



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF HUMANITIES, EDUCATION AND SOCIAL SCIENCES

DEPARTMENT OF HUMANITIES AND SOCIAL SCIENCES

EXAMINATION PAPER

Bachelor of Science (Hons) in Development Studies: Part 2 Semester 2

COURSE CODE : ADS 208
COURSE TITLE : Basic Financial Management
DURATION : 3 Hours
DATE : 23 AUG 2021

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INSTRUCTIONS TO CANDIDATES:

1. Answer any THREE questions only. You are encouraged to attempt question 2 only if you have attempted question 1
2. Each question carries 25 Marks.
3. Start each question on a new page of your answer sheet.
4. Use relevant examples or case studies in answering your questions

1. Explain, giving examples, the concept of risk management in project activities. (25)
2. a) Explain the difference between an income statement and Cash flow statement (7)
 - b) Use the information on the table below to create a cash flow statement (18)

Net profit before interest	40000
Depreciation for plant and machinery	6000
Bad debts written off	10000
Increase in stock	2000
Increase in creditors	6000
Decrease in debtors	12000
Interest paid	10000
Purchases of fixed assets	40000
Drawings	120000
Increase in loan	150000

- 3 Discuss domestic strategies that can improve financial resource mobilization in Zimbabwe. (25)
- 4 Identify any six books of prime entry in financial accounting and qualitatively explain the type of transactions recorded in each of the books (25)
5. Critically assess the significance of financial management in development practice (25)
6. Qualitatively explain how the 4 appraisal systems are used in making a decision for the best project to invest in (25)