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

FORMATIVE ASSESSMENT

Course	: BUSINESS MANAGEMENT
Level	: 5
Unit of Competency	: BUSINESS ASSETS AND LIABILITIES 2

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 key components of an inventory and liabilities policy in risk control. (4 Marks)

2) Outline four steps for stock taking in the business environment. (4 Marks)

3) Highlight four significances of obtaining feedback on asset usage and liabilities management in relation to decision making. (4 Marks)

4) Identify four ways on how discrepancies are handled in the business environment. (4 Marks)

5) Outline the steps involved in preparing and sharing a business asset and liabilities report. (4 Marks)

6) Highlight four significances of inventory and liability policy in risk control. (4 Marks)

7) List any four documents or records that can be analyzed to determine a company's existing assets and liabilities. (4 Marks)

8) Identify four key considerations when assessing asset requirements for a growing business. (4 Marks)

9) Outline four factors used to determine asset usage efficiency in a business. (4 Marks)

10) List four possible sources for obtaining budget estimates when planning for asset acquisition. (4 Marks)

SECTION B: (60 MARKS)

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

11a) Explain five ways on how to formulate a policy for inventory and liabilities management. (10 Marks)

b) Analyze the risk control strategies that can be integrated into such a policy to reduce financial losses. (10 Marks)

12a) Discuss the processes involved in identifying and tagging inventory items in an organization. (10 Marks)

b) Describe the key risks of poor inventory tagging and suggest practical control measures. (10 Marks)

13a) Discuss five methods of obtaining feedback on asset usage and maintenance, including tools used in modern businesses. (10 Marks)

b) Explain how to prepare a comprehensive business asset report, highlighting key information that must be captured. (10 Marks)

14a) Explain five ways why obtaining asset maintenance feedback is important to a business. (10 Marks)

b) List and explain five items to be included when preparing a business liability report. (10 Marks)