**Cash Flow Forecasts and Business Finance: Rapid Revision**

Ainm:

**Q.1 (i) Fill in the missing figures for the Cash Flow Forecast below and show your workings.**



|  |
| --- |
| **Workings** |

 **(ii) Give two reasons why Intenso would prepare a cash flow forecast.**

|  |
| --- |
|  **2.**  |

1. **(i) Fill in the missing figures for the Cash Flow Forecast below and show your workings.**



|  |
| --- |
| **Workings** |

 **(ii) Give two pieces of advice based on the above Cash Flow Forecast.**

|  |
| --- |
|  **2.**  |

1. **List four factors that need to be considered before choosing a source of finance.**

|  |
| --- |
|  |
|  |
|  |
|  |

1. **Match the following sources of finance to their correct definitions.**

|  |  |
| --- | --- |
| 1. **Trade Credit**
 | 1. This is a medium-term source of finance, it is paying for an asset in installments and you only own it after the last installment has been paid.
 |
| 1. **Accrued Expenses**
 | 1. This is short term finance, it is permission from the bank to go over your limit, you must be aware of interest, it can be used to pay staff wages.
 |
| 1. **Bank Overdraft**
 | 1. This is a long-term source of finance, it impacts on ownership and is raising finance through investment, can be used for expansion,
 |
| 1. **Leasing**
 | 1. This is a short-term source of finance, it is the delaying of payments until the last moment, it is used for bills/utilities.
 |
| 1. **Medium Term Loan**
 | 1. This is a long-term finance option, it must be repaid with interest, no effect on ownership but collateral may be needed, can be used for expansion.
 |
| 1. **Hire Purchase**
 | 1. This is a non-repayable long term source of finance, given by bodies such as Enterprise Ireland to help a business export into new markets.
 |
| 1. **Debt Capital**
 | 1. This is a long-term loan to buy a house.
 |
| 1. **Equity Capital**
 | 1. This is a short-term finance used for stock, it is buy now, pay later.
 |
| 1. **Mortgage**
 | 1. This is a medium-term source of finance, it is paying for an asset over a 1–5-year period, you get this from the bank, can be used to purchase a new printer, car etc…
 |
| 1. **Grant**
 | 1. This is a medium-term source of finance, it is like renting, you never get to own the asset, can lease cars etc…
 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |