L'Arbi Ben M'Hidi University_ Oum El Bouaghi

Faculty of Economics, Business, and Management

Department of Management

3rd Year Financial Management

Task 01: Say whether these following statements are true or false. Correct the false ones.

1. In a financial audit, auditors express an opinion on the accuracy and fairness of the financial statements.
2. Auditor independence is essential to ensure objectivity and impartiality in the audit process.
3. The rate of unreliable information that is provided to the decision makers is low, especially in recent years.
4. Financial strategy does not deal with the potential risks that can happen to the firm.
5. The quantitative method of financial forecasting deals with the expert's judgments and opinions.

Task 02: Answer the following questions.

i. Financial Forecasting:

1. Define "Financial Forecasting".
2. What are the three different types of financial forecasting? (With explanation).
3. In what case the forecasting depends on the qualitative methods?
4. What is the difference between Bottom-up and Top-down techniques of financial forecasting?
5. What are the different steps of financial forecasting?

ii. Financial Strategy:

1. Define "Financial Strategy".
2. What are the components of an effective financial strategy?
3. What should be done after developing a financial strategy?
4. Why is it important to monitor and evaluate the financial strategy?

iii. Financial Auditing:

1. Define "Financial Auditing".
2. What is the role of the financial auditor?
3. What are the different documents that the auditor should examine?
4. Why is it important for the auditor to be an "independent person" from the organization?
5. What are consequences of providing unreliable information about the financial condition of the firm?
6. What are the objectives of financial auditing?