



Professional Qualification in BUSINESS MANAGEMENT

Level 4 Diploma

UNIT 2 - FINANCIAL ANALYSIS AND PLANNING

Question 1

Discuss TWO financial management systems that a business could use. (20 marks)

Question 2

- (a) **Explain TWO** factors that can influence budgets on a regular basis. (8 marks)
- (b) **Discuss** why it is important for a business to plan an effective budget. (12 marks)

Question 3

- (a) **Explain** the relationship between risk and return. (8 marks)
- (b) **Discuss** the implications of a business not having a clear idea of its financial position. (12 marks)

Question 4

- (a) **Explain**, with the use of examples, why some sources of finance are more appropriate for small firms and why some are more appropriate for large firms. (8 marks)
- (b) **Discuss** whether raising finance through the issuing of shares is a better way of obtaining finance than applying for a loan. (12 marks)

Question 5

- (a) **Explain TWO** features of strategic financial planning. (8 marks)
- (b) **Describe THREE** elements of the business environment that could impact on strategic financial planning. (12 marks)