



Professional Qualification in BUSINESS MANAGEMENT

Level 4 Diploma

UNIT 2 - FINANCIAL ANALYSIS AND PLANNING

Question 1

- (a) **Describe TWO** important pieces of financial information. (8 marks)
- (b) **Assess** the most significant benefits to a business of understanding financial information. (12 marks)

Question 2

- (a) **Identify** the main factors that can influence budgets. (8 marks)
- (b) **Discuss** what is involved in planning an effective budget. (12 marks)

Question 3

Discuss how assessing risk and return can help to monitor an organisations financial position. (20 marks)

Question 4

- (a) **Explain** why a relatively large business is usually able to obtain external finance more easily than a smaller business. (8 marks)
- (b) **Discuss** whether the rate of interest is the only factor to take into account when a business is choosing between different sources of external finance. (12 marks)

Question 5

- (a) **Compare** planning for stability with planning for growth. (8 marks)
- (b) **Assess** what factors would influence financial planning for competitive advantage. (12 marks)