

**BS CUP(2)**

1. What is capital income? Give an example. (2)

*Money invested by the owners and other investors e.g. Loans, Mortgages, Shareholders, Debentures.*

1. What is debt factoring? Give one disadvantage (2)

*Selling on a debt to a third party in order to receive cash quickly. Only receive a % of the debt.*

1. Which three of the following are examples of internal finance? (3)
   1. Loans
   2. *Net current assets*
   3. *Sale of assets*
   4. *Retained profit*
   5. Crowd-funding
   6. Debt factoring
2. Aside from poor financial planning, identify explain two causes of cash flow problems (4)

*Overspending…………………….*

*Poor timing of inflows and outflows……………..*

*Unexpected adverse events ……………………………..*

1. In a cash flow forecast how do you calculate net cash flow? (1)

*Inflows - outflows*

1. … How do you work out the opening balance for the next month? (1)

*The closing balance from the previous month*

1. … How do you calculate the Closing balance? (1)

*Net cash flow + opening balance*

Mark \_\_\_\_\_\_\_\_\_/ 14

EBI: