041306T4BUS

BUSINESS MANAGER LEVEL 6

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

MANAGE BUSINESS ASSETS AND LIABILITIES

July/August 2024

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

WRITTEN ASSESSMENT

TIME: 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. The paper consists of two sections: **A** and **B**
2. Answer **ALL** questions as guided in each section
3. Marks for each question are indicated in the brackets ()
4. You are provided with a separate answer booklet to answer the questions
5. Do not write in this question paper

This paper consists of three (3) printed pages

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

Turn Over

SECTION A (40 MARKS)

Answer **ALL** questions in this section

1. Any organization has got assets that it uses to generate income. State **four** types of organization assets. (4 Marks)
2. Before any organization makes investments it has to consider numerous factors. List **four** factors organizations may consider before making investment. (4 Marks)
3. It is paramount that organizations control its assets. State **four** goals of physical asset management in an organization. (4 Marks)
4. For an asset to properly achieve its purpose in the organization, it has to be properly maintained. Identify **four** factors to be considered when maintaining assets. (4 Marks)
5. In making an investment organization has to determine what would not make the organization incur losses. Highlight **four** investment criteria that the organization would consider. (4 Marks)
6. For organizational assets to last long and achieve its purpose, an organization has to plan well. Mention **four** ways in which asset planning helps organizations. (4 Marks)
7. During acquisition of assets there are always costs associated with it. Outline **four** costs that are associated with acquisition of assets. (4 Marks)
8. Liabilities are part of an organization's capital that helps in running the organization's operations. Name **four** types of organizations liabilities. (4 Marks)
9. Inventory stock taking has to be recorded since they help organization in many ways. Give **four** reasons why these records are important. (4 Marks)
10. During acquisition of assets, organizations can adopt different payment schedules depending on their financial strength to acquire the asset. List **four** ways through which an organization may use to schedule their payments. (4 Marks)

SECTION B (60 MARKS)

Attempt question (eleven) **11** and any **other two** questions in this section.

11. Disposal of unwanted assets is critical element of stores and equipment management in any organization. When equipment is obsolete, continuing to keep it through maintenance, storage, parking, insurance may exceed the returns that can be derived from the use of such equipment. Public entities have specific disposal procedure and guidelines as provided for in the Public Procurement and Asset Disposal Act 2015.This case study is therefore made to assess the factors affecting the rate of disposal of assets by public sector organization and how finance generated from the disposal of old assets are put into good use by controlling the finances acquired from the assets.
    a) Examine **five** factors that should be considered before disposing assets by the organization. (10 Marks)
    b) Organizations should ensure that the finance generated from sale of old assets are put into good use by controlling their finances. Elaborate **five** of such financial controls. (10 Marks)
12. a) Companies should document their business operations. Explain **five** reasons why documentation is important for your investment operations. (10 Marks)
    b) For a better management of assets there is always a given set of principles that guide the asset management. Describe **five** principles that guide the management of assets. (10 Marks)
13. a) Asset planning is carried out with specific objectives of an organization. Propose **five** objectives of asset planning. (10 Marks)
    b) There are several methods of capital budgeting analysis that can be used to determine the economic feasibility of a capital investment. Expound **five** of such methods. (10 Marks)
14. a) An organization may use various ways of internal control in managing their assets. Explain **five** examples of internal control systems in an organization. (10 Marks)
    b) Any organization that wants to invest in projects has to follow certain criteria in project selection. Analyse **five** of such selection criteria. (10 Marks)