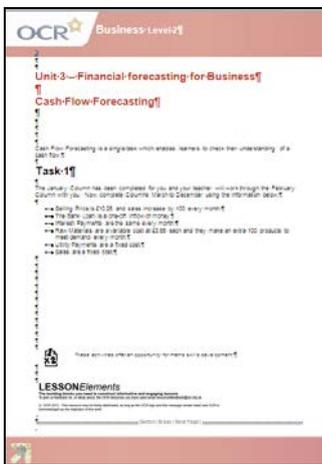


Unit 3 – Financial forecasting for Business

Cash-Flow Forecasting

Instructions and answers for Teachers

These instructions should accompany the OCR resource 'Cash-Flow Forecasting', which supports OCR Level 2 Cambridge Technical Certificate in Business Unit 3 – Financial forecasting for Business



Associated Files:
Cash-Flow Forecasting

Expected Duration:
Task 1 approx. 45 minutes

Cash-Flow Forecasting is a single task which enables learners to check their understanding of a cash flow.

Task 1

The January Column has been completed for you and your teacher will work through the February Column with you. Now, complete Columns March to December using the information below.

- Selling Price is £10.25 and sales increase by 100 every month.
- The Bank Loan is a one-off inflow of money.
- Interest Payments are the same every month.
- Raw Materials are a variable cost at £3.65 each and they make an extra 100 products to meet demand every month.
- Utility Payments are a fixed cost.
- Sales are a fixed cost.



These activities offer an opportunity for maths skills development.

LESSONElements

The building blocks you need to construct informative and engaging lessons

To give us feedback on, or ideas about, the OCR resources you have used email resourcesfeedback@ocr.org.uk

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Cash-Flow Forecasting

	January (£000s)	February (£000s)	March (000s)	April (000s)	May (000s)	June (000s)	July (000s)	August (000s)	September (000s)	October (000s)	November (000s)	December (000s)
Opening Balance	1000	100	260	920	1580	2240	2900	3560	4220	4880	5540	6200
Cash Inflows												
Sales Revenue	10250	11275	12300	13325	14350	15375	16400	17425	18450	19475	20500	21525
Bank Loan	500	0	0	0	0	0	0	0	0	0	0	0
Interest Payments	25	25	25	25	25	25	25	25	25	25	25	25
Total Cash Inflow	10775	11300	12325	13350	14375	15400	16425	17450	18475	19500	20525	21550
Cash Outflows												
Raw Materials	3650	4015	4380	4745	5110	5475	5840	6205	6570	6935	7300	7665
Utility Payments	150	150	150	150	150	150	150	150	150	150	150	150
Salaries	6875	6875	6875	6875	6875	6875	6875	6875	6875	6875	6875	6875
Total Cash Outflow	10675	11040	11405	11770	12135	12500	12865	13230	13595	13960	14325	14690
Closing Balance	100	260	920	1580	2240	2900	3560	4220	4880	5540	6200	6860

