

**UNIVERSITY OF SWAZILAND**  
**INSTITUTE OF DISTANCE EDUCATION**  
**BACHELOR OF EDUCATION (ADULT EDUCATION)**  
**YEAR – V**  
**FINAL EXAMINATION PAPER**  
**SECOND SEMESTER – MAY 2017**

**COURSE TITLE : FINANCIAL MANAGEMENT CONTROL IN ORGANISATIONS-II**

**COURSE CODE : IDE-BAE 528**

**TIME ALLOWED : THREE (3) HOURS**

**TOTAL MARKS : 100**

**INSTRUCTIONS :**

- 1. THIS PAPER CONSISTS OF SECTION-A AND SECTION-B.**
- 2. ANSWER ALL THE QUESTIONS FROM SECTION-A AND ANSWER ANY TWO (2) QUESTIONS FROM SECTION-B.**
- 3. ALL QUESTIONS CARRY EQUAL MARKS.**
- 4. ANSWERS SHOULD BE WRITTEN IN THE ANSWER BOOKLETS PROVIDED.**

**NOTE : THE NEAT AND ORDERLY PRESENTED ANSWERS WILL BE REWARDED.**

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

## SECTION-A

### QUESTION-1

What is cash management in an organization? Explain the Baumol Model of cash management and its merits and demerits?

### QUESTION-2

From the following Balance Sheet of SUNRISE LIMITED and additional information, calculate: (i) Debt-Equity ratio; (ii) Current ratio; (iii) Quick ratio; (iv) Stock turnover ratio; and (v) Net Profit to sales ratio. And interpret the ratios.

#### SUNRISE LIMITED BALANCE SHEET As on March 31, 2017

---

<b>Owners' Equity and Liabilities</b>	<b>E</b>
Owners' Equity (Equity Share Capital)	200,000
Reserves & Surplus	50,000
Net profit	70,000
9% Debentures	350,000
<b>Current Liabilities:</b>	
Creditors	150,000
Bank Overdraft	30,000
Tax provision	55,000
	<hr/>
	905,000
	<hr/> <hr/>
<b>Assets</b>	<b>E</b>
Net Fixed Assets	500,000
<b>Current Assets:</b>	
Debtors	70,000
Cash	160,000
Inventory (Stock)	175,000
	<hr/>
	905,000
	<hr/> <hr/>

---

#### Additional Information:

(i)	Sales	700,000
(ii)	Cost of goods sold	550,000.

## **SECTION-B**

### **QUESTION-3**

Explain the following:

- (i) Need for an analysis of financial statements (10 Marks)
- (ii) Internal audit and internal control (15 Marks)

### **QUESTION-4**

Explain the sources and uses of cash in an organization (25 Marks)

### **QUESTION-5**

What is Human Resource Management (HRM)? Explain human resources in management control. (25 Marks).