PAC INSTITUTE OF TECHNOLOGY AND SOCIAL STUDIES
MAY – AUGUST 2025 ASSESSMENT

FORMATIVE ASSESSMENT

Course : HUMAN RESOURCE MANAGEMENT

Level : 6

Unit of Competency : HUMAN RESOURCE BUDGET PREPARATION

WRITTEN ASSESSMENT
TIME: 3 HOURS

INSTRUCTIONS TO THE CANDIDATE:

1. *Read all the instructions carefully before attempting the questions.*
2. *This paper consists of two sections, A & B.*
3. *You are allowed 3 Hours to Answer the questions.*
4. *Marks for each question are indicated in brackets.*
5. *Write your responses in the Separate Answer booklet provided.*
6. *Do not write anything on this question paper.*

SECTION A: (40 MARKS)

*Answer **ALL** questions in this section.*

1) List four activities involved in preparing a human resource budget. (10 Marks)

2) Briefly describe two types of budgets used in human resources and give relevant examples in each. (4 Marks)

3). Highlight four key activities typically included in a human resource budget. (4 Marks)

4). Outline four major financial legislations in Kenya and describe their relevance to human resource operations. (4 Marks)

5) Define a budget and explain its relevance in human resource management. (4 Marks)

6) State four key activities typically included in a human resource budget. (4 Marks)

7) Identify two major financial legislations in Kenya and describe their relevance to HR operations. (4 Marks)

8) Explain how aligning HR operations with financial regulations can reduce organizational risks. (4 Marks)

9) Describe two common challenges encountered when preparing an HR budget and propose solutions. (4 Marks)

10) Distinguish between operational and capital expenditures in the context of HR budgeting. (4 Marks)

SECTION B: (60 MARKS)

*Answer any **THREE** questions in this section.*

11a) Describe the step by step process of drawing a human resource budget. (10 Marks)

b) Explain five significance of involving department heads in the budgeting process. (10 Marks)

12a) Explain five ways on how financial regulations influence human resource decision making in recruitment and compensation. (10 Marks)

b) Discuss five key human resource financial operations that must comply with the Kenyan legislation. (10 Marks)

13a) Highlight five uses of a human resource budget in workforce planning. (10 Marks)

b) Examine the consequences of non-compliance with financial regulations in human resource operations. (10 Marks)

14a) Analyze how human resource activities contribute to the overall financial health of an organization. (10 Marks)

b) Suggest and explain five ways an organization can align its human resource practices with current financial legislation. (10 Marks)