.
iv. Purchased pharmaceutical inventory worth Rs. 200,000 from HealthCare Distributors Pvt. Ltd. on credit.
v. Returned expired medicines worth Rs. 12,000 to HealthCare Distributors Pvt. Ltd.
vi. Sold prescription medicines worth Rs. 120,000 for Rs. 200,000 on credit to City Hospital Ltd. The medicines sold were originally purchased on credit from HealthCare Distributors Pvt. Ltd.

vii. Received Rs. 150,000 in cash from City Hospital Ltd. for the sale made in transaction #vi.

viii. Paid Rs. 120,000 to HealthCare Distributors Pvt. Ltd. for inventory previously purchased on credit.

ix. Paid Rs. 85,000 in salaries to pharmacy staff, including the pharmacist and assistants.

x. Paid Rs. 25,000 for electricity and internet bills from the bank account.

xi. Purchased a new refrigeration unit for Rs. 180,000 on credit from CoolTech Pvt. Ltd. to store temperature-sensitive medicines.

xii. Sold over-the-counter medicines worth Rs. 50,000 for Rs. 80,000 in cash to walk-in customers.

xiii. Paid Rs. 50,000 in rent for the pharmacy premises via bank transfer.

xiv. Received a loan of Rs. 500,000 from People's Bank to expand inventory and improve infrastructure.

xv. Paid Rs. 40,000 in insurance fees for pharmacy inventory and equipment.

Required:

6.1 Record each transaction in the Accounting Equation, showing the impact on Assets, Liabilities, and Equity. Clearly indicate increases (+) and decreases (-) in each category. (60 marks)

6.2 Prepare the Trial Balance for MediCare Pharmacy Pvt. Ltd. as of March 31, 2025, based on the above transactions. (40 marks)

**---End of the Examination Paper---**