

**BS CUP(4)**

1. What is the difference between capital income and revenue income? Give examples to support your answer. (4)
2. Identify a disadvantage of venture capital (1)
3. Identify an advantage of a mortgage as a source of capital (1)
4. What is the formulae for calculating-

* Net Current assets/ working capital

* Net Assets
* Trade receivable days
* Return on Capital Employed
* Trade payable days (5)

1. In a cash flow forecast how do you calculate net cash flow? (1)
2. How do you calculate the Closing balance? (1)
3. State 3 specific ways a business can improve its cash flow? (1)



1. What is the break-even formula? (1)
2. How do you calculate total contribution? (1)
3. What is the margin of safety? (1)
4. What is the meaning of capital employed? (1)

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| **Definition** | **Key term** |
| Attracting investment from a large number of speculative investors many of whom may invest relatively small amounts |  |
| The difference between the selling price and the variable cost per unit |  |
| Opening inventory + purchases – closing stock |  |
| When an expense is paid in advance of the period to which it relates |  |
| An accounting concept used to spread the cost of an asset over its useful life |  |

(5)

**EBI:- Mark \_\_\_\_\_\_ / 25**

**Definitions:**

**Knowledge:**