



## **Professional Qualification in BUSINESS MANAGEMENT**

### **Level 4 Diploma**

#### **UNIT 2 - FINANCIAL ANALYSIS AND PLANNING**

##### Question 1

- (a) Explain, with the use of examples, why financial planning is important in businesses. (8 marks)
- (b) Discuss the key elements of a good financial management system. (12 marks)

##### Question 2

- (a) Explain what is meant by a budget variance. (8 marks)
- (b) Suggest how a business should respond to an adverse budget variance. (12 marks)

##### Question 3

- (a) Explain why it is important to clearly and accurately establish a private sector organisation's financial position. (8 marks)
- (b) Discuss the role of a management accountant in a business. (12 marks)

##### Question 4

- (a) Describe the advantages and disadvantages to a business of using hire purchase as a source of finance. (8 marks)
- (b) Suggest the key factors that are likely to impact on the choice of finance for a business. (12 marks)

##### Question 5

Discuss the potential difficulties of a retail food business planning for growth at a time of economic recession. (20 marks)