

**UNIVERSITY OF SWAZILAND
INSTITUTE OF DISTANCE EDUCATION**

**BACHELOR OF EDUCATION (ADULT EDUCATION) YEAR – V
FINAL EXAMINATION PAPER, MAY 2005**

TITLE OF PAPER : FINANCIAL MANAGEMENT AND CONTROL

COURSE CODE : IDE-BAE 412-1&2

TIME ALLOWED : THREE (3) HOURS

- INSTRUCTIONS :**
- 1. ANSWER FOUR (4) QUESTIONS ONLY. TWO FROM SECTION-A AND TWO FROM SECTION-B.**
 - 2. QUESTION ONE (1) IS COMPULSORY.**
 - 3. ANSWERS SHOULD BE WRITTEN IN THE ANSWER BOOKLETS PROVIDED.**
 - 4. DO NOT WRITE ON THE QUESTION PAPER.**

THIS PAPER SHOULD NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

SECTION – A

- i. Question one (1) is compulsory.
- ii. Each question carries 30 marks.

QUESTION – 1

Examine the following RAMSTORE Balance Sheet for the period January 1, 2004 to December 31, 2004 and reconstruct a new Balance Sheet based on additional information. Also explain how changes reflect in the new Balance Sheet.

RAMSTORE LTED Balance Sheet As on December 31, 2004

Owners Equity and Libilities	E
Capital	50,000
Creditors	30,000
Reserves	20,000
	100,000
	100,000
Assets	E
Land & Building	50,000
Debtors	35,000
Cash	15,000
	100,000
	100,000

Additional Information:

On June 30, 2004, the RAMSTORE LTD., purchased an equipment for E. 50,000 paying E 10,000 cash and signing a mortgage for E. 40,000.

QUESTION-2

Who are the parties interested in accounting information? Why do they need the information?

QUESTION-3

What is the purpose of preparing Cash Flow Statement? What are the sources and uses (application) of cash?

QUESTION-4

What is 'Capital Budgeting'? Explain any two Capital Budgeting methods and their uses in financial management and control of an organisation.

SECTION – B

Each question carries 20 marks.

QUESTION-5

- (i) Explain current assets and current liabilities with suitable examples.
- (ii) Describe the Accounting Cycle.

QUESTION-6

What is the role of human resources in management control?

QUESTION-7

Discuss the role of internal control and its limitations in the business environment.

QUESTION-8

Outline the basic objectives of cash management and describe the techniques of cash management.