



# A STUDY ON IMPORTANCE OF FINANCIAL MANAGEMENT TO A PHARMACY STUDENT

BONIFACE GACHARA NDEGWA

University of Nairobi

School of Pharmacy

NAIROBI, KENYA.

# THE CO-RELATION BETWEEN PHARMACY AND FINANCE/ ACCOUNTING PROFESSIONS.



# INTRODUCTION

More often than not, students have problems in their personal life as a results of poor financial control. Why?

- ❖ lack of money?
- ❖ over expenditure?
- ❖ ignorance?
- ❖ poor planning?

**A recent study was carried out on a population of 70 students on their financial patterns.**

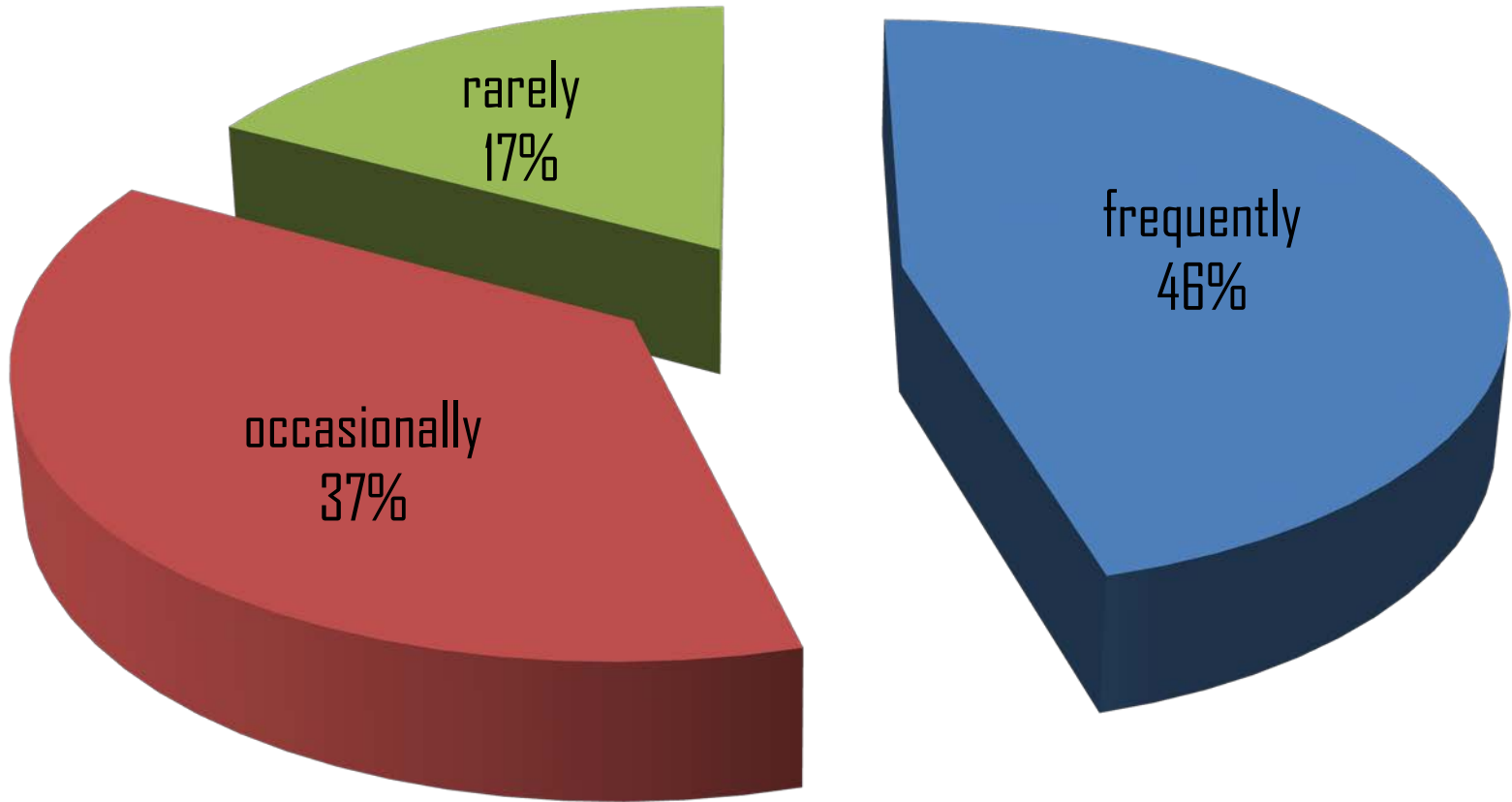
**This included;**

- ❖ sources of income**
- ❖ financial expenditure**
- ❖ savings**
- ❖ Financial management skills**

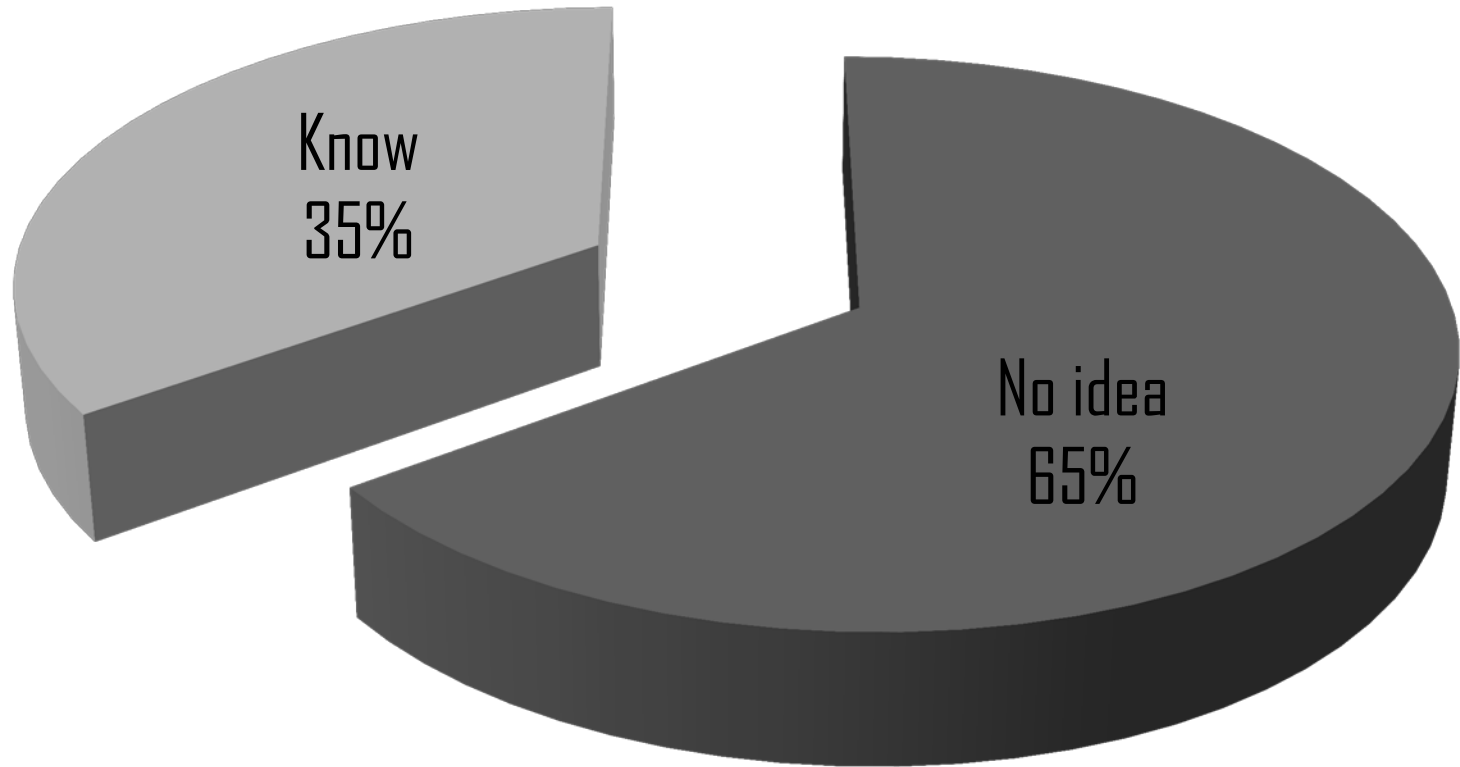
The results were shocking!



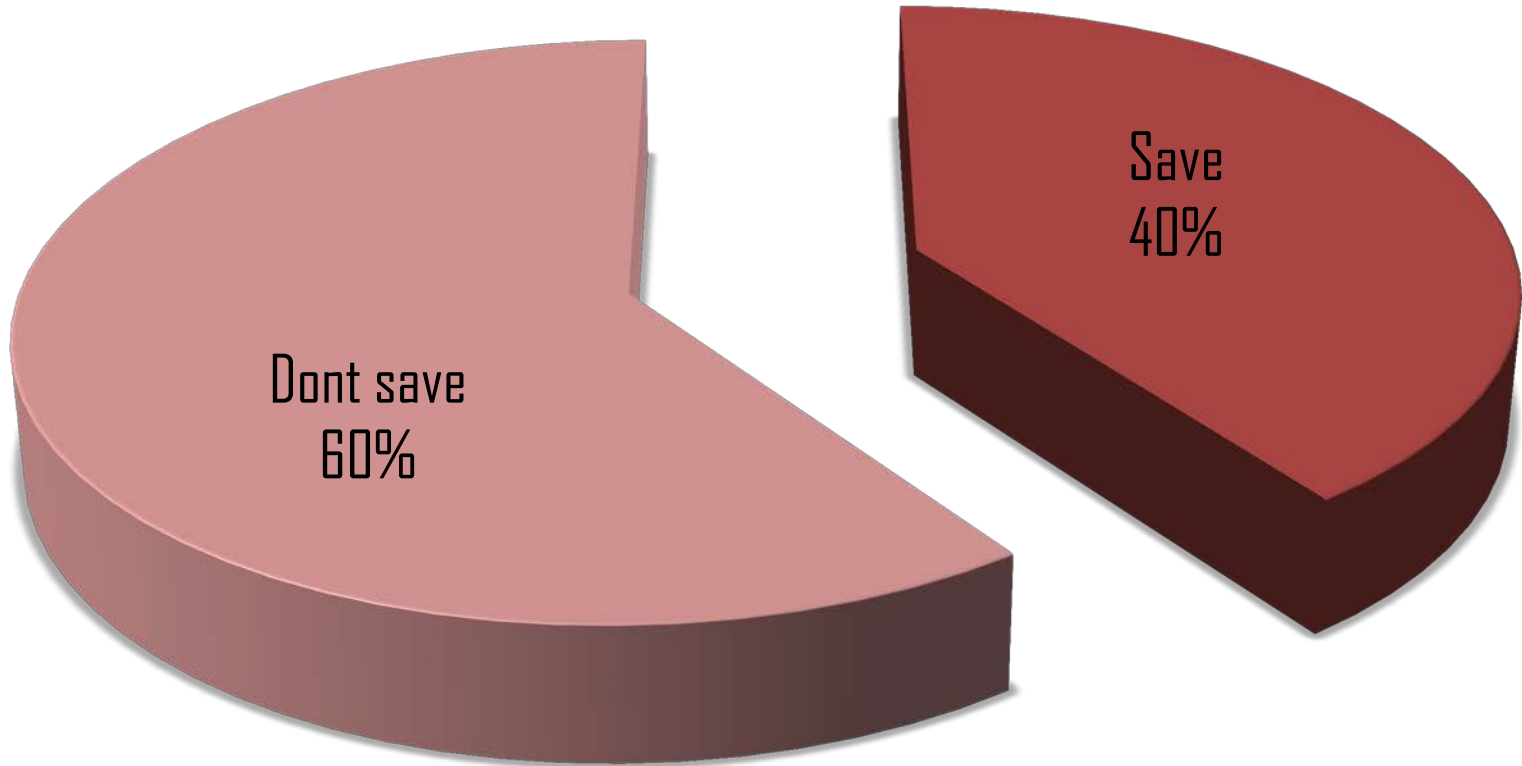
# FINANCIAL PROBLEMS



# KNOWLEDGE ON APC

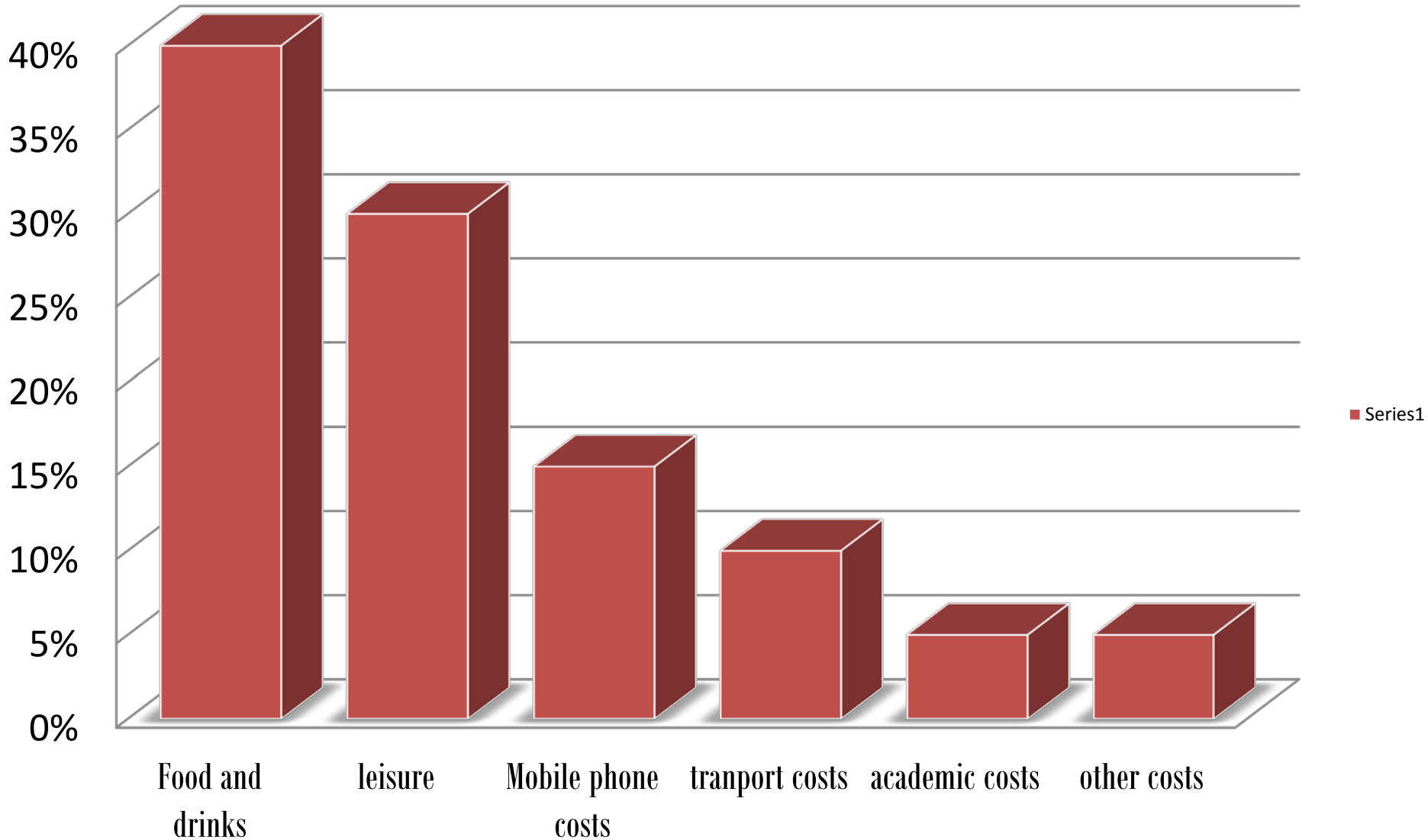


# FREQUENCY OF SAVING



**Interesting, 85% were of the opinion that knowledge of basic financial management skills was necessary to mitigate financial crisis**

# GENERAL EXPENDITURE



# POSSIBLE FINANCIAL MANAGEMENT TECHNIQUES

Consumption function;

Income = consumption + savings

 expenditure,  savings = broke student!!

# HOW TO MINIMIZE EXPENDITURE

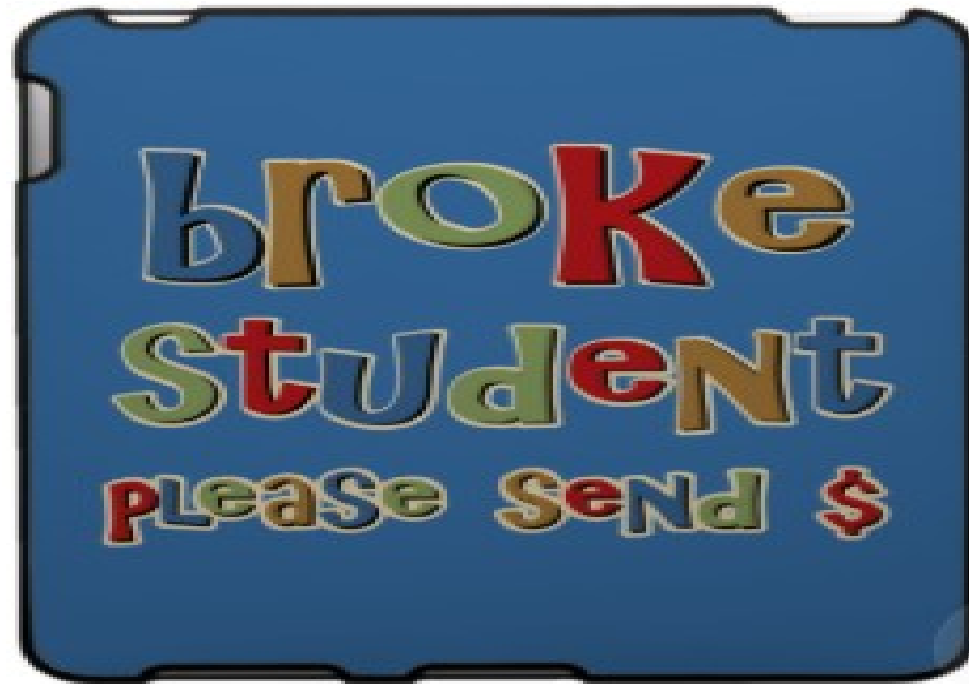
- Always have a **budget** for your spending
- Maintain a **cash flow** journal
- perform frequent **reconciliation** of cash spent and cash in hand
- **Avoid impulse buying**
- Know your average propensity to consume
- Minimize non-commercial lending

- **Maintain a savings account and a current account**
- **Carry out scenario analysis before making a decision**
- **If possible seek financial advise from a professional accountant**

# Example of a cash flow journal

Joe College's Personal Cash-Flow Statement as of August 30, 2008	
<b>CASH INFLOWS (cash coming in)</b>	
Wages (full time in summer/part time during semester)	\$ 18,700
Student loan	7,000
<b>Total inflow of cash</b>	<b>25,700</b>
<b>CASH OUTFLOWS (cash going out)</b>	
<i>Housing</i>	
Rent	5,400
Utilities (electricity, heat, water, cable)	700
Communication (phone and internet access)	900
<i>Food</i>	
Groceries	2,300
Eating out	1,200
<i>Transportation</i>	
Gas and maintenance	1,400
Car loan payments	1,400
<i>Personal and healthcare</i>	
Medical co-payments and dental	200
Clothing	200
Laundry/cleaning supplies/miscellaneous	100
<i>Recreation/Entertainment</i>	
Night life/movies/concerts	900
Magazines/music/miscellaneous	200
<i>Education</i>	
Tuition	5,500
Books	1,000
Student loan payments	—
<i>Insurance</i>	
Car, health, renter's	1,900
<i>Savings</i>	
	1,200
<i>Other expenses</i>	
	800
<b>Total outflow of cash</b>	<b>25,300</b>
<b>Cash inflow – Cash outflow = Net cash flow</b>	
<b>Net Cash Flow</b>	<b>\$ 400</b>

# How to increase your income



- **Have a viable investment portfolio!**
- **venture into small economical activities such as**
  - **Sale of foodstuff, clothing, books, drawings**
  - **farming, printing, running retail shops etc**
  - **Purchase of shares, treasury bills**
  - **Locums**
- **Form students credit unions**
- **Least but most important, invest in your books**

The Higher The Risk,  
The More The Returns!!

**In conclusion, its important for each student to acquire basic fundamental principles of financial management so as to create a very conducive learning environment**

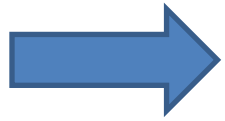
***A man is but the product of his thoughts. What he thinks, he becomes.***

*Mohandas K. Gandhi*

*When the tides goes out, that's when you discover who's been swimming naked.*

*Warren Buffet*





Questions??



Comments??

*THE END!!*

*THANK YOU, KENYA HAKUNA  
MATAATA...*