

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

**FINANCIAL MANAGEMENT**

**4182/01**

**4258/01**

Core Module

Valid between 1 January 2004 and 31 December 2004

**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 **2** printed pages.



**Higher Professional Module 4182/4258****Financial Management – Core Module****Title: Improving Departmental Financial Management**

The assignment should be prepared in the form of a professional consultancy document that could be presented to the senior management of the organisation that the candidate works for. Candidates should **not** answer each section separately but rather present a coherent report encompassing all of the tasks given below.

Candidates are expected to draw on appropriate research, breadth of academic reading, application of theory to practice and presentation skills. The report should use the number of words as given on the front cover and have any necessary supplementary information attached in appendices.

1. Describe how you manage finances within your department, including the use of budgets and how these are set. Illustrate how your financial management process fits into the overall planning process for the organisation. Review the way you manage finances within your department and evaluate the current position against budgetary plans. Prepare a report on the comparison between actual and budgeted expenditure, identifying variations and their significance.

Summarise your findings.

2. Using this information, prepare a department budget for the next accounting period containing at least a Profit and Loss account, cash flow statement and balance sheet. You should adhere to the common assumptions and protocols of your organisation and justify all your financial statements.
3. Identify a capital investment that would help your department to work more effectively. Research the costs of the investment and, using a range of costing models, project the return on the investment.
4. Write a report to your manager summarising the current financial situation and present your proposed budget for the future. Describe your capital investment appraisal and make recommendations for investment or otherwise.

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 information on your organisation, its personnel or performance.