



MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS
2018/2019 ACADEMIC YEAR
FIRST YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS
DIPLOMA IN HUMAN RESOURCE
MANAGEMENT**

COURSE CODE: HRD 004

COURSE TITLE: FINANCIAL MANAGEMENT

DATE: 25TH APRIL 2019

TIME: 14.30-16.30

INSTRUCTIONS TO CANDIDATES

Answer Question ONE and any other THREE questions

This paper consists of TWO printed pages

QUESTION ONE

- a) Financial management is interpreted in two approaches. State and explain the two of them **[8marks]**
- b) Describe five favourable arguments for profit maximization **[10marks]**
- c) State five unfavourable arguments for wealth maximization **[5marks]**
- d) Explain the term financial management process as per
 - I. S.C. kachal **[4marks]**
 - II. Howard and Upton **[3marks]**

QUESTION TWO

- a) Explain the two approaches to budgeting process **[5marks]**
- b) Describe stages involved in budgeting process **[10marks]**

QUESTION THREE

- a) Strategic control is the process of determining the effectiveness of a given strategy in achieving the organization objectives and taking corrective actions whenever require **[8marks]**
- b) Describe the strategic evaluation process **[7marks]**

QUESTION FOUR

- a) There are two performance measurement tools used in an organization. Explain the two of them **[5marks]**
- b) Explain five similarities between the balanced scorecard and the EFQM excellence model **[10marks]**

QUESTION FIVE.

- a) Describe five importances of financial management **[5marks]**
- b) Describe five functions of a financial manager **[5marks]**
- c) State five importances of budgeting in any organization **[5marks]**

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