

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

FINANCIAL MANAGEMENT

4258/01

Core Module

Valid between 1 January 2006 and 31 December 2006

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. Marks will be deducted from assignments that exceed the word limit.

This document consists of **3** printed pages.



Financial Management – Core Module

Title: Budgeting for Success

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 your 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). If your organisation prepares financial statements at a different level from this, then it is appropriate for you to work at that level.

Using a range of techniques, identify financial processes and protocols that organisations use. Compare these to those adopted by your own organisation and, in particular, highlight key differences.

Explain how your own financial management process fits into the overall planning process for the organisation. Describe specifically how you manage finances within your department or project, including the establishing and management of budgets.

Prepare a financial statement for your department or project that summarises the current position against budget. Compare actual and budgeted expenditure, and identify variations, their significance and why these may have arisen.

Using this information, prepare a department or project budget for the next accounting period. This should contain at least a Profit and Loss account, cash flow statement and balance sheet. Justify all your financial statements as well as their possible impact on future financial activity.

Identify a capital investment that would help your department to work more effectively and research the costs of this investment. Use a range of costing models in order to project the return on the investment, and identify the feasibility of this 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 include a cost-benefit analysis for this.

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 assignment 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.

At the start of your assignment report, indicate the number of words used which should not exceed the maximum permitted total of 4000.

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