



ICM

SEPTEMBER 2015

FINANCIAL DECISION MAKING

Instructions to candidates:

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
 - b) Answer **ALL** questions
 - c) Marks for each question are shown in []
 - d) Non-programmable calculators are permitted in this examination
 - e) The following questions are based on the pre-issued material provided for the company **Sunlooker Ltd**. You are allowed to bring notes (up to two pages, i.e. four sides of A4) of analysis based on this case study into the examination. **These notes should be handed in and attached to your examination script when you have completed the examination**
-
- 1. Critically analyse the financial performance of the company, and suggest how the business may raise further capital. Ratios are to be included in an appendix to the report. [30]
 - 2. Discuss the difficulties of using an absorption costing system in costing each individual boat that is made. [20]
 - 3. Critically evaluate the benefits of using a full range of capital investment projects when the business is considering significant spending on capital projects. [20]
 - 4. Fully evaluate the benefits of using an efficient budgetary control system by companies such as Sunlooker Ltd. [30]