

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

FINANCIAL ANALYSIS

4189/01

4265/01

Optional 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.



Financial Analysis – Optional Module**Title: Financial Analysis for Future Planning**

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. Identify an organisation that operates in the same sector as your own. From information available in the public domain, obtain a selection of business and financial information about the organisation over at least the previous 12 months, including if possible the previous two Annual Reports.

Prepare brief notes for each piece of information, explaining why it has been selected and what overall conclusions you can draw about the historic financial performance of the organisation over the period.

You should include information from a range of sources, such as Internet and media reports.

2. Using the information you have collected, summarise your findings in a detailed review of the organisation's financial performance, demonstrating the use of financial analytical tools. Where possible, show how well the financial performance met the objectives, identifying any variance and commenting upon its significance.
3. Repeat the activity for your own organisation and compare and contrast the financial performance of the two organisations.
4. Consider the expected trends and market performance of the sector in which your organisation operates. You should look at:
 - the domestic market, economic forecasts and trends
 - regional and/or global markets, forecasts and trends.
5. Using your findings, prepare a brief report for your manager, on the strategies your organisation might adopt over the next year, demonstrating through financial analysis, why they should be effective. Justify your suggestions.

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