



Professional Qualification in BUSINESS MANAGEMENT

Level 4 Diploma

UNIT 2 - FINANCIAL ANALYSIS AND PLANNING

Question 1

- (a) **Explain** the importance to a firm of being able to analyse financial information. (8 marks)
- (b) **Discuss** the advantages and disadvantages of the different financial analysis techniques that can be used by a firm. (12 marks)

Question 2

Discuss how these can be used to assist in the process of financial analysis and planning (20 marks)

Question 3

- (a) **Explain** why firms need to be able to forecast their spending. (8 marks)
- (b) **Discuss** the implications to a firm of failing to budget. (12 marks)

Question 4

- (a) **Describe** the factors that need to be considered when planning a budget. (8 marks)
- (b) **Discuss** why it is important to allow for flexibility when designing a financial plan. (12 marks)

Question 5

- (a) **Describe** the different sources of finance that are available to firms. (8 marks)
- (b) **Discuss** the advantages and disadvantages of using these different sources of finance. (12 marks)