

**UNIVERSITY OF THE PHILIPPINES MANILA
COLLEGE OF PHARMACY**

**PHAR 125: Pharmaceutical Accounting
1st Semester AY 2020-2021**

**Break-even Analysis & Pricing
Study Guide**

Learning Objectives

At the end of the session, students should be able to:

1. Understand different types of costs
2. Perform different methods of break-even analysis
3. Perform different pricing methods

Study

- Access the PPT slides with audio and screen recordings.
- Practice using the uploaded sample problems.
- Answer the worksheet and discussion forum.

Guide Questions

*Use these questions to guide you when accessing the learning materials. You are not required to submit answers to the guide questions.

1. How can you differentiate a fixed cost from a variable cost?
2. How does the contribution margin affect the break-even point?
3. What is the advantage of setting a target net income?
4. How do you conduct the different cost-plus methods?
5. When are the alternative pricing strategies preferred?

Learning Resources

- DOCX File: **Break-even Analysis and Pricing Sample Problems**
- Carroll, N. V. (n.d.) *Pricing Pharmaceutical Products and Services*. Virginia Commonwealth University.
- Warren, et al. (2005). *Financial & Managerial Accounting*. Thomson South-Western: Ohio.
- Weygandt, J. J., Kimmel, P. D., & Kieso, D. E. (2019). *Accounting Principles with International Financing Reporting Standards GE*. John Wiley & Sons, Inc.: Singapore.