



Professional Qualification in BUSINESS MANAGEMENT

Level 4 Diploma

UNIT 2 - FINANCIAL ANALYSIS AND PLANNING

Question 1

- (a) **Describe TWO** financial management tools. (8 marks)
- (b) **Discuss** why financial forecasting is important to a business operating bus and coach services. (12 marks)

Question 2

- (a) **Explain** how a budget variance can occur in a factory. (8 marks)
- (b) **Discuss** the strength of the relationship between business cycles and budgets. (12 marks)

Question 3

Discuss why financial statements are important to public limited companies that are owned by shareholders. (20 marks)

Question 4

- (a) **Recommend TWO** actions that a business could take to substantially improve its chances of borrowing finance from a bank. (8 marks)
- (b) **Assess** the advantages and disadvantages to a business of increasing the number of its shares available to members of the public to buy. (12 marks)

Question 5

- (a) **Describe TWO** features of strategic financial planning. (8 marks)
- (b) **Discuss**, with the use of examples, the impact that the business environment could have on financial planning in the leisure industry. (12 marks)