

**UNIVERSITY OF SWAZILAND
INSTITUTE OF DISTANCE EDUCATION**

**BACHELOR OF EDUCATION (ADULT EDUCATION) YEAR – V
FINAL EXAMINATION PAPER, MAY 2006**

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. ANSWERS SHOULD BE WRITTEN IN THE ANSWER
BOOKLETS PROVIDED.**

3. DO NOT WRITE ON THE QUESTION PAPER.

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

SECTION – A

Each question carries 30 marks.

QUESTION – 1

Examine the following PENINSULAR LTD Balance Sheet for the period January 1, 2005 to December 31, 2005 and reconstruct a new Balance Sheet based on additional information. And also explain how changes reflect in the new Balance Sheet.

PENINSULAR LTD., BALANCE SHEET
As on December 31, 2005

Owners Equity and Liabilities	E
Owners' Equity	60,000
Accounts Payable	40,000
Profit & Loss Account	20,000
	120,000
	120,000
Assets	E
Land & Buildings	65,000
Accounts Receivable	25,000
Cash	20,000
Inventory	10,000
	120,000
	120,000

Additional Information:

The following adjustments are to be made in Balance Sheet.

On January 3, the PENINSULAR LTD purchased E 10,000 worth of inventory paying cash and E 15,000 worth of inventory on credit from Mr. Dlamini. The company closes its accounts on 31st December every year.

QUESTION – 2

Explain the sources and uses of cash for a manufacturing organization.

QUESTION – 3

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

QUESTION – 4

What are the benefits and limitations of budgeting?

SECTION – B

Each question carries 20 marks.

QUESTION – 1

Who are the common users of financial statements?

QUESTION – 2

What is the role of human resources in management control?

QUESTION – 3

What are the techniques of cash management?

QUESTION – 4

Explain the following accounting concepts.

- a) The Business Entity Concept.
- b) Matching Concept.