

UNIVERSITY OF SWAZILAND
INSTITUTE OF DISTANCE EDUCATION
BACHELOR OF EDUCATION (ADULT EDUCATION)
YEAR – V
FINAL EXAMINATION PAPER
SECOND SEMESTER – MAY 2018

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 Miller-Orr Model of cash management and its merits and demerits.

(25 Marks)

QUESTION-2

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

(25 Marks)

ZEROL LIMITED BALANCE SHEET
As on March 31, 2018

Owners' Equity and Liabilities	E
Owners' Equity (Equity Share Capital)	250,000
Net profit	75,000
9% Debentures	325,000
<i>Current Liabilities:</i>	
Creditors	150,000
Bank Overdraft	25,000
Tax provision	50,000
	875,000
	875,000
Assets	E
Net Fixed Assets	550,000
<i>Current Assets:</i>	
Debtors	95,000
Cash	105,000
Inventory (Stock)	125,000
	875,000
	875,000

Additional Information:

(i)	Sales	650,000
(ii)	Cost of goods sold	600,000.

SECTION-B

QUESTION-3

Explain the following:

- (i) Need for Ratio Analysis
- (ii) Audit Report

(15 Marks)

(10 Marks)

QUESTION-4

Explain the sources and application of cash in an organization

(25 Marks)

QUESTION-5

Explain the following:

- (i) Organizational Ethics
- (ii) Internal Auditing and Internal Control

(10 Marks)

(15 Marks).