

Managing Finance

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 could be the main objectives of a financial management team?
 - iv. How does the financial management team work?
 - v. Give three examples of external and three for internal sources of finance.
 - vi. What is the importance of financial management in a business?
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2. “The financial management of any organisation requires a good level of planning”. Discuss.

(7)

Case Study

(8)

‘Tasty Break’ the sandwich business, has fixed costs of £1000. The cost to produce 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 £1100 per month