



Financial Reporting for Business

Cash Flow

Comprehension Questions

View the programme attentively. After you watch, complete the following comprehension questions and tasks.

1. Define 'cash' in no more than 25 words.

2. The amount of cash a business has immediately available is not the same as profit. Three of the definitions below relate to 'profit'; which one defines 'cash'?

- a) The difference between what the company earns and what it spends.
- b) It is the net income of a business.
- c) Money in the bank, in a box, in the till or a safe that the business has.
- d) The money that remains from sales revenue after all the business' expenses have been subtracted.

3. Complete the table below by placing the following terms into the correct column depending on if they are cash inflows or outflows.

Sales revenue	Bank loan	Suppliers
Wages	Shareholder investment	Sale of assets
Loan repayments	Rent	Taxes

Cash inflows	Cash outflows

