



ICM

JUNE 2016

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 **ILS plc**. 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 answer script when you have completed the examination**
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1. Critically analyse the financial performance of ILS plc during the year ended 31 December 2015. [30]
Note: Candidates are advised to make use of the background data/information given in the Scenario.
 2. Evaluate the options available to ILS plc to finance its future long-term growth strategy. [20]
 3. Evaluate the contribution that a budgetary control system can make to the success of ILS plc. [20]
 4.
 - a) Discuss the use of a traditional absorption costing system in setting competitive prices. [15]
 - b) Discuss how the use of the balanced scorecard can assist ILS plc in fulfilling its objectives. [15]