



**Professional Qualification in
BUSINESS MANAGEMENT
Level 4 Diploma**

UNIT 2 - FINANCIAL ANALYSIS AND PLANNING

Question 1

Discuss why it is important for a business to ensure that its financial information is relevant, accurate and up to date. (20 marks)

Question 2

- (a) **Explain** what is meant by a budget in the context of business management. (8 marks)
- (b) **Discuss** how a business should react to discovering that a forecasted budget surplus has actually turned into a budget deficit. (12 marks)

Question 3

- (a) **Describe** what information would be required to establish an organisation's financial position. (8 marks)
- (b) **Discuss** what you would expect to see in an organisation's financial statement. (12 marks)

Question 4

- (a) **Explain** which factors would be likely to affect the outcome of an organisation's application for a loan. (8 marks)
- (b) **Discuss** the advantages and disadvantages of a company issuing shares as a way of raising finance. (12 marks)

Question 5

- (a) **Explain** what is meant by a business financially planning for stability. (8 marks)
- (b) **Discuss** how a recession could affect the financial planning for a cinema. (12 marks)