



Professional Qualification in BUSINESS MANAGEMENT

Level 4 Diploma

UNIT 2 - FINANCIAL ANALYSIS AND PLANNING

Question 1

- (a) Explain **TWO** benefits of understanding financial information in business. (8 marks)
- (b) Compare and contrast the strengths and limitations of different financial analysis techniques. (12 marks)

Question 2

- (a) Explain the importance of monitoring budget variances in business. (8 marks)
- (b) Evaluate why it is important for a business to respond quickly to a budget variance. (12 marks)

Question 3

Discuss the importance of financial ratios in monitoring an organisation's financial position. (20 marks)

Question 4

- (a) Assess the advantages and disadvantages of a business securing finance through a loan. (8 marks)
- (b) Discuss the factors that can influence the rate of interest charged on a loan. (12 marks)

Question 5

- (a) Identify what could affect the business environment in which an organisation operates in. (8 marks)
- (b) Analyse the possible impact of changes in the business environment on the financial planning of a firm. (12 marks)