

041306T4BUS

BUSINESS MANAGEMENT LEVEL 6.

BUS/OS/BM/CR/05/6/A

MANAGE BUSINESS ASSETS AND LIABILITIES

Nov/Dec 2023



**TVET CURRICULUM DEVELOPMENT, ASSESSMENT AND CERTIFICATION
COUNCIL (TVET CDACC)**

WRITTEN ASSESSMENT

Time: 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This paper has **TWO** sections **A** and **B**.
2. You are provided with a separate answer booklet.
3. Marks for each question are indicated in the brackets ().
4. Do not write on the question paper.

This paper consists of FOUR (4) printed pages.

*Candidates should check the question paper to ascertain that
all pages are printed as indicated and that no questions are missing.*

SECTION A (40 MARKS)

Answer all questions in this section

- 1) The International Accounting Standards (IAS) were a set 1973 to 2001. These standards were used as a global framework for the preparation and presentation of financial statements. Highlight **three** international accounting standards. (3 marks)
- 2) An organization has introduced budgetary controls. Outline **five** objectives they may achieve. (5 marks)
- 3) Financial reporting involves the communication of an organization's financial performance and position to internal and external stakeholders. State **three** importance of reporting financial statements of an organization. (3 marks)
- 4) A fixed asset is a tangible asset that a business owns and uses to produce its goods and services. Highlight **four** types of information contained in Assets and liability register. (4 marks)
- 5) Financial control encompasses the methods and guidelines an organization employs to efficiently manage its finances, maintain financial responsibility, and attain its financial goals. Outline **five** financial control methods used in managing assets and liabilities in an organization. (5 marks)
- 6) The financial statements of Johari limited have a very high provision for depreciation. List **four** causes of depreciation on fixed assets. (4 marks)
- 7) You are in the process of preparing a statement of financial position. Highlight **four** types of fixed assets that you may include. (4 marks)
- 8) The internal control systems are integrated based on policies and procedures used in developing assets and liability. Outline **three** such internal control systems. (3 marks)
- 9) Capital investment, involves allocation of financial resources to acquire long-term assets and projects. Explain **five** factors to consider in selecting capital investment as per strategic plan. (5 marks)
- 10) The Asset and Liability Management process rests on four pillars. Outline **four** such pillars. (4 marks)