

Lesson Element

Cash Flow Forecast

Instructions and answers for teachers

These instructions should accompany the OCR resource 'Cash Flow Forecast' activity which supports OCR A Level Business.

The screenshot shows a document titled 'A LEVEL BUSINESS Lesson Element Cash Flow Forecast'. It includes instructions for creating a cash flow forecast table for a toy shop called 'Tots Toys' from August to February. The document lists income and expenditure for each month and includes an extension question about a roof leak in October.

A LEVEL BUSINESS

Lesson Element

Cash Flow Forecast

Have a go

Create a cash flow forecast table which must include the following:

- Income
- Expenditure
- Balance brought forward (opening balance)
- Balance carried forward (closing balance)
- The months from September-February

This cash flow is for a toy shop called Tots Toys.

Add in the following data:

- The shop estimates the following cash sales each month:
 - September - £2500
 - October - £3500
 - November - £5000
 - December - £5000
 - January - £1000
 - February - £1500
- The stock is bought on 1 months credit, in each month the shop estimates ordering:
 - August - £1000
 - September - £1500
 - October - £2000
 - November - £3000
 - December - £1000
 - January - £1000
- The Balance brought forward (opening balance) for August is £5000
- The Staff have wages of £1000 per month to be paid
- The Utilities bills are paid every three months (Jan, Apr, July, Oct) and are £500
- The mortgage repayment is £1200 each month

Extension

In October the shop roof starts to leak and must be repaired immediately. It costs £5000 which the owner claims on the insurance. Unfortunately the insurance money will not be paid until January. Will the business be able to pay for the repairs?

Version 2

OCR

The Activity:

Cash Flow Forecast Activity



This activity offers an opportunity for English skills development.



This activity offers an opportunity for maths skills development.

ICT Opportunity:

Create the cash flow forecast on a spreadsheet.



Cash Flow Forecast

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A LEVEL *BUSINESS*

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