



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITY EXAMINATION FOR DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION WITH IT
3RD YEAR 2ND SEMESTER 2015/2016 ACADEMIC YEAR
NAMBALE CAMPUS**

COURSE CODE: ABA 319:
COURSE TITLE: FINANCIAL PLANNING BUDGETING AND CONTROL
EXAM VENUE: HALL STREAM (BBA)
DATE : _____ **EXAM SESSION :** DEC 2016
TIME: _____ **2HOURS**

Instructions:

- 1. Answer question 1 (compulsory) and any other 2 questions**
- 2. Candidates are advised not to write on the question paper**
- 3. Candidates must hand in answer booklets to the invigilator while in the examination room**

QUESTION ONE

- a) State the roles of
 - i. Cost center (2 marks)
 - ii. Investment center (2 marks)
- b) State four methods of sales forecasting (4 marks)
- c) Changes are mandatory in profit planning. Briefly explain (5 marks)
- d) State any three factors affecting cost forecasting. (3 marks)
- e) Define the term budget (2 marks)
- f) Identify five problems encountered during budgeting (5 marks)
- g) Outline five parts to an effective cost control system (4 marks)
- h) Explain the meaning of the term zero-based budgeting (3 marks)

QUESTION TWO

- a) Discuss the essentials of a profit plan (10 marks)
- b) Profit planning has a role in all business operations. Discuss (10 marks)

QUESTION THREE

The data below was extracted from **OSALA AND SONS SUPERMARKET'S** books of account in the planning section 2016. Use it to prepare a profit plan for the year 1/1/2017.

closing stock	300,000
Opening stock	2,000,000
Wages	120,000
Salaries	300,000
Administration	150,000
Total Sales revenue	6,000,000
Marketing	500,000
Occupancy	140,000
Depreciation and infl	140,000
Intrests	120,000
Provision for tax	140,000

Proposed devidents 12% of net income after tax

Required

- a) Use it to prepare a profit plan for the proceeding year. (12 marks)
- b) Briefly explain the steps involved in compiling a budget (8 marks)

QUESTION FOUR

- a) You have been appointed as a new manager in a small sugar producing organization. Discuss how you will detect, manage and control misbehaviour amongst your employees. (10 marks)
- b) Design and describe a simple checklist that one may need before establishing an internal control system. (10 marks)