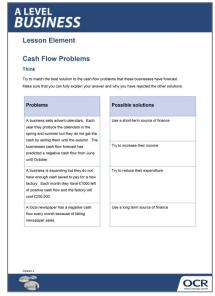
A LEVEL BUSINESS

Lesson Element

Cash Flow Problems

Instructions and answers for teachers

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



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

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

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 businesses cash flow forecast has predicted a negative cash flow from June until October.

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.

A local newspaper has a negative cash flow every month because of falling newspaper sales.

Possible solutions

Use a short-term source of finance

Try to increase their income

Try to reduce their expenditure

Use a long term source of finance

We'd like to know your view on the resources we produce. By clicking on '<u>Like</u>' or '<u>Dislike</u>' 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: <u>www.ocr.org.uk/expression-of-interest</u>

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 2015 - 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: Maths and English icons: AirOne/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

Version 2



