

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
Cambridge International Diploma in Management  
Higher Professional Level

**FINANCIAL MANAGEMENT**

**4182/01**

**4258/01**

Core Module

Valid between 1 January 2005 and 31 December 2005

**READ THESE INSTRUCTIONS FIRST**

You should read the assignment carefully.

It is important to complete the **Assignment Cover Sheet** when you have finished your work. You must complete the details and sign the declaration to confirm that the assignment is all your own work and your tutor must sign to verify that it is your own work.

The length of the assignment must be no more than 4000 words.

This document consists of **2** printed pages.



## Financial Management – Core Module

### Title: Managing Finances Effectively

Your start point for undertaking this assignment is to familiarise yourself with the syllabus for this module and the associated assessment objectives and competence criteria.

For this assignment you should work with your own organisation or one that is familiar to you. Describe the organisation, its purpose, products and/or services and the department or project you work for (or the department/project you have selected). This assignment requires you to study the financial documents and processes at departmental level. However, should your organisation generate such documents at a level other than departmental then your study could focus on this. In your assignment, clearly describe the level you have selected.

Describe the financial planning processes and protocols for your organisation and compare these with other processes and protocols known to you through experience or appropriate research.

Explain how you manage finances within your department or project, including the use of budgets and how these are established. Explain how your financial management processes fit into the overall strategic and operational planning processes for the organisation.

Focusing on your department or project, prepare a financial statement that summarises the current position against budget. Comment on the comparison between actual and budgeted expenditure, identifying variations, their significance and why they may have arisen.

Using this information, prepare a department budget for the next accounting period containing at least a Profit and Loss account, cash flow statement and balance sheet, justifying all your financial statements.

Identify a capital investment that would help your department to work more effectively. Research the costs of the investment and, using a range of costing models, project the return on the investment.

Write a report to your manager summarising the current financial situation and presenting your proposed budget for the future. In the report, you should also describe your capital investment appraisal and make recommendations for this expenditure.

You must include in your assignment all documentation, notes and materials generated from each stage of the study.

You are not expected to include confidential information on your organisation, its personnel or performance.

In writing the report, you should adopt an appropriate business format and show how knowledge and understanding of financial management have been applied in line with the module syllabus. You should include in your report your research methodology.

Indicate the number of words used at the start of your assignment report.

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