

ASSESSMENT # 5

Total Marks: 30

Q.1 Short Questions: (18)

- i. Define the term “financial management” in your own words.
- ii. How do business and personal finance differ?
- iii. What might be the main objectives of a financial management team?
- iv. How does the financial management team work?
- v. Give three examples each of external and internal sources of finance.
- vi. What is the importance of financial management in a business?

2. “The financial management of any organisation requires a good level of planning”. Discuss. (7)

Case Study (5)

‘Tasty Break’, the sandwich business, has fixed costs of £1,000. The cost of producing a sandwich is £1 and the price charged for each sandwich is £2.

1. Give one example of a fixed cost for ‘Tasty Break’ and one variable cost.
2. What happens to the breakeven point if:
 - a) The price of a sandwich is reduced to £1.50
 - b) A cheaper bread supplier is found, reducing the production costs to 70p
 - c) Fixed costs increase to £1,100 per month?