

CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge Career Award in Management
Executive Diploma

FINANCIAL MANAGEMENT

4182/01
4258/01

Core Module

Valid between 1 January 2003 and 31 December 2003

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 between 3000 and 4000 words.

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



Executive Diploma Module 4182/C

Financial Management – Core Module

Title: Budgeting for Change

1. Identify a change process that is being undertaken within the organisation in which you work. This should be a significant change as given, for example, in the current Business Plan. The change could concern a whole range of issues, including business strategy, merger and acquisition, moving premises, introduction of new products or services, or different team or departmental structures. You may need to speak with senior managers to help you identify the appropriate change issues, as you will need to become familiar with its purpose and the work that is being carried out.

Give a brief overview of the change process identified, explaining its significance to the organisation.

2. Evaluate the current financial position of the change plan, through a careful study of the financial documents and proposals since its inception. Prepare a report which outlines the position, supporting any assumptions you make through reference to the financial information. This should include your analysis of any capital expenditure investment.
3. Using all the information you can gather from the projected plans, discussions with senior managers and analysing reports, prepare a budget for the implementation of the change for the next accounting period (P1) containing at least a Profit and Loss account, cash flow statement and balance sheet, including any capital expenditure. You should adhere to the common assumptions and protocols of your organisation. Again, you may have to make assumptions, and these should be justified through financial analysis.
4. Monitor financial expenditure over a one-month period (or a convenient accounting period) against your budget. Prepare a report on the comparison between budgeted and actual expenditure, using appropriate financial terminology where appropriate. Identify variation and comment upon its significance.
5. Using this information, prepare a set of financial documents for a further accounting period (P2). This should take into account the expected results of monitoring the actual expenditure against the budget forecast for the first period (P1). You should clearly identify the assumptions you have made in preparing this second forecast and the measures you have used in making these.

Identify how effective the change process will be in improving the financial position of the organisation through your analysis and projections. Write a short report to your manager summarising your analysis and projections.

You must include in your assignment all documentation, notes and materials generated from each stage as shown above.

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

The projections you make do not have to be implemented for the assignment to be valid.