

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

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

**Capital Investment Decisions  
Study Guide**

**Learning Objectives**

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

1. Explain the importance of capital investment analysis
2. Evaluate capital investment decisions

**Study**

- Access the PPT slides with audio and screen recordings.
- Answer the individual worksheet and discussion forum.
- Answer the group worksheet.

**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. What is the difference of using methods that incorporate the time value of money from those that do not?
2. What type of capital investment proposals will using methods that do not use present value be more applicable? How about the methods that use the present value?

**Learning Resources**

- 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.