



<u>PROGRAM</u>	: National Diploma Sport Management
<u>SUBJECT</u>	: Sport Finance Supplementary Exam
<u>CODE</u>	: STM22B2
<u>DATE</u>	: 3rd December 2014
<u>DURATION</u>	: 08:00- 11:00
<u>TOTAL MARKS</u>	: 100
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<u>MODERATOR</u>	: Chris Fortuin
<u>NUMBER OF PAGES</u>	: THIS PAPER CONSISTS OF THREE (4) PAGES

INSTRUCTIONS TO CANDIDATES:

**CELLPHONES MUST BE OFF COMPLETELY AND THEY MAY NOT BE USED AS
CALCULATOR. PLEASE ANSWER ALL QUESTIONS AND FOLLOW THE
UNIVERSITY EXAM RULES**

QUESTION 1

1. What is the main focus of Sport finance? (2)
2. What is the main objective of financial statements? (2)
3. What is the main financial objective? (1)
4. What is the main financial aim? (2)

[7]

QUESTION 2

1. Name the four (4) types of business enterprise and provide the ownership size of each (8)
2. Define Gearing of a company? (2)
3. Name the three (3) types of stakeholders and give one example of each (6)
4. What are the two (2) decisions financial managers have to make (2)

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QUESTION 3

1. Name the four financial consideration in financing assets (2)
2. Tabulate the difference between equity and debt (14)
3. Name and Explain the three (3) Financing Policies (6)

[22]

QUESTION 4

From the Statement of Financial Position and the Statement of Comprehensive income provided, calculate the following:

1. The four (4) Profitability ratios- 2012 (12)
2. The three (3) Liquidity ratios- 2012 (9)
3. Calculate the Statement of Financial Position- 2012 (7)

[28]

QUESTION 5

1. What is the Cash Conversion Cycle (CCC) (3)
2. Provide the Cash Conversion Cycle Formula and calculate the financial year 2012 (12)
3. How do we Shorten the period of Cash conversion cycle (7)

[15]

QUESTION6

1. Define the concept "time value of money" (2)
2. Explain simple interest (1)
3. Explain compound interest (1)
4. An amount of R10 000 is invested at 12 % interest p.a. compounded annually. What will the amount be worth after 5 years. Calculate the Future Value (3)
5. Carey plans to graduate four years today and would like to buy herself a Laptop at the time. A computer dealership informed her that the notebook she is interested in will cost R 20 000 at that future date. If Carey can interest at 9% per annum compounded annually, how much must he deposit into her savings account? (3)

[10]

Financial Statement Analysis and Interpretation

	<u>2012</u>	<u>2013</u>
Non-current assets	9 500	12 350
Equipment at cost	10 000	13 000
Less: Accumulated depreciation	(500)	(650)
Total current assets	3 000	3 200
Inventory	1 450	2 200
Account receivables	700	1 000
Cash equivalents	850	
Total assets	12 500	15 550
Total equity	5 735	8 050
Share capital	5 000	7 000
Retained earnings	735	1 050
Non-current liabilities	4 360	4 850
Long term debts (10%)	4 360	4 850
Current liabilities	2 405	2 650
Account payables	2 065	1 250
Bank overdraft		980
Current portion of long term debt	340	420
Total equity & liabilities	12 500	15 550

Financial Statement of Comprehensive Income

	<u>2012</u>	<u>2013</u>
Sales	14 900	18 300
Cost of sales	<u>8 940</u>	<u>11 400</u>
Gross Profit	5 960	6 900
Operating expenses	3 920	5 240
Depreciation	<u>500</u>	<u>650</u>
Profit before financing cost & tax	1 540	1 010
Financing costs	<u>490</u>	<u>560</u>
Profit before taxes	1 050	450
Income tax expenses	<u>315</u>	<u>135</u>
Net profit after tax	<u>735</u>	<u>315</u>