

UNIVERSITY OF ESWATINI
INSTITUTE OF DISTANCE EDUCATION
BACHELOR OF EDUCATION (ADULT EDUCATION)
YEAR – V
MAIN EXAMINATION PAPER
SECOND SEMESTER – MAY 2019

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

- (i) What is cash management in an organization? (05 Marks)
(ii) Explain the Stone Model of cash management and its merits and demerits. (20 Marks)

QUESTION-2

From the following Balance Sheet of MOON 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. And interpret the ratios.

MOON LIMITED BALANCE SHEET As on the March 31, 2019

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

Additional Information:

| | |
|-------------------------|---------|
| | E |
| (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) Differences between internal and external auditing (15 Marks)

QUESTION-4

What is Cash Flow Statement (CFS)? Critically examine the sources and application of cash in an organization. (25 Marks)

QUESTION-5

What is Human Resource Management (HRM)? Critically discuss human resources in management control.

(25 Marks)