ZIMBABWE

MINISTRY OF HIGHER AND TERTIARY EDUCATION, INNOVATION, SCIENCE AND TECHNOLOGY DEVELOPMENT

HIGHER EDUCATION EXAMINATIONS COUNCIL (HEXCO)

NATIONAL DIPLOMA

IN

OFFICE MANAGEMENT

MODULE: Financial Budgeting **PAPER NO: 552/23/M04**

DURATION: 3 Hours

NOVEMBER / DECEMBER 2025 EXAMINATION

REQUIREMENTS

Calculator

INSTRUCTIONS TO CANDIDATE

1. Answer any five (5) questions.
2. Begin each question on a new page.
3. Do not write your name inside or outside the answer booklet.
4. Do not write anything on the question paper.

QUESTION 1

Explain the following types of budgets:

a) Capital budget (5 marks)

b) Cash flow budget (5 marks)

c) Financial budget (5 marks)

d) Surplus budget (5 marks)

QUESTION 2

Read the case study below and draw up a budget for XYZ company for their Office Manager.

The company XYZ gave its Office Manager Petty Cash of $1500 on 01 June 2025 as follows;

- She also gets $125 overtime.
- The office has the following expenses each month

01 June	Money for food / teas	$400 – 00
7 June	Toiletries	$ 65 – 00
8 June	Transport	$ 75 – 00
17 June	Entertainment	$250 – 00
19 June	Mobile phones	$ 32 – 00
20 June	Clothes allowance	$180 – 00
22 June	Stationery	$ 50 - 00

Calculate the balance of the above Petty Cash Book as at 31 June 2025.
(20 marks)

QUESTION 3

a) Explain on any five (5) Internal Financial Budgeting control measures. (15 marks)

b) Highlight any five (5) items to be included in a budgeting contract. (5 marks)

QUESTION 5

a) Draw a well labelled diagram showing fixed costs, variable costs and total costs. (8 marks)

b) With reference to the diagram in a) above describe the following:

i) Fixed costs (4 marks)
ii) Variable costs (4 marks)
iii) Total costs (4 marks)

QUESTION 5

Minnot a group of Pre-school have introduced a new site:

Develop a budget sample from the information given below; calculate the total budget and determine the budget variance.

- Total budget allocation $3000 – 00.
- Staff members salaries at $150 – 00 each for 5 members.
- Desks $30 × 10.
- Replacement of broken window panes $50 – 00.
- Transport and Logistics costs is the same as the costs of desks.
- Security $50 – 00.
- Chairs $10 × 2.
- Toiletries $130 – 00.
- Pre-school books $140 – 00.
- Uniforms $1 200 – 00.
- Receipt books $20 – 00.
- City Council $110 – 00.
- Office curtains $50 – 00.
- Entertainment $300 – 00.

No contingence allowance included for the upcoming event. (20 marks)

QUESTION 6

Explain the following terms as they are used in stock control citing their advantages and disadvantages:

a) LIFO (4 marks)

b) FIFO (4 marks)

c) Perpetual inventory (4 marks)

d) Re-ordering level (4 marks)

e) Minimum Stock level (4 marks)

QUESTION 7

a) Assess the difference between:

   i) Budget deficit and budget surplus. (4 marks)

   ii) Budgeting and forecasting. (4 marks)

b) Justify any four (4) important items to be included in a budget for an Annual General Meeting. (12 marks)

…………………/pm