



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF MANAGEMENT

QUALIFICATION: BACHELOR OF BUSINESS AND INFORMATION ADMINISTRATION	
QUALIFICATION CODE: 07BBIA	LEVEL: 6
COURSE CODE: AMM611S	COURSE NAME: ADMINISTRATIVE MANAGEMENT 2A
SESSION: JUNE 2022	PAPER: THEORY (PAPER 1)
DURATION: 2 HOURS	MARKS: 100

FIRST OPPORTUNITY MEMORANDUM	
EXAMINER:	DR. N. ANGULA
MODERATOR:	MS. A. SCHROEDER

INSTRUCTIONS
<ol style="list-style-type: none"> 1. Answer ALL the questions. 2. Read all the questions carefully before answering. 3. Number the answers clearly

THIS MEMORANDUM CONSISTS OF 8 PAGES (Including this front page)

Choice of Sources of Funds:

Before the actual procurement of funds, the finance manager has to decide the sources from which the funds are to be raised. The management can raise finance from various sources like equity shareholders, preference shareholders, debenture- holders, banks and other financial institutions, public deposits, etc.

Utilisation of Funds:

The funds procured by the financial manager are to be prudently invested in various assets so as to maximise the return on investment: While taking investment decisions, management should be guided by three important principles, viz., safety, profitability, and liquidity.

Disposal of Profits or Surplus:

The financial manager has to decide how much to retain for ploughing back and how much to distribute as dividend to shareholders out of the profits of the company. The factors which influence these decisions include the trend of earnings of the company, the trend of the market price of its shares, the requirements of funds for self- financing the future programmes and so on.

Management of Cash:

Management of cash and other current assets is an important task of financial manager. It involves forecasting the cash inflows and outflows to ensure that there is neither shortage nor surplus of cash with the firm. Sufficient funds must be available for purchase of materials, payment of wages and meeting day-to-day expenses.

Question 2**(10 marks)**

List and explain four (4) types of budgets? Provide four (4) examples of budgets.

There are four common types of budgets that companies use:

- Incremental budgeting is the traditional budgeting method whereby the budget is prepared by taking the current period's budget or actual performance as a base, with incremental amounts then being added for the new budget period.

For example, if you are to determine the amount of electricity consumed in a particular period, the number of units consumed determines the total bill for electricity. In such a scenario, the units of electricity consumed do not change from year to year.

- Activity-based budgeting (ABB) is a system that records, researches, and analyses activities that lead to costs for a company. Every activity in an organization that incurs a cost is scrutinized for potential ways to create efficiencies. Budgets are then developed based on these results.

Service offered: providing banking, insurance, investment as well as non-financial complementary solutions that drive the financial wellbeing of our clients at every stage of their financial journey

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- Cash management solutions.
- Structured lending.
- Aviation finance.

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Question 4

(10 marks)

State the importance of internal control measures in a business?

- Internal controls are processes designed to help safeguard an organization and minimize risk to its objectives. Internal controls minimize risks and protect assets, ensure accuracy of records, promote operational efficiency, and encourage adherence to policies, rules, regulations, and laws.
- Internal controls helps to prevent errors and misstatement of financial statements. For example, reconciliation is a critical internal control procedure in accounting and can ensure the account balances on the balance sheet are correct to prevent misstatement of financial.
- The most important control activities involve segregation of duties, proper authorization of transactions and activities, adequate documents and records, physical control over assets and records, and independent checks on performance.

Question 5

(8 marks)

With the use of examples, differentiate between an entrepreneur and entrepreneurship?
An entrepreneur is just a person having a unique and practical idea in his/her mind.

Question 8**(10 marks)**

Explain the qualities of a good objective formulated for a meeting in a formal business?

- Be Respectful of Everyone's Time. Try to keep your meetings to less than one hour.
- Be Tactful and Inclusive. Do not let one or two personalities dominate the meeting, even if they stay on topic.
- Be Clear on the Purpose for the Meeting.
- Have an Agenda and Stick to It.

Question 9**(10 marks)**

Explain the importance of protocol in diplomatic engagements?

- Protocol is an important part of diplomatic practice linked with history, royalty, religion, culture and language. Diplomatic protocol involves etiquette on a local and international scale, and the practice of good manners on a daily basis.
- Introduction to protocol and etiquette: historical background of protocol; how the unwritten rules of courtesy and ceremonial acted as catalysts in the development of protocol procedures as we know them today; the importance of first impressions; how handshakes act as a means of communication when meeting someone for the first time.
- Introductions and business cards: the importance of making a proper introduction: When does one introduce oneself? When do we introduce others? Commonly made mistakes during introductions; the history of visiting cards and their use as adopted by different countries.
- Establishment of diplomatic relations and presentation of credentials: an introduction to the procedures normally followed for the establishment of diplomatic relations, the appointment of an ambassador, and his arrival in the host country; how the Vienna Convention on Diplomatic Relations (1961) relates to the life of a diplomat.
- Order of precedence, titles and forms of address: What is an order of precedence and how is it applied at formal functions? What kind of precedence exists among the diplomatic corps and what does the Vienna Convention on Diplomatic Relations (1961) say about the order of precedence?