



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge International Diploma in Management
Higher Professional Level

FINANCIAL MANAGEMENT

4258/01

Core Module

Valid between 1 January 2010 and 30 June 2011

READ THESE INSTRUCTIONS FIRST

You should read the assignment carefully.

It is important to complete the **Assignment Cover Sheet** when you have finished your work. You must complete the details and sign the declaration to confirm that the assignment is all your own work and your tutor must sign to verify that it is your own work.

The length of the assignment must be no more than 4000 words. Marks will be deducted from assignments that exceed the word limit.

This document consists of **3** printed pages.



Financial Management – Core Module

Title: A Sound Business Based on Sound Finances

Before starting this assignment it is important to familiarise yourself with the module syllabus and the associated objectives and competence criteria so that your understanding and application of them will be a feature of your submitted report.

For this assignment you should work with your own organisation or one that is familiar to you. Briefly describe the organisation, its purpose, products and/or services and the department or project you work for (or the department/project you have selected) and your involvement with it. This assignment requires you to study the financial documents and processes at department or project level. However, if your organisation generates such documents at a level other than department or project, then your study could focus on this. In your assignment, clearly describe the level you have selected.

In broad terms, describe how your organisation manages finance and the role that non-financial managers play in this. Include an explanation of how Information Technology (IT) is or could be used and the associated risks and benefits. Compare your organisation's approach to financial planning and budget preparation to that identified in academic literature.

Identify different types of budgets and explain their benefits and challenges. Describe your organisation's approach to budgeting. Describe the financial statements of organisations and explain the key features of these.

Obtain the balance sheets, budget, and profit and loss statements for your organisation for at least the last two accounting periods. Analyse these and identify variances between forecast and actual figures. Explain how these variances have arisen, their impact and what remedial action was or could have been taken in response to these.

Identify the objectives for the next accounting period for your department or project. Devise budget, profit and loss, and cash flow forecasts for the next accounting period. Justify each of these and explain all terminology used. Identify areas of possible variance that may arise. Assess the potential impact of these variances and devise strategies for managing them so that objectives are still achieved. Finalise your financial planning statements.

Identify a capital investment that will improve your department or project. Use a range of capital investment appraisal techniques to assess the viability of your proposed investment.

Write a report to your manager or other suitable person. In your report you should propose your budget for the next accounting period and explain how this will be monitored and controlled. You should also make a proposal for the capital investment you have identified, explaining your reasons for this investment.

You must include in your assignment report all documentation, notes, calculations and materials generated during each stage of the study.

You are not expected to include confidential information on your organisation, its personnel or performance.

In writing the report, you should adopt an appropriate business format and show how knowledge and understanding of financial management have been applied in line with the module syllabus. You should include in your report your research methodology.

At the start of your assignment report, indicate the number of words used, which should not exceed the maximum permitted amount of 4000.

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