



Professional Qualification in BUSINESS MANAGEMENT

Level 4 Diploma

UNIT 2 - FINANCIAL ANALYSIS AND PLANNING

Question 1

- (a) **Describe** the most important financial information used by a business. (8 marks)
- (b) **Discuss** the implications for a business of not understanding financial information. (12 marks)

Question 2

- (a) **Describe** the fundamental features of a budget. (8 marks)
- (b) **Discuss** how business cycles can impact on budgets. (12 marks)

Question 3

Discuss the different techniques that can be used for monitoring an organisation's financial position. (20 marks)

Question 4

- (a) **Distinguish** between internal and external sources of finance for a business organisation. (8 marks)
- (b) **Discuss** whether a business should primarily use external rather than internal sources of finance to fund its expansion. (12 marks)

Question 5

- (a) **Describe** what is involved in planning for growth. (8 marks)
- (b) **Discuss** how the business environment of an organisation could be analysed through a PEST analysis. (12 marks)