JULIUS NYERERE SCHOOL OF SOCIAL SCIENCES

NEHANDA CENTRE FOR GENDER AND CULTURAL STUDIES

POST GRADUATE DIPLOMA IN PROJECT PLANNING MONITORING AND EVALUATION

EXAMINATION QUESTION PAPER

MODULE CODE	**PDPME 103**
MODULE NARRATION	**PROJECT FINANCIAL MANAGEMENT**
DATE	**2024**
DURATION	**3 HOURS**

INSTRUCTIONS TO CANDIDATES:

1. **Answer any THREE Questions**
2. **Each question carries 20 Marks.**

Question 1:

You have just been appointed as the monitoring, evaluation, accountability and learning (MEAL) officer for Youth Livelihoods Actions (YLA), a youth organization operating in Chiredzi district. In your new role, you are required to:

a. Define financial management. (4 Marks)

b. Explain the various reasons for good financial management in YLA. (8 Marks)

c. Briefly explain the seven principles of financial management. (8 Marks)

Question 2:

The Directors of SFM Research Network, a nascent organization working on enhancing the employability of youths in Zaka district, have appointed you to the position of monitoring, evaluation, accountability and learning (MEAL) officer for its projects. Required:

a. Explain common-size analysis. (5 Marks)

b. Compare horizontal and vertical analysis. (5 Marks)

c. What is the purpose of ratio analysis? (5 Marks)

d. What are the four benchmark categories of ratios? (5 Marks)

Question 3:

Suppose you are the monitoring, evaluation, accountability, and learning (MEAL) of a recently founded not-for-profit organization operating in Masvingo province.

a. Explain the difference between the accrual basis of accounting and the cash basis of accounting. (8 Marks)

b. What are the major reasons for using accrual accounting? (6 Marks)

c. What are the purposes of a journal and a ledger? (6 Marks)

Question 4:

The Zimbabwe National Army (ZNA) expects Project 1 and Project 2 to generate the following cash-flows.

PROJECT 1 (000s)							
Givens:	**Years**	**0**	**1**	**2**	**3**	**4**	**5**
Initial Investment		**($2 800)**					
Cash-flows			**$300**	**$500**	**$800**	**$1 200**	**$2 000**

PROJECT 2 (000s)							
Givens:	**Years**	**0**	**1**	**2**	**3**	**4**	**5**
Initial Investment		**($5 000)**					
Cash-flows			**$1 300**	**$1 300**	**$1 300**	**$1 300**	**$1 300**

As the monitoring, evaluation, accountability and learning (MEAL) Officer for the ZNA, you are required to:

i. Determine the payback period for both projects (8 Marks)
ii. Determine the NPV for both project at a cost of capital of 12% (8 Marks)
iii. Explain which project should be considered by the ZNA in both cases (4 Marks)

Question 5:

a) Community Empowerment and Transformation (CET) has five departments: Coordination that is management, administration and governance; Metalwork Department and Building Department; Finance Department and Procurement Department. The Metalwork has two separate activities with their own sources of funding, that is the Furniture Project and Vehicles Project. You are required to develop the cost centre structure and reference codes for CET. (10 Marks)

b) CET is preparing a budget for a project that aims to capacitate young people with livelihoods skills to improve their employment opportunities. It has identified the following activities:

A. Recruit and train 2 livelihoods skills trainers.

B. Deliver 8 livelihoods skills workshops in 8 locations across the provinces in Zimbabwe, for 36 trainees each.

Activity A have three tasks:

1. Advertising the new posts.

2. Appointing the trainers.

3. Organizing their inductions.

The Directors of CET requires you to develop a project breakdown sheet tool for CET. (10 Marks)