



Professional Qualification in BUSINESS MANAGEMENT

Level 4 Diploma

UNIT 2 - FINANCIAL ANALYSIS AND PLANNING

Question 1

- (a) **Explain TWO** reasons why financial analysis is important to an organisation. (10 marks)
- (b) **Suggest TWO** possible implications to an organisation of failing to analyse financial information properly. **Justify** your answer. (10 marks)

Question 2

- (a) **Describe TWO** accounting software packages that you have studied. (8 marks)
- (b) Using your answer to Part (a), **compare** the benefits of both software packages. (12 marks)

Question 3

- (a) **Illustrate** the importance of forecasting for the production of a budget. Use examples to support your answer. (10 marks)
- (b) **Suggest** possible implications for a budget of failing to forecast correctly. **Justify** your answer. (10 marks)

Question 4

- (a) **Describe FOUR** factors that would need to be considered when planning a budget. (8 marks)
- (b) Using your answer to Part (a), explain the importance of **each** of those factors. (12 marks)

Question 5

Compare and contrast TWO different types of borrowing solutions available to an organisation. (20 marks)