



Professional Qualification in BUSINESS MANAGEMENT

Level 4 Diploma

UNIT 2 - FINANCIAL ANALYSIS AND PLANNING

Learners should attempt **ALL** questions

Question 1

- (a) **Analyse** the most important financial information that is regularly used in a business. (8 marks)
- (b) **Discuss** why it is important for a business to establish an effective system of financial forecasting. (12 marks)

Question 2

- (a) **Identify** the key features of a budget. (8 marks)
- (b) **Explain** why it is important for a business to carefully monitor, and respond to, budget variances. (12 marks)

Question 3

Discuss why it is important to be aware of changes in an organisation's financial position in a competitive market. (20 marks)

Question 4

- (a) **Explain** why small organisations are usually less successful in obtaining necessary finance than large organisations. (8 marks)
- (b) **Compare** the advantages and disadvantages of **TWO** different sources of external finance that a business could use to finance its growth in a market. (12 marks)

Question 5

- (a) **Assess** the importance to a business organisation of effective financial planning in the medium term and long term. (8 marks)
- (b) **Evaluate** the impact that a change in the business environment can have on financial analysis and financial planning in a large organisation. (12 marks)