PAN AFRICA CHRISTIAN UNIVERSITY

SCHOOL OF BUSINESS, LEADERSHIP AND TECHNOLOGY

END OF SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR COMMERCE

SEPTEMBER-DECEMBER 2025

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS

COURSE CODE: CFN403

COURSE TITLE: FINANCIAL INFORMATION SYSTEMS

EXAM DATE: MONDAY 8TH DECEMBER 2025

TIME: 8:30AM-10:30AM

DURATION: 2 HOURS

INSTRUCTIONS

- This examination script consists of **FIVE (5)** questions.
- Write your **student number** on the answer booklet provided.
- Read all questions carefully before attempting.
- **Answer question ONE and any other THREE questions**
- All other PAC University examination rules and regulations apply

Question One (Compulsory= 30 marks)

a. Discuss the term debugging in Ms. excel (2 marks)
b. Explain **five** errors that Ms. excel can detect (10marks)
c. Discuss **five** common ways of documenting in Ms. Excel (10 marks)
d. Explain any **four** arithmetic or logical excel functions used in financial modelling. (8 marks)

Question Two (10 marks)

You have an opportunity to invest $.1000 for 10 years at a nominal interest rate (also called the annual percentage rate, or APR) of 8%.

Required

a. Create a model to calculate the effective annual interest rate you will earn and the amount your investment will grow to (that is, its future value) for various numbers of compounding periods per year. (5 marks)
b. Explain any **five** variables involved in creating the model. (5 marks)

Question Three (10 marks)

Using Visual Basic application as a financial modelling tool, discuss:

a. **Five** benefits of VBA relating it to Ms. Excel (5 marks)
b. **Five** limitations of VBA relating it to Ms. Excel (5 marls)

Question Four (10 marks)

ABC Ltd. makes cash payments of Shs.10,000 per week. The interest rate on marketable securities is 12% and every time the company sells marketable securities, it incurs a cost of Shs.20.

Required

a) Using the baumol's model determine the optimal amount of marketable securities to be converted into cash every time the company makes the transfer. (4 marks)

b) Determine the total number of transfers from marketable securities to cash per year. (2 marks)

c) Determine the total cost of maintaining the cash balance per year. (2 marks)

d) Determine the firm's average cash balance. (2 marks)

Question five (10 marks)

a. Discuss how simulation is undertaken using Ms. Excel (4 marks)

b. Explain the three inputs required when using NORMINV formular. (6 marks)