



**REFORMED CHURCH UNIVERSITY**

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**FACULTY OF COMMERCE**  
**MASTER OF BUSINESS ADMINISTRATION**  
**FINANCIAL ACCOUNTING FOR MANAGERS**

**MBA109**

**PART 1 SEMESTER 2 EXAMINATION**

**TOTAL MARKS [100]**

DATE: June 2024

Time: 3 Hours

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**INSTRUCTIONS**

1. This paper has *six (6)* questions
2. Answer question *one (1)* and *any other three (3)*
3. Each question carries *25 marks*
4. Start each question on a new page

### Question 1

Profitability does not imply liquidity.' Discuss this assertion in line with why many profitable firms face liquidity challenges. (25)

### Question 2

Explain the following terms as they relate to cost and management accounting

- a) budget committee (5)
- b) budget manual (5)
- c) functional budget (5)
- d) Zero based budgeting (5)
- e) Activity based budgeting (5)

### Question 3

The following cash flows were reported by Ashley Pvt Ltd in 2018 and 2017.

	<b>2020</b>	<b>2019</b>
Net Income	316 354	242 329
Depreciation and amortisation	68 156	62 591
Deferred taxes	15 394	22 814
Debtors	(288 174)	(49 704)
Stock	(159 419)	(145 554)
Other Current Assets	(1 470)	3 832
Creditors	<u>73 684</u>	<u>41 079</u>
Cash from Operating Activities	24 525	177 387
Investment Activities		
Plant and Equipment	(94 176)	(93 136)
Other Investment activities	<u>14 408</u>	<u>(34 771)</u>
Net Investment Activities	( 79 768)	(127 907)
Financing Activities		
Purchase of Treasury Bills	(45 854)	(39 267)
Dividends Paid	(49 290)	(22 523)
Short Term borrowings	125 248	45 067
Long Term Borrowings	135 249	4 610
Repayment of long term Borrowings	<u>-</u>	<u>(250 564)</u>
Net Financing Activities	<u>165 353</u>	<u>(262 677)</u>
Increase (decrease) in cash	<u>110 110</u>	<u>(213 197)</u>

### **Required:**

Analyse and comment on Tech pvt ltd cash flows for 2020 and 2019. (25)

**Question 4**

Explain any 5 users of financial accounting information (25)

**Question 5**

Examine the methods used in capital expenditure appraisal (25)

**Question 6**

Discuss the applicability of result based budgeting in Zimbabwe (25)

**End of Paper**