

**A LEVEL**  
*Transition Guide*

# **BUSINESS**

H431  
For first teaching in 2015

## **KS4–KS5 Focus** **Cash Flow**

Version 2



## A LEVEL **BUSINESS**

Key Stage 4 to 5 Transition guides focus on how a particular topic is covered at the different key stages and provide information on:

- Differences in the demand and approach at the different levels;
- Useful ways to think about the content at Key Stage 4 which will help prepare students for progression to Key Stage 5;
- Common student misconceptions in this topic.

Transition guides also contain links to a range of teaching activities that can be used to deliver the content at Key Stage 4 and 5 and are designed to be of use to teachers of both key stages. Central to the transition guide is a Checkpoint task which is specifically designed to help teachers determine whether students have developed deep conceptual understanding of the topic at Key Stage 4 and assess their 'readiness for progression' to Key Stage 5 content on this topic. This checkpoint task can be used as a summative assessment at the end of Key Stage 4 teaching of the topic or by Key Stage 5 teachers to establish their students' conceptual starting point.

Key Stage 4 to 5 Transition Guides are written by experts with experience of teaching at both key stages.

Mapping KS4 to KS5	Page 3
Possible Teaching Activities (KS4 focus)	Page 5
Checkpoint tasks (KS4 focus)	Page 6
Possible Teaching Activities (KS5 focus)	Page 7
Possible Extension Activities (KS5 focus)	Page 9
Resources, links and support	Page 10

## Key Stage 4 Content

### Calculate, interpret, analyse cash flow forecasts:

- Calculate cash flow forecasts
- Interpret cash flow forecasts
- Analyse cash flow forecasts
- Recommend methods of dealing with forecast cash flow problems
- Evaluate cash flow forecasts as a decision making tool



## Key Stage 5 Content

### Demonstrate an understanding of cash flow and discuss its importance:

- Demonstrate understanding of cash flow
- Demonstrate understanding of cash budgets (cash flow forecasting)
- Calculate cash flow forecasts
- Interpret cash flow forecasts
- Construct cash flow statements
- Analyse cash flow forecasts/statements
- Discuss usefulness of cash flow
- Discuss cash flow forecasts

## Comment

GCSE Business Studies and A Level Business have similar Assessment Objectives. At GCSE there is more emphasis on knowledge and application and less on analysis and evaluation. At A Level the emphasis is far more on analysing and evaluating using knowledge and understanding in context. This does not reduce the importance of knowledge and application at A Level because it is the foundation for the higher skills.

### Knowledge

Knowledge at GCSE is just on the topic of cash flow forecasts, whereas knowledge at A Level includes cash flow as a concept/resource for business, as well as cash flow forecasts and cash flow statements.

### Application

At GCSE learners will be required to use given figures to calculate and interpret cash flow forecasts; figures are likely to be rounded and straightforward to calculate with or without a calculator. There is no requirement to look at cash flow statements for GCSE.

At A Level, learners will also be required to use given figures to calculate and interpret cash flow forecasts; however the figures are likely to be more complex, utilising large numbers and decimals. Calculators will be required by most learners.

Cash flow statements which are to appear in final accounts must be constructed/amended and be based on historical data as part of the A Level.

### Analysis

At GCSE learners will require the ability to analyse cash flow forecasts in terms of the impact that the forecast figures may have on a business or a business decision. This is likely to involve analysing the potential impact on a business of it having a negative cash flow.

At A Level learners will also require the ability to analyse cash flow forecasts in terms of the impact that the forecast figures may have on a business or a business decision. However, this is likely to involve both positive and negative effects on the business and may include the ability to analyse the potential impact of having negative and positive cash flows.

## Evaluation

For GCSE learners must be able to recommend methods of dealing with forecast cash flow problems from a business's perspective (i.e. profitability, survival, etc.). This is likely to involve using their analysis and linking to other areas of the specification for potential solutions (i.e. sources of finance). Learners must also be able to evaluate the usefulness of cash flow forecasts in decision making. This is likely to involve basing their judgement on an analysis of the usefulness for a specific business context.

At A Level the scope of the impact is broader and learners must be able to discuss the impacts of cash flow forecasts any stakeholder of a business and come to a judgement about the extent of the effects. This is far wider ranging and allows for a breadth of questions to be asked and answers to be given. Learners must be able to discuss all aspects of a given cash flow forecast, including the overall usefulness of the technique and the likely accuracy of the figures involved.

## Overall

A good learner at GCSE will have a thorough knowledge of cash flow forecasting; be able to calculate and analyse the causes of changes in numbers in order to solve problems; and be able to make an informed judgement as to the usefulness of cash flow forecasting, perhaps lacking detailed context.

A good student at A Level will have a thorough knowledge and understanding of cash flow forecasting; be able to apply their knowledge to familiar and unfamiliar cash flow forecasts and businesses; be able to calculate cash flow forecasts and build logical arguments to solve specific problems; be able to assess the appropriateness of cash flow forecasting and use cash flow forecasts and other sources in order to come to a reasoned evaluation in context.

## Activities

### Cash Flow Problems Activity

Mix and match possible solutions to potential business problems/scenarios.

[www.ocr.org.uk/Images/164001-gcse-cash-flow-problems-activity-teacher-instructions-.pdf](http://www.ocr.org.uk/Images/164001-gcse-cash-flow-problems-activity-teacher-instructions-.pdf)

Click on the link to access the teacher instructions for this activity, or see the full range of Business resources at [www.ocr.org.uk/reformresources](http://www.ocr.org.uk/reformresources).

### Benefits and Limitations Activity

Mind map advantages and disadvantages of cash flow forecasting.

[www.ocr.org.uk/Images/163998-gcse-benefits-and-limitations-activity-teacher-instructions-.pdf](http://www.ocr.org.uk/Images/163998-gcse-benefits-and-limitations-activity-teacher-instructions-.pdf)

Click on the link to access the teacher instructions for this activity, or see the full range of Business resources at [www.ocr.org.uk/reformresources](http://www.ocr.org.uk/reformresources).

### Cash Flow Forecasting

BBC Bitesize:

<http://www.bbc.co.uk/schools/gcsebitesize/business/finance/cashflowrev1.shtml>

Some basic notes on cash flow forecasting suitable for GCSE Business Studies and a useful multiple choice test which could be done online by learners, printed out for use in the classroom, or completed using an interactive whiteboard.

### Cash Flow Forecasting PowerPoint

TES resources:

<http://www.tes.co.uk/ResourceDetail.aspx?storyCode=6071362>

Covers GCSE content well.

### Cash Flow Test

TES resources: <http://www.tes.co.uk/teaching-resource/Yr11-GCSE-revision-exam-cash-flow-6005245/>

A challenging set of questions, probably best used as a revision or mock exam resource.

### Cash Flow Spreadsheet

TES Resources: <http://www.tes.co.uk/teaching-resource/Cash-Flow-Forecast-2-6117078/>

Help Bob the Farmer to manage his cash flow. Best used with learners on a computer to make use of the formulae, but the worksheet could be used on its own without ICT facilities.

### What is Cash Flow Video

YouTube: <http://www.youtube.com/watch?v=0exkKuTau9c>

A starter to introduce cash flow forecasting.

### Cash Flow Problems Extension Activity

Research into the cash flow problems at, for example, Woolworths.

[www.ocr.org.uk/Images/164004-gcse-cash-flow-problems-extension-task-teacher-instructions-.pdf](http://www.ocr.org.uk/Images/164004-gcse-cash-flow-problems-extension-task-teacher-instructions-.pdf)

Click on the link to access the teacher instructions for this activity, or see the full range of Business resources at [www.ocr.org.uk/reformresources](http://www.ocr.org.uk/reformresources).

## Checkpoint Task

A checkpoint assessment has been designed for use with the activities in this transition guide. This answers for the assessment can be accessed here – [www.ocr.org.uk/Images/164061-cash-flow-checkpoint-assessment-teacher-instructions-.pdf](http://www.ocr.org.uk/Images/164061-cash-flow-checkpoint-assessment-teacher-instructions-.pdf). The student assessment sheet can be accessed here - [www.ocr.org.uk/Images/164062-cash-flow-checkpoint-assessment-task.doc](http://www.ocr.org.uk/Images/164062-cash-flow-checkpoint-assessment-task.doc).

### Cash Flow Activity

*Researching difference between cash and profit, forecasts and statements.*

Hand out Learning Activity 1 and give learners access to a textbook or other suitable resource to complete the research questions.

The 'Have a Go' section should allow you to see if candidates really understand the idea of a cash flow forecast and the extension activity would give better learners a chance to apply their learning in a changing context.

#### Teacher Instructions:

[www.ocr.org.uk/Images/163986-cash-flow-checkpoint-task-teacher-instructions-.pdf](http://www.ocr.org.uk/Images/163986-cash-flow-checkpoint-task-teacher-instructions-.pdf)

#### Learner Activity:

[www.ocr.org.uk/Images/164007-cash-flow-checkpoint-task.doc](http://www.ocr.org.uk/Images/164007-cash-flow-checkpoint-task.doc)

### Personal Cash Flow Forecast Activity

*Personal cashflow forecasts based on learners' own income – interpretation of figures.*

This activity will allow learners to apply their knowledge of cash flow forecasting to themselves. This could be done on a spreadsheet but be careful not to give over too much time to setting up the format. To avoid this entirely, set up a basic template on a spreadsheet (using formulae to speed up the process) and give the learners access to this.

#### Teacher Instructions:

[www.ocr.org.uk/Images/163987-personal-cash-flow-checkpoint-task-teacher-instructions-.pdf](http://www.ocr.org.uk/Images/163987-personal-cash-flow-checkpoint-task-teacher-instructions-.pdf)

#### Learner Activity:

[www.ocr.org.uk/Images/163988-personal-cash-flow-checkpoint-task.doc](http://www.ocr.org.uk/Images/163988-personal-cash-flow-checkpoint-task.doc)

## Activities

### Cash Flow Terms Activity

Research terms relating to cash flow and look for relationships (or a lack of relationship) between the terms.

[www.ocr.org.uk/Images/163996-cash-flow-terms-activity-teacher-instructions-.pdf](http://www.ocr.org.uk/Images/163996-cash-flow-terms-activity-teacher-instructions-.pdf)

Click on the link to access the teacher instructions for this activity, or see the full range of Business resources at [www.ocr.org.uk/reformresources](http://www.ocr.org.uk/reformresources).

### Cash Flow Forecast Activity

Draw up a cash flow forecast from a given narrative/case study.

[www.ocr.org.uk/Images/163991-cash-flow-forecast-activity-teacher-instructions-.pdf](http://www.ocr.org.uk/Images/163991-cash-flow-forecast-activity-teacher-instructions-.pdf)

Click on the link to access the teacher instructions for this activity, or see the full range of Business resources at [www.ocr.org.uk/reformresources](http://www.ocr.org.uk/reformresources).

### Cash Flow Problems Activity

Research activities into businesses which have faced major cash flow problems and link to possible solutions

[www.ocr.org.uk/Images/163993-cash-flow-problems-activity-teacher-instructions-.pdf](http://www.ocr.org.uk/Images/163993-cash-flow-problems-activity-teacher-instructions-.pdf)

Click on the link to access the teacher instructions for this activity, or see the full range of Business resources at [www.ocr.org.uk/reformresources](http://www.ocr.org.uk/reformresources).

### Cash Flow Notes

S-Cool: <http://www.s-cool.co.uk/a-level/business-studies/company-accounts/revise-it/cash-flow>

A basic set of notes on cash flow. Good for revision.

### Cash Flow Monopoly Game

EBEA: [http://www.ebea.org.uk/teaching\\_resources/lesson\\_ideas\\_and\\_resources/a\\_level\\_business\\_studies/accounts\\_and\\_cash\\_flow/](http://www.ebea.org.uk/teaching_resources/lesson_ideas_and_resources/a_level_business_studies/accounts_and_cash_flow/)

A cash flow game based on monopoly –you must become a member and pay a membership fee to access this resource.

### Cash Flow Activities

Times 100/CIMA: <http://businesscasestudies.co.uk/cima/controlling-cash-flow-for-business-growth/#teaching-resources>

A set of notes, activities and lessons on cash flow. Each page can be listened to, making this a good resource for learners to work through themselves and make notes at their own pace.

### Cash Flow Simulation

Bized: <http://www.bized.co.uk/learn/business/accounting/cashflow/simulation/index.htm>

A cash flow simulation which can be used as a 'try it and see what it does' game, or to develop a deeper understanding about the topic. This activity saves you the time of creating your own cash flow over time simulation on a spreadsheet.

### Cash Flow Learning Trail

Bized: <http://www.bized.co.uk/learn/business/accounting/cashflow/trail/cashflow.htm>

A package of worksheets on cash flow for learners, from the basic principles to a more advanced theory. The package is presented as a learning trail which progressively builds up the principles of cash flow.

Mapping KS4 to KS5

Possible Teaching  
Activities (KS4 focus)

Checkpoint task

Possible Teaching  
Activities (KS5 focus)Possible Extension  
Activities (KS5 focus)Resources, links  
and support**Cash Flow Problems Video**Youtube/BBC: <http://www.youtube.com/watch?v=UPRcTjxlvK8>

A short video about a firm who start running out of money when orders exceed their ability to purchase stock.

**Dragons Den**BBC: <http://www.bbc.co.uk/programmes/b006vq92>

A wealth of clips any of which could be used to analyse the need for cash (presumably why they are on the show). A number of clips could be used to analyse the differing needs for cash flow in context.

Mapping KS4 to KS5

Possible Teaching  
Activities (KS4 focus)

Checkpoint task

Possible Teaching  
Activities (KS5 focus)Possible Extension  
Activities (KS5 focus)Resources, links  
and support

## Activities

### Cash Flow Extension Activity

Create your own cash flow activity for other learners to 'spot the difference' and try to analyse possible reasons for the changes.

[www.ocr.org.uk/Images/163989-cash-flow-extension-task-teacher-instructions-.pdf](http://www.ocr.org.uk/Images/163989-cash-flow-extension-task-teacher-instructions-.pdf)

Click on the link to access the teacher instructions for this activity, or see the full range of Business resources at [www.ocr.org.uk/reformresources](http://www.ocr.org.uk/reformresources).

Mapping KS4 to KS5

Possible Teaching  
Activities (KS4 focus)

Checkpoint task

Possible Teaching  
Activities (KS5 focus)Possible Extension  
Activities (KS5 focus)Resources, links  
and support

## Resources, links and support

Find resources and qualification information through our Business page:

[www.ocr.org.uk/business](http://www.ocr.org.uk/business)

Continue the discussion on the Business community forum: <http://social.ocr.org.uk/>

To find out more about GCSE and A Level reform please visit:

<http://www.ocr.org.uk/qualifications/gcse-and-a-level-reform>



We'd like to know your view on the resources we produce. By clicking on the 'Like' or 'Dislike' button you can help us to ensure that our resources work for you. When the email template pops up please add additional comments if you wish and then just click 'Send'. Thank you.

If you do not currently offer this OCR qualification but would like to do so, please complete the Expression of Interest Form which can be found here: [www.ocr.org.uk/expression-of-interest](http://www.ocr.org.uk/expression-of-interest)

#### **OCR Resources:** *the small print*

OCR's resources are provided to support the teaching of OCR specifications, but in no way constitute an endorsed teaching method that is required by the Board and the decision to use them lies with the individual teacher. Whilst every effort is made to ensure the accuracy of the content, OCR cannot be held responsible for any errors or omissions within these resources. We update our resources on a regular basis, so please check the OCR website to ensure you have the most up to date version.

© OCR 2016 – This resource may be freely copied and distributed, as long as the OCR logo and this message remain intact and OCR is acknowledged as the originator of this work.

OCR acknowledges the use of the following content:  
Square down and Square up: alexwhite/Shutterstock.com

Please get in touch if you want to discuss the accessibility of resources we offer to support delivery of our qualifications:  
[resources.feedback@ocr.org.uk](mailto:resources.feedback@ocr.org.uk)

We will inform centres about any changes to the specification. We will also publish changes on our website. The latest version of our specification will always be the one on our website ([www.ocr.org.uk](http://www.ocr.org.uk)) and this may differ from printed versions.

Copyright © OCR 2016. All rights reserved.

#### **Copyright**

OCR retains the copyright on all its publications, including the specifications. However, registered centres for OCR are permitted to copy material from this specification booklet for their own internal use.

## **ocr.org.uk/alevelreform** OCR customer contact centre

#### **General qualifications**

Telephone 01223 553998

Facsimile 01223 552627

Email [general.qualifications@ocr.org.uk](mailto:general.qualifications@ocr.org.uk)

OCR is part of Cambridge Assessment, a department of the University of Cambridge. For staff training purposes and as part of our quality assurance programme your call may be recorded or monitored. © OCR 2016 Oxford Cambridge and RSA Examinations is a Company Limited by Guarantee. Registered in England.  
Registered office 1 Hills Road, Cambridge CB1 2EU. Registered company number 3484466. OCR is an exempt charity.

