

Lesson Element

Cash Flow Problems

Instructions and answers for teachers

These instructions should accompany the OCR resource 'Cash Flow Problems' which supports OCR GCSE Business Studies.

**A LEVEL
BUSINESS**

Lesson Element

Cash Flow Problems

Think

Try to match the best solution to the cash flow problems that these businesses have forecast.
Make sure that you can fully explain your answer and why you have rejected the other solutions.

Problems	Possible solutions
A business sells advent calendars. Each year they produce the calendars in the spring and summer but they do not get the cash by selling them until the autumn. The business's cash flow forecast has predicted a negative cash flow from June until October.	Use a short-term source of finance
A business is expanding but they do not have enough cash saved to pay for a new factory. Each month they have £1000 left of positive cash flow and the factory will cost £250,000.	Try to increase their income
A local newspaper has a negative cash flow every month because of falling newspaper sales.	Try to reduce their expenditure
	Use a long term source of finance

Version 2



This activity offers an opportunity for English skills development.



This activity offers an opportunity for maths skills development.

Associated materials:

Cash Flow Problems Activity

This Lesson Element can be used standalone, or in conjunction with the OCR KS4-KS5 Business Transition Guide – Cash flow



A LEVEL BUSINESS

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