

UNIVERSITY OF BOLTON

INSTITUTE OF MANAGEMENT

BSc (HONS) BUSINESS FINANCE PATHWAY

SEMESTER 2 EXAMINATIONS 2021/22

PROFESSIONALS IN PRACTICE

MODULE NO: BMP6017

Date: Friday 20 May 2022

Time: 10.00 – 12.00

INSTRUCTIONS TO CANDIDATES:

There are five compulsory questions on this paper.

Answer **all five** questions.

All questions carry equal marks.

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Module No BMP6017

Adrian previously operated as a sole trader (TechNet Solutions) selling computer hardware and services to businesses. Adrian has run the business for 10 years. Since the onset of the COVID-19 pandemic, there has been a surge in sales Adrian's business and Adrian has found that the business has grown in terms of demand and employees. This has placed a number of pressures on Adrian whilst also presenting a number of opportunities. As of May 2022 Adrian has decided to expand the business and has re-structured as a limited company (Ltd).

As part of the business change Adrian is mindful of the need for financial expertise and has decided to appoint a finance director and possibly an internal auditor.

Additionally, as part of the business re-structure Adrian is looking to raise capital to grow the company.

Question 1

Advise Adrian as to the role and responsibilities of a finance director and an internal auditor with critical review of any potential risks and financial implications associated with their appointment.

(20 marks)

Question 2

Critically evaluate the above roles in relation to internal control, review and audit compliance.

(20 marks)

Question 3

Is there a difference between the role of an internal auditor and an external auditor? Appraise any differences in the context of private limited companies and public limited companies.

(20 marks)

Please turn the page

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Question 4

Evaluate equity financing as an option to raise capital for Adrian's business while reflecting on potential implications of this choice.

(20 marks)

Question 5

Evaluate loan financing as an option to raise capital for Adrian's business while reflecting on potential implications of this choice.

(20 marks)

Total 100 marks

END OF QUESTIONS