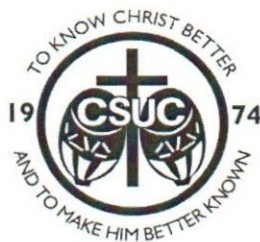


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**CHRISTIAN SERVICE UNIVERSITY COLLEGE  
KUMASI, GHANA**

**SCHOOL OF GRADUATE STUDIES**

**DEPARTMENT OF THEOLOGY**

**END OF SECOND SEMESTER EXAMINATIONS – 2018/19 ACADEMIC YEAR  
MASTER OF ARTS IN CHRISTIAN MINISTRY WITH MANAGEMENT**

**LEVEL 600**

**MACM 606: FINANCIAL MANAGEMENT FOR CHRISTIAN ORGANIZATIONS**

**May/June 2019**

**70 Marks**

**Time Allowed: 3 Hours**

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**GENERAL INSTRUCTION TO CANDIDATES:**

- Write your answer in the answer booklet provided
  - Answer Question number **ONE** and any **other Two** questions.
  - Note: Marks will be awarded for correct grammar, clarity of expression and logical presentation of facts.
  - Write your index number clearly at the top of the question paper and every page of the answer booklet used.
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**Answer Question number ONE and any other TWO questions.**

**Case Study:** Culled from <http://www.gotquestions.org/church-finance.html>

**Church Finances**

Any time finances are involved, it can be a touchy issue, and this is true in regards to church finances. Some of this is understandable. If a person is sacrificially giving to a church, it is good for that person to show an interest in how the finances are managed. In some churches, virtually every financial decision is subject to a congregational vote. In other churches, no one other than the pastor and/or a few leaders know how the finances of the church are being managed. The biblical balance is somewhere in between.

The Bible does not record the early church having expense reports or budgetary meetings. The pattern appears to be that the church entrusted a leader (or leaders) with the finances, and then those leaders managed the finances. Romans 15:25-28 and 1 Corinthians 16:1-4 record churches taking up a collection and then giving the money to Paul and a group of others for distribution. How is a church today to follow this pattern? Given the lack of explicit biblical instructions, it appears that God desires some freedom on this issue. Can a church have a board, whether it be elders, deacons, or trustees, who oversee financial decisions? Yes. Can a church congregation provide input and have oversight of major financial matters? Yes. Can a church appoint a single person, such as a treasurer or senior pastor, to be in charge of all the finances? While this method lacks accountability, we do not have a clear biblical prohibition, so the answer still has to be “yes.”

Far more important than the *who* of church finances is the *how*. How are the church finances being managed? If a church’s finances are being managed with honesty, integrity, good stewardship, and transparency, then, ultimately, it does not matter *who* has the financial oversight. A committee can misuse finances just as surely as an individual can. A church should be extremely careful regarding the person or persons to whom it gives control of the finances. The qualifications of “not a lover of money” and “manages his own household well” (1 Timothy 3:3-5) should definitely apply.

Whoever the person or persons are, accountability is crucial. The manner in which a church manages its finances should be completely transparent. A church should always be ready to demonstrate that the funds God has provided are being stewarded wisely. Financial scandals have destroyed or damaged countless churches. And, in most of those cases, there has been a lack of accountability and transparency. Keeping receipts on every staple and paperclip may be a little too much, but a church definitely should keep records on how much is spent on salaries, benefits, utilities, maintenance, etc. A congregation should be able to have utmost confidence in their leaders’ abilities to steward the church’s finances wisely. May the words of the Master motivate and guide us, “Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things. Come and share your master’s happiness!” (Matthew 25:21).

**Use the Case Study above to answer Question number One.**

1. a) Elucidate the imperatives of church finance as far as case study is concerned. [20 marks]
- b) Elaborate on the shortcoming of the church financing [10 marks]



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**2. Explain the following terms: [20 marks]**

- a) Vertical analysis [4 marks]
- b) Working capital [4 marks]
- c) Pledges receivable turnover [4 marks]
- d) Consistency principle [4 marks]
- e) Materiality concept [4 marks]

**3. a) Enumerate four (4) functions of a finance officer [8 marks]**

b) As General Overseer of your church a member has approached you with a project that will give a cash flow of ₵90,000.00 each for three consecutive years. The project will initially cost ₵230,000.00. Assuming the pertaining interest rate is 8%. Using NPV, would you go ahead to commit church fund into the project? [12 marks]

**4. As far as financial management problems of the Ghanaian economy are concerned the church should play a part in surmounting them. Discuss. [20 marks]**