

Chapter 13 – Finance – Cash Flow Forecasts

2015 Q6 (C)

- (i) Explain the reasons Amrod Ltd would prepare a cash flow forecast.
- (ii) Calculate the figures represented by the letters A, B and C on the cash flow forecast. (Show your workings in your answer book.)
- (iii) Explain how Amrod Ltd might deal with the financial problem identified in this cash flow forecast. (25 marks)

MS: 2 @ 5m (2+3); 3 figures @ 2+3(2+1)+2m; 8m (4(2+2)+4(2+2))

Cash Flow Forecast for Amrod Ltd for the 4th Quarter of 2015

	October €	November €	December €	Total €
Total Receipts	70,000	180,000	90,000	340,000
Total Payments	100,000	165,000	120,000	385,000
Net Cash	-30,000	15,000	B	-45,000
Opening Cash	20,000	A	5,000	C
Closing Cash	-10,000	5,000	-25,000	-25,000

(i)

(ii)

A= _____

B= _____

C= _____

(iii) Financial Problem: _____

Solution: _____

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2013 Q5 (C)

(i) Outline **two** reasons why a household should prepare a cash flow forecast.

(ii) Illustrate how a household can overcome cash flow problems. (20 marks)

(i)

(ii)

E.g.

E.g.

2009 Q6 (C) "Cash Flow is the lifeblood of any business and its management is critical to business survival."

In September 2008, Buttercup Garden Centre prepared the following Cash Flow Forecast.

Cash Flow Forecast of Buttercup Garden Centre				
	October	November	December	Total
	€	€	€	
Receipts				
Cash Sales	12,500	9,500	10,000	32,000
Credit Sales	2,000	1,500	3,500	7,000
Total Receipts	14,500	11,000	13,500	39,000
Payments				
Cash Purchases	1,000	2,500	4,000	7,500
Credit Purchases	5,000	2,000	1,000	8,000
Wages	6,000	6,000	7,500	19,500
Equipment	12,000	-	-	12,000
Total Payments	24,000	10,500	12,500	47,000
Net Cash	(9,500)	500	1,000	(8,000)
Opening Cash	3,000	(6,500)	(6,000)	3000
Closing Cash	(6,500)	(6,000)	(5,000)	(5,000)

- (i) Explain the benefits to Buttercup Garden Centre of preparing a Cash Flow Forecast.
- (ii) Based on the information provided above, outline how Buttercup Garden Centre could improve the Cash Flow position of its business. (20 marks)
- MS: 2 @ 5 Marks (2+3) 2 @ 5 Marks (2+3)**

(i) _____

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2017 – Short – Q5

Study the cash flow forecast below and fill in the figures represented by the letters A, B, C, D and E.

Cash flow forecast for Intenso Ltd, for the 3rd quarter of 2017				
	July (€)	August (€)	Sept (€)	Total (€)
Total Receipts	20,000	A	12,000	57,000
Total Payments	14,000	17,000	15,000	46,000
Net Cash	6,000	8,000	B	C
Opening Cash	5,000	11,000	19,000	D
Closing Cash	11,000	19,000	16,000	E

2018 – Short - Q6

Q6 Study the table below and fill in the figures represented by the letters A, B, C, D and E

Sales (units)	Selling Price (per unit) (€)	Fixed Costs (€)	Variable Costs (€)	Total Costs (€)	Total Revenue (€)	Profit/loss (€)
0	20	360,000	0	360,000	0	E =
30,000	20	A =	240,000	600,000	D =	0
50,000	20	360,000	B =	C =	1,000,000	240,000

Chapter 13 – Finance – Sources of Finance

2014 Q6 (C) (i) Explain the term 'short-term finance'

(ii) Outline two sources of short-term finance Sarah may consider to meet her working capital needs. (20 marks)

MS: 4; 2 x 8 (4+3+1) - Name, explain, reference to Sarah's usage(i) Short-term finance _____

_____(ii) _____

Chapter 13 – Finance – Sources of Finance

2010 Q6 (C) (i) Discuss the factors that should be considered when choosing between different sources of finance.

(ii) Analyse **two** appropriate sources of finance for acquiring an additional delivery van at 'Marie's Pizzas'. (30 marks)

MS: 3 @ 5 marks (2+3); 8 marks (2+3+3) + 7 marks (2+3+2)

(i) _____

(ii) _____

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2017 Q7 (C)

Discuss the factors a business should consider when choosing a source of finance. (20m)

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2018 Q4 – Short

Column 1 is a list of finance terms. **Column 2** is a list of possible explanations for these terms. (One explanation does not refer to any of these finance terms.) **MS: 3+2+2+2+1**

1.	Leasing	A.	A facility on a current account that allows you to access funds to an agreed limit above your actual balance.
2.	Hire Purchase	B.	A financial contribution given by an organisation for a specified purpose, provided certain conditions have been met.
3.	Overdraft	C.	Selling a trade debt to a third party at a discount.
4.	Grant	D.	Purchasing an asset by installments over time.
5.	Trade Credit	E.	Renting an asset but never owning it.
		F.	Receiving goods from suppliers and paying for them later.

1	2	3	4	5